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| 29 June 2023 |   |

Mayor’s Budget Speech

The Tablelands Regional Council 2023–24 budget is primarily shaped by two factors. First, it’s sensitive to cost of living pressures, where the CPI of 7%t (March 2021–March 2022) and relevant industry cost indexes are having a real impact on community and Council itself.

Second, with the most recent overlay of new land valuations by the Valuer General this year, impacting every rating category, there are challenges. To lessen the impact of high valuation increases, Council will calculate the rateable value by averaging property valuations over three years, 2021–22, 2022–23 and 2023–24. Averaging is not the sharpest tool, but it is one of the few available to Councils when dealing with land valuation spikes of this scale.

Again Council is fully attuned of the cost of living pressures and has kept its revenue levels on par with what it needs to deliver essential services to community. It’s not an easy time, however Council’s intent with the budget is to be equally sensitive to both cost pressures and growth pressures.

And, like last year, the Tablelands continues to experience extraordinary economic growth — growth that continues to lead the entire FNQ Region.

Against these factors, today’s $119.2M balanced budget includes $46.3M capital investment and $72.9M in operations.

**Capital Expenditure**

On the capital side, there is $15.5M on roads, bridges, footpaths and drains, and this is slightly up on last year’s. For the Ootann Road there is $4M for upgrading, which will finalise TRC’s obligation to our component of the road. There’s $2.6M for road pavement rehabilitation, $2.4M for bitumen re-sealing, $3.7M for gravel resheeting, and $1.5M for bridge and major culverts.

For the Ravenshoe Water Quality Improvement Plan there is $14.7M for the water treatment plant and pipelines to Millstream. There’s $1.9M for wastewater and $20.5M for water in total.

There’s $3M for parks and gardens, and $2.4M for the progression of the Priors Creek Development and the all-inclusive living amenity it will activate for the Tablelands. This most significant capital budget is designed to enhance the liveability of the region, capitalising on our growth and in turn bringing more opportunity. It seeks to consolidate this critical moment.

There is also $500K for the Herberton Battery Site and $25k for rail trail resheeting.

**Operational Expenditure**

Of the operational budget’s $72.9M, there’s $21.9M for roads and bridges, $9.4M for water, $6.4M for waste, $3.1M for parks and gardens, $11.6M for corporate and community buildings and $5.9M for wastewater.

**Borrowings**

TRC has borrowings to the value of $4.86M primarily against our Malanda and Ravenshoe sewerage plants. Council is expecting to undertake further borrowings in the coming years as it undertakes upgrades to the Ravenshoe and Atherton water treatment plants, and Atherton sewerage treatment facilities.

**Rates and Charges**

Rates across rating categories are a mixed bag because land valuations had dramatic variations within and across categories. However our averaging strategy across three years will help to blunt increases.

Averaging land valuations over three years allows Council to spread the burden of the new valuation that comes into effect tomorrow.

The quantum of the rates, levies and charges revenue will increase from the existing rate base by 4.5%. We have also anticipated growth in the region to continue and have included a 1.25% increase in the revenue budget for this growth.

And as already flagged, the revenue percentage is not consistent across either rating categories or charges, rather it’s highly variable due to wide ranging land valuations and, in other cases, to more appropriately capture whole-of-life costs of particular infrastructure.

And for categories most affected by land valuations, like Category F Primary Production and Category G Large Grazing Properties, their rates will increase on average by 5.55% or $205/annum and 3.50% or $454/annum respectively. Of course, with such variations in valuations, some properties will actually pay less and some will pay more.

For residential property categories, Council has done all it reasonably can to contain rate increases. So across Categories A, B and M there will be an average general rate rise of approximately $78/annum or 3.85%. This is a great outcome for more than 84% of our ratepayers.

With regard to charges, Council must invest in its reserves to ensure long-term solutions to water quality and reliability with a 5.4% increase for water access, and a 23c/kL increase for consumption. There is also a 5.3% increase in waste charges and 5.4% for sewerage. These charges are essential to support operating activities and prepare for facility upgrades that are already in sight.

Now in our efforts to better reconcile rising costs and against revenue, Council has decided that it will reduce the discount rate from 5% to 2.5%. We understand this will have an impact on those ratepayers who do pay promptly, however it’s a decision that’s allowed us to keep rates lower.

Before I wrap up, I’d like to take this opportunity to give credit where credit is due. This is a Council and organisation that has and is getting things done. Here are just a few current examples that we should keep at the forefront of our minds when we’re having a tough day at the office.

We’ve seen two very significant bridges completed near Malanda, we’re biting the bullet and getting Ravenshoe’s water quality up to an acceptable standard, we’re on a clear trajectory to reinvent Priors Creek, we’re committed to developing the Herberton Battery Site, we’re fully onboard with the Tableland University Centre, we have a service level review underway that’s seeking continuous improvement, we conducted a rating review to assess our rating equity settings, and we’re fully engaged with our state and federal colleagues in pursuit of taxpayer dollars to invest in our region. Not one of these is achieved by any one person, it’s only as a collective that we make tangible gains for our community.

And at another level, let’s not forget the organisation manages 1700km of roads, performs 7000ha of mowing, performs 3400 barbecue cleans, responds to 18000 customer requests, collects 7000t of waste and delivers 2,700,000kL of water. Our development and building approvals are incredibly strong, our population has never grown quicker, major investments like the Atherton Hospital, Kaban windfarm and Mulungu’s Midin Clinic are signs of confidence and future growth in the Tablelands. So we need to fully appreciate that TRC is a key growth enabler that’s doing more than it’s ever done, and as a collective we’re providing the absolute best service we can from the resources we have, for our community.

I would like to take this opportunity to thank councillors for their contribution to this budget. With very significant land valuations arriving so soon after the last valuation event, and a stubborn CPI, the budget has been a major challenge for us.

Finally, I’d also like to acknowledge the senior management team and in particular the Manager Finance and her team for the effort they made in constructing the budget over many months. I’d also like to acknowledge our CEO for bringing his leadership, experience and oversight to the critical plan that the budget represents for Council.

Councillors, I submit to you the 2023–24 budget.

**Rod Marti**

**MAYOR**