

# Budget Speech – Mayor Col Meng

## June 29, 2011

GOOD MORNING,

My fellow councillors, council staff and ladies and gentlemen

Today brings a sense of achievement – Twelve months ago, we set on a journey of reviewing our operations – the way we do business, how we deliver services and to re-assess every programs budget with the fundamental goal of delivering an affordable budget that provides for our rapidly growing community.

The 2011-2012 budget is a significant step in the right direction.

The financial plan of this council is to set a platform which will ensure the long term sustainability of our region while keeping rates and charges as low as possible.

External factors, such as a rapidly growing resources sector and particularly the Queensland Government make this increasingly difficult, but I feel we have taken a giant leap towards a more sustainable way of managing the cost of living.

The State Government continues to provide very few favours for this buoyant, viable and economically sound region. The ongoing loss of subsidies, a cap on developer contributions and a lack of funding for critical infrastructure continue to impose a massive financial burden on ratepayers.

We are the second fastest growing region in Queensland – our region's economy is worth some \$18 BILLION – significantly higher than our neighbors Townsville and Rockhampton. Mackay Region currently has \$43 Billion in projects under study

It makes good business sense to invest in our region – as the financial rewards are significant – yet we constantly face the battle of persuading the Queensland Government to inject substantial funds into such a high growth area.

This \$417 million budget has been framed against the understanding of the strain on family budgets and the current impact on local business.

WE have been devastated by a series of natural disasters and a prolonged wet season that has clearly caused further considerable damage to our road network and delayed works from previous events.

It is our challenge to restore infrastructure and services – this will take time and significant funding.

In 2011-2012, we expect to spend about \$118 million on flood recovery work. A further \$34 million has been allocated to additional roads and drainage work across the region.

As promised -- We have done a tremendous amount of work reducing council's operating costs to minimise rate increases and ensure we deliver cost-effective, efficient services.

This will continue through council's Business Improvement Teams. We must always review our systems and look at ways to do things better. That has been a commitment of this council since it was elected.

Cutting our cloth is a tangible way of delivering on our commitment to find internal savings and limit the average general residential rate rise to just 66 cents a week or \$34.20 for the full year.

We have already announced plans to change operating hours at Artspace on Sundays and close the Memorial Swim Centre on weekends. These changes are part of the Service Level Review and save considerable funds, which can be directed to areas of need.

We have also kept water and sewerage charges at 5 per cent as we recognise that many households are feeling the strain of rising government charges and utility cost increases but has been difficult due to the external factors and the cuts to State Government subsidies.

Without the financial support from the State Government for essential infrastructure, council is forced to borrow more funds in the future to meet the needs of our community.

We have anticipated to borrow \$38.7 million this financial year to build much needed infrastructure -- projects such as wastewater plants and water treatment plants.

Today's budget lays the foundations for our region to progress and face the future with confidence.

On behalf of the councillors, I sincerely thank the CEO, the Directors, Managers and particularly staff in Financial Services for their cooperation and hard work in preparing this budget.

Their professionalism and long hours is very much appreciated.

I trust the ratepayers will appreciate the difficulties we are faced with an understanding that this council is committed to providing value for money and doing what's best for the long term growth of this region.