

A stylized map of the Cairns Region is shown in the background. The map is primarily blue, with a prominent green area representing the coastal strip. The map is oriented vertically, with the top of the region at the top of the page. The text is overlaid on the blue background.

foundations for our future

BUDGET 2010/11
ACTION PLAN



MAYOR'S MESSAGE

Val Schier

MAYOR / CAIRNS REGIONAL COUNCIL

While the rest of Australia begins to emerge from the economic downturn, our region is still faced with the challenges of high unemployment, reduced tourist numbers and low business confidence. We have started to see signs that our recovery is beginning, however not at the same pace as the rest of the country. Our unemployment rate has fallen for two consecutive months but is still one of the highest in the nation. We still have a number of empty shops in our main business precincts and planning approvals for new developments are still slow.

The economic climate has presented a huge challenge to Council in formulating our budget. Council costs are ever increasing, with the Local Government Association of Queensland cost index at more than four per cent this year. We also had carried over a deficit of almost \$10 million that was necessary to keep last year's rate rise to a minimum.

This year, our focus is on the future. Council officers have undertaken an ambitious exercise to improve the efficiency of our business and save ratepayers money. We have looked across the whole organisation to eliminate wastage and provide the same high level of service for less money. This has resulted in a significant reduction in our deficit as well as a rate increase that is lower than the LGAQ's suggested increase. More importantly, we have focused our planning and infrastructure on projects that will help our region in the economic recovery and allow us to grow when the economic situation has improved.

The flagship project of this budget is the Cairns Cultural Precinct. Planning for this important community infrastructure will create 1000 jobs in the short term, but also provides an important confidence boost to the local economy, particularly for retail, hospitality and tourism businesses. Furthermore, Council is working to improve business and consumer confidence through the beautification of our business precincts. The city centre revitalisation will continue to be a priority in 2010/11 and the Port Douglas Waterfront Master Plan will begin to be implemented. Both of these projects are aimed at increasing business confidence and ensuring our region is ready to grow and thrive.

This budget process has not been an easy one for Councillors or staff. Balancing the need to keep the burden on ratepayers to a minimum today with the need to plan for the recovery of tomorrow is a difficult process. However, with a rate rise that is one of the lowest in the state and projects like the Cultural Precinct beginning, I am confident that we have achieved the right balance.

The Cairns economy is still struggling and lagging behind the recovery of the rest of the nation. This budget aims to help us catch up and to ensure that our region is ready to once again thrive when the economy improves.

CEO'S MESSAGE

Lyn Russell

CEO / CAIRNS REGIONAL COUNCIL



This Budget sets a new benchmark for responsible economic and financial management for Cairns Regional Council. The 2010/11 budget builds on our position of organisational strength. Our investments will build the region's long-term capacity, so that as the global recession eases and the unemployment rate improves we emerge even stronger.

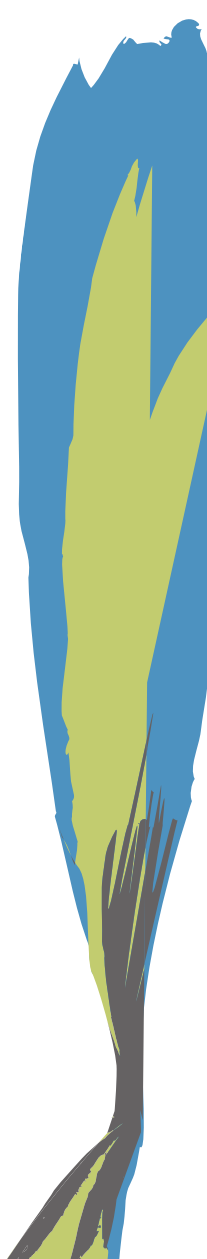
The economic development and regeneration of a region with the highest unemployment rate in the state is a major undertaking. Council has taken up the challenge to do just that, but not to do it alone.

