



# Taming the Fastest Growing Region in Queensland

**Project Overview: A Regional Sustainability Strategy for Mackay**

October 2013

# Mackays Regional Sustainability Strategy

**Today we will Cover...** Overview of the process adopted to establish a Regional Sustainability Strategy for Mackay. This includes:

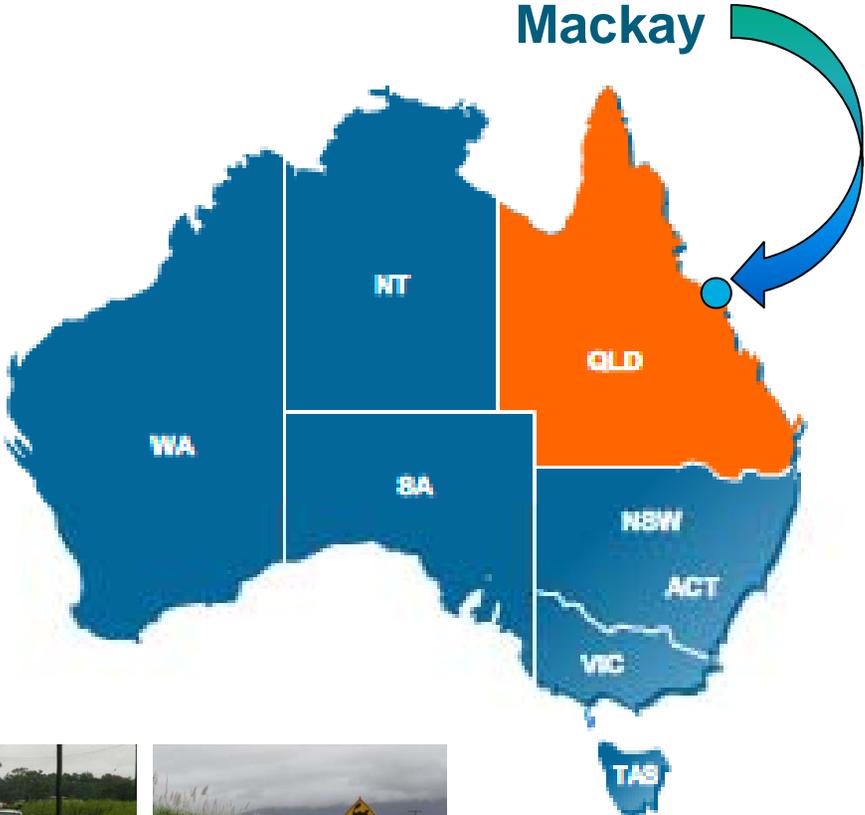
- The Journey so far for Mackay as a Council and the Region
- Overview of the Strategy's process for development
- How we determined “Business as Usual”
  - Understanding Core Issues in the process and for the Region
- What are the lessons so far?
- Putting our best foot forward



# Introduction

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Project Director Regional  
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## Mackay Quick Facts!

