

Deputy Mayor's Budget Speech – Cr Darryl Camilleri June 29, 2011

As the Mayor has indicated this budget has been framed after significant work in relation to controlling the operational costs of council. We acknowledge that this council's average rates and charges are amongst the highest in the State, and it is important to not let the cost of living in Mackay become unmanageable.

For some, it is probably there now, but our previous long term strategy that had increases of near 10% annually would have driven un-affordability rife.

The feature of these budget documents is not in the 1 year budget, but in the 10 year long term plans which features annual increase for general rates of 5 % and for water and waste water of 7%, still maintaining manageable borrowing levels.

For 2011/12, we have been able to manage a general rates increase of 3% and Water, Waste water and waste charges of 5 %. These have been framed in an environment of continuing external cost pressures; salary pressures in a strong employment market, ongoing electricity charge increases, insurances costs increasing at 18%, a council election year (and cost of 465k); all surrounding by an increasing population with increased roads, parklands, and service requirements.

Indeed the budget sets very modest increases for salaries and wages in the coming years. To ensure the budget is kept in balance the CEO will have to minimise future increases in staff costs.

We understand that the biggest disaster facing our community is our roads. With the support of \$118m from disaster relief funding, a further \$34m from our general rates budget for capital, and a further \$31m for operational costs, we intend to invest \$183m into roads in 2011/12.

There are carry-overs from the current year, and it will be an enormous challenge to deliver, particularly against a backdrop of the rest of the State and our surrounding councils having similar problems and competing for resources in this area. We will see some action on Connors Rd in this year, although a large portion of the funds were allocated last year,

We will have a \$6.4m plant replacement program, but will continue matching lower acquisition and running cost vehicles to the tasks required as appropriate.

We will construct a compound for vehicles at the main council buildings, with a view to better pooling and rationalizing the use of our vehicles.

We will commence the remediation work required for our Bayersville landfill, at a cost of \$9.6m, an investment in improving the environmental impacts of that now closed facility. A further million dollars go toward the expansion of Hogan's Pocket landfill. Both are

near invisible costs to the average ratepayer, but present a huge cost in our management of waste.

With growth in population there is continued pressure on already aging infrastructure in Water & Waste water and in total \$51m will be spent. Our outer areas are again supported with \$8m being spent on Mirani water augmentation work, Mirani sewerage plant, and on the early steps toward the new Sarina Water recycling Facility (sewerage plant in old terms).

Major works also occur at Dumbleton to secure raw water via an improved pump station, and on improvements to a range of sewerage pump stations.

Last summer, we had many sewerage overflows after significant rain events. We know that such occurrences are not acceptable for the residents, so will continue our inflow and infiltration investigations with a budget allocation of \$1.7m to hopefully make major improvements in that area.

We will borrow a further \$38.8m, and most of those borrowings will go toward long term inter-generational assets that have a long term benefit to our residents. As the director points out in his report, this is the lowest level of borrowing we have had in the past 3 years.