

MEDIA RELEASE

Subject: Endorsement of 2020/2021 Budget Estimates

Date: 24/06/2020

Glamorgan Spring Bay Council endorsed its 2020/2021 Budget yesterday with a significant capital works allocation of \$7.14 million. This includes \$500,000 to commence addressing stormwater infrastructure issues.

The budget also includes no increase in the General Rate for 2020/21. There is funding allocated to address the completion of key statutory documentation to ensure compliance with legislative obligations.

The large capital works budget is possible due to Council securing close to \$10 million of Federal and State grant funding for works across the municipality. Some of the work has already been completed in the 2019/2020 financial year with the bulk of the funds available for significant capital works programs over the next two years.

Mayor Debbie Wisby said Council has focused on ensuring the delivery of core services to ratepayers and residents, the implementation of its 10-year Strategic Plan and adherence to legislation. To achieve this, without significant rate increases, will involve some hard decisions in the next 12 months in particular.

“Glamorgan Spring Bay, like councils across Tasmania and throughout Australia, faces significant financial challenges as a result of our response to COVID-19,” she said. “These include implementing measures such as a freeze of the General Rate and the implementation of a Financial Hardship Policy to help support ratepayers and residents.”

“The loss of revenue streams such as TasWater dividends this year and next year will also impact Council’s revenue and cash flow for both the 2019/2020 and 2020/2021 financial years.”

“As a result, Council is estimating an underlying Budget deficit of \$2.41 million for the 2020/2021 financial year. This figure includes depreciation of \$2.36 million. While depreciation is a non-cash item, funding of depreciation is a legislated requirement as it enables Council to fund the replacement of existing assets. The funding of depreciation is derived from rates income.”

Mayor Wisby said it will take Council several years to reach a financially sustainable position where depreciation is fully-funded.”

Council has already announced its plan to divest itself of the three Visitor Information Centres by 31 October 2020 with a subsequent annual saving of approximately \$360,000.

All other fees and charges have remained relatively unchanged apart from the Medical Levy which has been increased from \$80 to \$90 per rateable property.

Council will develop its Annual Plan in the coming months. This will outline the projects and priorities for the 2020/21 financial year.

Ends _____

For more information please contact: Mayor Debbie Wisby, 0439 579 652