### Population

- 119,000 Resident population
- Pensioners / young / working
- FIFO / DIDO

### Industry

- Rural Production - Mining - Tourism

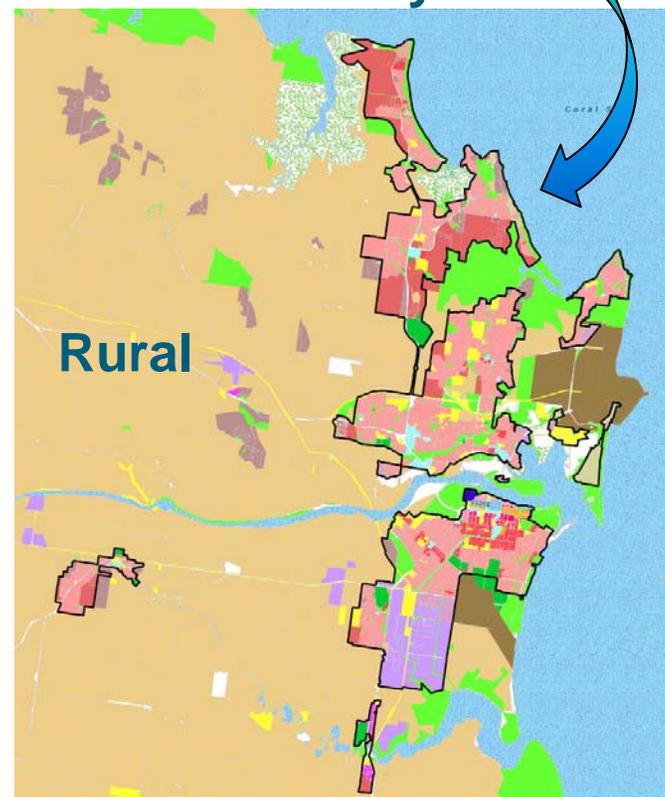
### Climate

- Tropical Climate, Cyclone Season, Hot!

### Regions area

- Area of 7622km<sup>2</sup> (Mackay Region)
- Low lying/flood prone
- Coastal, Rural/agricultural land

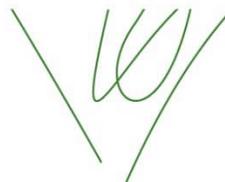
### Urban area of Mackay



## Comparing Apples with Apples....



When we compare ourselves to other Councils in Regional North Queensland, we have had to come to terms with some cold hard truths...



# Dealing with the Past.... to determine a Sustainable future in the Mackay Region

## Dealing with the last 10 years....

- Mining booms
- Council amalgamations
- Keeping up with the economic drivers of the State
- Funding infrastructure to facilitate growth



## Dealing with the next 20 years....

- Playing catch up on the past (infrastructure)
- Keeping up with growth and economy (up or down)
- 'Prosperous – Sustainable - Vibrant'
- Being sustainable

# What is Mackay Regional Council trying to achieve?

## Objective of the Regional Sustainability Strategy:

*“To develop a clear, coordinated and unambiguous long term strategy for the sustainable development of the whole Mackay Region”*



# Who is involved and why?

## One Council

The Regional Sustainability Strategy has to involve all Programmes across Council. This means that as a Council, we need to work collaboratively to ensure we can reach a sustainable future.

## One Region

How we get to the end product will depend on the influence and involvement of our Stakeholders along the way. Collaboration and consultation with our community is essential in achieving the outcomes of the Regional Sustainability Strategy.

## One Strategy

## One Vision

One Vision will be created to shape the outcome of the Regional Sustainability Strategy. This Vision will shape Councils strategies and Plans to ensure we are 'aligned'.

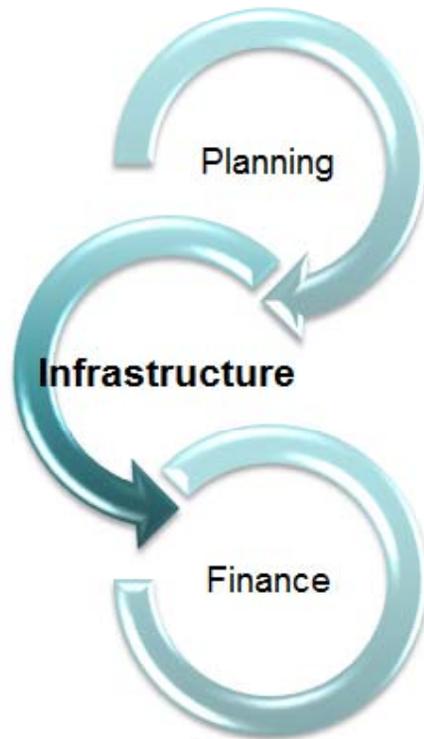


# The Regional Sustainability Strategy

Our Journey so Far...



## How we will assess Sustainability



- **Planning, Infrastructure & Finance** are interconnected
- Changes in one, affect the others
- Solutions will be an iterative process

# The 'Levers' in detail...

Core focus in delivering Phases of the Regional Sustainability Strategy:

- Balance across Planning, Infrastructure & Finances
- Risk Management applied to options
- Strategic Planning in capital budgeting and programming
- Identify and develop our priorities and Vision for the Region



## How we assessed Sustainability

Themes were developed in Phase 1 of the RSS Project to determine “**How we will determine what Sustainable is**” when assessing out BAU case and in developing the Strategy.

