

### **3.0 MAYOR'S BUDGET REPORT**

Reporting Author: Mayor of Cloncurry Shire Council, Cr. Greg Campbell

#### Report

Please see attached, the Mayor's Budget Report.

#### Council Policy

There are no implications to Council Policy.

#### Legal Implications

*Local Government Act 2009*  
*Local Government Regulations 2012*

#### Financial Implications

As presented in the Budget Report.

#### Recommendation

**That the Mayor's Budget Report for 2019/20 be received and noted by Council.**

# Mayor's Budget Report for the 2019-20 Financial Year

I am very pleased to present the 2019/20 budget for the Cloncurry Shire Council.

The Shire Councils budget is the indicator for the financial climate for the year ahead.

This budget sets the scene of an area recovering from the biggest natural disaster this generation has seen, with strength and a serve of purpose.

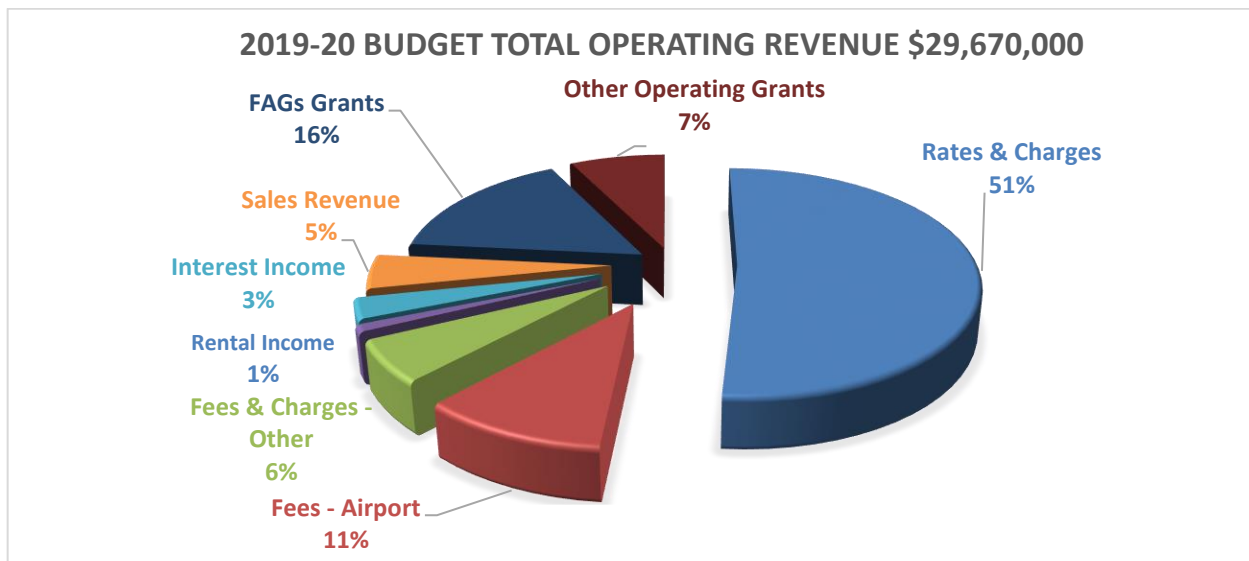
This budget, while delivering a modest surplus of \$53,000, is the first of many projected over the next 5 years. This doesn't happen by chance, and is the result of good, sensible financial management. The key indicators set by the state government are also showing considerable improvement and Council will meet these requirements consistently.

The budget highlights listed below, follow the themes of maintaining our current assets to a high standard, as well as better planning to enable that once achieved a high standard is maintained.

Another focus area is to create a sustainable, liveable Shire.

