

TOWNSVILLE CITY COUNCIL

BUDGET & OPERATIONAL PLAN

Acting Mayor's Speech, Wednesday 26 June 2024

Today I rise to present Townsville City Council's Budget and Operational Plan for 2024/25.

This document details a financially responsible and strong plan to manage the challenges our community is facing today and continue to build the foundations for a stronger tomorrow.

The development of this budget began in April, following the swearing-in of the city's new Council, and has been a mighty collaborative effort from Councillors and Council staff to get us here today.

Considering my fellow Councillors and I were sworn in just seventy-eight days ago, there's no denying it's been a hard and fast learning experience for all of us.

I won't mince my words, today's budget is bold.

However, I'm proud that we stand united as ten councilors having made bold and necessary decisions that will responsibly balance delivering for today and tomorrow.

As elected officials, I think it's safe to say we all love our city, we do this job to contribute to the betterment of our city and region, and part of that job is making the hard decisions and acknowledging when we need to pivot and prioritise.

This budget has a total investment of \$868.1 million, and prioritises four key areas in its delivery.

To:

- Secure Council's financial position;
- Prioritise core services;
- Support a connected and engaged community, and;
- Lay a foundation for future investment and growth.

In order to do this, we must understand the current economic climate we're all faced with.

Off the back of 13 increases to interest rates across 2022 and 2023, things are very different from years gone by.

It's no secret people are feeling the pinch of cost-of-living increases.

Equally, Council has not been immune to these challenges.

The increase to operational costs has been significant, whether it be due to labour, materials, services or utilities.

Rates

As an organisation we were at a crossroads - continue shouldering a level of financial burden at the cost to our ability to deliver the essentials of a city, or introduce a reasonable rate and utilities rise and continue to provide reliable and quality services for our community.

Which leads me to announce that this financial year, owner-occupiers will see an average rate and utility increase of 5.1 per cent.

This equates to just \$3.78 each week – less than the cost of a small takeaway coffee, a little more than an iceberg lettuce or the price of two avocados.

When broken down this \$3.78 is made up of \$1.74 for general rates and \$2.04 for utilities like our city's water and wastewater services, and waste management.

In previous years Council had absorbed costs throughout challenging times for the community, delivering minimal to no rate increases over the past decade, with the goal of easing cost pressures on residents. Unfortunately, this is no longer sustainable.

While the increase may come as a surprise to some, in the current environment, when even that small takeaway coffee is increasing in price – it is only reasonable we too must pass on the necessary increase.

Core Services

Investing in our community is front of mind for this budget, prioritising the core services that our community expects from a local government.

While I won't use the term - unprecedented, we all acknowledge these are challenging times.

We understand families are sitting around the dining table at the moment having to figure out where to cut back. The last 78 days have involved us as Councillors doing much the same.

Do we invest less in core services that lay the foundations of future growth and investment, or do we cut back on the shiny 'nice to haves' to focus on the here and now of Council and Townsville?

While in years gone by there has been a huge focus on 'city-shaping' infrastructure, the reality is 2024 is a very different time.

This budget will see us invest a lion's share - \$588.6 million - in these core services that matter most during this time.

More than half a billion into maintaining community assets across Townsville, including water, wastewater, our extensive road networks, bridges, footpaths and waste management.

A further \$91.5m has been invested into things like maintaining our city's fantastic green spaces like The Strand, Riverway and Jezzine Barracks, our 367 parks and 203 playgrounds.

These are the things that have a big impact, especially to the liveability of Townsville, here and now.

Townsville City Council is not alone in the challenges of this budget, just last week our neighbours in Cairns delivered their own with a rates rise above our own.

In delivering this budget we knew that we needed to prioritise our community and core services above all, however we didn't want to rob Peter to pay Paul.

Increasing rates is one of several measures Council has adopted to ensure the continuation of reliable services for the community.

This budget will see the first rise in Council's paid parking fees in 14 years, and will see parking increase by \$1 per hour from 29 July, 2024.

This revenue will be reinvested back into council roads and well utilised parts of the city.

The increase is still well below that experienced in other cities such as Cairns at \$2.20 per hour and Newcastle at \$5 per hour.

We have also widened Townsville's scope when it comes to paid parking, introducing new meters for The Strand, Gregory Street, Palmer Street and at the Fulham Road medical precinct.

This is not just about balancing Council's budget but aiming to balance the needs of businesses, residents and workers while providing a sustainable approach to offsetting the cost of maintaining key community assets such as The Strand.

Most people may not be aware, it costs more than \$6 million a year to maintain The Strand alone.

The inclusion of paid parking at these locations is expected to improve the turnover of parking bays and increase visitor numbers while also providing much needed funding toward upkeep.

Community & Liveability

While we've had to go back to the drawing board for the development of this year's budget, what we have not done away with is the importance of community and connection.

We made sure we can continue to give back as much as we can afford to, maintaining a rates discount for owner occupiers who pay their rates on or before the due date.

In order to do this, we have had to halve the discount from ten, to five per cent.

We are proud to have one of the most generous pensioner rate concessions in Queensland with up to \$800 per annum available to eligible pensioners – to the tune of \$6.2 million.

Off the back of the previous Council's investment into community safety and its boulder protection program, Council is continuing its strong focus on safety through our \$10.4 million safe city investment - which quite literally keeps the street lights on, our extensive security cameras network monitored and Council's community response vehicle on the road.

A \$20.8 million community and liveability investment includes our cherished libraries, galleries and prized events like ANZAC Day, Australia Day, Welcoming Babies ceremonies, Seniors Week, Carols by Candlelight, New Year's Eve, and Our Townsville, as well as supporting the renowned North Australian Festival of Arts, as it continues its tradition of excellence with an exciting lineup of artists in 2024.

Key Projects

This budget achieves a strong balance, combining community-focused projects like water security, with investments in streamlining Council's efficiency and ability to deliver to our community, while maintaining key strategic investments for our city's long-term future.

Our \$868.1 million budget includes a capital works program of \$328 million with allocations of \$280.4 million on capital works for roads, water, wastewater networks, and waste management with a further \$5.7 million towards renewing parks, playgrounds, and open spaces. And \$41.94 million for drains and stormwater, fleet vehicles, machinery and other capital investment required to deliver core services to the community.

Council has identified a program of works which responsibly balances delivering for today and tomorrow, prioritising the continued delivery of core services, supporting local jobs, and maintaining vital community assets.

Funding has been allocated to support key multi-year projects such as Haughton Pipeline Stage 2 and Lansdown Eco-Industrial Precinct. Revegetation of the Ross River Dam to Douglas Water Treatment Plant pipeline easement will close out the pipeline renewal project following the successful commissioning completed earlier this month.

Council has a strong history of supporting local businesses in the delivery of capital projects with a large percentage of capital expenditure in 2023/24 going directly to local businesses and I know we are all keen to see this trend continue.

Summary

Fellow Councillors, I think we're all in agreement this is not the budget that we envisaged delivering as the first of a fresh new Council.

However, I am proud that we've been able to stand together in delivering the budget that had to happen.

This sets a new bar of a financially responsible Council for the years ahead. It prioritises the here and now, the core services and the expectations of our 200,000 residents.

It continues to lay the foundations, invest in our community and look ahead to the future so Townsville can continue to be a great place to live, work and play.

Fellow Councillors, Executives, ladies and gentlemen, I commend the 2024/2025 budget to the chamber, a budget investing in the core services today to ensure there is a strong Townsville of tomorrow.