**The RSS Sustainability Themes include...**

**‘Sustainability’**

**‘Choice’**

**‘Flexibility’**

**‘Liveability’**

Following and determination of the BAU, assessment of the overall measure of sustainability was carried out across the Themes (provided above).



## How we assessed Sustainability: Themes

THEME	Definition for Assessments under the RSS Process
'Sustainability'	<b>Financial Sustainability</b> under the QTC <b>Sustainability of LOS</b> over 20 years
'Choice'	A reasonable level of <b>development options</b> under the planning scheme.
'Flexibility'	<b>Financial resources</b> when the market changes <b>Robustness of Planning Scheme</b> to deliver flexibility, vision and outcomes of Strategic Plans
'Liveability'	<b>Environment:</b> Amenity & quality of life in relation to open space and green areas. <b>Social:</b> Access, availability, distribution and range of community and recreation services <b>Economic:</b> Transport and housing availability

# Project Phases

## 1. Define Issues

- Are our current standards of Service sustainable?
- Scope out what we need to understand better...

## 2. Define Constraints

- Planning: Is our growth strategy sustainable?
- Infrastructure: are adopted levels of service sustainable?
- Financial: what are the financial risks to Council (What is affordable?)

## 3. Develop RSS

- Based on Stage 2...
- What are the sustainable options for Council?
- What are the risks of alternative strategies?
- How do Councils documents interrelate and how to we integrate the outcomes of the RSS
- What does the Community want?

April 2013

June 2013

August 2013

September 2013

Release of the State's paper on Infrastructure Charges

# Phase 1 Overview



Phase 1	Description
Define key issues	<ul style="list-style-type: none"> <li>• What is “Business as Usual”?</li> <li>• Is this sustainable for Council?</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>• Identify a detailed process for determining if Councils current strategies are sustainable; and</li> <li>• Recognised decisions made in Planning, Finance, Programme levels of service , have an impact across all of Council.</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• Workshop Synopsis;</li> <li>• Developed an assessment criteria i.e.. what defines “success” for the Regional Sustainability Strategy?;</li> <li>and</li> <li>• Project Management Plan</li> </ul>

## Phase 2 Overview



Phase 2	Description
Assessment	Determine if “Business as Usual” is a sustainable option for Council
Outcomes	Determine what BAU is for Mackay
Deliverables	<ul style="list-style-type: none"> <li>• Consultants Reports: Parks/open space, recreation/community facilities, transport, stormwater</li> <li>• Detailed Report &amp; Summary Report</li> <li>• Workshop Synopsis Report</li> <li>• Submission on the Draft Planning Scheme</li> <li>• Submission to State’s Infrastructure Charges Paper</li> </ul>

# Project Deliverables & Milestones

RSS Phase	RSS Deliverable / Project Milestone
Phase 1	RSS Project Plan Workshop Synopsis Report Define BAU & Scoping
Phase 2	RSS Project Plan Updated RSS Phase 2 BAU Consultant Reports for Infrastructure Programmes: Parks, Community Services, Transportation, Stormwater.
	RSS Phase 2 BAU Report (main) RSS Phase 2 BAU Workshop Synopsis RSS Phase 2 BAU Summary Report
Phase 2: Related Processes	Submission on Draft Planning Scheme Submission to DSDIP on Infrastructure Charges
Phase 3	Revise Project Plan for Phase 3
	Development of the RSS



# What if?

## Phase 2: 'Business as Usual'

# Methodology behind the “Business as Usual” Assessment

Phase 2 of the Project sought to identify whether the current approaches to infrastructure investment and planning, meet Councils intentions, when assessed against its legislative requirements and vision as a Region.

This process has involved gaining an understanding of:

- Councils growth strategy (set out in the Planning Scheme),
- maintaining desired standards of infrastructure; and
- Financial strategy.

To answer these questions, a set of “Rules” were determined in a workshop held with Council officers and consultants as part of Phase 1, and refined in Phase 2 of the Project. These Rules are applied to the assessments carried out across all programmes, to determine what BAU is.



