

Media Release

25 July 2022

Council delivers surplus budget for the region's future

Gladstone Regional Council (GRC) has released its 2022/23 Operational Plan and Budget, delivering a surplus budget to place the Gladstone Region in a strong financial position.

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.

As a Council, we have been focused on delivering a responsible budget that manages significant inflation while also making decisions to minimise this financial impact on the community by ensuring ratepayers have a lower than Consumer Price Index (CPI) (Brisbane) increase to the general rate.

This year's total budget of \$260.4m is backed by a \$51.4m Capital Works program that will maintain and upgrade key assets and community projects.

This program has been supported by both State and Federal Governments to the value of \$14.2m, demonstrating the effectiveness of Council's continued strategy to seek specific funding of the cost to ratepayers of all expenditure, so we can continue to improve our region's infrastructure through external funding, not ratepayer dollars.

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

- \$11.9m on water and wastewater (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.

Gladstone Region Mayor Matt Burnett said this is a budget that delivers on ensuring key projects are continued and new projects are brought forward to support continued employment opportunities.

"We have set aside \$54.9m for roads, bridges, footpaths and drainage, \$42.1m for water services, \$36.2m for sewerage services, \$24.2m for waste services and a combined \$32.7m on parks and environment, arts and culture, and community development and support," Councillor Burnett said.

"These funds combined with a \$51.4m capital works program will ensure our infrastructure and services are appropriately planned and delivered, while ensuring that our essential services remain fit for purpose and can cater for, and support, growth projects into the future."

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Cr Burnett said the delivery of a surplus budget this year is crucial given that future economic uncertainty and inflationary challenges are likely.

“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,” Cr Burnett said.

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

“Further to this, 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.”

Cr Burnett said despite these cost pressures, he was proud that Council has delivered a surplus budget without the need to increase overall rates and service charges above the current rate of CPI.

“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,” Cr Burnett said.

“Last year we increased the general rate only in line with CPI and this year most general rating categories, including residential, will see 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.”

Cr Burnett added 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,” he said.

For 2022/23 Gladstone Regional Council will separate 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 Council aligning with most major Councils in introducing this category.

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As we continue to embrace our vision to Connect, Innovate and Diversify, \$1.4m has been allocated within our strategic projects to continue with key 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,” Cr Burnett said.

“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, notably hydrogen and renewable energy.

“This budget will continue to support the appropriate planning and advocacy for our region’s emerging energy sectors.”

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