



ST GEORGE

DIRANBANDI

BOLLON

THALLON

MUNGINDI

HEBEL

NINDIGULLY

BUDGET

2019-20



ST GEORGE | DIRRANBANDI | BOLLON | THALLON | MUNGINDI | HEBEL | NINDIGULLY

Mayoral Budget Statement

2019-20

2019/20 - MAYORAL BUDGET STATEMENT

Councillors, Ladies and Gentlemen,

Welcome.

Councillors, this is the last Budget prior to the March 2020 elections. It is also a budget that will leave a legacy for a positive economic outlook for the Shire. The approval of the Wild Dog Exclusion Fencing Special Rate Scheme will promote economic development and increase sheep numbers in the Shire. The Digital Connectivity Project will enhance connectivity to improve communications and business opportunities in the Shire. We have also initiated a rating strategy to implement changes that will result in there being a single rate in the dollar for rural rate categories 60 to 63 and 65 to 75 over a seven year transitional arrangement.

Council has a fiscal responsibility to deliver a budget that works toward financial sustainability. Some of these major projects and funding programs are initiatives that will give the Shire opportunities to grow and prosper into the future. We have forecast an operating deficit of \$943,843 which can be explained due to the receipt of over \$2m of State and Federal funding that will be expended in 2019/20. Many of these projects are funded over multiple years with milestone payments received in 2018/19 to be expended over the next two financial years. The result is a projected surplus for the year ending 30 June 2019. The good news is that we will be able to deliver over \$10m worth of projects to our Shire with the funding we have been able to achieve.

Even with the influx of grant revenue, there is still limited revenue and resources to achieve the results we want over the coming years particularly around the maintenance and renewal of our existing assets. It is disappointing grant funding is usually directed to providing new assets and not upgrading or renewing existing assets. Where community groups have made submissions for projects we have included what we can fund and will work with local groups to obtain grant funding where possible.

Council has contracted with the Department of Transport and Main Roads [DTMR] to deliver shoulder widening on the Carnarvon Highway for a distance of 7km commencing on the outskirts of St George heading towards Roma. The project will commence in June. This will be a great opportunity for Council to expand its road building capability and relationship with DTMR. The works will increase driver safety and support the employment of our local workforce.

RATES & CHARGES

Council's general rate revenue represents 30% of Council's total revenue and is insufficient for long-term financial sustainability.

We have been on a three-year journey to review our rates and charges structure and are now proposing to move to a single rural rate in the dollar for rural categories 60 to 63 and 65 to 75 with these categories to be consolidated into four rating categories 100, 200, 300 and 500. To minimise the impact on ratepayers this is to be transitioned over a seven-year period and without a CPI or CCI¹ increase in the first year. In

¹ CPI – customer price index; CCI – council cost index

2019/20 Council will increase the rates for all other categories by 2% for both the rate in the dollar and minimum general rate consistent with CCI. The new rural categories 100, 200, 300 and 500 will see a new rate in the dollar that will progress over a seven-year period towards a single rural rate in the dollar. Limitations will also apply to assist the transition.

The Queensland Audit Office² recommends that councils:

- consult with the community on its rating strategy;
- ensure that annual revenue statements on rates and charges support financial sustainability; and
- adopt a long-term rates strategy

The new rating strategy meets all of those recommendations and takes into account the significant changes in valuations in 2017/18.

Utility charges will increase by 2% for water, waste and sewerage (except for Mungindi). Mungindi rates are set based on Moree Plains Regional Council services plus an administrative charge. Balonne Shire and Moree Plains have no plans for an increase of utility charges for Mungindi in 2019/20.

When setting the rates Council has:

- ✓ evaluated and determined the range of services provided to the community for example, waste management, local roads, suburban and rural care
- ✓ decided how much money is needed to fund services and infrastructure
- ✓ established how much funding it can expect to receive from the Federal and State Governments and other income sources
- ✓ determined how much money is required from rates and charges to cover the balance of expenditures
- ✓ decided on the best mix of rates and charges to provide services to the community.

To minimise the impact on individual landholders Council has adopted the following rate strategies:

- ✓ A 2% increase in the rate in the dollar for all rating categories (except for the new rating categories of 100,200,300 and 500). The rate in the dollar is applied to the land valuation to determine the amount you pay.
- ✓ A 2% increase in the minimum general rate. (except for the new rating categories of 100,200,300 and 500)
- ✓ A 2% increase for water, waste and sewerage utility charges.
- ✓ Services provided to Mungindi for waste and water services will have no change as per Moree Plains Shire Council.

² Queensland Audit Office, Managing local government rates and charges, Report 17: 2017-18, 28 June 2018

- ✓ Council will apply a limitation on the increase of general rates under Section 116 of the *Local Government Regulation 2012*. The limitation of 20% has been applied to the new rating categories of 100,200,300 and 500. Council will continue to apply a limitation of 30% to category 79.
- ✓ Council will continue to issue two (2) six-monthly rates notices.
- ✓ Council will continue to deliver a waste collection service offering recycling services and landfill.

Council recognises the responsibility it is charged with and has concentrated on creating a budget that can deliver essential services to our communities, whilst keeping rate and charges increases to a minimum.

Pensioners

Pensioners will continue to receive a maximum concession of \$170 per annum for qualifying properties.

