



NORTH BURNETT REGIONAL COUNCIL 2019-2020 BUDGET SUMMARY



Welcome to the 2019/2020 Budget for North Burnett Regional Council

MAYOR RACHEL CHAMBERS

Welcome to the 2019/2020 financial year and the fourth and last budget of this elected council.

The budget process has been a confronting exercise with our whole team working hard to find solutions in several areas. I would like to begin by saying that working with such a caring and considered group of skilled and passionate people makes the process much more manageable.

The budget also provides an opportunity to reassure community that Councillors are extremely mindful at all times of the enormous responsibility you have bestowed on us to make decisions on your behalf. Planning the financial, human and physical resources required to achieve outcomes for our communities and deliver a prosperous future for us all is no mean feat. In this document we want to be open and transparent to our community about where Council invests taxpayer's money.

When planning this year's budget we have reflected on:

- Council's inability to increase its own revenue sources. Our rating base of just under 7000 properties is static and the option afforded to other more populated councils to corporatize their council business streams, is not one available to us. As such we are heavily reliant on both Federal and State Government grant opportunities. The amount of these grants, what they can be used for, and whether we will even be successful in our applications (as we compete with all other council areas) are all issues which make forward planning enormously difficult and frustrating. We are working hard on getting both levels of government to commit to funding with more certainty into the future as this is the only way we can proactively plan for and progress our region's future.
- The fact that new infrastructure would be extremely nice to have in our community, but given the assets we already have, it makes more financial sense to maintain and renew these. With any new asset comes an increased level of depreciation (which in the case of local government is considered to be a real cost and must be funded as part of our budget). Depreciation costs account for approximately 1/3 of our total budget expenses and unlike business and industry, it isn't tax deductible for us.
- Loss of road maintenance contracts. Over the past seven years changes in the way the State Government have awarded road contracts in our region has greatly affected our revenue and the work available for staff. We are still working hard at regaining this income, as it would go a long way towards Council achieving a sustainable financial position and providing jobs for the region and contractors.
- A reduction in jobs due to the end of natural disaster funding. This year's budget will be the first since 2011 in which we don't have external funding dedicated to fixing our flood affected infrastructure. The end of this funding will mean a decrease of around \$9 million to this year's capital works program. Over the last 8 years the region has seen a total of \$163 million invested through flood recovery works, which has meant extra employment for our own council staff, local contractors and of course accommodation and food based businesses right across the region.
- The role council has in providing economic stability to the region. We are the second largest employer in the region and as such we ensure we understand and evaluate the impacts our decisions make on the ground.
- Increasing compliance costs in the areas of environment and waste. Although council is excited about a zero waste future, logistically there are issues with providing economically sound solutions in this space.

When composing this budget, Councillors are required by law to:

- Produce a sustainable financial plan for the Council. To be considered a sustainable Council in Queensland it must have an operational surplus (that is to make more money than you spend). However, with 44/77 Councils in Queensland unable to achieve that outcome, we are in good company. We will adopt a plan to continue to reduce the level of our deficit going forward. This, and further reductions to our deficit position can only come from altering service levels, a task which comes with numerous complications and effects on the community.
- Set rates as a form of revenue. Council will adopt a general rate increase of 2%, the lowest rate rise since amalgamation. For residential properties (which make up 40.59% of our region) rates will increase by \$78.90 compared to last year, which is less than \$2 a week.

Besides our legal obligations, in preparing this budget, Councillors have prioritised:

- Getting the fundamentals right. Investing in planning and data collection to recognise future asset and infrastructure needs, so we can plan and budget for maintenance as it comes due. This will assist Council in engaging with our community to align their expectations with financial capabilities. When information is shared and Council understands community's expectations, we can come together as an active and strong advocacy team.
- Maintaining our road networks. About 1/3 of our entire capital budget and operational budget is given to maintaining and improving our massive road network.
- Improving liveability throughout the region through areas like parks, community infrastructure, sporting facilities and programs for our youth.
- Improving our decision making process by utilising data to make transparent, sustainable and equitable decisions.
- Communicating more effectively and transparently with our communities.

