

Media Release

PO Box 336, Kingaroy Q 4610 - P: 07 4189 9100- F: 07 4162 4806 – E: media@southburnett.qld.gov.au - W: www.southburnett.qld.gov.au - ABN 89 972 463 351

FOR IMMEDIATE RELEASE 22/03/2018

START

Mayor's Mid Term Report

This month marks the midpoint of this term of Council, so I feel it is appropriate to provide a report card on some of the highlights, strategic changes and significant projects we have achieved in the last two years.

1. Portfolio - Economic Development, Governance & Communications

- **Economic Development Strategy**

- Just after the election in 2016, Council in conjunction with South Burnett Directions undertook a review of the 2014-2019 Economic Development Strategy. With a change in management within Council's Economic Development Section in 2017 alternative views were introduced resulting in a one page 2020 Economic Development Strategy being adopted by Council in August 2017. The Economic Development Strategy has three key focus areas, being Investment & Innovation, Visitor Economy and Business Growth, all with an aspirational goal.

- **Corporate Plan**

- Council's new Corporate Plan 2018/19 to 2022/23 has been finalised and is on today's agenda for adoption. The plan has been formulated through feedback from the community via various means including community consultation sessions held across the region. The plan identifies our mission, values and key strategic priorities for the next five (5) years. The plan will inform the annual operational plans and budgets of Council.

2. Portfolio - Finance, ICT & Human Resources

- **QTC Review**

- Early last year the Queensland Treasury Corporation (QTC) was engaged by a number of the Wide Bay Burnett Regional Councils including the South Burnett Regional Council to undertake a Regional Strategic Financial Review of each council. QTC presented their report to Council in October. The report considered the strategic and operational aspects of Council's activities based on the content of discussions with senior management, a review of our long term financial forecast and their own analysis.

The report summarised its findings under the following four themes and provided some recommendations for Council's consideration:

- Council business & strategy – Pricing for core services such as water, sewerage and waste services do not reflect full cost pricing. In addition some small non-core ancillary business units operate at a net cost to Council
- Governance & planning – Improvement to Council's project assessment process
- Financial management – Council would benefit from a review of its forecasting techniques
- Infrastructure management – Prioritise finalising Asset Management Plans

- **Financial Sustainability Review**

- Commencing in November 2017 Council engaged Orion Consulting to undertake a financial sustainability review. The outcome of this review was presented to Council on 15 March 2018. The particular focus of this review was:
 - Consideration of Council's performance against Orion's database of updated LGAQ Better Councils Performance Benchmarking.
 - Service levels and viability of facilities provided
 - Staffing levels
 - Asset management cycle (project planning, governance and ongoing management) and whole of life costs,
 - Rating & revenue capacity and practices,
 - Budgeting and long-term financial outlook, and
 - Evaluation of the adequacy of Council's Financial Sustainability plans and strategy

- **Asset Management**

- Council has engaged Shepherd Services to undertake a desktop review of the Asset Register for all asset classes for the 2018/19 financial year. In addition this consultancy will assist Council in reviewing and updating all the Asset Management Plans over the next couple of years.
- The Infrastructure Directorate are also driving and videoing the region's roads to pick up all data in relation to those assets including a condition assessment. That condition assessment will then be used to guide Council's road maintenance spend and to produce a program of scheduled maintenance.
- As part of this overall focus on improving asset management practices officers are also working on the installation of a Strategic Asset Management System which in part will produce a ten year budget on assets both in terms of maintenance and upgrades.

- **Rate Remissions Review**

- Council recognises the important role Community and Sporting Organisations provide in the community and has supported them through various means not the least of which are remissions from payment of various Council rates and charges. The cost to council's revenue is significant at around \$260,000 per year.
- During the next few months we will be reviewing these remissions to achieve a fairer and more equitable approach. If any changes are implemented it is likely they will be phased in over a two year period after consultation with the recipients to allow them to adjust to the changes.

- **Workplace Health and Safety**

- The Enforceable Undertaking entered into with Workplace Health and Safety Queensland as a result of an unfortunate accident at the Kingaroy Landfill in 2013 is drawing to its conclusion with a finalisation date of 30 June 2018. To date Council has completed twenty-one (21) of the twenty-six (26) agreed outcomes. The remaining deliverables are:-
 - Finalising the Install of reversing cameras and proximity sensors on identified high risk plant
 - Provision of training to relevant staff regarding any changes to plant operation
 - Revision of Safe Work Procedures associated with mobile plant
 - A minimum spend of \$224,624 on delivering the 26 outcomes mentioned above. To date Council has spent \$188,000.

- As part of ongoing legislative changes, Council's Safety Unit has implemented "Verification of Current Competencies" for our plant operators. This one change places greater importance on employers to apply due diligence and on their obligation to ensure individual employees have "current competency" in the operation of plant and equipment used.
- Through the assessment or Verification of Competency process, Council can confirm that our employees are competent in their skills and competent in using the equipment they operate.

- **Youth employment programs**

It is acknowledged that youth unemployment is an issue in our region and as one of the major employers we accept that we have a role to play. The State Government's First Start Program has been instrumental in assisting with the employment of trainees throughout our workforce. Without this assistance we could not sustain the level of traineeships that we do.

