

Speech to Brisbane City Council – 17th November 2009

2008-2009 Annual Report

Edited Transcript

Councillor FLESSER: Thank you, Madam Chair. I'd like to talk about the annual report and Madam Chair, when I look at the annual report, you know what I see? I see poor and reckless financial management.

Madam Chair, that's what I see in there. And what I also see is rising debt, rising rates and charges but the big problem certainly is the rising debt. I know that Councillor CAMPBELL is going to talk about that in a minute.

The LORD MAYOR spoke before about the financial targets. He talked about the 1994-95 annual report. Well, how interesting it was that this year, this annual report, 33 per cent of the financial targets have not been met by this Council.

Thirty three per cent not met of the six targets, Madam Chair. Two of them are not met by this Council. So I had a look at the 94-95 annual report and guess what? The two targets that have not been met this year were exactly the same back in 94-95 and guess what?

Guess what, Madam Chair? They were much better back then. The first one, the working capital plus the repay and redraw facility, Madam Chair, that target should be greater than one.

It hasn't been met this year but in 94-95 it was met. The other one is the debt servicing ratio. Madam Chair, not met this year, supposed to be less than 33 per cent. It's over 34.7 per cent. Madam Chair, back in 94-95, it was only 17.6 per cent.

So we're doing so well, so fine, that we can't even meet targets! Modest targets, that should be met, that were met back in 1994. This annual report is big on spin and gloss but small on telling the true picture to ratepayers.

Now, I know that Councillor SCHRINNER has taken to saying something at meetings and out in public, that I used to say. It used to amuse the LORD MAYOR and that was that "Council can provide whatever ratepayers what to pay for."

That is absolutely true but we need to be is honest with our ratepayers, honest to those voters out there in Brisbane that put us here. What I see in this annual report is Council is tumbling deep into the black hole of massive debt.

Madam Chair, it's going to be the ratepayers, they're going to be paying long after the LORD MAYOR has sailed off into the sunset. Now, if we read carefully through this annual report and try and cut through the spin and gloss, we see plenty of furphies in there.

I want to direct Council to one of them and that's on page 62 where there's some text and it paints a picture of Council making big savings through management. Well, Madam Chair, well, you'd think that if there's big savings being made, if you went to page 170 and actually look at the figures, you'd see those reductions and the expenses.

Now, Madam Chair, you don't see reduction in expenses at all. As a matter of fact, you see a 10.4 per cent increase this year in employee costs. You see a 25 per cent increase in materials and services costs, including for consultants.

Madam Chair, these savings are a furphy. As a matter of fact, Madam Chair, since 1925, every year the Council administration makes savings and

you know what? They spend it on something else and that's what's happened this year and last year and it'll probably happen next year as well.

So this furphy that there's all these big savings being made, Madam Chair, you've only got to look at the Council's expenses to see that that's absolutely not true. Of course, what we do know is that debt is rising rapidly into the future.

And who's going to be paying for this poor and reckless financial management, Madam Chair? We know it's going to be ratepayers and they're going to be paying through higher rates and charges.

Madam Chair, I remember not too long ago that Brisbane City Council had the cheapest rates and charges in the region, Madam Chair, and that was because we had economies of scale.

We had stronger contract negotiating abilities 'cause we were larger and rates and charges were significantly lower than our local government neighbours. But Madam Chair, what does this annual report reveal?

What we see is that there's a whopping \$121 million extra charges to ratepayers in the 08-09 financial year. That's a real increase of – get ready for it - 12.01 per cent. So ratepayers in Brisbane last year paid an increase of 12.01 per cent in rates and charges.

Did you see the LORD MAYOR announce that when he announced the budget last year? No way, Madam Chair. That was all spin. No, we'll just talk about the owner/occupier residential properties. We'll only talk about the roads. We won't talk about the charges.

Madam Chair, 12.01 per cent increase in rates and charges in this financial year over the year before. What about our neighbours in neighbouring councils, Madam Chair? Remember that the LORD MAYOR back in 2004, he said the only objective way of assessing rates and utility charges was on a per head of population basis.

That's what he said. Well, Madam Chair, I predict those words are going to come back and bite him over the next couple of years 'cause let's look at some of our neighbours, how much they're paying in rates and charges.

Let's have a look at the Brisbane's per capita rates and charges, Madam Chair. Every man, woman and child in Brisbane is paying \$1220 a year in rates and charges. So how does that compare to say the Moreton Bay Shire?

Madam Chair, \$897 per person in Moreton Bay. And what about Redlands? \$1109 per person. So Madam Chair, Brisbane ratepayers are paying \$323 more per person in rates and charges than Moreton Bay ratepayers.

Madam Chair, \$323 per person higher in Brisbane than it is in Moreton Bay Regional Council. And what about Logan City Council? \$257 per person in rates and charges less than that being paid in Brisbane.

Redlands Shire, Madam Chair, ratepayers are paying \$111 each less per person than they are in Brisbane. So Madam Chair, when we look at this document, we see what our neighbours are doing as far as rates and charges are concerned.

We see what's happening with Council's debt and how it's rapidly increasing in the future. Madam Chair, there is only one outcome that I see when I look at this annual report and Madam Chair, that is that this Council is suffering from poor and reckless financial management.