

2022 - 2023 Budget

Good morning Councillors, Executive, and members of the public and media who are joining us today, either in person or online from our digital gallery. On behalf of my Councillor colleagues, it is my pleasure to introduce the proposed Scenic Rim 2022 - 2023 Budget today, for adoption by Council.

Prepared by all Councillors for our communities across the Scenic Rim, this year's Budget has been framed in the context of a number of challenges faced by our region – infrastructure recovery following the impacts to our road network as a result of severe flooding earlier this year, significant movements in materials and services prices in a high inflation environment, and the ongoing effects of COVID-19 on our workforce, as well as our suppliers, all of which continue to impact our day-to-day operations.

Despite these challenges, our focus has continued to be on ensuring a strong future for the Scenic Rim and continuing to meet the needs of our communities. Our budget deliberations have been meticulous in considering how we can best serve our region and ensure the best value for our ratepayers.

I would like to offer my thanks to my Councillor colleagues for their diligence throughout the budget deliberations and also to the Chief Executive Officer, Jon Gibbons, and to Council employees for their dedication to the budget process that has contributed to the preparation of our 2022 - 2023 Budget.

We are proposing a total expenditure of \$103.2 million, which would be an increase of just \$1.3 million, bringing us back into line with our long term forecast.

As in previous years, we have continued to rise to the challenge of balancing the aspirations of our community, articulated in the shared vision of the *Community Plan 2011-2026*, while maintaining our \$1 billion of assets and ensuring we meet our legislative requirements and maintain financial sustainability for the long term.

We have also wrestled with the demand for ongoing capital investment to upgrade current assets and to meet the anticipated growth of our region. In this budget we have also considered the constraints of the market place and recognised the likely two year program of Reconstruction activity we will need to progress as a result of the most recent Natural Disaster Events.

Councillors, this is a fiscally responsible budget, reflecting the benefits of robust planning and analysis, clarity of prioritisation through strategic focus and commitment to sustainable service delivery and good governance.

Revenue components

The most recent property valuations determined by the Queensland Government's Valuer-General, have caused widespread debate as the overall regional land valuation has increased by 24.9%. As with prior valuations this has also seen significant variability of valuation outcome for individual properties.

Our rural landowners saw their property valuations increase by an average 33.2 per cent while non-rural properties increased in value by 18.42 per cent.

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It is important to recognise that Scenic Rim ratepayers will not automatically face major increases in their rates as a result of these valuation changes. Council understands such fears of increased rates, in line with increased valuations, as rising cost of living pressures are now impacting so many aspects of daily life.

Council has applied a number of treatments in this Budget to mitigate impacts of extreme property valuation changes to achieve balanced contributions to the revenue needs for the region.

As with prior years, the variability, and, in some cases, significant changes in these new valuations were relevant considerations as we progressed our deliberations. We have determined a simple suite of revenue tools to balance the reasonable contribution for each rateable property while adhering to the principle of valuation based variable contribution.

I can confirm that Council intends to continue to use a two-year average of property valuations to mitigate the resulting effects for individual rates contributions across the Scenic Rim. We also intend to continue to maintain capping on increases at 9% of general rates, to mitigate major changes for individual contexts.

Our proposed budget also includes a further step increase to the fixed value contribution via the Community Infrastructure Charge. As you are aware Councillors, revenue collected via this charge is applied specifically to sustaining our Road, and Bridge network in accordance with our Asset Management Plans. This year that Charge is proposed to sit at \$500 per rateable property.

Adjusting this component to increase contribution allows us to significantly reduce the "rate in the \$" that will be applicable to most categories, while generating the overall revenue required to serve our communities.

For Residential Principal Place of Residence properties, the Rate in the \$ would reduce from \$0.7013 cents to \$0.6392 cents of recognised valuation.

Inclusive of the increase in the Community Infrastructure Charge, the combined new minimum rate and community infrastructure charge for this category would be \$1,604.85, with the application of the early payment discount, representing a 4 per cent increase overall.

This would be an increase of \$1.22 a week, that is \$63.45 annually.

Similarly, with discounts for early payment, ratepayers with a rural principal place of residence would experience an increase of \$1.31 a week, or \$68.20 annually. The combined new minimum rate and community infrastructure charge for a rural principal place of residence would be \$1725.50 after discount.

These figures include the community infrastructure charge, which helps fund Council's capital works program for the delivery of roads and bridges. In 2022 - 2023, this proposed increase would be \$53, from

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\$447 to \$500, as we wish to prioritise funding towards maintaining our extensive network of roads and bridges in line with community expectations.

