

# **Mayor Cr Jenny Hill**

## **Speech for 2016/17 Budget**

**06 July 2016**

Good morning fellow Councillors, Council staff, Ladies and Gentlemen.

Today we lay out our annual budget for the 2016-17 financial year, and the first budget since the election.

After the countless houses visited during the campaign, speaking with residents across the city, it is clear our community is doing it tough and something needed to be done to help our ratepayers.

My team and I went to the election with a promise to the people and business owners of Townsville – no increase to your general rates in the first year.

This budget has not come without sacrifice and council has had to tighten its belt across the board and make some really tough decisions to determine not only the levels of service provided by every area of council, but also smarter ways of performing our duties.

And as a council, in determining this budget, we had some difficult challenges to overcome:

- Reduced revenue from reduced development activity
- Increase costs for materials and services
- 10% increase to our electricity costs
- And \$7.1 million for the pumping of water from the Burdekin as we work our way through the worst drought to hit our city for more than 20 years.

Well Ladies and Gentlemen I am proud to say with this budget – the **community comes first**.

**To everyone across the city** – to residents – property investors – and to business owners, you will have **no rise in your general rates**, and you will have **no rise in your utility charges**.

What you paid last year is what you will pay this year.

Our recent budget history has been good. Between the staff and *my* efforts, we delivered *four* successive surpluses including a \$9.2 mill surplus to the end June 2016 and reduced our overall debt that provided a buffer for when times are tough for everyone in our city.

Despite the belt tightening, and with the reduced revenue and cost increases, a fifth forecast surplus was not achievable. A worst case scenario of \$6.7 million has been forecast for this financial year based on the cost of pumping water from the Burdekin until the middle of next year.

Rain in the catchment and the reduction in pumping during the wet season is expected to result in a much lower deficit figure.

While I know full well that a deficit never looks good for a council – the times are tough in our community with 13% unemployment, and the council needs to do what it can to help our community.

## **Targeting Cuts**

Councillors, as you are aware this historic rates freeze did not come easy. The hits to council's bottom line over the past twelve months have hurt. As a result, we have been forced to look at what is nice-to-have, and what is council's core business.

Our core business, the services the community expect from the council will remain at the high standard **you** have come to expect.

Council has taken a \$23million hit to our budget bottom line this year – so the nice-to-have programs have had to be looked at long and hard – to determine what can remain and what needs to be cut.

Budget savings of almost \$14 million have had to be made through cutbacks across the board including external labour hire, special events, staff travel and accommodation.

There is also the most significant management review being undertaken since Townsville and Thuringowa councils amalgamated 8 years ago. The targeted savings with this review is \$5million.

## **Responsible management**

Townsville has enjoyed good economic times in the past, but the mining downturn, low resources prices and slowed developments has resulted in an unemployment level not seen since 2003.

During my previous term as Mayor, I made the most out of these good times by:

- paying back debt and saving the city \$2.4million per year in interest payments alone
- delivering four successive surpluses allowing more projects to be built and paid for without having to borrow

- delivering, the lowest general rate increases by any Mayor for a generation.

This budget will increase debt by \$40 million to fund a **\$205.2 million** capital works program that will deliver income producing infrastructure to support construction and the city's future growth.

*The zero increase in rates and charges, combined with the priority spending on key major projects*, is the most effective way we can support our community and provide an economic stimulus for the city.

## **Giving residents a hand up**

On top of the rates freeze, the council will continue its 15% discount on early payment of general rates and concessions for pensioners.

Pensioners will continue to receive concessions of 85% on general rates or up to \$800 a year to assist them to stay in their own homes.

And the pensioner transport subsidy scheme of will continue.

## **Backing investment and jobs**

Our commitment to doing our part to create the environment that provides jobs, investment and economic activity form a major part of this budget.

This year's total council budget is \$568 million to construct capital projects and deliver council services across the community.

The council will spend \$205 million locally over the next year delivering projects and services in the suburbs.