- In 2017/18 under the above program we were approved to employ 10 trainees each being employed for a 12 month period. The 2017 intake of trainees consisted of young people aged from 16 to 23 and were allocated across our region in the areas of Administration, Roads & Concrete, Warehousing and Horticulture. All our trainees have moved very well through their studies and are showing that they are very motivated and capable.
- The good news for 2018/19 year is the Department of Education and Training have once again approved Council for a further 10 traineeship positions under the first start program. Council sees the approval as an indication of Council's commitment to the young people and the identified disadvantaged groups of our region. As well Council and the State Government recognise the commitment of our supervisors and staff who put in the effort of the day to day training and mentoring of these motivated young people.
- The 2018 intake will receive funding from the State Government of \$137,500 to assist Council with employment and training costs. Recruitment commenced this month with the selection processes currently underway in partnership with CTC employment services.
- The 2018 intake will see trainees commencing around April, which will coincide with the finalisation of the 2017 intake completing their training.
- Where possible Council endeavours to retain a portion of each years trainees within our permanent workforce. While we would love to retain more of these great kids it is only possible where we have staff vacancies. However on average we are able to retain two or three each year.

- **Staff Reductions & Redundancies**

- In preparation of last year's budget it was noted that Council's employee costs represented the highest portion of our expenditure and that these levels were unsustainable. Reluctantly we decided to downsize our workforce to a more sustainable level. Through voluntary redundancies and natural attrition we have reduced our permanent workforce by 15 staff (12.37 FTE) which represents approximately \$1m savings in next year's budget. No operational areas such as roads, water and parks were affected by these reductions; they all came from within other areas of Councils operations. I would like to thank our Chief Executive Officer and Manager Human Resources for the way in which this difficult situation was handled.

I think it is relevant to note that our current permanent workforce is now at the lowest levels in decades. The combined permanent workforce of the four former Council areas just prior to amalgamation was 426 staff. Whereas we now sit at 322 staff (308.87 FTE) a reduction of 24.4% in just over ten years. The above numbers are based on full employment which never

happens as we always have some vacancies as staff move on. For example we currently have 22 vacancies on the books which we are trying to fill.

However the expectations for service delivery have increased significantly in that time placing great stress both financially and resource wise on our ability to continue to provide the service levels now expected.

- **Enterprise Bargaining Agreement**

- Our current enterprise bargaining agreement expired on 30 June 2014. Due to legislative restrictions this Council like all other local governments were not able to commence any bargaining negotiations until late last year. Bargaining is happening in a number of the larger Councils at the moment and it is anticipated we should commence in the latter half of this financial year. It is imperative that our commitment to our workforce is tempered with our ability to have sustainable wage growth.

- **Training**

- Council has committed significant funding to training our staff, the last round of Employee Development reviews were directed to the training needs of our employees in an effort to identify any gaps in the skill set required for individuals to perform their roles in Council. The training needs have been compiled and prioritised by management, the training activities have been scheduled and in the majority cases undertaken.

3. Portfolio - NRM, Parks & Indigenous Affairs

- **Rail Trail**

- Council has completed the Kingaroy to Kilkivan Rail Trail featuring a 44km sealed section between Kingaroy and Murgon (the South Burnett Rail Trail) and a further 7 km gravel section from Murgon towards Goomeri. Gympie Regional Council has completed the remaining section to connect the trail through to Kilkivan.
- The rail trail has become very popular with locals and is attracting many cycling and running enthusiasts from outside our region.
- Council will be applying for a grant through the Department of Sport and Recreation to develop a master plan for the rail trail development so that any future development of the trail is undertaken in a strategic manner.

- **Parks Efficiency Review**

- An Efficiency Review on Council's Natural Resource Management, Parks & Gardens section has been initiated and whilst on hold currently, given competing priorities, Council is committed to completing the review this financial year to ensure we are providing efficient and effective services to the community.

4. Portfolio - Planning & Property

- **Review planning process**

- One of the key issues raised during the election campaign was the concern developers had with councils planning process in particular the delays in processing applications and frustration over negotiations regarding conditions. Following the election Cr Fleischfresser and myself met with a number of developers to ascertain their concerns. As a result we have changed the structure of our planning section to include a designated development engineer in the planning team, reviewed our requirements for some infrastructure conditions such as drainage and streamlined some of our internal processes. This has seen a marked improvement in our delivery in this section. A further review is currently underway concerning our resource levels and options to improve our response times to queries.

- **Town Plan**

- Council has prepared and adopted the South Burnett Regional Council Planning Scheme 2017 that will shape the future success of our region. The new Planning Scheme supports the region's future, replacing the existing local planning instruments from the former local government areas of Murgon, Kingaroy, Nanango and Wondai.

- **Property**

- Council has been successful in receiving a grant from Local Government Grants and Subsidies Program to undertake an asset condition report to rate the condition of the asset components and estimate remaining useful life of our building assets. This information will assist in the development of short and long term replacement and renewal plans, develop insurance asset list, and develop a maintenance schedule for priority buildings and review of long term sustainability of building assets.