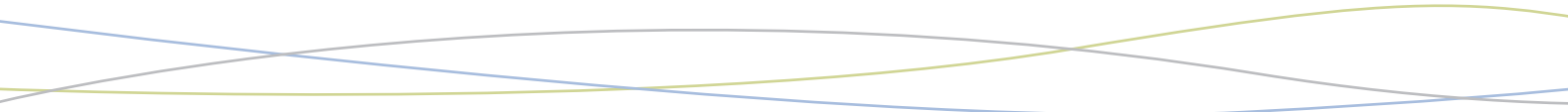
The impetus for change must also come from the region itself, from those who live and work here and from those who invest their energies and resources into businesses here. The vision for the future of the region will be achieved because people have the passion to make it happen and, equally importantly, because they work together, exchanging ideas, sharing skills and experiences in order to achieve positive outcomes.

Far more will be achieved by working together than by working individually, however determined and industrious the region might be. Council will use its unique civic leadership position to encourage such collaborations, to provide positive leadership and to set an agenda of action and measurement.

Council is also committed to building a stronger customer service excellence culture in order to better serve our community's needs. In the coming year, we look forward to improving our responsiveness to all of our customers, and to measuring and reporting on our service performance. In this way, our ratepayers will see better value for money in the delivery of all our Council services.

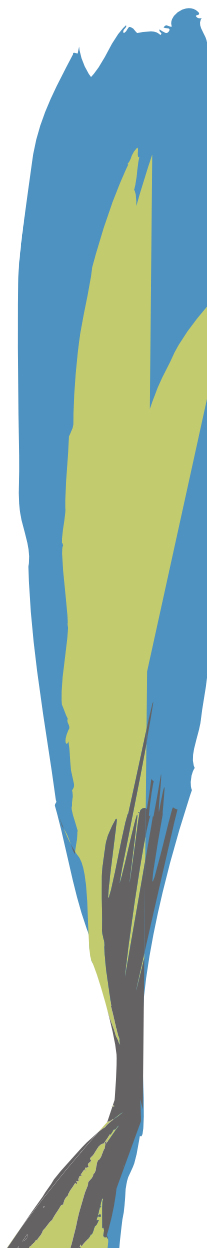
A great deal of thought and energy from officers at all levels of this organisation has gone into preparing this Council budget. This has resulted in a process which has been driven by professionalism, depth of knowledge and passion for this region. I express my particular appreciation to our Councillors and employees for the hard work and strong commitment that has been demonstrated in the preparation of our 2010/11 Budget.





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FOUNDATIONS FOR OUR FUTURE

Our challenge

The 2010/11 Budget is brought down in a time of uncertainty in the regional employment market. While the region is slowly recovering from the global financial crisis, the current high unemployment rate of 8.9% (the highest in Queensland) and slow recovery of the tourism and construction industries reminds us that we are still doing it tough.

This Budget has been framed against this difficult backdrop. At the same time, Council must keep the ball rolling on creative initiatives to grow the region into the future.

That is why this Budget continues Council's strong commitment to maximising our future prosperity by building the infrastructure we need and promoting the region as a place where business and industry can thrive and prosper.

Council will also continue to focus on providing high quality customer service in our core business areas to all residents.

Our opportunity

Council has worked to find sensible solutions to limit the financial strain on ratepayers. This means ensuring a higher level of service at a lower cost by:

- reducing overtime expenditures;
- limiting agency staff and consultancies;
- deferring vehicle replacements; and
- deferring equipment purchases.

Rates have increased in line with the increased costs of providing Council services. Residents will still receive the key services upon which they rely, whilst Council remains strong financially and creates the environment for business to recover.