This includes \$136 million in wages 1400 local residents who work full time for council and 340 part time and casual workers to spend at local businesses.

**The council will also continue to provide career opportunities for young people, employing 37 apprentices and 32 trainees.**

## **Major Projects**

This year's \$205 million list of capital works is focused on income-producing assets that will support Townsville's future growth.

These projects include:

- \$21.1 million CBD Utilities Upgrade replacing inner-city water, sewerage infrastructure.
- \$7.1 million for the first year of the three-year \$51M Cleveland Bay Treatment Plant Upgrade.
- \$5 million for stage 2 of the Townsville Recreational Boating Park

- \$3.68 million for advanced planning for proposed Houghton Pipeline duplication that will secure our water supply for the next 50 years.
- \$4.135 million Southern Suburbs Rising Main to upgrade services to support new development on the southern side of the Ross River.
- \$3.3 million to complete stage 1 of the Peggy Banfield Park upgrade and \$1.8 million to complete the new Strand Waterpark, which when finished will show off the great lifestyle Townsville has to offer.

## **Water and waste water**

Townsville is in the midst of its worst drought in more than 20 years. Significant rain is unlikely in the short term and as a result, we will have to pump water from the Burdekin until the rains arrive.

Council has been negotiating with Sunwater for the past few months to calculate how much water the city will need, to guarantee that Townsville will not run out of water.

The negotiations began in November with water purchase and pumping costs starting at \$12 million.

I was not prepared to accept this large cost to the community and negotiations continued until recently an agreement was reached that will save council \$5 million from the starting cost.

In addition to this, council will invest in renewing and rehabilitating water and waste water mains, pumps stations, reservoirs and treatment plants will continue this year.

\$40 million will be spent on projects to secure the city's water supply and \$38 million on the city's sewerage network.

This includes:

- \$9.2 million for rehabilitation of water mains
- \$2.1 million for construction of upgraded pump station in North Ward
- \$1.9 million for new sewage pump station and rising main to service Stockland Shopping Centre and new North Shore development.
- \$2.2 million for a new wastewater main in Jensen to support growth in that area

## **Local roads, road safety and drainage**

Townsville City Council will inject \$31M into reconstruction, reseals and overlays of 105 streets and other priority projects to support the city's growth.

Key roads projects include:

- a project I promised would be delivered this year being the \$4.1 million upgrade to the William Angliss Drive and Merv Crossman Drive roundabout at Annandale, and

**Road safety also remains a priority** with this year's budget. \$3.66 million is being spent on upgrades around the city to improve known black spots, footpaths, traffic signals and road signage.

A major highlight is the half million dollar upgrade to the second stage of the Marina Drive footpath upgrade for Bushland Beach residents.

\$472,000 has been allocated for Black Spot upgrades to the:

- Bamford Lane / Mill Drive intersection,
- Kern Brothers Drive / Bel Air Avenue intersection and
- Fulham Road / Cambridge Street intersection.

**\$10 million** has also been allocated for drainage works across the city. And top of this list is a \$3.2 million for the realignment of underground stormwater drains on Lamington Street, Greer Street and Ingham Road.

A further \$1 million will fund reconstruction of drainage in Sturges Street, Hermit Park.

Our kerb and channel replacement program will continue to the tune of \$5 million across the city.



## **Waste**

Construction of a \$3 million state of the art transfer station at the Stuart landfill is the treasure of the waste management budget this year.

This transfer station will provide residents with a convenient area to dispose of waste without having to go to the tip face.

\$10.4 million is dedicated to managing the city's kerbside collection services including 74,500 domestic waste collections, and 37,000 residential recycling services each week.

\$11.9 million has been allocated for the operation of the city's three landfills and five transfer stations, which now includes the transportation of waste from Magnetic Island to the mainland.

Council will also continue its eight dump vouchers per household and a free three-day pre-cyclone dumping weekend.

