



*Enjoy*

the colours of our region **four distinct seasons**



# BUDGET 2009/10

## Contents

### OVERVIEW

Mayor's Comments  
Expenditure Highlights  
Budget Briefs

### RATES

Rates to increase  
Rate Comparison  
What will you pay?  
Waste Facilities

### ROADS & BRIDGES

\$6.9M Capital Works

### WATER

\$900,000 Capital Works

### SEWERAGE

\$1.295M Capital Works

### PARKS & GARDENS

Beautifying the region

Further information:

**Tracy Vellacott**

Communication Officer

Southern Downs Regional Council

**07 4661 0305**

MEDIA PACKAGE

### Mayor's Comments

The Southern Downs Regional Council today handed down its second annual budget, with a 6.9 per cent overall rise in rate revenue across the region.

According to Mayor Ron Bellingham, his team of councillors together with staff, have framed the 2009/10 budget under the guiding principles of being responsive to the communities' needs; delivering quality customer service; and being regionally focussed but still providing local service.

He described the 2009/10 budget as "steady as she goes".

"There really are no surprises in this budget," Cr Bellingham said.

"It represents a commitment to maintenance of our current lifestyle, the meeting of legislative obligations, and planning for bigger projects down the track."

"We have tried to balance people's expectations with what we can afford but the reality is that the Southern Downs Regional Council will be finding its feet for a while yet."

Cr Bellingham said that last year's tough economic climate got a whole lot tougher this year.

"Officers were sent back to the drawing board late last week to pull another million from capital works in order to boost cash reserves," he said.

"Land purchases won't be happening this year (\$150,000), IT lost \$50,000 in equipment, \$25,000 in lighting at Kidspace was removed, and the plant budget took a hit with Council electing to defer expenditure on some bigger items of plant like the Volvo prime mover, which has been pushed out another 12 months."

"The message has been 'projects that can wait, will wait' and Council will actually start some projects at the end of the financial year so as to split the cost over this and the next financial year."

Cr Bellingham highlighted that like all other Queensland Councils, Southern Downs was faced with significant reductions in revenue by way of grants and subsidies.

"Local government's piece of the pie just keeps getting smaller and smaller," Cr Bellingham said.

"When you take into account the considerable loss of state revenue from subsidies like SCAP and infrastructure grants, along with removal of the fuel subsidy, which will cost Council around \$200,000, we end up with a big chunk of our pie missing."

"What's ironic is that the Federal Government is busy stimulating the economy, while the State Government's actions contract it. When the sums are done, we are still losing significantly more than we're gaining."

"From this budget, I see that the most positive thing for ratepayers is that we are about three per cent lower than we could be!"

Cr Bellingham is concerned about the perpetual cost shifting by the State Government, requiring Council to provide a wider range of services with little extra funding.

"The Biosecurity precept situation is the perfect example of the constant devolution of state responsibilities."

"Another is the State Government imposition of the forced introduction of cat control legislation, which has us spending \$20,000 on the design and tendering process to build new cat pounds in the next financial year."

Council has targeted a reduction of its net deficit which for the 2009/10 financial year is estimated to be \$590,000, down from \$2.657 million in 2008/09.

"Turning this deficit into an operational surplus is an integral part of achieving our long-term sustainability, but we are still meeting the ongoing costs of amalgamation, which we believe could take another two to three years to wash through the system," he said.

At 6.9 per cent, the rate revenue rise is well within the expectations of the Queensland Local Government Association, who believes councils are justified in applying rate rises of between six and eight per cent in their 2009-2010 budgets.

LGAQ Executive Director Greg Hallam said that last year's Productivity Commission report into council ratings Australia-wide found that councils were under-rating the community by around 10 per cent.

"There will be no magic pudding. If councils do not pass on the true costs of doing business, their abilities to provide the necessary services and infrastructure will be greatly diminished, with little chance of improvement," Mr Hallam said.

Mayor Bellingham indicated that every aspect of the budget was examined closely for potential savings and he is hopeful in the future that further avenues will be found for more efficient operations.