Our commitments

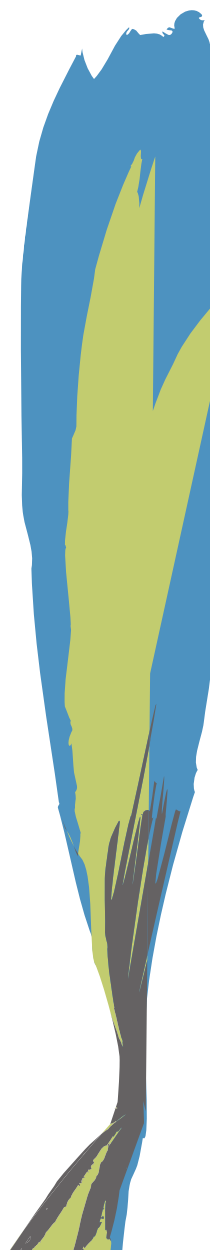
Our focus in this budget is to build a strong foundation for our own future.

A key activity in 2010/11 will be to develop a Community Plan to identify the vision and values of the community to help articulate how the region will look, feel and operate in 20-30 years time. This plan will set the strategic direction for the region.

Council is undertaking a comprehensive service quality review . The aim is to ensure Council delivers excellent customer service across all areas of Council's work.

We will continue to focus on the five key economic strategies identified last year that will nurture regional growth in these continuing tough economic circumstances:

- Building community infrastructure
- Fostering vibrant communities
- Creating and protecting jobs
- Financial responsibility
- A sustainable economy





BUILDING COMMUNITY INFRASTRUCTURE

Our challenge

Despite recent improvements in the national economy, Council's income continues to be impacted by the economic downturn.

The 2010 Local Government Association of Queensland has recommended rate rises of 6-7% given the increased costs for wages, electricity and to build and reseal roads.

Council must also continue to fund the revenue lost from removal of State subsidies for water and sewerage and other grants such as the road and drainage grant. It is estimated that the lost operating grants and subsidies equate to more than \$4.9 million.

However, the continued provision of infrastructure is crucial for Council to assist in the reduction of the unemployment rate through job creation and to benefit future generations.

Our opportunity

Although the region's economy is still operating somewhat below capacity today, Council is preparing for when it again approaches capacity.

We have a commitment to spend \$110.6 million on capital works. This is real money, being spent on real projects that will benefit generations of Cairns Regional Council residents.

Council is focusing on areas where we can provide a mutual benefit in not only meeting the region's growth needs but also boosting economic growth.

Our commitments

Council has continued its commitment to deliver projects that will provide a strong foundation for the continued growth of the region. The \$110.6 million spent on the capital works program will create jobs, provide new facilities and upgrade key business areas.

Transport infrastructure — \$26.4 million will be spent on works such as road rehabilitation programs, kerb and channel works and street lighting projects throughout the region.

Drainage and flood mitigation — Continuing Council's commitment to reducing flooding in the region, \$4.63 million will be spent on drainage infrastructure projects.

Building infrastructure

In the coming year Council will commence work on infrastructure projects to support our regional lifestyle, enhance community living and provide a solid base for future generations.

Port Douglas Waterfront Master Plan — \$800,000 to implement priority projects.

Cultural Precinct — \$12.7 million for detailed designs of the Cairns Cultural Precinct.

City Centre to Aeroglen Cycleway — \$6.1 million to complete work on the cycleway connecting the city centre to Aeroglen.

Edmonton Multi-Purpose Centre — \$3 million in developing a multi-purpose centre.

Botanic Gardens Visitors' Centre — \$4.3 million building a new visitors' centre at the Botanic Gardens.

White Rock Sewerage Scheme — \$1.4 million on the provision of a new sewerage scheme.

Mulgrave River Aquifer — \$750,000 on the design and approvals acquisition for Stage 1 of the new water supply scheme.

Mossman Waste Water Treatment Plant — \$600,000 on sludge dewatering equipment and \$500,000 on the design of the full upgrade of the waste water treatment plant.

