



## Special Budgetary Meeting Minutes

1 July 2016

12.00 noon

Council Chambers, Bundaberg

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### **Present:**

Cr JM Dempsey (Mayor - Chairman), Cr WR Trevor OAM (Deputy Mayor), Cr JP Bartels, Cr WA Honor, Cr HL Blackburn, Cr GR Barnes, Cr SA Rowleson, Cr CR Sommerfeld, Cr DJ Batt, Cr JA Peters and Cr PR Heuser.

### **Officers:**

Mr PJ Byrne, Chief Executive Officer  
Mr AW Fulton, General Manager Infrastructure & Planning  
Mr GJ Steele, General Manager Community & Environment  
Miss NK Launchbury, Senior Executive Assistant  
Mrs WE Saunders, Executive Services Co-ordinator

An apology was received from Mr AD Ireland, General Manager Organisational Services



# MINUTES

1 JULY 2016

ITEM NUMBER:	FILE NUMBER:	PART:
T1	.	CONFIDENTIAL

**PORTFOLIO:**

ORGANISATIONAL SERVICES

**SUBJECT:**

2016/2017 BUDGET

**RESOLUTION**

1759

**1. ADOPTION OF THE 2016/2017 OPERATIONAL PLAN -**

CR WR TREVOR MOVED:-

**THAT THE 2016/2017 OPERATIONAL PLAN (AS DETAILED ON THE 39 PAGES APPENDED TO THIS REPORT) – BE ADOPTED.**

SECONDED BY CR GR BARNES.

THERE BEING NO DISCUSSION ON THIS ITEM - THE MOTION WAS PUT AND CARRIED UNANIMOUSLY

1760

**2. RECEPTION AND CONSIDERATION OF 2016/2017 BUDGET REPORT -**

CR HL BLACKBURN MOVED:-

**THAT THE REPORT BE RECEIVED.**

SECONDED BY CR DJ BATT.

THE MOTION WAS PUT - AND CARRIED UNANIMOUSLY WITHOUT DEBATE.

**CR JM DEMPSEY SAID AT THIS POINT HE WOULD LIKE TO SPEAK TO THE BUDGET STATEMENT:-**

IT IS MY PLEASURE TODAY TO DELIVER TO YOU FOR ADOPTION THE 2016/17 BUDGET DOCUMENTS, THE FIRST BUDGET COMPILED BY THIS NEWLY ELECTED COUNCIL. COUNCIL HAS FRAMED THIS BUDGET WITH A NUMBER OF KEY FACTORS IN MIND:-

- 1 WE NEEDED TO BE MINDFUL OF THE CAPACITY OF OUR RATEPAYERS TO MEET ANY INCREASE
- 2 WE NEEDED A BUDGET THAT WAS FAIR TO EVERY RESIDENT AND RATEPAYER
- 3 WE NEEDED A BUDGET THAT PROVIDED AN ECONOMIC STIMULUS FOR BUSINESS AND THE POTENTIAL FOR GENUINE JOBS GROWTH FOR OUR REGION'S UNEMPLOYED.
- 4 WE NEEDED A BUDGET THAT WAS AFFORDABLE IN TERMS OF COUNCIL'S ABILITY TO MEET ANY INCREASED LEVEL OF DEBT.

I AM HAPPY TO SAY THAT COUNCIL HAS A DELIVERED A BUDGET THAT TICKS ALL THE BOXES.

TODAY'S BUDGET CONTAINS IMPRESSIVE FIGURES.

OUR TOTAL BUDGET FOR THE 2016/17 FINANCIAL YEAR WILL BE \$244 MILLION TO MEET CAPITAL AND RECURRENT EXPENDITURE.

THE GREAT NEWS FOR LOCAL BUSINESS IS THAT THEY WILL SHARE IN PROJECTS TO BE FUNDED UNDER A MASSIVE \$124 MILLION CAPITAL EXPENDITURE PROGRAM.

LADIES AND GENTLEMEN THIS IS THE SECOND LARGEST CAPITAL EXPENDITURE PROGRAM FOR BUNDABERG REGIONAL COUNCIL BETTERED ONLY BY THE \$152 MILLION INVESTED FOLLOWING THE JANUARY 2013 FLOODS.