ENDS

### Expenditure highlights

- \$10.3 million for road maintenance
- \$6.9 million capital roadworks
- \$1.295 million for sewerage capital works
- \$3.9 million for sewerage operations
- \$900,000 for water capital works
- \$5.625 million for water operations
- \$641,000 for parks, gardens and public spaces programs
- \$606,000 for parks and gardens operations
- \$2.96 million for plant replacement  
(Grader \$350,000, Roller \$190,000, DROTT \$240,000 and three Backhoes \$495,000)
- \$2.4 million for library programs across the region
- \$2.817 million for waste and garbage collection
- \$456,000 for Information Technology capital expenditure – including \$170,000 for computer and network equipment upgrades
- \$907,000 for the Rural Lands program
- \$401,000 for tourism
- \$800,000 for economic development
- \$350,000 capital works cemeteries
- \$110,000 reseal the main runway of the Warwick aerodrome
- \$80,000 for the Warwick Animal Pound plus \$20,000 to meet the new requirements for local government to control cats
- \$260,560 for commencement of the Condamine River and tributaries flood study
- \$201,000 for the Wallangarra Waste Transfer Station
- \$530,000 for insurance costs

### Budget briefs

#### **\$250,000 in donations to community groups**

Council has again committed its support to local groups and organisations by way of rate relief, monetary donations, in-kind support, plant hire relief and grant application support.

#### **\$350,000 Cemeteries**

Council has budgeted \$350,000 for improvements to cemeteries in Stanthorpe and Warwick as part of continuing upgrades to these community facilities.

#### **\$400,000 towards Tourism**

Council will continue to work closely with the area's peak tourism organisations to create a vibrant tourism industry and events calendar for business operators and residents of the region. Council has allocated the following support to the current operational model: \$135,000 to Warwick Tourism & Events; \$132,000 to Granite Belt Wine Country; and \$134,000 to the Southern Downs & Granite Belt Tourist Association.

#### **Supporting the Arts**

Council is encouraging of the work of the arts community and in 2009/10 has committed \$473,000 toward the operation of regional art galleries. This amount includes donations of \$111,000 to the Warwick Art Gallery and \$108,000 to the Stanthorpe Art Gallery. Council also supports the Regional Arts Development Fund, which assists the professional development and employment of arts and cultural workers in regional Queensland, and this year has allocated \$35,000 to the fund.

#### **Youth**

Council recognises the importance of youth to the future of our community and the value of considering young people when planning and developing services, activities, infrastructure and facilities for the region. Council has allocated \$107,000 in its 2009/10 budget for this purpose, including \$8,500 to support the Youth Activity Plan, \$22,500 to support the Youth Engagement Forum, \$4,500 to support the three-day film festival and \$7,800 to support the Young Ambassador projects.

#### **Libraries**

Council's commitment to operating Libraries in 2009/10 is \$2.4 million, with \$185,000 earmarked for purchase of books and materials.

#### **\$138,000 HACC**

The Home Maintenance Service is for frail, aged and younger people with disabilities who need help to stay in their own homes, rather than having to move into a nursing home or other accommodation. The service provides lawn mowing, yard maintenance, rubbish removal and wood chopping at a subsidised rate to clients.

#### **Flood Study**

Council has allocated \$260,560 in the 2009/10 budget for commencement of the Condamine River and tributaries flood study. The total project cost is estimated at \$800,000 (subject to tendering). Whilst this is "a lot of money to generate a map", this requirement for the new Planning Scheme will take the guess work out of assessing developments on the flood plain. At the moment, if someone wants to build on the flood plain, other than historical records, Council has no ability to assess developments.

#### **Saleyards**

Council will continue its support of the Warwick & District Saleyards complex with an allocation of \$580,000 in 2009/10, which will include redevelopment of the drafting area.

### **Animal Regulation**

Over \$100,000 has been set aside for animal regulation projects in the coming year. The current standard of the Warwick animal pound will be improved at a cost of \$80,000; \$10,000 will be used to create a drop-off area for protection of straying animals out of hours at the Stanthorpe animal pound; and \$20,000 has been allocated for the design and tendering process associated with the construction of new cat pounds in the 2010/11 financial year. This State Government imposition will see Council forced into the role of cat control and residents should expect to fund the impact of this State Legislation in future budgets.