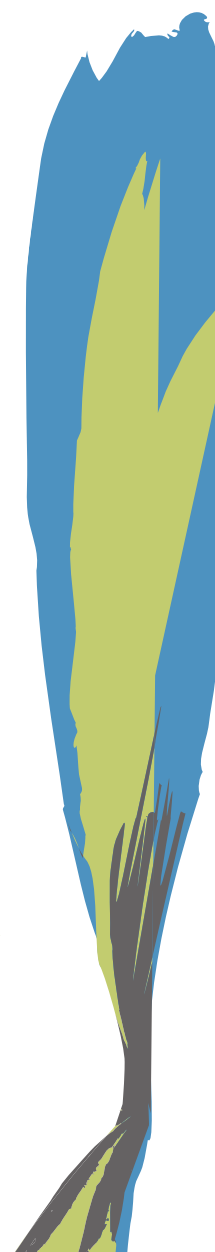
Sewer Main Upgrades — \$3.5 million on pressure main upgrades.

Redlynch — \$900,000 on Gravity Sewer Main Duplication.

Fluoride Project — \$2.5 million on installing Fluoride at Whyanbeel, Frenchmans Creek and Mossman.

Bellenden Ker Reservoir — \$1.4 million on the construction of a 1ML water reservoir at Bellenden Ker including access road, pipeline, power and communications.

Trunk Water Main — \$2.7 million will be spent on providing new water mains at various locations.





BUILDING COMMUNITY INFRASTRUCTURE

Revitalised infrastructure

The infrastructure renewal program will focus on community assets that are in need of refurbishment or improvement including:

Sports Facilities — \$600,000 renewing sports facilities across the region.

Swimming Pools — more than \$200,000 on renewing the region's public swimming pools.

Community Infrastructure — \$4 million on the replacement of the Sugarworld Water Slides, a regional family and community asset. The outcome of a feasibility study will inform decisions on the final spend on the project.

Solid Waste Transfer Stations — \$390,000 renewing and upgrading seven waste transfer stations.

Sewer Relining and Manhole Refurbishments — \$1.45 million on the 2010/11 annual program.

Sewer Pump Stations — \$3.8 million on the upgrading of sewer pump stations in various locations.

Water Main, Valve, Hydrants and Meter Replacement — \$850,000 on the 2010/11 annual program.

Road Reseal, Rehabilitation and Asphalt Overlay Program — \$5.2 million improving local roads in the region.

Light Improvements — \$600,000 on new, replacement and underpass lighting in the region.

Playground Renewal — \$250,000 on renewing playground equipment including sand soft-fall and edges of various parks as well as the replacement of some older play equipment.

Business precinct improvements

Council continues to focus on re-invigorating the Cairns city centre making it a more attractive and vibrant place for residents and visitors to live, shop and relax and stimulating business and investment.

City Centre Infrastructure Renewal — \$190,000 on renewing Cairns city centre infrastructure.

City Centre Streetscapes — \$200,000 on upgrading Cairns city centre streetscapes.

CCTV Renewal — \$200,000 on renewing CCTVs within the inner city area.

Cairns City Centre Master Plan — Council will develop an integrated master plan together with actions and strategies for implementation to assist in the achievement of the vision for the Cairns city centre.

FOSTERING VIBRANT COMMUNITIES

Our challenge

Council's investment in recreation facilities and open spaces plays a critical role each year in the quality of life of residents. The development and maintenance of facilities not only provides local employment opportunities, but adds enjoyment to the lives of residents and visitors.

Council offers a range of festivals, events and sporting venues to the community each year which foster a spirit of vibrancy throughout the region. Not only do many of these attract visitors and give a major boost to the local hospitality industry, but they are also a vital element of our tropical lifestyle.

Council recognises the diverse range of community expectations when it comes to leisure and cultural activities – from artistic festivals through to sporting events, Council is laying the foundation for a wide range of future leisure activities for all residents.

Throughout the economic downturn, Council has worked to ensure community infrastructure is maintained and upgraded – parks, open spaces and recreation facilities boost community confidence and contribute significantly to the economy.

Empty shopfronts in the Cairns City Centre have been revitalised with a new initiative, Beautiful Art Spaces Project, which transforms empty space with the work of emerging artists, designers and creative cooperatives.

As well, Council maintains a strong commitment to a comprehensive program throughout our Libraries, upgrading outdoor fitness equipment on The Esplanade and providing new opportunities for major sporting events such as the Cairns Tennis International.

