

Budget speech 2018-19

Monday 25 June 2018

- The magnitude of managing the expectations and requirements of a city as diverse as ours is never more evident than during Council's budget considerations.
- Satisfying the needs of our city is a challenge ...
- ... especially when our city is at the mercy of substantial cost increases and decisions outside of our control.
- But it is a challenge Councillors take seriously and one we are up to.
- In framing the 2018-19 budget, I can assure residents that every councillor in these chambers worked hard to put forward their case and balance the needs of our residents with the needs of keeping costs as low as possible.
- The result is a \$289 million budget which is affordable, achievable and in the best interests of our city.
- This budget delivers an average Redland City Council rates and charges rise of 3.99 per cent for residential 1a owner-occupied properties with a property value of \$241,305, excluding State Government charges.
- It does so while maintaining Council's low-debt status and delivering a \$66.9 million capital works program which focusses on the renewal of vital community infrastructure, such as roads and parks.

External impacts

- In keeping the average residential rate rise as low as possible Council had to strike a balance between maintaining a high level of service to residents, prioritising projects and ensuring we did not compromise our enviable financial position.
- And we had to do so while facing external cost pressures. These pressures mean more and more Councils are having to do more with less... and this year is no exception.
- It is worth noting that of our total cash funding, less than 14 per cent comes in the form of grants, subsidies and contributions from sources such as other levels of government.

- Again this year we have had to accommodate continued hefty increases in the State Government's bulk water charges, which this year will see a 72 cents a week or nearly \$37.40 a year increase based on average 200kL consumption.
- At 7.3 per cent, that is substantial by any measure, coming on the back of similarly significant rises in the previous few years.
- In fact to put it in context consecutive hefty increases over recent years have added more than \$168 or almost 49 per cent to the average Redlanders water bill based on our average consumption of 200kL.
- These are cost pressures over which Council has no control.
- While we can't control state costs we can control ours and again this year Council has kept our water and wastewater retail charges at 2015 levels to ease the impact on residents.
- This will be the fourth consecutive year we have maintained the Council-controlled retail prices of water, it is our way of trying to save our residents money at the tap.
- Changes to the international waste recycling landscape will also have an impact on Council operations.
- In line with our cost recovery model for emptying residents' bins and disposing of and recycling rubbish, waste charges will rise by about 8.7 per cent – the minimum to ensure we continue to be a regional leader in waste management practices.
- Meanwhile, the recent announcement by the Federal Government that it would sell Commonwealth land at Birkdale also has an impact.
- Council had been negotiating with the Federal Government for some time in an effort to keep this land for educational and community use, in line with community expectations, and we had no forewarning of the announcement.
- With this year's budget, a portion of the of the environment separate charge, will again be allocated to acquisition, enabling Council to have the flexibility to move quickly to acquire strategically important land for the community, while also allowing us to maintain the city's existing conservation land.
- We also have committed to the Koala Conservation program, funding of \$1.1 million to deliver on-the-ground research and science-based actions to protect and improve koala habitat, reduce koala deaths and improve community education around koalas.
- I am also pleased to say support for pensioners has been maintained in this year's Budget with rebates at \$335 per year for a full pensioner or \$167.50 for a part-pensioner – among the region's most generous.