BUDGET HIGHLIGHTS

Our capital budget for 2019/20 is \$6,842,160 of which \$2,672,160 is funded by grant revenue through State and Federal Government initiatives.

Roads - Construction and Maintenance

Our team will continue to conduct re-seal programs utilising Transport & Infrastructure Development State funds and Federal Roads to Recovery funding. The overall Infrastructure Roads capital budget for 2019/20 is \$1,853,160 with \$1,353,160 funded through Federal and State funding.

Digital Connectivity

Council has secured \$1m in Building our Regions funding over a two-year period and a further \$1m through Murray Darling Basin funding to improve the digital connectivity across the Shire. This has the potential to improve connectivity to more than 50% of the Shire and will support business, agriculture and communities.

New Enterprise Resource IT System

Council will look to replace and upgrade its IT system in 2019/20, a project that will be implemented over two financial years which will improve customer service, mobility of our workforce and efficiencies in recording and capturing our financial data.

Works for Queensland

Balonne Shire will receive a further \$1.22m by the end of 2020/21 under the State Government's Works for Queensland Program. Council has approval to extend the deadline for the St George Thermal Springs Project under this program and this is now due to be completed by October 2019. Other projects under Works for Queensland in 2019/20 financial year include Shire Entry Signage; Balonne Shire Showgrounds Maintenance; Dirranbandi Rising Sewerage Main Replacement and St George & Dirranbandi Water Mains.

Tourism / Visitor Services

Council has employed a Manager Tourism and has provided a budget to develop a Tourism & Events Strategy, improve marketing and attract more visitors to the Shire. Events such as the Nindigully Pub's new event – the Nindigully Film and Music Festival – will offer a drawcard to the Shire for film buffs and music lovers. This year marks the 30th anniversary of the release of the Australian film *Paperback Hero* which was filmed on location at Nindigully. It would be great to see the cast, which included Hugh Jackman and Claudia Karvan, return to Nindigully for this inaugural event.

Economic Development

Council's Economic Development Officer continues to implement the Economic Development Strategy and has been working with local, national and international stakeholders to promote and encourage development in the Balonne Shire.

Aerodromes

The Airport Master Plan will be finalised in early 2019/20 and a \$1m general aviation development will commence at the St George Aerodrome funded by a Building our Regions grant. This will see the development of the taxi way and hangars.

Council is also actively assisting the Bollon community to source funding for a new aerodrome fence to limit animal access to the airstrip.

Community Development

The Balonne In-Step program, funded by Queensland Health, will continue in 2019/20 with the engagement of our Community Collective and Wellbeing Services Co-ordinator. A Multicultural Development Officer has also been engaged to determine the desire of the community to welcome migrants and what services would be required to support them.

Our community development programs such as the Young Leader's Bursary, Get Ready Balonne and support of local community events will continue. A business plan has been completed for the new Library/Innovation Hub and will be used as a basis to engage with the community and attract funding to develop this project in the future.

Sport & Recreation

As stated above Works for Queensland funding has been secured to improve showground facilities across the Shire. Finishing touches will also be completed at the Dirranbandi Multi-purpose Sporting Complex.

Parks & Gardens

A tree planting and replacement program will be initiated for all towns in 2019/20. Master Plans will be reviewed and/or compiled for all showground and recreation facilities across the Shire. The CBD Master Plan in St George will also be reviewed.

The St George River Foreshore Canoe Ramp extension will be completed this financial year. The Dirranbandi Civic Centre playground will be fenced and soft fall and artificial turf will be installed at Rotary Park in St George. Council will extend the St George River Foreshore footpath towards the Jack Taylor Weir.

A new memorial remembrance area will be installed at the Thallon cemetery. To get into the spirit of Christmas, Council will purchase decorations to be installed in time for the 2019 Christmas season.

Health, Environmental & Rural Services

A range of capital works will be completed across our stock routes and watering points using grant funding. Significant funding has been secured through Murray Darling Basin grants with \$1m towards feral animal and pest control and up to \$5m for wild dog exclusion fencing. Council also has successfully secured a loan to fund the Wild Dog Exclusion Fencing special rate scheme.

Water

The capital works budget for water projects is \$1,010,000 of which \$230,000 is funded by grant programs. This will see water main replacements in Dirranbandi, St George and an upgrade to the Dirranbandi Showground Watering system.

Waste

A new landfill operator commenced on 1 June and has a contract over three years to operate the St George Landfill facility. A landfill remediation report has been prepared for Council to consider the cost of mitigating any landfill subsidence in the short term and in the longer term the remediation of current and former landfill sites.

Conclusion

Overall the proposed budget shows a significant operating deficit, however this is due to the accrual accounting requirements to recognise revenue when it is received. Council has received a number of funding approvals and milestone payments in 2018/19 in excess of \$1m. These funds will be expended and progressed in 2019/20 and 2020/21.

In closing, this Budget includes some landmark decisions of legacy proportions of which Council can be proud. High in these decisions are the Wild Dog Exclusion Fencing Special Rate Scheme and a new rating strategy to move towards a single rural rate in the dollar. I acknowledge the extensive work and input from our councillors and staff to make this happen. I thank everyone for their persistence, tenacity, foresight and the will to stay the course where it would have been easier to settle for a lesser outcome.

We can today say this is a Council budget that will realise our vision to have connected, innovative communities, where economies are strong and opportunities are abundant.

Cr Richard Marsh
MAYOR