

MEDIA RELEASE

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Budget signals climb from under operating loss

Townsville's deficit will be slashed by half in the 2009-10 Budget, with the council still on track to have the city's books out of the red within four years.

Coupled with a record spend on capital works of \$374 million, Townsville Mayor Cr Les Tyrell said, the city was displaying the type of financial management that would stimulate jobs and growth but still be sustainable into the future.

Handing down the city's \$684.9 million dollar budget today, Cr Tyrell said residents could look forward to significant progress on major construction projects, while maintenance and enhancement of roads, drainage and recreational facilities remained a focus.

"The recent customer attitude survey highlighted that the city's residents wanted improved roads and programs to fight the downturn in the economy," Cr Tyrell said.

"We haven't skimped on the big-ticket items such as water and wastewater upgrades, the Civic Theatre redevelopment, Murray Sports Complex and Flinders Street.

"These projects will inject millions of dollars into the community and also have major flow on effects to local businesses and contractors.

Total rates and charges will increase on average by 6.9 per cent. The rise for an average household with a land valuation of \$120,000 will be \$3.40 per week.

"In spite of operating in one of the worst economic environments in the city's history, we have managed to claw back our operating loss, and soon we will spend what we are earning, not continue further into debt for our day-to-day expenses.

"The truth is we were faced with the prospect of a \$56 million deficit in the first year of operating.

"The financial forecasts showed we were looking down the barrel of a decade of spending more than what we earned each and every year.

"We have turned this around with no drop in levels of service for things like road repair and parks and gardens maintenance.

Corporate Governance Committee chair Cr Natalie Marr said savings had been achieved this year in operating expenses through a detailed review of council's business.

She said the Budget was one of the toughest in the city's history.

"Through the hard work of every member of our staff and the Expenditure Review Committee we have cut back the fat in our operating areas and are concentrating on core business and customer service," Cr Marr said.

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"The good news doesn't stop there - we are also going to be looking for another \$6.6 million saving in operating costs during the year, without cutting core services.

"This will include the very basics, like reviewing mobile phone contracts, reviewing business systems across council and reducing the number of printers, computers and photocopiers.

"We will run a tight ship and we will deliver for the community."

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