The bottom line - we believe that these rates increases for average properties are a relatively modest price to pay to enable Council to continue to provide a high level of service to the community.

Other government revenue

As a dispersed regional council with a relatively small ratepayer base compared to other local governments, we rely on external funding sources to enable us to deliver key projects for our community, while reducing the impact on our general revenue.

We are grateful for the co-investment from both the Queensland and Australian governments who collectively, would contribute \$20.1 million towards both operational and capital projects in 2022 - 2023.

We look forward to continuing to achieve a high level of success in securing funding through additional Queensland and Australian Government grant programs in the year ahead. We have a strong track record in presenting robust and well-considered grant applications for projects and programs that deliver community outcomes in line with our Corporate Plan, *Scenic Rim 2026*, and state and federal government priorities.

As an example, the EmpowHER hiking program was just one of our success stories of 2021 - 2022. Funding of \$100,000 from the Department of Tourism, Innovation and Sport to encourage women and girls to explore the spectacular Scenic Rim and the sport of hiking delivered 75 guided hikes from February to June. More than 800 tickets were sold – more than 80 per cent before the program commenced - and, as well as encouraging women's participation in outdoor activity, the initiative brought many visitors to our region, delivering both social and economic benefits for the Scenic Rim.

Capital

This year we are proposing a \$34 million investment to our capital program. As I mentioned earlier, infrastructure recovery will be a key focus for the year ahead following the recent severe weather events which have impacted our road and bridge network. We will also continue our program of ongoing base level maintenance of our infrastructure assets, recognising that roads and bridges are key drivers of our regional economy.

In 2022 - 2023 we are proposing an allocation of \$31.54 million to the Scenic Rim's roads and bridges, representing an ongoing investment in a well-maintained, safe and interconnected transport network, which will include allocations from this money to the maintenance, upgrades and repairs to roads and bridges, and capital expenditure on roads.

A multi-million dollar investment in Kerry Road, south of Beaudesert, will continue to be rolled out. as well as Veresdale Scrub Road at Gleneagle.

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Council is proposing a total investment of \$3.1 million towards improvements to three bridges across our region this year, those being Hinchcliffe Bridge at Kooralbyn, Kengoon Bridge at Kalbar, and Freeman Bridge at Veresdale Scrub.

More than \$9 million in financial contributions from the Australian and Queensland governments will help us to achieve maximum value for our region and reduce the burden on ratepayers. I acknowledge the contributions through the Roads to Recovery Program, the Transport Infrastructure Development Scheme, the Local Roads and Community Infrastructure Program, the Bridge Renewal Program and the Heavy Vehicle Safety and Productivity Program.

Our commitment to maintaining the region's stormwater infrastructure is underpinned by a proposed investment nearing \$1million for drainage improvements in 2022 - 2023, two of which are major drainage projects identified for delivery at Kalbar and Beaudesert to alleviate historical issues, as well as some works in Boonah and more minor works across the region.

Our investment in footpaths in the coming year recognises their importance in creating connected communities and encouraging a healthier and more active lifestyle. Footpath works will see a proposed allocation of \$1.12 million in this year's Budget for two projects in Boonah and Tamborine Mountain Looking to the future, and with the aim of reducing construction costs, we also have a proposed allocation set aside to investigate and trial the use of alternative footpath materials and construction methods.

Across the region, Council maintains 129 parks covering 426 hectares of land and we know from the results of our recent customer satisfaction survey that our parks, and particularly their accessibility, are held in high regard by Scenic Rim residents. In the year ahead, we are proposing an investment of more than \$4 million in capital expenditure for the landscape maintenance of our parks and gardens, which are at the heart of our Scenic Rim communities.

Fees and charges

In line with our commitment to minimising the financial burden on ratepayers, cost recovery continues to be a focus of Council in its levying of fees and charges.

Ranging from animal management to waste services, our fees and charges for 2022 - 2023, announced in early June, are forecast to contribute \$6.269 million towards Council's revenue for the coming year. Modest increases in fees and charges, with a focus on user-pays, will continue to support the delivery of services to our communities.

This year's budget includes modest increases in both residential and commercial waste charges. We are proposing a \$36 increase, which would bring the annual fee to \$442 per year for normal domestic wheelie bin services and domestic users who do not have a bin collection service would see their waste disposal fee increase by \$13 to \$164 annually. These increases would allow us to expand and

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increase the level of services we provide to the community, supporting increased recovery of resources and reducing the amount of waste disposed of to landfill. Our waste fees and charges reflect the increase in service levels geared towards waste reduction and increasing the recovery of resources by capturing the valuable recyclable materials within waste.