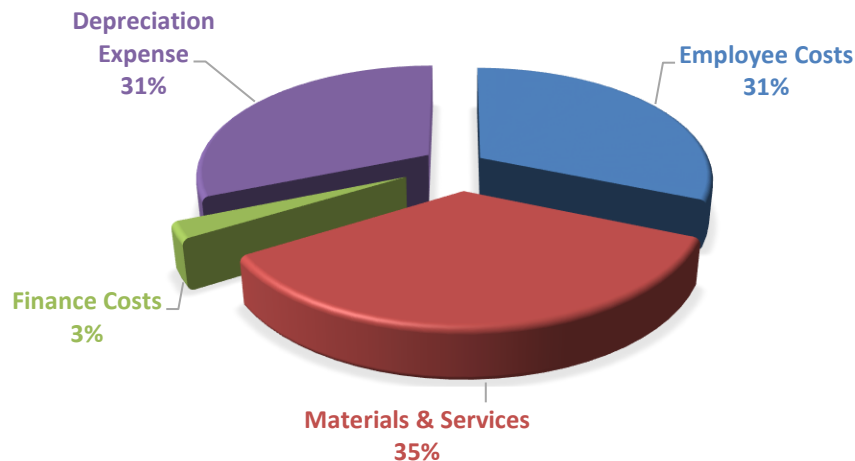
The Council's direct capital works budget is in excess of \$27,000,000, when the potential flood damage capital works spend is added, produces a total capital works budget of approximately \$50,000,000, which is over two thirds funds externally to Council.

The following graph illustrates where Cloncurry Shire Council's Operating revenue is sourced.



The graph below illustrates the breakdown of Operating Expenses 31% of Council expenses are for depreciation and maintaining Council assets through robust asset management plans is a major priority for all local governments.

## 2019-20 BUDGET TOTAL OPERATING EXPENSES \$29,617,000



Each year it is important to get the balance of the budget right to ensure that Council can deliver an appropriate level of service to our community but on the other hand not increase rates beyond an acceptable level.

### Community Service Obligations

Council supports various programs and services throughout the Shire to provide an inviting place for people to raise their families in our rural setting in line with Council's Corporate Plan Vision Statement.

Summarised below are the Community Service Obligations for the 2019/20 Annual Budget:

Community Facilities - Budget 2019-20				
Job Description	2019-20 Budget			
	Revenue	Operating Exp	Depreciation	Surplus/ (Deficit)
Recreation Reserve	6,449	(261,208)	(79,950)	(334,709)
Mary Kathleen Park	95,000	(308,947)	(61,543)	(275,490)
John Flynn Place	62,227	(243,851)	(81,844)	(263,468)
Swimming Pool	0	(174,542)	(81,085)	(255,627)
Equestrian Centre	6,588	(157,437)	(102,502)	(253,351)
Library	48,170	(269,770)	(1,342)	(222,942)
Flinders Medical Centre	0	(104,055)	0	(104,055)
CWA-Charlotte Scott House	12,621	(24,472)	(81,932)	(93,783)
STAGS - Aged Care / Blue Care	210,347	(214,103)	(86,702)	(90,458)
PCYC	0	(86,021)	0	(86,021)
Comm Wellbeing Events	0	(63,000)	0	(63,000)
State School Chaplain	0	(30,000)	0	(30,000)
<b>Community Grants</b>				
- Merry Muster		(20,000)		(20,000)
- Cloncurry Show		(20,000)		(20,000)
- Stockman's Challenge		(20,000)		(20,000)
- Quamby Rodeo		(5,000)		(5,000)
- Dajarra Rodeo		(5,000)		(5,000)
- Burke & Wills Rodeo		(5,000)		(5,000)
- Rockhana Festival		(5,000)		(5,000)
- Other Emerging Community Activities		(38,306)		(38,306)
	<b>441,402</b>	<b>(2,055,712)</b>	<b>(576,900)</b>	<b>(2,191,210)</b>

## **Planning**

A key outcome for the 2019/20 budget is planning for the future. A snapshot of these activities includes:

- Tourism Strategy
- Economic Development Plan
- Florence Clark Park Master Plan and construction
- John Flynn Place/Recreational Grounds Master Plan
- Sport and Recreation Plan
- Town Beautification Strategy
- Business and Marketing Plans for business units such as Cloncurry Unearthed, John Flynn Place and the Saleyards
- Disaster Recovery Action Plan

The appropriate level of planning should occur in each budget to ensure that we are successful in delivering these projects and objectives in future years to come.