Overall:

- Council have adopted a rate increase of only 2%, the lowest rise since amalgamation.
- We have a \$17.8 million capital works program which will renew, upgrade or extend the life our assets and infrastructure.
- We have an operating budget of \$43.2 million in order to continue to deliver programs, initiatives and services to our community.
- Council has very low borrowings totalling only \$2.98 million.
- Council has cash at bank totalling \$29.75 million.
- 10 year forecast shows a decreasing deficit trend, building our sustainability profile.
- Data collection and investment has enabled us to reduce our electricity costs through solar installation in our highest consumption areas, saving approximately \$130,000 in the first year alone.

Taking into account all of these factors and considerations, Council are pleased to present the 2019/2020 North Burnett Regional Council budget. This is not a budget with bells and whistles but a financially responsible one backed by good data, prudent decision making and only the best of intentions.

We may be a small council by population standards, but make no mistake, as a region we have the strength, passion and determination to achieve our full potential. As Norman Peale stated,

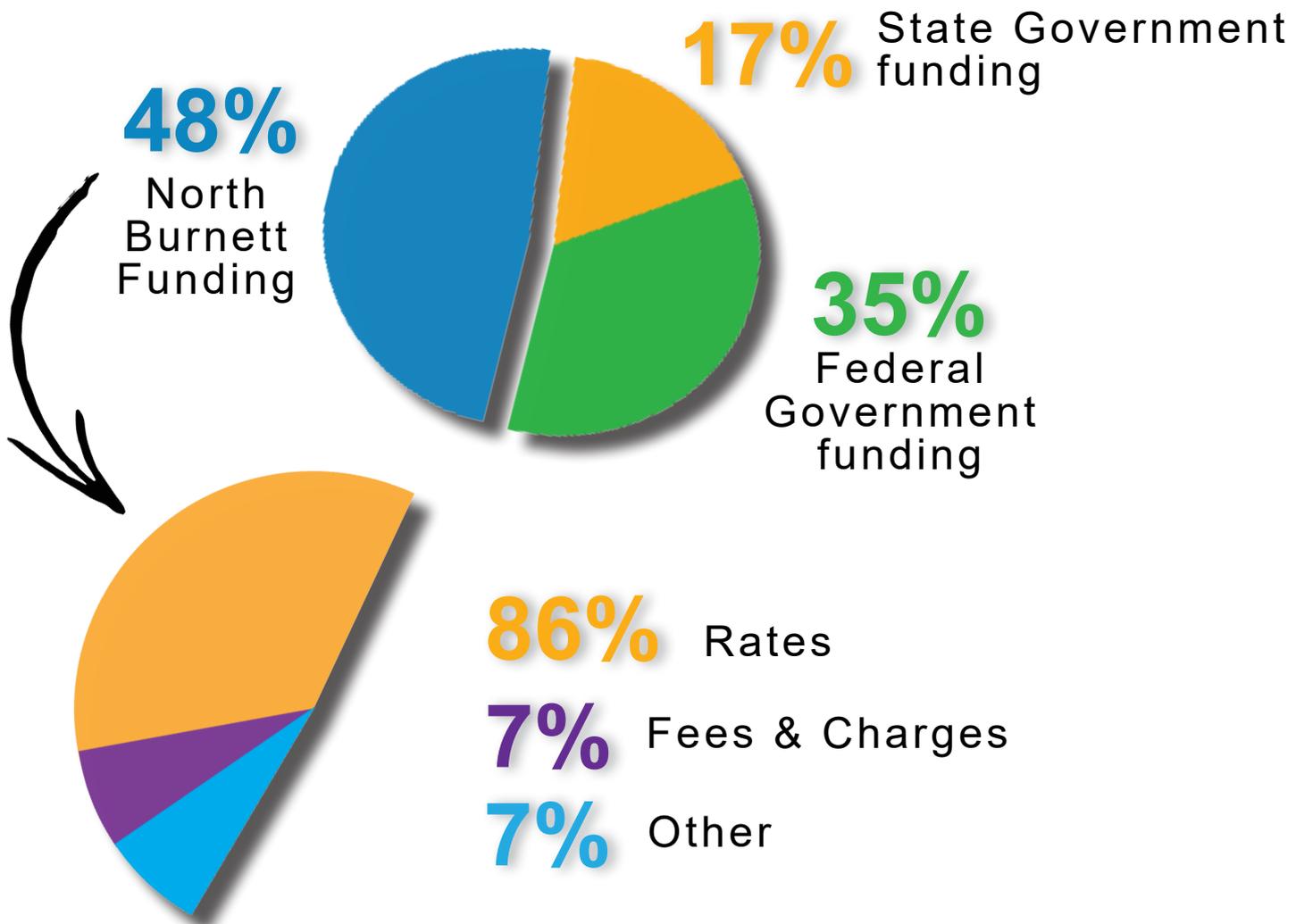
“empty pockets never held anyone back...only empty heads and empty hearts can do that”.