THIS BUDGET RAMPS UP WORK ON THE DELIVERY OF THE \$71 MILLION RUBYANNA PROJECT WITH IN EXCESS OF \$38 MILLION TO BE INVESTED THIS FINANCIAL YEAR. COUPLE THAT WITH THE \$10 MILLION TO BE SPENT ON THE MULTIPLEX FACILITY AND AROUND \$3 MILLION ON THE REPLACEMENT OF THE MONDURAN BRIDGE AND IT'S OBVIOUS THAT THIS COUNCIL HAS A FOCUS ON BUILDING A BETTER FUTURE FOR THE BUNDABERG REGION.

THE GREAT NEWS WE CAN DRAW FROM THIS EXPENDITURE INVOLVING SOME \$51 MILLION IS THAT LOCAL BUSINESSES WILL BENEFIT THROUGH THE SUPPLY OF GOODS AND CONTRACT SERVICES.

GENUINE JOB CREATION OPPORTUNITIES ARE ALSO IN THE PIPELINE AS THE MAJOR CONTRACTORS LOOK TO BOOST THEIR WORKFORCES OR SUB-CONTRACTORS LOOK TO ADD TO THEIRS TO MEET THE DELIVERY OF THESE AND OTHER COUNCIL FUNDED PROJECTS.

IN DELIVERING A BUDGET THAT IS FAIR TO OUR RATEPAYERS COUNCIL HAS PRODUCED THE LOWEST RATE RISE IN THE EIGHT YEAR LIFE OF THE AMALGAMATED BUNDABERG REGIONAL COUNCIL.

THE 3.5 PERCENT INCREASE TO THE AVERAGE RATE NOTICE WILL ADD AROUND \$91 PER YEAR TO AN AVERAGE RATEPAYER'S BILL.

THE 3.5 PERCENT RISE WILL FUND INCREASED OPERATING COSTS IN COUNCIL'S CORE SERVICE DELIVERY AREAS OF WATER, WASTEWATER AND REFUSE SERVICES.

THE BIGGEST INCREASE IN THE UTILITY AREA IS IN PEDESTAL CHARGES WITH SEWERAGE COSTS RISING BY \$27 PER YEAR.

THERE IS A VERY SMALL INCREASE IN WATER CONNECTION CHARGES WITH A 20MM DOMESTIC CONNECTION INCREASING BY \$4 PER YEAR WHILE REFUSE COLLECTION INCREASES BY JUST \$10 PER YEAR.

COUNCIL HAS AGAIN PROVIDED BUDGET RELIEF TO THE REGION'S PENSIONERS BY ALLOCATING AN ESTIMATED \$1.4 MILLION IN CONCESSIONS WHICH WILL PROVIDE ELIGIBLE PENSIONERS WITH A \$140 PER ANNUM DISCOUNT OFF THEIR GENERAL RATES COMPONENT.

COUPLED WITH THE MAXIMUM \$200 PER ANNUM DISCOUNT FROM THE STATE GOVERNMENT AND COUNCIL'S GENERAL RATES DISCOUNT OF 10% FOR ON TIME PAYMENT OF RATES, THE FINANCIAL BURDEN ON OUR REGION'S PENSIONERS HAS BEEN LESSENED.

AT THE END OF THE 2016/17 FINANCIAL YEAR COUNCIL WILL HAVE A BUDGETED DEBT FIGURE OF AROUND \$80 MILLION WHICH WAS PREVIOUSLY BUDGETED TO BE \$120 MILLION. THIS BUDGET DEBT SAVING OF \$40 MILLION HAS BEEN GAINED THROUGH THE PRUDENT REVIEW OF OUR FORECAST EXPENDITURE AND THE ASSISTANCE OF STATE AND FEDERAL GRANTS.

WHEN THAT DEBT IS BALANCED AGAINST COUNCIL'S NET WORTH OF \$1.7 BILLION GENERATED THROUGH ITS COMMUNITY ASSETS, IT CLEARLY DEMONSTRATES WHAT A SOUND FINANCIAL POSITION COUNCIL CURRENTLY HOLDS AND WHICH WE WILL MAINTAIN INTO THE FUTURE.

COUNCIL'S DEBT IS VERY MANAGEABLE AND ALL OUR FINANCIAL REPORTING, WHICH IS IN OUR ANNUAL BUDGET DOCUMENTS, CLEARLY SHOWS COUNCIL IS WELL BELOW ITS APPROVED BORROWING THRESHOLD.