By supporting leisure Council is providing a vibrant region for residents, encouraging visitors and contributing directly and indirectly to the local economy.

Our opportunity

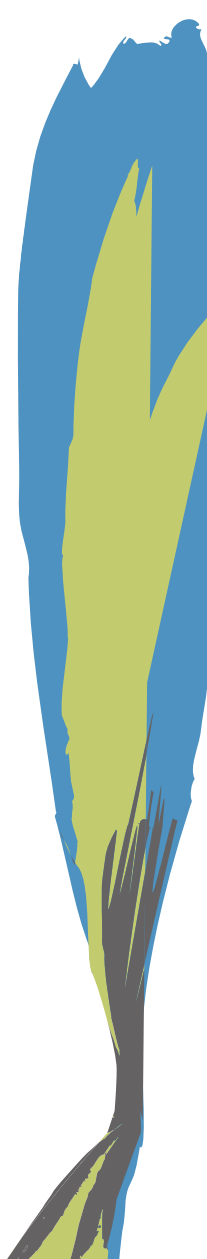
A culture of participation and engagement is important to building a vibrant and connected community.

Residents of the Cairns Regional Council area have access to a broad range of well-managed, quality community facilities providing recreational, social and cultural opportunities.

The establishment of the Cairns Cultural Precinct including an entertainment centre, a regional museum and a public plaza will become a vibrant hub in our region for community festivals and a meeting place for locals and tourists alike.

The Cairns region offers a range of events, programs and facilities that encourage residents to become active and healthy. The region also offers an increasing range of sport, recreation and leisure opportunities that meet residents' changing living, working and leisure patterns.

Cairns is a creative region with diverse and accessible arts and cultural programs, signature city festivals and local celebrations.





FOSTERING VIBRANT COMMUNITIES

Our opportunity

Council provides support to foster local festivals and participatory activities through programs and partnerships with local artists, community organisations, arts organisations and creative industries.

Festivals form an integral part of the region's cultural, community and creative life and are significant to our social fabric. They:

- animate and enliven the city and suburbs
- celebrate and consolidate identity and a sense of community
- showcase local creativity and diversity
- generate employment for artists and arts workers
- stimulate local economies, and
- contribute to the region's profile.

Our commitments

Council will boost its commitment to make Cairns the most liveable tropical city in the nation.

Sport, Recreation and Community Development — Council commits to delivering ongoing activities in sport, recreation and community that will enhance liveability throughout the region.

This ongoing support includes:

- **Public Pools** — \$1.2 million to maintain high quality public swimming centres
- **Cultural Venues** — \$1.5 million to Civic Theatre and \$1.4 million to Tanks Art Centre to ensure quality venues for performing and visual artists
- **Regional Galleries** — \$900,000 to support and maintain the Cairns Regional Art Gallery
- **Libraries** — \$6.3 million on library services throughout the region including \$115,000 for the installation of self-check system facilities at Manunda, Smithfield and Mossman Libraries
- **Festivals and events** — \$900,000 on festivals and events across the region.

Beautiful Art Spaces Project — designed to invigorate the Cairns city centre by creating partnerships between property owners and local creative industries. The initiative will see vacant shops within the Cairns city centre become filled with emerging artists, designers and creative cooperatives.

New Planning Scheme — commence the preparation of a new planning scheme for the region to guide sustainable growth and development.

Community Plan — undertake inclusive engagement with the community to capture and record a shared vision, aspirations and priorities for the region.

Daintree River Gateway Master Plan — ensure a world class visitor experience to the area through the preparation of a master plan to guide land use and activities and deliver key actions in partnership with the community and local businesses

Supporting community groups

Sporting and community groups within the region will continue to benefit from new and upgraded facilities provided by Council.

Sport and recreation — \$4.1 million on providing sport and recreation services throughout the region which includes lifesavers and stinger net provision.

Sport facilities renewal — \$660,000 on renewing sporting facilities.

