

Barton Deakin Brief: Brisbane City Council Budget 2019-20

12th June 2019

With a \$3.1 billion budget, Brisbane City Council is Australia’s largest local government. The 2019-20 Council budget focuses on projects for improving public spaces, environmental initiatives, cost of living measures, and continuing with infrastructure programs.

The Right Honourable Lord Mayor of Brisbane, Councillor Adrian Schinner, today handed down the Council’s 2019-20 Budget, his first as Lord Mayor.

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1 OVERVIEW

Brisbane City Council (BCC) is the largest local government area in Australia, and by consequence the Council administers the largest Council budget in Australia. The Council's jurisdiction extends beyond the central business district (CBD) and into outer metropolitan areas- covering 1.1 million people and a budget of \$3.1 billion. The Liberal National Party of Queensland holds 19 council seats out of 26. The Lord Mayor, who is directly elected by all local government area (LGA) voters, is Adrian Schinner. Elections for councillors and the lord mayor are held every four years, with the next election due in 2020. This is likely to be the last budget handed down before that date.

The mode of election in 2020 is also likely to change. The State Government is currently in a process of consultation for electoral reforms at the local government level. At current, councillors are elected by optional preferential voting by single-member constituencies ('wards'). Current indications are that the voting system may change to compulsory preferential voting (CPV), although an element of proportional representation is also being considered for subsequent elections. These reforms also include stricter transparency standards for political donations and changes to currently broad mayoral powers.

The Government raises revenue through council rates and from dividends from the City of Brisbane Investment Corporation. Budgetary commitments cover infrastructure, lifestyle, future plans, and changes to rates and rebates.

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Flagship initiatives in the 2019/20 Brisbane City Council Budget include an average annual increase to council rates of 2.5%, free off-peak travel for seniors on buses and ferries, five new green bridges across the city, a new partnership to improve bikeways, and a program from greening public spaces which includes converting Victoria Park Golf Course into a public park and increasing green space in suburbs.

The Budget forecasts an overall surplus of \$11.9 million, an increase from \$10.9 million the previous financial year. The main sources of revenue are rates and utility charges, fees and charges for transport and infrastructure, developer contributions, interest, and dividends from the City of Brisbane Investment Corporation. Most of the city's expenditures are from running costs associated with employment and services costs.

2 BUDGET FINANCIAL STATEMENTS

2.1 REVENUE AND EXPENDITURE OVERVIEW

For the year ending 30 June 2020	Anticipated 2018-19 \$000	Proposed 2019-20 \$000	Proposed 2020-21 \$000	Proposed 2021-22 \$000	Proposed 2022-23 \$000
Operations					
Revenue	2,275,055	2,528,423	2,597,602	2,772,180	2,906,243
Expenses	2,068,970	2,228,147	2,356,193	2,393,759	2,488,451
Increase/(decrease) in operating capability	206,085	300,276	241,409	378,421	417,792
Accumulated surplus at beginning of year	10,711,622	10,917,707	11,077,678	11,922,191	12,300,612
3 Adjustments due to implementation of new accounting standards ⁽ⁱⁱ⁾	-	(140,305)	603,104	-	-
Accumulated surplus at period end	10,917,707	11,077,678	11,922,191	12,300,612	12,718,404

2.2 ASSETS AND LIABILITIES

For the year ending 30 June 2020	Anticipated 2018-19 \$000	Proposed 2019-20 \$000	Proposed 2020-21 \$000	Proposed 2021-22 \$000	Proposed 2022-23 \$000
Total assets	23,294,783	24,275,098	28,444,137	28,909,481	29,384,438
Total liabilities	2,502,389	3,322,733	6,647,259	6,734,182	6,791,347
Total community equity	20,792,394	20,952,365	21,796,878	22,175,299	22,593,091

3 BUDGET HEADLINE ANNOUNCEMENTS

3.1 LIST OF PLEDGES

Infrastructure:

- Green Bridges
- \$125.3 million for Brisbane Metro
- \$134.2 million for public transport subsidies
- \$315,000 in electric buses trials
- \$121 million for infrastructure upgrades, including Wynnum Road and Kingsford Smith Drive

Growing your Brisbane Lifestyle:

- \$20 million green future fund
- \$9.9 million for pools and aquatic centres
- \$10.4 million for arts and culture
- \$27.7 million for new parks, including the transformation of Victoria Park
- 22.8 million for 'greener suburbs'

4 *Future Plans:*

- \$14.2 million for village precinct projects
- \$6.9 million to attract tourism and major events
- \$2.1 million to attract investment
- \$2 million for innovation projects

Rates and Rebates:

- 2.5% average annual increase to council rates – a \$10 average quarterly increase
- 50% rates rebate for first home buyers
- An increase of \$1,040 to the full pension rebate
- An increase of \$486 to the part-pension rebate

3.2 PLEDGES AT A GLANCE

Council rates to increase

On average, a 2.5% increase in council rates, exceeding current annual inflation of 1.5%, will amount to a \$10 increase in average quarterly rates. However, the impact of this is likely to be tempered by increased support for pensioners and first home buyers. First home buyers will enjoy a 50% reduction in rates for the first year in which they own their home, and pensioners will enjoy an increased rebate on their rates.

The impact of this is likely to vary across localities. Eight suburbs will see rate rises of more than 5% with the largest rises in Seven Hills (5.8%) and Wakerley (5.8%) and Mansfield (5.4%). Rates will decrease in Bridgeman Downs, Chandler, Bulwer, Cowan, Ransome, Willawong and Kangaroo Point.

Green Bridges

A signature initiative in the budget is the program to build five new green bridges. These will link Kangaroo Point to the CBD, Toowong to West End, St Lucia to West End. These bridges are for cyclists and pedestrians – and aim to prevent traffic congestion, improve public transport options and increase the amount of green public space in the city.

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Council forecasts the cost over the forward estimates in the next four years is likely to amount to \$550 million. The Budget has pledged \$6.1 million in initial funding.

Public Spaces and Reclamation

The Council has set a target of increasing the level of natural green cover across the city from 37% to 40% by 2031. Additionally, the Council has pledged 22.8 million for planting and maintaining trees across the Brisbane suburbs, a 25% increase in funding. Within this, \$2 million will go towards planting trees along shopping strips. The Council is also seeking to spend \$15.4 million on purchasing 750 hectares of bushland by 2020.

The headline initiative in land reclamation will be the conversion of Victoria Park Golf Course into a 45-hectare public park. The Council has devoted \$1 million for community consultation and design in pursuance of this long-term objective. The Course is expected to close in 2021 for works to commence.

Transport Upgrades

The Budget includes an investment of \$793 million to further improve public transport. This will include funding for air-conditioned and accessible buses, a trial for electric buses and an upgrade to the existing ferry fleet and ferry terminals. The Council also supports extending to Metro line to the northern suburbs as part of the Northside Transport Action Plan.

Seniors Travel Concessions

Seniors will be able to travel off-peak for free on buses, City Cats and ferries. This will also apply to the Brisbane Metro. The council is securing this by agreement with state agency TransLink.

Business and Innovation

The Council will also seek to reduce fees and charges for small businesses and will continue to commit 80% of Council procurement to local small businesses.

Bikeways

The Council has previously announced a new partnership with the NRMA to fund the Council's CityCycle programs. This will be assisted by new investments in constructing bikeway links in Nudgee, Murarrie, Wakerley and Wishart.

4 FURTHER INFORMATION

A full list of documents including the Lord Mayor's Budget Speech, the Annual Budget Papers, and a summary of key initiatives, can be found [here](#)

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