

MAYOR'S 2009/10 BUDGET REPORT

June 30, 2009

Tuesday, June 30, 2009

FOR IMMEDIATE RELEASE

Council presents a balanced Budget

I am pleased to present the second Budget of the Gladstone Regional Council.

Council notes that both the Federal and State Governments have adopted deficit budgets for the ensuing year. Whilst this Council respects their decision in this regard, the Gladstone Regional Council is not going down this path. Today, we are adopting a **balanced** budget within the General Fund.

Today's budget limits increases in most rates and charges to the Local Government Cost Index which was 5.3% for the past year.

The negative external forces which have a significant impact on this budget include:

- The abolition of the State Road and Drainage Grants amounting to \$357,000 from the 1st July 2009.
- Council is a major consumer of electricity (eg. street lighting, water pumping, sewerage treatment) and these will rise by 16% or \$238,000.
- Council has a large fleet of major plant and vehicles. Fuel costs will rise by 8.3c per litre tomorrow as a result of the withdrawal of the State fuel subsidy. This will add \$130,000 to Council's fuel bill.
- Council vehicle registrations will rise by 20% or \$34,000.
- Amalgamation costs of \$10.67m will have to be funded by the ratepayer as it appears that no State Government funding will be forthcoming.
- No commitment by either the State or Federal Government to fund the \$65m Gladstone airport upgrade.

Given the magnitude of these factors, the 5.3% increase in general rates has not been achieved without some pain. Again, I stress that our Council is totally committed to delivering a budget where we "live within our means".

Seven vacancies which currently exist in Council's Parks Department will not be replaced. In addition, Council plans to downsize its Works Department by at least a similar number over the next 12 months through **natural attrition**.

Notwithstanding this, Gladstone Regional Council will still be doing its bit in relation to job creation in our region. The \$65m Gladstone Airport project will provide 75 jobs for the 18 month duration of the project. The \$43m Agnes Water/Seventeen Seventy Integrated Water Project will generate a similar number of jobs in the southern part of our region. The Federally funded \$25.3m Kirkwood Road project will also make a significant positive employment impact.

Other major commitments in this Budget include:

- \$1.1m towards the development of an integrated planning scheme covering the whole region;
- \$12.4m for maintenance of the road network including gravel re-sheeting and bitumen reseals; and
- \$12.5m for capital roadworks. This excludes the \$25.3m upgrade to Kirkwood Road.

Most fees and charges have been increased by 5%. Generally speaking, existing programs and services have been maintained. The integration of systems and processes brought about by the amalgamations in March 2008 are far from complete.

Progress continues to be made in this area to ensure that Council services and programs are delivered in the most efficient and cost effective manner.

Features of the fiscally responsible Budget tabled today include:

- An average increase of 5.3% for most categories of general rating. Existing rate caps are being maintained at current levels;

- An average 6.7% increase in the total residential rate bill which includes service charges;
- Revenue of \$139m;
- General expenses of \$111m and Capital expenditure of \$165m, giving a total expenditure of \$276m. This compares to total budgeted expenditure of \$242m in 08/09;
- Loan borrowings of \$71m to fund capital expenditure. The Gladstone Airport project accounts for \$44m of this figure;
- A general fund balance of \$19.6m and reserve funds of \$44.0m; and
- A total asset base of \$1.1b.

The following table lists the changes to standard residential charges in 2009/2010:

Service Charge	2009/2010 Rate	2008/2009 Rate	Increase (\$)
Cleansing Charge			
All Locations	\$240.00	\$215.00	\$25.00
Water Access Charges			
Lake Awoonga	\$238.00	\$230.00	\$8.00
Miriam Vale	\$308.00	\$280.00	\$28.00
Bororen	\$182.00	\$165.00	\$17.00
1770 / Agnes Water	\$416.00	\$395.00	\$21.00
Water Consumption Charges (\$ per kilolitre)			
Lake Awoonga	\$0.95	\$0.90	\$0.05
Miriam Vale	\$3.36	\$3.05	\$0.31
Bororen	\$2.05	\$1.95	\$0.10
1770/Agnes Water	\$3.27	\$3.11	\$0.16
Sewerage Charges			
1770/Agnes Water	\$822.00	\$781.00	\$41.00
Gladstone	\$345.00	\$330.00	\$15.00
Boyne Island/Tannum Sands/Calliope	\$470.00	\$447.00	\$23.00

A copy of the Budget and associated Operational Plan can be viewed on Council's website at www.gladstonerc.qld.gov.au

I commend the Budget to you.

George Creed

Mayor

MEDIA INFORMATION: Contact Council's Community Relations Department on 4970 0700.

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