While the Queensland Government will continue to rebate the full cost of the waste levy applicable to domestic kerbside waste collection until June 2023, this will begin to reduce from the 2023 - 2024 financial year onwards.

Just as domestic waste charges have risen, the proposed fees applicable for commercial operators for kerbside collection have also increased. This would be an increase of \$56 to \$667 a year for a commercial kerbside wheelie bin, reflecting Council's increased costs of providing this service as we have no option but to apply the Waste Levy for commercial waste which is mandated by the Queensland Government.

While the waste levy represents a cost to commercial operators, it is helping to achieve our community's long-term goal to reduce our environmental footprint through waste reduction and the increased recycling of materials. Ultimately, the waste levy is helping to drive change in the way waste is perceived and encouraging businesses to take a more responsible approach, not only in their day-to-day operations but also the longer term.

Expenses

Our Council grants programs continue to feature strongly in the 2022-2023 Budget to support individuals and local organisations in helping to realise the shared vision of our Community Plan.

The value we place in not-for-profit community-based organisations which help to make the Scenic Rim, I believe, the best place to live in Australia, is reflected in our funding increase of 35 per cent for community grants in the coming year. We have proposed a budget allocation for the Community Grants Program to increase to \$400,000 from \$295,000 in 2021-2022, to meet increased demand particularly by organisations whose ability to fundraise has been affected by COVID-19. Relying mainly on volunteers, these groups are the heart and soul of our towns and villages, and well worthy of our support as their members continually go the extra mile to make a positive difference to community life.

To help conserve and enhance the Scenic Rim's most valuable natural assets, we are proposing our Environmental Grants Program to be boosted by 50 per cent.. The Scenic Rim is one of the most biodiverse areas in Australia and maintaining habitat for this wide range of native plant and animal species is very much a partnership between Council and the community. We recognise the vital importance of ecological balance in supporting our key industries of agriculture and tourism, as well as preserving our environmental values.

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In addition to the Environmental Grants Program, Council's 2022-2023 Budget would also provide just over \$80,000 for the One Million Trees Program. With the aim of planting one million native trees throughout the Scenic Rim by 2025, this program is well on the way to achieving its goal with 667,277 trees having been planted as at 30 June this financial year. We also encourage ratepayers to do their bit by using their free tree voucher, which will be distributed with this month's rates notices, to plant native species.

Once again, Scenic Rim community members will continue to have the opportunity to access free or heavily subsidised health and wellbeing activities through our continued investment, proposed for \$90,000 for our Be Healthy and Active Program. Last year, this included 44 health and wellbeing activities delivered by 27 Scenic Rim businesses and community organisations. This all-ages, all-abilities program attracted more than 3000 participants in the past year, with meditation, yoga and dance fitness proving particularly popular.

The Scenic Rim has experienced a number of disasters in recent years and to enable reliable communications during similar events we are investing in Government Wireless Network (GWN) hardware. The GWN covers approximately 99 per cent of Southeast Queensland, and brings agencies, including the Queensland Police Service, Queensland Fire and Emergency Services, Queensland Ambulance Service and the SES into the same radio communications platform and frequency group. The purchase of 30 hand held radios, 30 single unit chargers and two fixed station terminals will enable coverage across the Scenic Rim region for Council personnel, replacing antiquated radio systems and addressing issues of black spot coverage.

As we continue to strive to provide a high level of customer service, our proposed investment of \$70,000 in an online planning platform will pay dividends for Council and the community through time and cost savings from early 2023. The current appetite for building and development across the region has seen a marked increase in the number of enquiries received by Council about the Planning Scheme and these will be streamlined by the introduction of the E-Plan Project.

This online platform will play a valuable role in the growth of our region as the Scenic Rim continues to power ahead, with some 10,000 additional dwellings and essential infrastructure needed to meet the projected population growth between now and 2041.

These are just some of the highlights of our 2022 - 2023 Budget, which supports economic growth to drive regional prosperity and employment opportunities, building on our region's strong foundation for the future through the vibrancy and activation of our communities.

Councillors, I thank you for your diligence and commend the 2022 - 2023 Scenic Rim Regional Council Budget to you.

Greg Christensen
Mayor
Scenic Rim Regional Council