How Council is Funded

Council receives income from several streams with the majority collected from rates twice a year in March and September. Council actively pursues funding opportunities to leverage projects.

Council's anticipated income for 19/20 is \$43 million which is made up of a combination of income streams.



\$2.98m

Total Debt

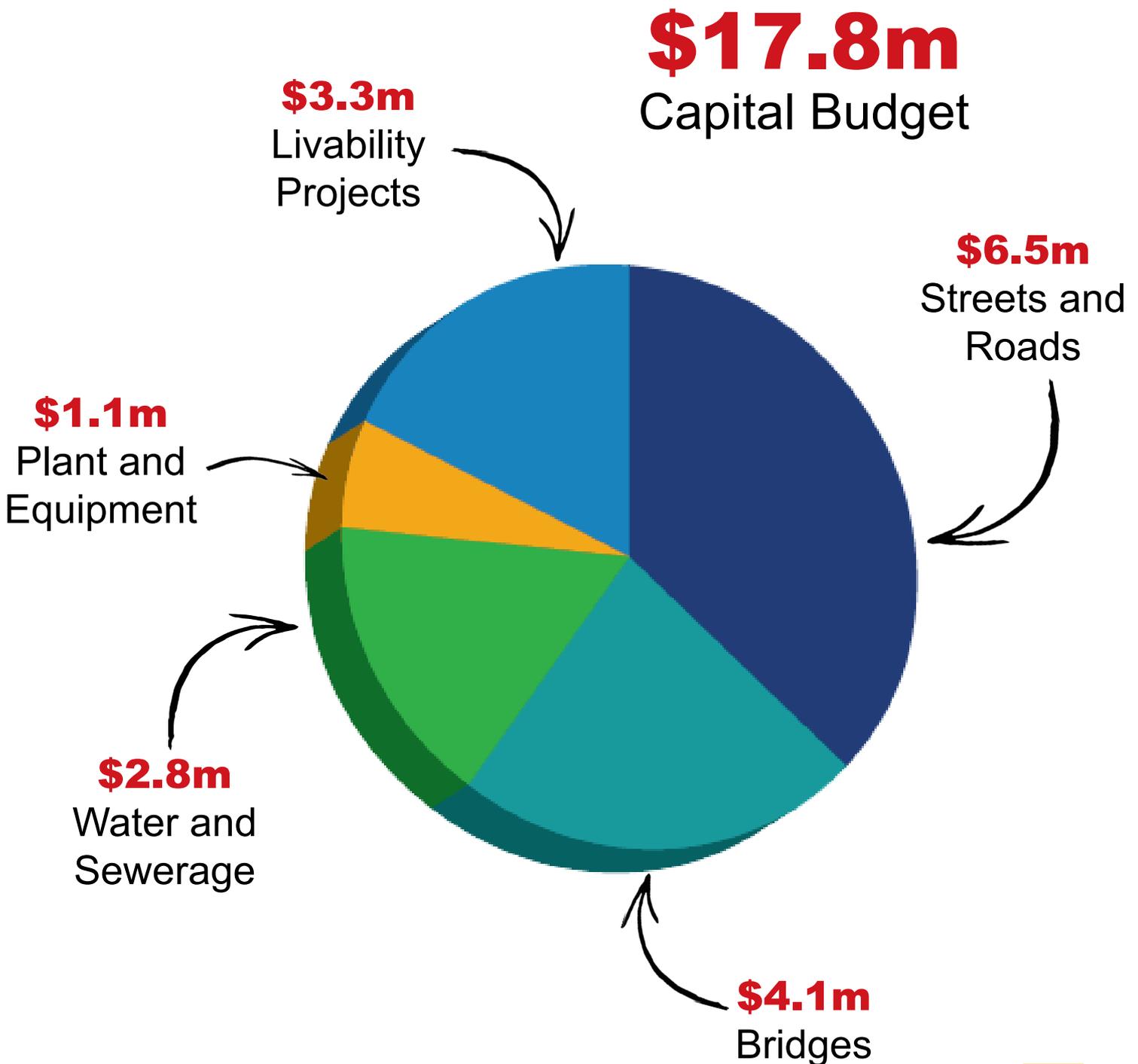
\$29.75m

Cash and Investments

Capital Expenditure at a Glance

Council has a \$17.8 million capital works program for the 2019/2020 financial year.

You will see that this focusses on investing in our streets, roads, bridges and key infrastructure to deliver for the region.



Key Liveability Projects Across the North Burnett

\$498k

**Regional Landfill
Transfer Station
Development
#WarOnWaste**

Installation of shade
for Monto Parks

\$100k

For the completion
of the Mt Perry
Walkway & Ban
Ban Springs
Welcome Signage

Investment in the
Bush Tucker Walk
at the RM Williams
Centre in Eidsvold