### **New Local Laws Officer in Stanthorpe**

In order to equalise services within the pest/plant section, Council has elected to provide funding for the appointment of a Local Laws Officer specialising in pest management, similar to the service provided in Warwick. This officer will assist landowners to deal with plant and pest animal problems in the southern region.

### **Pest Management**

Council will provide funds in the coming budget for pest management control including \$56,000 for the Stanthorpe dingo fence; \$22,000 for the Killarney dingo fence; \$12,000 for top-netting on the rabbit fence; and \$20,000 for bounties across the region (dingo bounty previously only available in the former Warwick Shire area).

### **Planning and Development**

Council will provide funds in the coming budget for further work on the new town planning scheme. To complement this work, Council will undertake a Sustainability Strategy, incorporating a Carbon Risk Management Strategy. Funding has also been provided for a review of local laws and implementation of uniform controls throughout the region. These controls will apply to animal matters, nuisance matters, camping grounds and other regulatory matters.

ENDS

## **New service to Stanthorpe affects rates charges for Stanthorpe**

A net rate increase in the urban areas (on minimum general rate) of roughly \$110 per annum for Warwick and \$188 per annum for Stanthorpe ratepayers is the bottom line after the 2009/10 budget was handed down by Mayor Ron Bellingham today. Similarly, Allora residents can expect a \$75 per annum increase and Killarney urban residents on minimum general rate can expect a rise of \$112 per annum. These figures are based on sample urban properties in each centre on the minimum general rate, with some residents set to experience larger rises and some smaller rises.

It is important to note that the increase is higher in Stanthorpe after the introduction of kerbside recycling into the defined collection areas. The Stanthorpe garbage collection and recycling charge has increased from \$122.60 to \$250 with the introduction of kerbside recycling. The Warwick garbage collection and recycling charge is \$213.80, up from \$200 last year.

Mayor Ron Bellingham said that in the current tough economic climate, councillors were aware that rate increases will add to already tight business and family budgets.

"We have looked long and hard at what we can deliver back to the community despite Council having to pay increases for goods and services that are often in excess of the CPI," he said.

"As I see it, the alternative to responsible increases is to cut back on the level of local services and infrastructure, which I have no doubt the community would find unacceptable."

While the Southern Downs Regional Council has again used the two former rating systems of the Warwick and Stanthorpe Councils – one a flat rate system (Warwick) and the other differential with a number of different categories (Stanthorpe), it is expected that this is the last year of a split rating system.

The Mayor said that in preparation for the differential rating system to be introduced in 2010/11, consultants are currently modeling around 16 rate categories, which are expected to meet the requirements of the Southern Downs.

He reminded residents that there are mechanisms in place to pre-pay rates throughout the year. He also urged residents who may experience difficulty in making this year's rate payment, to apply for approval to pay by instalments. Anyone interested should contact Council's Revenue Offices in Warwick and Stanthorpe.

ENDS

### A comparison with last year

	2009/10	2008/09	Difference (net)	Extra Per Week
<b>Warwick Urban Dwelling</b>				
Dwelling Minimum (up 6.9%)	545.00	510.00		
Water Access	390.60	365.40		
Sewerage	413.40	386.76		
Garbage Collection and Recycling	213.80	200.00		
Road Charge	101.55	95.00		
Waste Facilities Charge	182.80	171.00		
Urban Fire Levy	120.00	116.40		
	<b>1,967.15</b>	<b>1,844.56</b>		
Discount (10% if paid by due date)	184.72	172.82		
	<b>1,782.43</b>	<b>1,671.74</b>	110.69	2.13
<b>Stanthorpe Urban Dwelling</b>				
Dwelling Minimum (up 6.9%)	505.00	472.50		
Water Access	258.70	242.00		
Sewerage	378.53	354.10		
Garbage Collection and Recycling	250.00	122.60		
Landfill Charge	89.80	84.00		
Urban Fire Levy	74.60	72.40		
	<b>1,556.63</b>	<b>1,347.60</b>		
Discount (10% if paid by due date)	148.20	127.52		
	<b>1,408.43</b>	<b>1,220.08</b>	188.35	3.62
<b>Killarney Urban Dwelling</b>				
Dwelling Minimum (up 6.9%)	545.00	510.00		
Water Access	307.80	288.00		
Sewerage	520.00	485.20		
Garbage Collection and Recycling	213.80	200.00		
Road Charge	101.55	95.00		
Waste Facilities Charge	182.80	171.00		
Urban Fire Levy	74.60	72.40		
	<b>1,945.55</b>	<b>1,821.60</b>		
Discount (10% if paid by due date)	187.10	174.92		
	<b>1,758.45</b>	<b>1,646.68</b>	111.78	2.15
<b>Allora Urban Dwelling</b>				
Dwelling Minimum (up 6.9%)	545.00	510.00		
Water Access	207.00	193.50		
Garbage Collection and Recycling	213.80	200.00		
Road Charge	101.55	95.00		
Waste Facilities Charge	182.80	171.00		
Urban Fire Levy	74.60	72.40		
	<b>1,324.75</b>	<b>1,241.90</b>		
Discount (10% if paid by due date)	125.02	116.95		
	<b>1,199.73</b>	<b>1,124.95</b>	74.78	1.44