Field remediation — \$150,000 on field remediation (such as topsoil replacement) works throughout the region.

Barlow Park — \$550,000 on upgrading the car park at Barlow Park for users of the venue.

Festivals — \$200,000 to a new Festivals and Events fund established for community groups to apply for funding.

Community Development — \$2.3 million on providing community development projects and support throughout the region.

Creating community spaces

Council will continue to focus on providing quality community spaces for residents to support the outdoor lifestyle of the region.

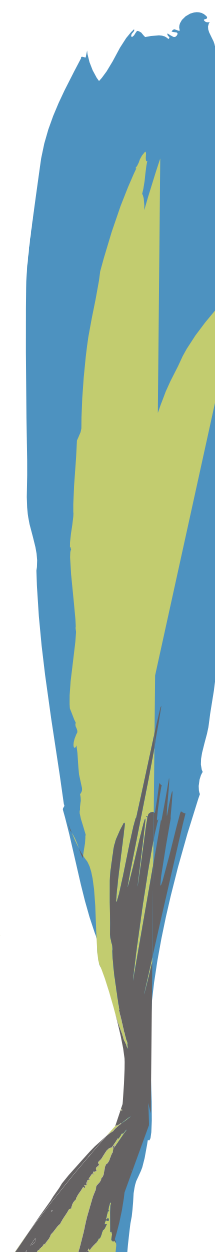
Cairns City Centre Streetscapes Upgrades — \$200,000 for the upgrade of streets within the Cairns city centre. This project will make the city centre a more attractive shopping precinct for visitors and residents. Lighting upgrades and CCTV renewal will also make it safer and more attractive during the evening.

Palm Cove Caravan Park — \$250,000 for the upgrade of Goldfinch Park Caravan Park at Palm Cove to improve the facility and attract more 'grey nomads' and other travellers.

Port Douglas Master Plan — \$800,000 to master plan Port Douglas to enhance its appeal as a premier tourist destination and desirable place for locals.

Botanic Gardens and Sugarworld Gardens — \$1.9 million on the Botanic Gardens Precinct and Sugarworld Gardens.

Inner City Facilities — \$10.2 million on providing services to the Esplanade and inner city area.





CREATING AND PROTECTING JOBS

Our challenge

The Far North Queensland region continues to have the highest unemployment rate in Queensland fluctuating around 8.9% following a peak of 13.8% in September 2009.

Whilst the recession had a devastating effect on Far North Queensland's key industries of tourism and construction, the Cairns economy is showing some signs of improvement.

International and domestic tourism arrivals are commencing a rising trend which should continue during 2010 and help improve conditions for the local tourism industry.

Building applications saw a slight improvement in June 2009 however the Cairns urban area is now showing a dead flat trend.

Our opportunity

Council will continue to work with external organisations and key industry bodies to find co-ordinated strategies to improve employment opportunities in the region. Council will develop and implement strategies that allow its employees to work efficiently.

A significant factor in the region's vulnerability to the global financial crisis and other recent events is its reliance on only a few major industry sectors.

Council envisages a new and confident future for the region by developing both new and traditional industries, building infrastructure, building skills for future jobs and implementing new job creation programs.

Its approach focuses on diversifying the region's economy and making it more resilient to future financial shocks.

This means building on the region's existing industry strengths as well as expanding into new areas of opportunity such as its potential as a major regional hub for Papua New Guinea and the Pacific Rim. Council will contribute to a regional economic strategy.

Every dollar spent in the community, whether for retail or wholesale goods and services, or for staff and raw materials used in business production, contributes to the community's employment and income. A proportion of these dollars will be re-spent in the community, thus creating internal "multiplier" effects.

Our commitments

Council will remain the largest employer in the region with 1460 employees. Council will continue to lobby for industry and business ventures in the region through the Economic Development unit.

Council's purchasing policy will continue to encourage the use of local suppliers wherever possible to stimulate the regional economy.

Encouraging new business

Council will provide funding for economic development to external organisations. Across the region, \$1.2 million will be spent on economic development projects.