COUNCIL PLANS TO END THE 2016/17 FINANCIAL YEAR WITH A BUDGETED SURPLUS OF \$4.2 MILLION. THESE SURPLUS FUNDS WILL BE REINVESTED INTO PROJECTS FOR FUTURE YEARS.

I WOULD NOW LIKE TO TOUCH ON SOME OF THE KEY AREAS INVOLVED IN THE ROLLOUT OF COUNCIL PROGRAMS ACROSS THE 2016/17 FINANCIAL YEAR.

#### \$46 MILLION ON SEWERAGE INFRASTRUCTURE

AN INVESTMENT OF MORE THAN \$38 MILLION FOR RUBYANNA WITH NUMEROUS OTHER SEWERAGE INFRASTRUCTURE IMPROVEMENT PROJECTS INCLUDING \$1.3 MILLION AT WOODGATE, \$1 MILLION AT BELLE EDEN; AND \$600,000 AT HUGHES ROAD, BARGARA.

#### \$28 MILLION ON ROADS, BRIDGES AND FOOTPATHS

OUR BUDGET ALLOCATION OF ALMOST \$28 MILLION WILL ENSURE RESIDENTS ACROSS THE REGION SEE IMPROVEMENT TO ROADS AND THE CONSTRUCTION OF NEW FOOTPATHS AND BIKEWAYS. THE MONDURAN BRIDGE REPLACEMENT HAS BEEN ALLOCATED \$3 MILLION.

#### \$6 MILLION ON DRAINAGE

INCLUDING \$1.3 MILLION IN THE THABEBAN AREA.

#### \$4.2 MILLION FOR WATER IMPROVEMENTS

UPGRADE OPTIONS AND PRELIMINARY DESIGN WORK FOR THE WATER SUPPLY FACILITIES AT GREGORY RIVER NEAR CHILDERS, THE WATER TREATMENT PLANT AT GIN GIN; SIGNIFICANT WORK AT EGGMOLESSE STREET (\$700,000) AND THE MELLIFONT STREET PUMP STATION ARE JUST A PART OF THIS \$4.2 MILLION COMMITMENT BY COUNCIL.

#### \$4.7 MILLION FOR INFORMATION AND INNOVATION

COUNCIL CONTINUES TO UPGRADE ITS INFORMATION AND INNOVATION CAPABILITY WITH THIS INVESTMENT TARGETED AT ENSURING OUR OFFICERS IN THE FIELD CAN RESPOND QUICKLY, AND IN REAL TIME, TO THE PRODUCTION OF REPORTS AND CORRESPONDENCE AS WELL AS INCREASING EFFICIENCY AND CUSTOMER SERVICE. IT IS ALSO INCUMBENT ON COUNCIL TO HAVE IN PLACE PROCESSES FOR ENSURING ALL RELEVANT DOCUMENTATION IS CAPTURED FOR DATA AND REPORTING PURPOSES. A CONTINUED ROLLOUT OF CCTV BOTH FOR COMMUNITY SAFETY AND THE PROTECTION OF COUNCIL ASSETS IS ALSO A PART OF THIS BUDGET ALLOCATION.

#### \$1.8 MILLION ANIMAL POUND FACILITY

THIS HAS BEEN ALLOCATED FOR THE CONSTRUCTION OF A NEW ANIMAL POUND ADJACENT TO THE QUNABA WASTE AND RECYCLING FACILITY. THIS FACILITY WILL REPLACE THE CURRENT AGED UNIVERSITY DRIVE POUND.

#### \$1.5 MILLION ON PARKS

\$1.5 MILLION IS ALLOCATED TO AREAS SUCH AS THE HUMMOCK, WOODGATE FORESHORE, AND ALSO IMPROVEMENTS AT ANZAC PARK AND CHRISTSEN PARK AT BARGARA.

COUNCIL WILL CONTINUE TO SUPPORT ITS COMMUNITY OBLIGATIONS THROUGH PROVIDING RATE REDUCTIONS TO A NUMBER OF COMMUNITY GROUPS PLUS FREE WATER ALLOCATIONS TO VARIOUS SPORTING ORGANISATIONS.