### Rates and Charges: What will you pay?

The overall effect of increases to Southern Downs Regional Council's rates and charges for average urban ratepayers on the minimum general rate will be around \$2.13 a week in Warwick and \$3.62 in Stanthorpe.

Southern Downs Mayor Ron Bellingham said that within the discount period, the average ratepayer (with water, sewerage and garbage collection services) in Warwick can expect to pay a net amount of \$1782.44 (\$1671.74 in 2008/09), in Killarney \$1758.46 (\$1646.68), in Allora \$1199.74 (\$1124.95) (no sewerage), and in Stanthorpe \$1,408.43 (\$1220.08).

"In Warwick, the minimum general rate will increase from \$510.00 to \$545.00 and in Stanthorpe from \$472.50 to \$505.00," he said.

In order to achieve the overall objectives of the Warwick Waste Management Strategy, Council has maintained a separate charge of \$182.80 on all rateable land in the former Warwick Shire for 'Waste Facilities'. This strategy, which was adopted in 2005 to comply with the Queensland Government's Environmental Protection (Waste Management) Policy 2000, requires the systematic closure of landfills and installation of strategically placed waste transfer stations.

Stanthorpe residents will also incur a Separate Landfill Charge, which will rise from \$84.00 to \$89.80. Revenue from this charge is used to offset costs associated with Stanthorpe's new Resource Recovery Centre.

In Warwick, garbage collection charges will rise from \$200 to \$213.80 (including kerbside recycling collection), with Stanthorpe's garbage service rising from \$122.60 to \$250.00 after inclusion of a new kerbside recycling service.

ENDS

## Waste Facilities

The cost of running Southern Downs' waste facilities, landfills and transfer stations in 2009/10 is budgeted at \$2.46 million.

Accordingly, Council is continuing to work towards the implementation of waste management initiatives in both the former Warwick and Stanthorpe areas and will maintain waste charges to help meet strategic goals.

The Warwick waste facilities charge will rise from \$171 to \$182.80, while the garbage collection and recycling fee will rise from \$200 to \$213.80.

Stanthorpe residents will still incur a separate Landfill charge, which will rise from \$84 to \$89.80 while their garbage collection and recycling fee will rise from \$122.60 to \$250.00 with the inclusion of kerbside recycling within the defined waste area from July 1 2009.

Mayor Bellingham said that in addition to funding increased waste management costs, the charges will assist with the completion of major projects. With the Killarney Transfer Station and Stanthorpe Resource Recovery Centre nearing completion, the next big ticket waste projects will be in Allora and Wallangarra.

Due to problems securing ownership of land from the State Government, the Allora project, set for commencement in the last financial year, was delayed. This delay has worked to Council's advantage however as the project has been significantly upgraded with additional funding this financial year. At a total cost of \$1.4 million (\$700,000 last year and \$700,000 this year) Allora will not only receive a new waste transfer station but also the old Allora landfill site will be rehabilitated and capped. Expansion of this project has been made possible by a substantial subsidy from the State Government.

Council has committed \$500,000 toward the construction of a new waste transfer station in Wallangarra - \$300,000 this financial year with an additional \$200,000 coming from the 2010/11 budget. Council has elected to minimise the impact of the cost of this project to ratepayers, by spreading it over two financial years.