- Meanwhile, we are implementing new strategies in a bid to find further efficiencies to insulate ratepayers as much as possible from outside cost pressures.
- In response to extensive city-wide consultation on how the maintenance of canals and repairs to revetment walls should be funded, new differential rating categories will be introduced for Raby Bay canal properties. This consultation included an independent Citizens' Advisory Panel - a first in the Redlands.
- As a result the city will pay for all canal and lake maintenance such as dredging at Raby Bay, Aquatic Paradise and Sovereign Waters estates and 10 per cent of the cost of work on revetment walls at Raby Bay, which reflects slightly more than the proportion of revetment wall owned by Council for public parks and facilities.
- Essentially this means Raby Bay canal block residents will continue to pay for their revetment walls through the differential rate, reflecting the role revetment walls play in protecting their properties, while Council will maintain the canals and lake.
- And while we are on the topic of waterways it is important to note that the 335 km of coastline enjoyed by the Redlands Coast also plays a significant role in this year's Budget.
- While offering the Redlands Coast an outlook which is the envy of most cities, our beautiful coast also presents challenges in providing the marine public transport infrastructure needed for our residents to get around faster and safer.
- Local Government across the country is responsible for 25 per cent of the nation's infrastructure, but receives only three per cent of all taxes raised."
- Council, for too long, has been picking up the tab for what should be a State responsibility and through this Budget we are making representation to correct that imbalance.
- In May we drew a line in the sand requesting the State Government fund this public transport infrastructure as they do in most cities across the state.
- Asking the state to cover the costs of public transport means we can invest in the infrastructure to take our city forward, including the Weinam Creek Priority Development Area, a major intergenerational project, which will receive \$3.1 million under this year's capital plan.

Capital program

- Our 2018-19 capital program primarily focuses on renewing existing community infrastructure to ensure it remains in good shape, saving money in the long term.
- This \$66.9 million program invests heavily in the renewal of existing road, transport and community infrastructure such as parks.
- \$12 million has been set aside to reseal local roads as part of almost \$23 million allocated to mainland and island landside transport and traffic projects.
- As mentioned earlier, the geography of the Redlands Coast with its island and canal communities brings with it significant cost pressures.
- In addition to the \$3.1 million investment in Weinam Creek, this year's budget also commits \$7.9 million towards the City's marine infrastructure and foreshores, including \$689,000 for Victoria Point's Masters Avenue barge ramp, which services Coochiemudlo Island.
- This budget also confirms December this year as the end date for the Southern Moreton Bay Islands' Translink special charge, fulfilling the commitment made by Council in 2013 when the landmark decision was made to bring Translink to the southern bay islands.
- The importance to Redlanders of parks, conservation and city aesthetics are also reflected in this budget.
- It includes funding for the Wellington Point Village Green and streetscape upgrades, as well as providing \$2.1 million for Redland's IndigiScapes Centre expansion to cater for growing demand.
- More than \$4.1 million will go towards renewing playgrounds, parks and sports fields across the city.
- Parks in every division will get new equipment, features or amenities – underscoring our belief that they are vital to the wellbeing of residents and help to foster the strong sense of community we enjoy here.
- Council also will provide \$1.9 million to our libraries, the Redland Performing Arts Centre and the Redland Art Gallery for public art and acquisitions.

Financial position

- I am proud to say that we have been able to deliver this community investment while maintaining our city's enviable financial status.
- It positions us well to deliver the major projects that will be required in the years ahead.
- The 2018-19 budget allows for a small projected operating deficit of about \$2.35 million.
- This is a significant improvement on last year and will continue throughout the year to find efficiencies.
- Meanwhile our debt remains very low with proposed new borrowings of \$2.5 million in 2018-19 as compared to our anticipated income in the order of \$319 million, something which I expect would be the envy of many other councils.
- We have not spent the rates of future generations ...
- ... and that allows us to borrow judiciously for intergenerational projects that are vital to our city's future.

Conclusion

- This Council's pledge to let the community be our guide is very much reflected in this budget.
- Our approach to differential rating for canal and lake properties ...
- ... our boosting of the environment separate charge for strategic land acquisition ...
- ... and our project priorities ...
- ... these are all in line with what the community has told us it wants.
- There is no doubt every Councillor in these chambers would want to do more.
- But this Council remains intent on spending within its means.
- I believe residents expect that of us.
- I would again like to sincerely thank my Councillor colleagues for their dedication, constructive debate and the compromises that they have made.

- And, on behalf of Councillors, I would like to thank our CEO Andrew Chesterman and his Executive Leadership Team for their guidance and support.
- Our Chief Financial Officer Deborah Corbett-Hall and her finance team should especially be commended for their hard work, expertise and attention to detail.
- We know and appreciate the many hours you have put into this budget.
- Also, thank you to the members of our community who are with us today and walk with us each and every day towards a better Redlands Coast.
- On behalf of Council, I am proud to present this year's Budget to you.