Regional Economic Development — Advance Cairns will receive \$250,000 funding to continue their work in business attraction and regional economic development.

Tourism — Tourism Tropical North Queensland will receive \$480,000 and Tourism Port Douglas Daintree will receive \$430,000 for tourism promotion activities.

Economic Development Fund — a \$464,649 fund will be allocated to be spent on research, diversification, investment attraction, innovation and business development.

Creating community jobs

Council will continue where possible to provide business to local companies and contractors to carry out works. Council will also continue its significant infrastructure and service delivery program to provide employment across the region.

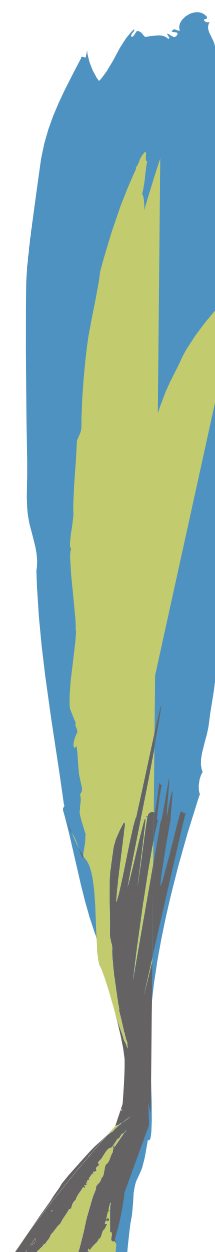
Water and Waste Capital Works — \$26.6 million of water and waste capital works including water, wastewater and waste.

General Capital Works — \$84 million of general capital works including transport infrastructure, community, sport and cultural facilities and flood mitigation projects.

Protecting and valuing council jobs

Council will maintain its workforce of approximately 1460 staff across the region to continue to provide high levels of service to the community. Council will provide 90 apprenticeships and traineeships and facilitate around 58 Certificate IV, Diploma and Advanced Diploma opportunities through the Productivity Placement Program in the coming financial year.

Council is moving forward with its Indigenous Employment Strategy which provides a plan of action for the next three years to improve Council's performance in recruiting and retaining Indigenous employees.





FINANCIAL RESPONSIBILITY

Our challenge

This Budget sets a new benchmark for responsible economic management. The current high unemployment rate reminds us of the difficulties our community still faces. The Budget has been framed against this backdrop of uncertainty in the employment situation.

While rates provide a steady source of income, Council recognises that ratepayers in the region are experiencing financial strain. Council has opted for a 5% rate rise which is below the Local Government Association of Queensland's expected range of 6-7%.

This means that Council will be operating from a deficit position in order to relieve the pressure on ratepayers.

Our opportunity

Council recognises that although we will be operating at a deficit and trying to reduce operating costs where possible, we have to keep the ball rolling on creative initiatives to grow the region into the future.

Council will implement strategies and cost-saving measures that do not result in job losses.

This Budget continues our strong commitment to building the infrastructure and skills bases we need to maximise our future prosperity.

Our commitments

Council will maintain service levels to ratepayers while continuing to find internal cost savings. Council will be in a manageable deficit position of less than 1% of the overall budget.

Operational Savings — Council has identified more than \$11 million in operational savings during the budgeting process and will continue to be actively seeking to reform its work practices to make these savings.

An operating deficit of \$1.8 million will be incurred by Council to shield ratepayers from Council's significant cost increases and revenue shortfall.

Getting more for less

Operating from a deficit position this year, it is important that Council find innovative solutions that will allow us to achieve goals, complete initiatives and effectively accomplish Council work while at the same time reducing costs.

Council continues to identify services that can be provided more cost effectively and will continue this policy through this financial year to improve our net position as the year progresses. Examples are:

- Staff will not be replaced when they are on leave
- Staff overtime and the use of agency staff will be reduced by 30%
- The use of consultancies will be reduced by 20%
- Materials and services including the Council fleet will not be increased, and
- Internal processes will continually be renewed to identify areas where savings can be made.