In the coming year, \$40,000 has been set aside for remediation work following the closure of the Tannymorel landfill.

In keeping with our commitment to environmental sustainability, Council is moving residents toward world best-practice waste disposal methods. With a view to the future, Council will spend \$30,000 this financial year on reviewing the life expectancy of the landfills at the Warwick and Stanthorpe waste facilities.

ENDS

### Better roads

The 2009/10 Budget provides \$17.2 million for work on Council-owned roads with \$10.3 million allocated for operational works and \$6.9 million for capital works. This amount includes \$2.6 million in government funding.

According to Local Government Association of Queensland president, Cr Paul Bell Queensland councils are facing steep rises in construction costs at a time when they are being called on to restrain rate rises.

"An independent analysis of the general construction industry index cost index for Queensland, coupled with the consumer price index, shows that road and bridge construction cost increases in Queensland grew by 12.9 per cent," Cr Bell said.

"And the overall general construction industry index increase for the state was 6.2 per cent," he said.

"It is a fact that these costs for local government are rising much faster than the national average.

"It is a real challenge for elected members to juggle ever-increasing costs for much-needed roads and bridges against their restricted revenue bases," Cr Bell said.

Mayor Ron Bellingham reiterated that CPI is irrelevant to local government in framing budgets.

"While the media often dwells on CPI cost in reflection of rate rises, we don't look at CPI when framing the budget because of food, fuel, alcohol and clothing costs, essentially the only component that affects Council is fuel and diesel," he said.

Operational costs in the new budget have been increased in line with the Local Government Index however the cost of fuel will continue to impact on them. It has been estimated that the scrapping of the state's fuel subsidy will cost Queensland Councils \$5 million annually in additional fuel bills, with the impact on the Southern Downs' budget expected to be \$200,000.

As part of the Capital Works Program, \$1.3 million has been allocated for bitumen resealing across the entire area and \$750,000 for gravel resheeting.

In a new move, Council has set aside \$100,000 for special maintenance of timber bridges throughout the region. Due to the number of timber bridge failures in the past couple of years, like the Maryvale Road Bridge and the Kital Road Bridge, Council has decided to be more proactive on repairs and maintenance of timber bridges.

**ENDS**

### Capital Roadworks

- Rangers Rd/Oxenham St/Junabee Rd – intersection improvements \$120,000
- Mullins Rd Bridge – abutment scour protection \$120,000
- Warwick Industrial Estate – roads reconstruction \$240,000
- Glenlyon Dam Rd – upgrade Auslinks funds \$367,500

### Roads to Recovery

- Dalcouth Rd (Mills to Sugarloaf) – bitumen seal and floodway improvements \$320,000
- Springdale Rd – safety improvements \$100,000
- Berat Forest Springs Rd (northern end) – rehabilitation Forest Springs \$210,000
- Kital Rd Bridge – replacement culvert Allora \$206,000
- Percy St kerbing \$50,000
- Mt Marshall Clintonvale Rd – rehabilitation \$250,000

### TIDS LRRS

- Glenlyon Dam Rd – rehabilitation and widening Stage 4 \$178,000
- Glenlyon Dam Rd – rehabilitation and widening Stage 5 \$178,000
- Eukey Rd – rehabilitation and widening \$240,000
- Inverary Rd – reseal Section 2 \$116,000
- Cullendore Rd – Construct bitumen seal \$214,000
- Inveramsay Rd – reseal \$74,000
- Willowvale Rd – rehabilitation and widening \$466,000

### TIDS (non LRRS) and Blackspot

- Davadi St – widening Section 2 \$110,000
- School Bus Route Upgrade Stanthorpe \$20,000
- School traffic management improvements – Central School Warwick \$52,000

### Other Capital Works

- Bus Stop Warwick – disability upgrades required by State \$40,000
- RLCIP Walkways/Cycle Paths \$500,000
- Condamine River Cycleway extension (Local Sport & Rec Program) \$136,000
- Post Office Square Stanthorpe – Stage 4 RLIP \$200,000

### Stormwater

- Stormwater misc replacements – various locations \$40,000
- Defiance Maize stormwater replacement \$100,000
- Gordon Court \$70,000
- Mathews/Lenore/Steel St stormwater investigations and preliminary design \$30,000

### **\$900,000 for Water Supply Capital Works**

A total of \$900,000 has been allocated to water replacement works and new water infrastructure under the 2009/10 Water Supply Capital Works program.