5. Portfolio - Roads & Drainage

- Roads & Drainage has been a key focus of Council and we have strengthened our commitment to ensure that our infrastructure is fit for purpose and sustainable into the future. We have completed a complete business efficiency review of our Roads and Drainage operations and Council continues to implement changes to both our operations and strategy. Some of these changes include:
 - Focus on asset replacement as opposed to upgrades and new infrastructure
 - Introducing systems to establish targeted maintenance programs for increased efficiency
 - Improved financial management, planning and project execution
 - Increased fleet utilisation
 - Consolidation of asset registers to fully understand the complexity and magnitude of Council's assets
- The introduction of the high speed digital Road Asset Condition Assessment System (RACAS) has enabled Council to undertake a systematic approach to the inspection of its transport assets, providing real time data on the location of defects and goes one step further in allowing Council now to model the overall condition of the road network. I'm pleased to announce that we have now completed a full comprehensive video survey of our entire 3200km road network, both sealed and unsealed. This information will now create a pillar for the organisation to develop a strategic asset management plan and introduce sustainable maintenance service levels across our region during the 18/19 financial year.

- Council has made an investment of \$27.2 million over the past two years for capital works and the focus on replacing existing assets will remain a priority. The reduction in external funding continues to challenge our ability to upgrade and create new assets. Key programs such as the State Government's recent "Works for Queensland Program" have been used responsibly with Council specifically targeting infrastructure backlogs such as gravel resheeting.

6. Portfolio - Water, Waste Water, Waste Management, Sport & Recreation

• Water and Waste Water

- The past two years has seen the completion of major infrastructure projects including:
 - Commissioning of the new Gordonbrook Water Treatment Plant
 - Commissioning of the new Kingaroy Waste Water Treatment Plant
 - Completion and commissioning of the upgraded Murgon Water Treatment Plant
- Other minor (but still significant) projects include:
 - Extension, upgrade and replacement of telemetry/process control across the region
 - \$2M in Water Main network renewals and upgrades
 - Construction of a new water main to deliver Class A recycled water to the Kingaroy sporting fields
 - With a further \$2.8M sewer relining program to be undertaken later this year.
- The cost to supply water and waste water services to the community have been identified by QTC as a major area for Council's to ensure that they are fully cost recovering these essential services. With significant water and waste water infrastructure and rising operating costs, Council needs to continue to be diligent in managing and upgrading its networks. As such Council will be moving forward this year with full feasibility analysis of its big ticket projects including:
 - Upgrade of Murgon and Nanango Sewerage Treatment Plants
 - The Kingaroy to Nanango Water Pipeline and
 - The establishment of Class A recycled water facilities at Wondai and Murgon

• Sport & Recreation Plan

- In conjunction with the North Burnett Regional Council and Cherbourg Aboriginal Shire Council, the South Burnett Regional Council was successful in obtaining a grant from Department of Sport & Recreation to develop a sport and recreation plan for the three regions.

Ross Planning were engaged by the three councils to develop the plan and presented their key findings to Council last month. The draft plan should be finalised and presented for public exhibition by the end of the month and final adoption by Council in May.

The consultation process identified some interesting points:

- The top five activities most participated in were walking, recreational swimming, gardening, playing in the park and bushwalking
- The top three priorities for funding included more community events in public parks, provision of places and facilities for young people and improved quality of sports facilities

- **Waste Management**

- Over the next five to ten years the capacity of all our waste tips will have reached capacity. Council has been reviewing the various options available to it. The cost of opening a new regional waste facility with the relevant environmental controls is astronomical and would place a significant burden on ratepayers to fund.

A number of our neighbouring Councils are also facing the same situation. As a result the Wide Bay Regional Organisation of Council's (WBBROC) has been investigating a number of options including the development of a regional waste facility.

A presentation was made to the WBBROC meeting last month where it was agreed to engage Queensland Treasury Corporation to conduct a financial analysis and due diligence for each Council area and the region collectively to help determine the overall benefits of continuing to work towards a regional landfill

- The preliminary results appear to be very favourable to all the councils participating and could see significant savings to our operating costs in the future.

7. Community, Arts, Tourism & Health Services

- **Community Grants Review**

- Given the level of support Council provides to community organisations through various funding programs, Council has completed a review of all Council's community grants funding programs. By combining a number of funding programs it is envisaged it will be easier for organisations and members of the community to understand available grant funding opportunities whilst allowing Council to provide funding in a fair, equitable and sustainable manner.

- **Tourism**

- Tourism has been an area of Council that has seen significant change over the last 12 months as evidenced firstly through Council's decision to not renew membership with the Regional Tourist Organisation (RTO), Southern Queensland Country Tourism (SQCT).
- Secondly with the implementation of the Visitor Economy Action Plan. This plan defines new target markets, outlines priority activity and establishes market development opportunities and underpins the actions to be undertaken by Discover South Burnett. Since being published, the Visitor Economy Action Plan has overseen the establishment of quarterly industry networking functions (South Burnett Unpacked); published forward marketing plan and increase volunteer engagement.

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