# Phase 2: Focus of the Assessment

Focus of Assessment	Assessment (Council Programme)
Infrastructure	Transport
<i>Determine what Council's levels of service are and the cost implications now and into the future.</i>	Water & Wastewater
	Stormwater
	Recreation & Community Services
	Parks
Planning	Draft Planning Scheme
<i>Determine levels of growth and identify 'growth areas' provided for in the Draft Planning Scheme &amp; other strategic plans.</i>	Strategic Planning documents (other)
Financial	Project Capital and Operational Budgets
<i>Assessment of the financial forecasts for current growth predictions and expenditure.</i>	

## BAU Rules: Planning

- The principles developed by Council and which underpin the draft Mackay Regional Council Planning Scheme apply;
- The focus of “BAU” will be on urban consolidation within the nominated Priority Infrastructure Area (PIA); and
- It is assumed that standard infrastructure charges (currently capped at \$28,000/lot under the States Planning and Regulatory Provisions (SPRP)) will apply inside the PIA.
- Development applications which are in any way inconsistent with the Planning Scheme will be subject to full cost recovery.

In the month since these “rules” were developed, the State released its draft Discussion Paper on Infrastructure Charges which suggest that, while the scale of cost incurred by Councils to provide trunk infrastructure will not change, the maximum infrastructure charge allowed to recover these costs may be less than the current \$28,000 per lot and it is unlikely that “full cost recovery” for inconsistent development will be achievable. The proposed changes to the infrastructure charges legislation may further constrain Councils financial capacity.

## BAU Rule: Infrastructure

Assessment of the Following:

- Various statutory documents e.g. Water Services Customer Service Standards;
- Technical documents e.g. road transportation planning reports or Engineering Design Standards;
- Aspirational targets contained in the Planning Scheme e.g. Desired Standards of Service outlined in the Priority Infrastructure Plan and/or
- In the absence of any formal guidance, a level of service was agreed with Council.

## BAU Rule: Financial

Targeted maintaining current assumptions in the long term (10yr) financial forecasts, specifically:

- Projections of rates increases (currently capped at less than 5% per annum);
- Total capital expenditure does not exceed \$1.24bn (49% of which is growth oriented 14% new and 37%renewal);
- Ensuring total debt does not exceed \$343m; and
- Maintaining the financial performance metrics set out by QTC for “sustainable” Councils.

## The Outcomes: What if?

## What if BAU is not ‘Sustainable...’

If we determine that “Business as Usual” is not sustainable, we need to identify where misalignments are ie

- The current **Growth Strategy** as defined in the **Draft Planning Scheme**;
- **Investment in infrastructure**: Growth vs. current LOS; and
- **Councils Financial Strategy**: Long Term Financial Plan

# Story so far says we need to investigate, measure, find direction and balance

## Our Aim in Phase 3

**“Business as Usual”  
is sustainable for  
Council**



## Moving Forward into Phase 3....

Determining the best way forward will be a challenge, however the following approaches will apply:

- A sustainable pathway that balances Planning, Infrastructure and Finance is needed but it will involve some challenges, we need to explore.
- A range of options for managing growth, finance and infrastructure should be explored
- A Risk Management approach may be considered to accommodate “unforeseen” events.
- Communication and collaboration will be key in gaining momentum and stakeholder buy in. A regional sustainability committee and Regional Sustainability working group will be established, with internal and external input to drive the project through Phase 3.
- A stakeholder engagement plan will be developed and implemented to ensure the consultation process is transparent, inclusive and managed in a pro-active way with the community.



# Project Challenges

Defining 'Business as Usual' has been the biggest challenge so far...

How we determined what 'Business as Usual' required us to challenge ourselves...

- What are our current "Levels Of Service"?
- How up to date is our information?
- 'Status' check vs. 'Reality' check
- Understanding how all our strategies are interrelated
- The State's paper on infrastructure charges arrived halfway through Phase 2
- Bigger Picture Issues..... How to shape our Region.....

How we overcame these challenges relied on greater collaboration across Council and capturing the right information in Phase 2. Phase 2 will form a solid platform to move into Phase 3, the development of the RSS.

**Thank you!**