AND FINALLY, I WOULD LIKE TO THANK THE CHIEF EXECUTIVE OFFICER, PETER BYRNE, OUR GENERAL MANAGERS AND COUNCIL STAFF FOR THE ROLE THEY HAVE PLAYED IN MOULDING THIS BUDGET INTO THE DOCUMENT WE HAVE BEFORE US TODAY.

I WOULD ALSO THANK MY FELLOW COUNCILLORS FOR THEIR ROBUST DISCUSSION, TEAM WORK AND DILIGENCE IN WORKING THROUGH THESE VERY CHALLENGING BUDGET DELIBERATIONS.

LADIES AND GENTLEMEN, I COMMEND THE 2016/17 BUNDABERG REGIONAL COUNCIL BUDGET AND ASSOCIATED DOCUMENTS FOR ADOPTION.

CR JM DEMPSEY THEN MOVED:-

**THAT STANDING ORDERS BE SUSPENDED TO ALLOW ANY MEMBER OF COUNCIL WHO WISHES TO MAKE A COMMENT ON THE BUDGETARY STATEMENT TO DO SO.**

SECONDED BY CR GR BARNES - AND CARRIED UNANIMOUSLY.

- CR WR TREVOR AND CR WA HONOR RESPECTIVELY, SPOKE IN RELATION TO VARIOUS ASPECTS OF THE BUDGET AND COMMENDED IT TO ALL COUNCIL;
- CR JP BARTELS SPOKE AGAINST THE BUDGET;

CR JM DEMPSEY THEN MOVED:-

**THAT STANDING ORDERS BE RESUMED.**

SECONDED BY CR DJ BATT - AND CARRIED UNANIMOUSLY.

1761

3. **ADOPTION OF THE 2016/2017 BUDGET** -

CR JM DEMPSEY MOVED:-

**THAT THE 2016/2017 BUDGET** (AS DETAILED ON THE 79 PAGES APPENDED TO THIS REPORT) **INCORPORATING:**

- (A) **BUDGET STATEMENTS FOR 2016/2017 AND THE FOLLOWING 2 YEARS FORECAST** (PAGES 14 TO 18);
- (B) **REVENUE STATEMENT FOR 2016/2017** (PAGES 22 TO 40 OF THE BUDGET DOCUMENT, INCORPORATING THE DIFFERENTIAL RATING CATEGORIES, DESCRIPTIONS AND IDENTIFICATIONS LISTED ON PAGES 24 TO 28);
- (C) **RATES AND CHARGES FOR 2016/2017** (PAGES 41 TO 54), INCORPORATING THE:-
  - (I) DIFFERENTIAL GENERAL RATE LEVIES (INCLUDING MINIMUM GENERAL RATES), (PAGE 42);
  - (II) SPECIAL RATES AND CHARGES (PAGES 42 AND 43); AND
  - (III) UTILITY CHARGES (PAGES 43 TO 52);
- (D) **DEBT POLICY FOR 2016/2017** (PAGES 55 AND 56);

(E) **INVESTMENT POLICY FOR 2016/2017** (PAGES 58 TO 61);

(F) **NATIONAL COMPETITION POLICY FOR 2016/2017** (PAGES 62 TO 65);  
AND

(G) **LONG TERM FINANCIAL FORECASTS TO 2025/2026** (PAGES 67 TO  
72);

**– BE ADOPTED.**

SECONDED BY CR GR BARNES.

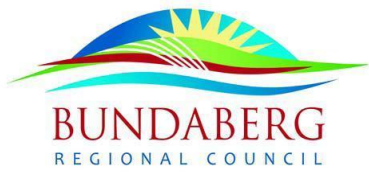
THE MOTION WAS PUT - AND CARRIED BY 10 VOTES TO 1 VOTE.

**FOR**

CR WR TREVOR  
CR WA HONOR  
CR HL BLACKBURN  
CR GR BARNES  
CR SA ROWLESON  
CR CR SOMMERFELD  
CR DJ BATT  
CR JA PETERS  
CR PR HEUSER  
CR JM DEMPSEY

**AGAINST**

CR JP BARTELS



## Minutes

1 July 2016

<b>Item Number:</b> V1	<b>File Number:</b>	<b>Part:</b> Meeting Close
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**Subject:**

Meeting Close

There being no further business – the Mayor declared this Special Budgetary Meeting closed at 12.22 pm.

Confirmed this nineteenth day of July 2016.

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MAYOR