Planning for the future

Council will put aside significant funds this year to contribute towards the renewal or replacement of our existing infrastructure in future years as our responsibility to future generations.

Asset Replacement & Renewal Fund — of the \$110.6 million allocated for capital works, the asset replacement and renewal fund allocation of \$83 million will assist in replacing or revitalising existing infrastructure.

Managing Council Revenues — an operating deficit of \$1.8 million will ease the pressure on ratepayers to make up the shortfall in Council revenues.

Equitable rate and fee increases

Rates have risen by an average of 5% this financial year. This is below the bottom rate range suggested by the Local Government Association of Queensland for the 2010/11 fiscal year.

- Residential and commercial rates will rise by 5%
- Residential and commercial water access charge and cleansing charge will rise by 5%
- The Cleaner Seas Levy and sewer access charge will be combined under the sewer access charge and will increase by 5%
- Residential water usage charges will rise by 7 cents per 1000 litres
- Commercial water usage charges will remain at the 2009/10 price
- Most Council fees will rise by 4%.



A SUSTAINABLE ECONOMY

Our challenge

Establishing a stable and financially sustainable budget is essential to tackling the issues that the region faces, including high unemployment rates. To deliver a more sustainable economy we need to do more with less by making better use of resources, increase investment, promote stability and competition, develop skills and reward work.

Establishing an economically sustainable region requires us to take a long-term view of the economy, rather than adopting short term fixes.

Sustainability has become a driver for business practices that protect the environment. Sustainable businesses tend to reduce costs, enhance profits, attract and retain employees, and have consistently strong bottom lines. This is the focus for Council as it strives to pull the region out of the current financial situation and high unemployment rate.

Our opportunity

Cairns Regional Council is committed to ensuring the region has a stable and healthy economy for the benefit of both business and residents by creating prosperity and jobs. To create a more sustainable economy we need to do more with less by making better use of resources. Although operating from a deficit position this 2010/11 Budget is responsible and sustainable.

The 2010/11 Budget continues the environmental improvement initiatives commenced and improved by Council in recent years. Initiatives in 2010/11 include further action to conserve water consumption, further reductions in energy usage and actions to reduce greenhouse emissions.

Our commitments

Cairns Regional Council maintains a comprehensive, ongoing commitment to sustainable operations and practices and we remain committed to making real, tangible improvements that will protect our natural environment.

Council will work with community groups such as Landcare and local schools to plant 15,000 trees and educate students about the importance of the environment. Council will also plant an additional 45,000 trees throughout the region.

Council will continue to be leaders in the use of recycled plastics in construction. We will continue the implementation of boardwalks made out of recycled plastics. Council will implement its Sustainability Scorecard which will provide transparency in decision making and consideration of the environmental, social and economic impacts of all Council projects and activities.

Council's Climate Change Strategy will begin in 2010/11 and will provide a roadmap that will lead to a low carbon, low oil, and sustainable future for the Cairns region.

Sustainable infrastructure

Foreshores in the region will be protected with \$1.4 million to be spent on shoreline erosion management programs.

A new visitors' centre to be constructed at the Botanic Gardens will be built to environmentally sustainable specifications.

The Waste Collection truck fleet is being replaced at the end of the year. The new contract will bring significant environmental benefits by dramatically reduced emissions. The Collection fleet travels half-way round the world and consumes 12,000 litres of diesel fuel each week. The new fleet will be quieter, more fuel efficient and will have a 6000% improvement in overall emissions.

Sustainable business

Council is dedicated to encouraging and facilitating environmentally sustainable economic development and prosperity for the Cairns region.

Council will develop smarter ways of working to deliver better service to the public.

Together, the savings being made by our efforts to work smarter and harder are reducing the burden on all ratepayers in the region. We will identify and implement ways to save money by doing business more efficiently and retaining the high quality of services residents expect.

Leading the way

Council will lead the way in sustainable economic practices and will encourage organisations and community groups to share a similar sustainable economic and environmental focus.