Council will also spend \$575,000 for an interim cap and detail design of the rehabilitation plan for the Picnic Bay landfill which is now closed to taking waste.

## **Safe and secure community**

Construction will commence in November on a \$3.6 million Disaster Coordination Centre in Walker Street. This will vastly improve the city's emergency response capabilities as the centre will remain operational even during a Category 5 cyclone.

\$2.12 million will be spent on CCTV, security network upgrades and security patrols that will greatly assist the police by providing rapid information on people breaking the law or threatening the safety of others.

## **Maintaining our outdoor lifestyle**

Townsville's outdoor lifestyle is treasured and this Budget will continue to keep the city's parks, gardens, roads and verges in healthy shape.

While all parks will have reduced watering as long as water restrictions are in place, our major utilised outdoor areas will continue to receive the attention they deserve.

**\$8.3 million** will be spent on capital works in 31 local parks from Kalynda Chase to Alma Bay on Magnetic Island.

The parks allocation includes \$1.2 million for the completion of the upgrade of Illich Park in Aitkenvale, \$3.3 million for Peggy Banfield Park upgrades.

This year \$108 million will be spent on maintaining our public areas - including The Strand, Jezzine and Riverway to fund daily work our council outdoor staff do to mow and maintain parks, trees, median strips and road verges, pot hole repairs, maintaining stormwater drains, footpaths and boat ramps.

## **Supporting our community**

Council will continue its strong commitment to the community who do so much to improve the lifestyle and opportunities available in our city.

The council will provide \$2.15 million to the Community Grants Scheme that will afford some community groups the opportunities to upgrade facilities or host special events.

Other community highlights include:

- \$1.1 million for the Libraries Lifelong Learning Programs
- \$893,000 for recreation and sporting activities
- \$4 million public pools, Riverway Lagoons, Strand waterpark, Rockpool and
- \$5.3 million for sports facilities including Townsville Stadium, Tony Ireland Stadium, Riverway sport ground

## **Year of events and festivals**

Townsville is in the midst of its 150<sup>th</sup> anniversary that started in February this year.

The T150 celebrations will provide a spectacular finale with the October 15 Townsville Bulletin Skyshow as a milestone for the \$2.2 million budget for public and civic events over the next year.

Council will present more than 35 significant events including ANZAC Day and Australia Day, Carols by Candlelight, New Year's Eve, Heritage Day and Eco Fiesta in the coming financial year.

The City Budget will also satisfy the arts and cultural enthusiasts with another full calendar.

70 exhibitions featuring local national and international artists will feature in some of the city's creative spaces and at the Perc Tucker and Pinnacles Galleries.

Townsville's theatres and outdoor performance spaces will offer a collection of performances from headline companies including Circus Oz, Queensland Symphony Orchestra, Opera Queensland and Australian Dance Theatre in the coming year.

## **Sustainability and environment**

Despite the cuts made to this year's budget, Townsville City Council remains committed to environmental sustainability.

**\$5.7 million** will go towards a range programs and partnerships with community and government groups to protect and maintain the region's natural assets.

These programs include; the Rowes Bay Sand Renourishment program; funding to protect 400 individual sites including creeks, river banks, wetlands and revegetation projects; Land protection, biosecurity and wild dog trapping.

## **Conclusion**

This budget lacks the bells and whistles and grandeur of previous budgets – but does contain many highlights.

More importantly it delivers on our contract with the community to deliver a rates freeze in our first year.

It provides help to our residents who need relief from the rising cost of living, and it provides a boost to our businesses that may be struggling as we work our way through these tough times.

The entire city will benefit from the freeze in their rates. It will free up some hard-earned income that will be spent in the community and benefit our local businesses.

And the businesses will be able to invest in their business either through extra employees or other improvements.

This budget took some extraordinary efforts from my fellow councillors and the dedicated council staff and I thank them for their extended hours and commitment and contributions to this budget.

Councillors this budget leaves no doubt that our **community comes first**.

I submit the budget for your consideration.