\$100k

\$100k

Biggenden Park
Improvements

\$100k

\$100k

\$100k

Recreational upgrades
in Mundubbera.

To be invested in
Lions Park irrigation
and kerb and
channel upgrades
in Gaydah

Other Projects Across the Region

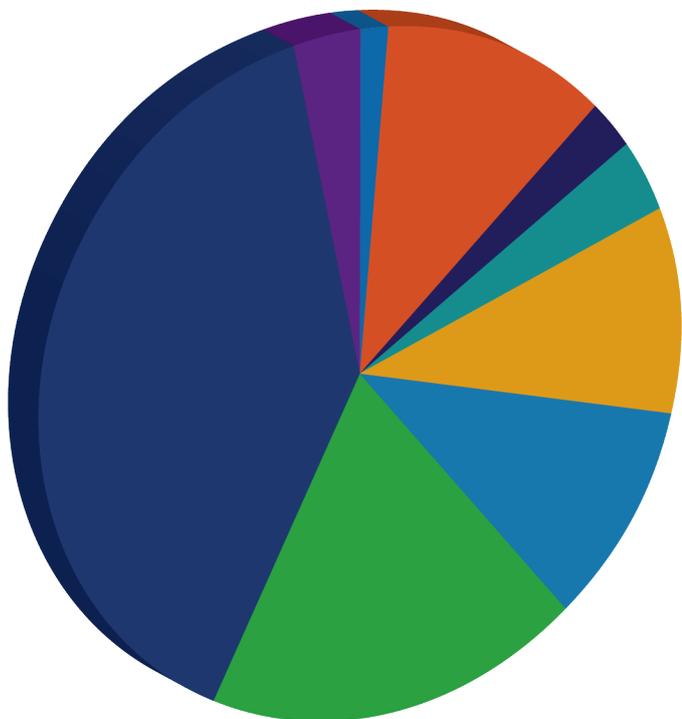
We are investing:

- \$84,283 on park upgrades across the region
- \$125,000 on our pool assets
- \$150,000 on our community halls
- \$218,400 on kerb and channel replacements
- \$71,800 on footpath replacement

A 1% increase in general rates equates to only \$75,000 more to Council

Operational Budget at a Glance

Council has a \$43.2 million operational budget for the 2019/2020 financial year.



- \$1.4m - Asset Mangement
- \$665k - Economic Development
- \$5m - Environment, Planning & Waste
- \$1.1m - HR & WHS
- \$1.5m - Office of the CEO
- \$4.2m - Finance & IT
- \$4.3m - Community Development, Libraries & Media
- \$8m - Water & Sewerage
- \$16.9m - Civil Works



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