While this year's expenditure is down from \$1.665 million last year, Director of Engineering Services, Peter See said that Council is still dealing with a backlog of work from previous budgets.

Mr See highlighted that water supply and sewerage projects generally have long lead times, which is evident in the Killarney off-stream storage reservoir project.

"So we see a degree of carry-over each year due to issues like priority flood damage works or land resumptions in the Killarney off-stream storage case," he said.

"In an attempt to play catch up, we have sensibly set out to do all we can do this year, rather than setting unachievable work programs."

Reticulated mains and fittings maintenance will be carried out over the region at a cost of \$360,000.

The Wallangarra Water Treatment Plant has been allocated \$150,000 for replacement works.

A substantially lower figure has been set for water studies in the 2009/10 financial year (\$500,000 last year):

- \$20,000 has been allocated for a study of the Killarney water reticulation system.
- In response to community feedback, \$40,000 has been set aside for a study on improving the quality of the Allora water supply.
- \$75,000 for an investigation to be carried out in respect of upgrading the Connolly Dam spillway. While a number of studies have already been carried out on Connolly Dam, as the dam owner, Council is legislatively required to investigate the impact of a spillway failure on downstream properties in the event of a mega-storm.

**ENDS**

### **\$1.295 for Sewerage Capital Works**

Sewerage works in the coming year will include:

- \$420,000 for improvements at the Stanthorpe and Warwick Waste Water Treatment Plants.
- Construction of a sewerage rising main from Griffiths Estate in West Warwick to the Warwick Treatment Plant at a cost of \$400,000. This work involves converting the old Rosenthal CED scheme to a sewerage scheme. Completion of this work will provide greater ability for development in the West Warwick area.
- Stage 1 of sewerage reticulation into the Keith Mitchell/Fairwill Drive area (\$100,000). This is the next area identified under the Warwick Sewerage Reticulation Plan with the Rangers Road and Panorama Court area now complete.

**ENDS**

### Beautifying the region

Unquestionably, beautiful and useable parks and recreation areas, along with flora reserves and wildlife corridors are valued by residents and visitors to Southern Downs' communities.

The 2009/10 budget provides \$641,000 for capital expenditure on park improvements, playground equipment and public toilets throughout the region.

In good news for Allora residents, \$30,000 has been allocated for the Streetscape Concept Study for Herbert Street. This study, which will include a community consultation phase, will enable formal engineering designs to be completed, followed by construction of the new streetscape in future financial years.

With the finalisation of Warwick's Leslie Park master plan, Council has allocated an additional \$60,000 (\$100,000 last year) for the replacement of play equipment in the junior playground area. This allocation will allow for completion of the junior playground, which forms Stage 1 of the Leslie Park redevelopment project.

Just down the road, the Queens Park basketball court will receive a long-awaited facelift (\$15,000) with the court to be resealed and backboards to be repainted. This has been identified as a priority project by the Police Service with half the cost of this project to be met by State Government funding.

For those keen to enjoy the outdoor fitness experience, Queensland Health will contribute \$34,000 of \$74,000 towards new gear on the Queens Park Fitness Equipment Trail and shading of the existing outdoor gym.

A number of Stanthorpe parks will benefit from allocations in the 2009/10 budget. The Stage 1 lighting project in Weeroona Park will see \$50,000 spent on improving night time security in the park, as well as the installation of power boxes, which will greatly assist with the running of community events like the upcoming Apple & Grape Festival.

The Stanthorpe Skate Park will also be upgraded under RCLIP funding at a total cost of \$15,000.

Council will continue its program of public toilet upgrades with replacement of the Farley Street (\$200,000) and Kidspace (\$90,000) public toilets in Stanthorpe, along with the Browns Falls public toilets in Killarney (\$70,000).

Council's 2009/10 Parks & Gardens budget also allows \$25,000 for replacement of park furniture, \$10,000 for tree planting, \$20,000 for miscellaneous lighting upgrades and \$5,000 for the replacement of garden bed edging.

**ENDS**