

MAYORAL BUDGET STATEMENT 2020 - 21



For the People
Salonne
Shire Council

2020/21 - MAYORAL BUDGET STATEMENT

Good morning Councillors, Ladies and Gentlemen,

Councillors, this is the first Budget of the Council elected on 28 March 2020. It is also a budget that has been impacted by a February 2020 flood event and COVID-19 worldwide Pandemic. COVID-19 has led to significant financial stress in our business community and it is now more than ever that we need to lead the way as we have in the past through Drought and Water Buy Backs.

Balonne Shire was on the cusp of a positive economic outlook for the Shire with the Wild Dog Exclusion Fencing projects and recent rain events. Fortunately, our agricultural industry has some capacity to continue its recovery over the short term however, our smaller businesses are suffering now, and it is likely we will see a number of years of reduced funding opportunities and further social and economic challenges.

The good news is that Council has worked hard to achieve significant grant funding that will see projects delivered over the next 2-3 years. It is expected that many of these grant programs will provide opportunity for local business and contractors to work with council to deliver the projects. Some of the projects already underway under funding arrangements include:

- Continuation of the Digital Connectivity Project to enhance connectivity and improve communications across the Shire;
- Continue delivery of a range of Wild Dog exclusion fencing projects;
- Develop the St George Aerodrome Industrial Hangar – General Aviation Area;
- Implement the Dirranbandi beautification scheme with Murray Darling funding;
- Deliver the Dirranbandi Thermal Springs also with Murray Darling funding;
- Continuation of the Mungindi River Foreshore project.

There are many more smaller projects across the Shire planned for 2020/21, that will not appear in the budget documents, as we await funding agreements. At all times Council has worked hard to ensure that the injection of funding from the Queensland State Government – Works for Queensland and Federal Government – Community Infrastructure & Roads programs will see all of our communities receive monies for their prioritised projects and jobs result from these works.

We continue to focus on working with our community to consult and engage on projects and look at what we can fund and when we cannot, work with local groups to obtain grant funding.

Council has always had a fiscal responsibility to deliver a budget that works toward financial sustainability. In this term our challenge will be to complete our major funded projects and provide support and advocacy to our residents, ratepayers, and businesses as the COVID-19 restrictions ease. The Budget for 2020/21 is conservative – delivering on funded programs and business as usual. It has a forecast operating deficit (after capital) of approximately \$146,000. Many of the funded projects are to be implemented over multiple years with milestone payments received in 2019/20 to be finalised in 2020/21, 2021/22 and 2022/23. The good news is that we will be able to deliver over \$9.3m in capital projects and \$10.3m in operational projects with over \$13.3m of this funded by grant programs.

In the long term there is the risk of reduced grant funding and therefore Council will explore ways to raise our own revenue without increasing the burden on our ratepayers. In that regard we have included \$100,000 to become accredited to deliver Federal and State road contracts to compete for tenders on the open market.

RATES & CHARGES

Council's general rate revenue represents approximately 38% of Council's total revenue and is insufficient for long-term financial sustainability. Council has carefully considered its rating strategy to reduce the impact on those ratepayers during these unprecedented times. As a result, no increase on rates will be applied. Rural categories 100, 200, 300 and 500 will, however, continue the seven-year rating strategy with a view to achieving a single rural rate by 2025/26. Limitations will continue for those still impacted by the 2017/18 land revaluations. Council will extend the discount period from 30 days to 60 days for the August levy to give people more time to pay and take advantage of the 10% discount. Council's Environmental Special Charge, Urban Animal Special Charge and Feral Animal Special Rate will continue without an increase.

Utility charges will not increase for water, waste, and sewerage (including 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 2020/21. Council has reviewed its pedestal charges for categories 15, 11 and 12. Council's three tier pedestal charges will now be one standard rate of \$250.00 per pedestal.

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; and
- ✓ considered the economic conditions impacting the Shire.

In summary the following rate strategies will minimise the impact on individual landholders:

- ✓ No increase in the rate in the dollar for most rating categories. The rate in the dollar is applied to the land valuation to determine the amount you pay. Rural categories 100, 200, 300 and 500 will progress through the seven-year rating strategy.
- ✓ No 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.

- ✓ Council will apply a limitation on the increase of general rates under Section 116 of the *Local Government Regulation 2012*. The limitation of 20% will continue to apply to rating categories of 100,200,300 and 500 and a limitation of 30% to category 79.
- ✓ Council will continue to issue two (2) six-monthly rates notices.
- ✓ Council will offer a 60-day discount period for the August levy
- ✓ 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 for 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 2020/21 is \$9.3m of which \$4.8m 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 2020/21 is \$2.86m with \$1.88m funded through Federal and State funding. A flood damage claim with the Queensland Reconstruction Authority is currently pending and will be included in Council's budget and roads program upon receipt of the funding agreement.

Digital Connectivity

Council will continue to implement the \$1m in funding secured in the Building our Regions funding program and \$1m in the Murray Darling Basin Economic Development Program 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 has successfully transitioned its financial management and payroll systems to Synergy Soft and Altus Payroll with IT Vision. We will continue to finalise this project with phase 2 in 2020/21. The project will improve customer service, mobility of our workforce and efficiencies in recording and capturing our financial data. This is the first major upgrade to our financial management system in 28 years.

