

Mayor's 2017-18 Budget address

Monday 26 June 2017

It gives me great pleasure to present the Redland City Council 2017-18 Budget.

Last year when this Council was elected, we made a promise to govern the city with a unified approach, with the community as our guide.

Over the last 14 months we have done that and today we adopt a budget that will continue this strong community-first approach.

A priority budget

This is a priority Budget. It reflects what the community told us they wanted at the last election, especially investment to stimulate local business and job creation, as well as doing what's needed to make this a better connected community.

In December last year Councillors united to adopt six strategic priorities to deliver on the community's wishes and these priorities have formed the foundation of today's \$300 million budget. They are:

1. transport and connectivity; getting our residents where they need to go faster and safer;
2. sport, education and the arts; giving our residents the foundations for a strong future, be it in the classroom, on the stage or on the sporting field;
3. economic development; giving businesses a reason to invest in our city and the confidence to employ locals;
4. planning; adopting a clearer city plan that gives both our community and the industry confidence;
5. branding identity; setting our city apart from the rest, creating civic pride and putting us on the national and international tourism map; and
6. smart cities and digital connectivity; investing in digital pathways, recognising that today's businesses can be home and cloud based that we can no longer rely on the NBN being the only solution to our digital connectivity.

In adopting this budget, we have balanced these priorities with the need to keep costs down for our community.

Keeping costs down

The result is a responsible plan that invests heavily in our City and builds on our strong foundations while minimising the cost impact on our residents.

Under this Budget, a typical Redland household – that’s a category 1a owner occupied property with a property value of about \$305,257 - will see a modest increase of just 2.73 per cent, or about \$1.43 a week including all Council controlled water consumption, rates and utility charges.

This increase is in line with the Redland City Council CPI increase, meaning we are increasing rates and Council utility charges by the same amount our costs are going up to run the city.

Absorbing state increases

We have managed to keep general rates increases to a minimum despite cost increases from other levels of government including a 8.5 per cent increase in the State Government’s bulk water costs.

This increase follows an increase of 9.2 per cent last year and more than 10 per cent the year before, meaning the price we pay the State Government for water to travel from dams to our local wastewater treatment plants has gone up almost a third over the last three years.

To help offset these state-controlled water increases Council has held the retail component at the same price since 2015-16. For our residents this effectively offsets the State Government increases, meaning less pain at the tap.

While Council continues to absorb millions of dollars in external cost increases rather than passing them on to residents, unfortunately, we cannot absorb it all and still provide the high level of services our communities deserve.

Investing in the local business

This year’s Budget also includes increases in commercial and shopping centre rates, designed to help drive investment and growth in the local business community.

The Redlands has some of the lowest commercial rates in South East Queensland, however we know the business community wants us to do more to stimulate the local economy.

In line with the strategic priorities mentioned earlier, the rise in the commercial rates will support measures to boost our economic development and help local businesses and enterprises to grow through the master planning of key precincts and making our City more attractive to trade and investment.

We have an economic development framework in place and now need to ensure we have the resources to fully develop and implement the action plans required for our key industry sectors.

Operating position

This year's Budget predicts an operating deficit of \$11 million, about 3.7 per cent of our cash budget.

When capital revenue and expenses are included our final budgeted net result is a positive position in the order of \$25 million.

Increasingly we are finding better and smarter ways of doing business that reduce our operating costs during the year and again this year we will look for efficiencies with the aim of reducing costs for our residents.

We have a proven track record in this regard, having delivered three consecutive operational surpluses since 2014 and I am confident we can get there again in 2017-18.

Low debt

This year's Budget also predicts new borrowings of less than 1 per cent of revenue. This follows our strong track record of no new borrowings since 2013.

We also continue to have the lowest household debt in South East Queensland, showing that we are not willing to live beyond our means and expect our community to pick up the tab.

Our cash balances are in good shape and so we will use existing surplus funds and only borrow when necessary for intergenerational capital projects.

One such project is the Redland Aquatic Centre and Emergency Precinct, a project that will bring together a new community aquatic centre, Queensland Surf Life Saving centre of excellence and emergency services facilities into one precinct, delivering significant economic and community benefits to the city and wider region.

Investing in the future

This year's Budget will see Council invest in the future of the city with a healthy \$82 million capital expenditure program, while maintaining Council's low debt levels.

This year's capital program includes:

- \$23.64 million for roads projects, including the Green Seal Program and the Regional Road Alliance Program.
- \$10.77 million for infrastructure, including the Indigiscapes Visitor Centre expansion, Cleveland Aquatic Precinct redevelopment and the Bayview Conservation Area at Redland Bay.
- \$14.39 million for open space and conservation projects, including South East Thornlands Park, the Public Amenities Expansion Program, William Ross Park and Henry Ziegenfusz Sportsfield improvements.

- \$14.47 million for marine and foreshore projects, including the long awaited Macleay Island ramp carpark, seawall and asbestos capping, canal revetment wall upgrades and the Raby Bay Esplanade canoe launching pontoon.
- \$1.88 million for community infrastructure, including libraries, Redland Performing Arts Centre and Redland Art Gallery public art and acquisitions.

Greening the Redlands

This year's Budget also includes investment in greening our city, to be funded through a flat \$20 increase in the environment levy.

This will help launch our One Million Native Plants initiative.

Over the years we have secured about 10,000 hectares of conservation land across the city and this investment will help us green this land, along with other land across the city, maintaining the unique environmental character the Redlands is known for.

I am pleased to say this year's Budget also continues our support for local pensioners by maintaining pensioner rebates at \$335 per year for a full pensioner or \$167.50 for a part-pensioner – some of the most generous in South East Queensland.

A vote of thanks

Today marks the culmination of months of work and I would like to sincerely thank my councillor colleagues for their dedication, constructive debate and compromises over the many workshops, meetings and deliberations.

I am proud to say that while this Budget is the second for the new Council, it is the first for our new look Executive Leadership Team (ELT). Infrastructure and Operations General Manager Peter Best, Organisational Services General Manager John Oberhardt and Chief Executive Officer Andrew Chesterman – welcome to your first Redland City Council Budget and thank you for your guidance and support.

Thank you also to the rest of our ELT, Community and Customer Service Acting General Manager Kim Kerwin, Acting General Counsel Claire Lovejoy, our Transport and connectivity project manager Andrew Ross and head of Human Resources Amanda Daley, who is on leave today.

And of course a huge thank you to our Chief Financial Officer Deborah Corbett-Hall and her finance team. I know and appreciate the countless hours you have put into this budget and on behalf of all councillors and indeed the city I thank you.

On behalf of Council, I am proud to present this year's Budget to you.