

28 June 2011

## **Budget 2011-12 – Overview:**

### **Tough budget strengthens financial sustainability**

Redland City Council's 2010-11 budget provides a cost-saving new waste management program, improvements for roads and community facilities across the mainland and islands, and unprecedented short and long-term organisational savings.

In delivering the \$220.6m budget today, Mayor Melva Hobson said it was one of the toughest budgets considered by any council at Redland City in the past decade.

Due to a \$12m reduction in expected revenue for 2011-12 – following legislative changes to the way councils receive funding through water and developer charges – Redland City Council has been forced to find urgent savings over the past three months.

As a result of extensive belt tightening, and by revising its long-term financial strategy, Council has made savings of \$10m, compared to the original expenditure forecasts for the new financial year.

“We know our ratepayers face increasing costs of living across the board, so our driving goal this year has been to minimise the impact of rates and charges on households and businesses as much as possible,” Mayor Hobson said.

“We’ve put in an exhaustive effort to present a budget that not only strengthens the organisation’s financial future, but also delivers exciting programs, services and infrastructure to our community.”

As part of its cost-saving measures, Council significantly cut its goods and services budget, and reduced its employee costs through measures including a voluntary redundancy program.

“Even though we have cut spending, we’ve still managed to also cut the cost of waste charges and increase kerbside service options, including introducing a new green waste kerbside service later this year,” the Mayor said.

“We’re also funding a wide range of new projects across the mainland and islands that will see our city continue to move forward.”

Mayor Hobson said the average rating increase across the Redlands this year was 6.09 per cent<sup>1</sup>, which was under the local government CPI of 7.5 per cent.

“In dollar terms, it means 97 per cent of mainland residential property owners will pay less than \$3 a week more – in fact 88 per cent will actually pay less than \$2 a week more.

“Without our extensive work to cut our operating costs, this figure would have been much higher.”

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<sup>1</sup> Based on the new state government formula representing the change in total value of all general and differential rates (including commercial), separate and special rates, and charges, net of discounts and remissions.

For businesses, the increase is 11.5 per cent, much lower than the 17.5 per cent figure speculated in the lead-up to the budget.

“We listened to our business sector, and worked hard to keep this increase as low as possible,” the Mayor said.

Charges have remained steady, with the waste charge going down, the environmental charge remaining unchanged and the landfill remediation charge increasing only slightly. Council has also made positive changes to the special charges program for canal and lake estates, after a thorough consultation process with residents in those communities. It has also increased its pensioner concession.

Mayor Hobson said hundreds of hours of research, debate and discussion had again gone into developing the budget.

“We have taken into account a wide range of challenges, issues and needs across our community. We’ve worked hard to provide a budget that is responsible and financially sustainable, and delivers projects and programs across our mainland and island communities.

“There have been some very tough decisions in the past few months, and I’m proud that we, as a Council, have had the courage to make them.

“The future of our organisation – and our city – will be stronger for it.”

**Highlights and key funding allocations:**

- \$49.7m capital works program, including:
  - o \$8.6m for transport infrastructure
  - o \$4.4m to protect our canals and foreshore
  - o \$4.4m to reseal and resurface roads across the Redlands
  - o \$4.3m for parks upgrades and conservation
  - o \$4m on Southern Moreton Bay Island projects (in addition to road projects)
  - o \$3.2m to build new cycleways
  - o \$3m for marine infrastructure
  - o \$2.5m for infrastructure for our open spaces
  - o \$2.1m for waste management
  - o \$2.1m to build new roads
  - o \$1.5m for paths and trails

**Highlights and key capital project allocations:**

- New package of waste charges including:
  - o reduction in waste charges and transfer station gate fees
  - o new green waste bin service to start later in the year
  - o new cost-saving options to downsize waste bins and upsize recycling bins
- \$4m to repair Raby Bay revetment walls
- \$3.2m for additional sections of the Moreton Bay Cycleway
- \$1.2m for an interim upgrade of the Weinam Creek car park
- \$731,000 for community grants
- \$652,400 towards the ongoing upgrade of the Cleveland Point Reserve Regional Park.