## **Capital Expenditure Budget**

The Council is planning to undertake an extensive Capital Expenditure Program in 2019/20 totalling \$27,867,594 of which \$9,161,000 is funded externally. The Capital Expenditure Program will not only see the completion of ongoing projects but will also allow for the commencement of many new ones.

Major highlights of the Capital Expenditure Program are detailed below:

### ***Sheaffe Street Rehabilitation - Stage 3 - \$4,967,388***

The Sheaffe Street rehabilitation project has been an ongoing project for the past 3 years. It is being funded through the Department of Main Roads TIDs program and the Federal Governments Roads to Recovery program and Council funds.

Stage 1 of this project was completed in 2017, Stage 2 in 2018 and stage 3 will see works completed between Daintree Street up to Alice Street and will include improvements to drainage and new road surface with improved traffic flow, parking and garden beds.

### ***Heavy Vehicle Set Down for Saleyards - \$1,882,429***

Council will upgrade of the heavy vehicle rest area at the Saleyards to improve access from the highway, upgrade the pavement and amenities and construct of a better drainage system. Funding has been received from two sources \$983,000 from the Commonwealth Government's Heavy Vehicle Safety and Productivity Program and \$948,000 from the Queensland Government's Building Our Regions. Construction commenced in June 2019 and works expected to be completed by end of September 2019.

### ***Carl Katter Bridge Upgrade - \$3,633,162***

Council will commence upgrading the Carl Katter Bridge in July 2019 with a completion date by end of December 2019, the project will see upgrades to the approaches of the bridge and widening to a double lane standard. \$2.4M has been funded by the Commonwealth Governments Bridges Renewal Program.

***Footpath Renewal Program - \$300,000***

Many of the town footpaths are deteriorating quickly. This is a focus for Council to renew the footpaths in areas of town that have high foot traffic or where significant levels of deterioration are identified.

***Sewerage Treatment Plant Strategy Implementation - \$5,649,319***

Council has been working closely with the Department of Environment and Science to overcome identified compliance issues with the Sewerage Treatment Plant, Council approved borrowings of \$4,500,000 to support funding of the project.

***Plant Replacement Program - \$1,127,603***

Included in the Plant Replacement budget is \$210,000 to replace light vehicles, \$315,000 for a new street sweeper and \$264,000 to replace the FLOCON truck.

***Florence Clark Park Redevelopment - \$2,063,618***

Council is committed to the redevelopment of Florence Clark Park which will transform a civic space to attract visitors & create a space where community can come together, enhancing community pride and identity. Florence Clark Park is located in the central business area of Cloncurry. An existing underutilized space will be transformed into a modern, community hub that engages and inspires people of all ages in recreation & leisure activities.

Features include improved green space, new amenities, BBQs, water park/splash pad, playground, skate furniture, civic stage and a series of arbor structures that will tell the story of Cloncurry's history and key landmarks. Florence Clark Park will be transformed into a shady oasis. This project has \$1,493,618 in external funding: \$500,000 from Glencore and \$993,618 from Commonwealth Government's Building Better Regions Fund – Infrastructure Projects stream program.

***John Flynn Place - \$382,783***

In 2019/20 Council will commence the design phase for the John Flynn Place to undergo a significant redevelopment that was identified in Council's Tourism Strategy. Along with the John Flynn Place building upgrade linkages will be designed to improve the existing kiosk for events such as the Cloncurry Show and other sporting groups. This revamp will transform the John Flynn Centre into a compelling must-do attraction on the Queensland Outback's itinerary, increasing visitor numbers and revenue. This will be the commencement of a long-term project to revitalise the area and provide better connectivity between John Flynn Place and the Recreational Grounds.