Works for Queensland

Balonne Shire will finalise the Dirranbandi Rising Sewerage Main Replacement and St George & Dirranbandi Water Mains, by the end of 2020/21 with funding under the State Government's Works for Queensland Program. A further injection of \$1.18m in funding under Works for Queensland Program to be spent by 30 June 2021, will also be added to the budget once the funding agreement is signed.

Tourism / Visitor Services

Council has rolled over its funding from 2019/20 to 2020/21 and will offer \$63,000 to applicants under its Tourism & Events Donations and Assistance program. There were many events cancelled during the early part of 2020 due to COVID-19 so as restrictions eased, we hope this program will assist events to occur into 2021. Our Tourism & Events Strategy will be finalised in 2020/21 and our Welcome Mate Marketing campaign will ramp up again.

Economic Development

Council has over \$1m in funding from the Murray Darling Economic Development Program to support economic development in the Shire. \$500,000 is being rolled out for business mentoring program and \$492,000 for the Dirranbandi Beautification Scheme.

Aerodromes

The \$1m general aviation development will continue at the St George Aerodrome funded by a Building our Regions grant. This will see the development of the taxi way and land available for lease or purchase for hangars.

Community Development

Council hopes to continue the Balonne In-Step program, funded by Queensland Health. After meeting with SWHHS, Council will negotiate for funding for 2020/21 that may require support from other partners.

The funding for our Multicultural Development Officer will continue over a three-year period. This program aims to assist the community to welcome migrants and what services would be required to support them.

Council will focus on Youth and continue with the Young Leader's Bursary and support the school Chappy Program with \$10,000.

Council's community grants and sponsorship program has \$60,000 available and includes funding to assist community groups to prepare traffic management plans.

Sport & Recreation

Master planning is currently underway for Rowden Park with feedback from the community. Federal and State government funding stimulus packages will assist in a range of projects being added to our budget early in 2020/21 for completion by 30 June 2021. Once the funding agreements have been received, we can announce what will be fully funded through Queensland State funding Works for Queensland and the Federal Community Infrastructure & Roads funding programs.

Parks & Gardens

A tree planting and replacement program will continue across all towns in 2020/21. Master Plans will be finalised in early 2020/21 including the CBD Master Plan in St George and Beardmore Dam Master Plan. Wallam Creek Foreshore Area in Bollon has received \$60,000 in funding and upon completion of the Master Plan this will see the addition of BBQs and/or shelters. Mungindi Recreation Reserve will also benefit from the Queensland Local Government Grants and Subsidy Program and Cross Border funds. All towns will benefit from these funding programs and these will be added to the budget upon receipt of the funding agreements. Council will continue to consult with the community as we plan, and program works across the Shire.

To share the spirit of Christmas across the Shire, Council will purchase decorations and lights to be installed in each town in time for the 2020 Christmas season.

Health, Environmental & Rural Services

A range of capital works will be completed across our stock routes and watering points with State Government funds. Our signature projects for Wild Dog Exclusion Fencing Special Rate Scheme and Murray Darling Basin grants will continue with over \$10m in fencing being delivered across the Shire. Sign up of landholders approved for Round 2 of the scheme will commence from 1 July 2020.

Water

The capital works budget for water projects is \$985,000 of which \$125,000 is funded by grant programs. This will see water main replacements in St George and funding to develop a business case for a bore at Mungindi.

Waste

Funding for an Illegal Dumping Compliance Officer will continue to be utilised in 2020/21 and Council will ensure that it meets its Environmental licensing requirements for all landfills.

Conclusion

Overall, the proposed budget has deficit before capital revenue of (\$4,985,700) with an operating deficit after Capital of (\$146,400). The overall budget is Revenue of \$29,514,900 (excluding capital) and Expenditure of \$34,500,600. The Capital works program for 2020/21 is forecast at \$9,326,134. Council has received several funding announcements that cannot be added to the budget papers until funding agreements have been signed. Some milestone payments received in 2019/20 will be expended in 2020/21 and are shown in the budget papers as 'restricted cash'.

It has been a challenging start to the new term for Council with the outside influences of COVID-19 and I take this opportunity to thank our councillors for their considered approach on their first budget for the new term. Thank you also to our executive team and staff who have brought the budget together on top of delivering a new finance and payroll system. Finally, I want to thank the community for their support and co-operation during the February flood event and the COVID-19 restrictions. Council is conscious of the economic hardship that has been and will continue to be experienced in the Shire. Our aim is to deliver a conservative budget with a focus on business as usual, no increase in rate revenue and delivering on grant funded projects. Council will continue to work with local business and contractors to stimulate the economy, providing support, work, and jobs as we roll out the funding programs.

Our 2020/21 budget continues to build on the work over a number of years to realise our vision to have connected, innovative communities, where economies are strong, and opportunities are abundant.

Cr Samantha O'Toole
MAYOR