***Cloncurry Airport Upgrades - \$400,000***

The Cloncurry Airport suffered damage during the floods and Council has set aside funds to replace fencing and repair stormwater drainage.

***River Well - \$1,000,000***

Council was successful in securing \$600,000 in funding from the Queensland State Government's Local Government Grants and Subsidies Program 2019-21 to repair the Main River Well following damage during the March 2018 flood event.

***New Enterprise System - \$400,000***

Carried over from 2018-19 budget, this is for Council Officer's to investigate, scope and implement a new whole of Council computer system. This system will allow Council staff to work with more efficient system to supplement Council's focus to improve its project management capabilities. It will also open up new opportunities for the community to transact with Council.

***Irrigation Program - \$300,000***

Council has allocated \$300,000 of the 2019-20 Works for Queensland grant to install irrigation throughout key sites to improve the open spaces in Cloncurry.

***Burke and Wills Airstrip upgrade - \$400,000***

Fully funded, with contributions from the Royal Flying Doctor Service and the Queensland Government, work to upgrade the airstrip commenced in June 2019 and will be completed in July.

***2019-20 Flood Damage Program - \$30,000,000***

Funded through the Queensland Reconstruction Authority (QRA) by the Federal Government's Natural Disaster Relief and Recovery Arrangements (NDRRA) the Cloncurry Shire road network suffered severe damage from two events, the January/February monsoonal rains and Cyclone Trevor that occurred in March 2019, Council will issue tenders for the first stage of repair works in June 2019.

## **Rates and Charges**

### **General Rates**

Total General Rates levied by Council in 2019/20 will be \$11,343,197 prior to discounts and concessions. This is a \$523,742 or a 4.8% increase for the 2019/20 revenue. The majority of our residential and rural ratepayers will receive a minimal increase of between 2% to 3%. Rates for mines and intensive accommodation in the Shire have increased by 5.8%.

A 10% early payment discount off the General Rates is available where rates are paid within the discount period.

### **Utility Charges**

For this budget we have closely analysed the costs associated with operating utility services, such as water, sewerage and waste. As the provision of these services are critical to the effective operation of our community it is important to ensure we provide quality services that meet regulatory standards at an affordable price. As a result, charges for each service will increase in 2019/20 by a different percentage.

#### ***Water and Sewerage Charges***

Water charges will have an increase of \$2.64 per unit, the annual water charges for a typical domestic dwelling will be \$1,107.20 an increase of approximately \$1.00 per week

Sewerage charges will increase by \$1.53 per unit, the annual sewerage charges for a typical domestic dwelling will be \$540.20 an increase of approximately \$0.59c per week.

#### ***Garbage and Waste Management Charge***

Garbage or waste management charges will increase by \$19.64 per annum, this equates to a typical domestic waste charge being \$390.00 an increase of approximately \$0.38c per week.

The average residential house will see a rise of approximately \$1.97 per week in total utility charges.

## **Summary**

Council's budget is aimed at limiting rates and charges increases but to continue to provide for essential public infrastructure to ensure ongoing economic and social development within the Shire.

The Council aims to improve asset maintenance and planning processes so that critical infrastructure is maintained efficiently and effectively. We are recruiting project managers to deliver our capital works projects and allocating Council's resources to provide comprehensive asset management data to identify key projects that will extend the life of our infrastructure and to continue to deliver services to the community.

In closing, I want to thank all the Councillors for their support and focus on the Shire's goals and achieving them through this budget in a responsible and sustainable manner.

I sincerely thank all the staff involved in this budget process and acknowledge the substantial amount of work required to get it finalised. I look forward to seeing their efforts rewarded in superior service delivery and projects the community, Councillors and staff are proud of.

Thank you

Cr Greg Campbell  
**Mayor**