

**PUBLIC FORUM
QUESTIONS/ANSWERS
24 October 2018**



Questions – Sandra Young

QPRC expenditure

- 1. What percentage of Rate Revenue will be attributed annually to loan repayments over the next 10 years?**

Response – Finance

Council is preparing its 10-year financial plan, aimed to meet the 'Fit for Future' financial benchmarks set by Government, across that horizon. The plan will be published in the coming months.

- 2. What percentage of Rate Revenue will be attributed to salaries/wages and associated overheads such as superannuation, annual and personal leave and also insurance over the next 10 years?**

Response – Finance

Typically, employment costs represent 30% of Council's operational expenses as illustrated in the Financial Statements, while 35% of general purpose revenues (rates) are expended on employment costs. Council is preparing its 10-year financial plan, aimed to meet the 'Fit for Future' financial benchmarks set by Government, across that horizon. The plan will be published in the coming months.

- 3. How many motor vehicles are provided to employees, what is the total annual cost of such vehicles and what amount in \$'s and also what percentage of the cost is recouped from lease payments?**

Response – Finance

Ninety-seven vehicles are used or leased by employees for operational purposes and private use.

The operating cost for 2017-18 for those vehicles are: \$1,238,308, of which 28.67% is recouped through leaseback payments for private use.

- 4. As trustees of public money, with expenditure procedures that should:**
 - a. Keep rates, fees and charges affordable.**
 - b. Preserve capital.**
 - c. Meet financial future benchmarks, to be "fit for the future".**
 - d. Act as would a "prudent person standard", acting with similar diligence and skill that a prudent person would exercise.**

How can the QPRC have accumulated present loans of nearly \$36,894,571? Since the QPRC has less than 28,000 ratepayers, this seems to have ratepayers presently indebted by \$1,318 for each ratepayer.

Within a couple of years this ratepayer loan indebtedness will grow by \$52,650,000 in 2018/19, another, \$25,900,000 in 2019/20, and a further \$105,400,00 in 2020/21, making the total indebtedness, \$220,854,571, by 2021, excluding any council loan repayments, added interest on council loan repayments, or additional council loans.

Assuming we have approximately 28,000 ratepayers, and we actually have less ratepayers, our ratepayer loan indebtedness will then mean every ratepayer is indebted by over \$7,000, approximately \$7,888 by 2021.

(Financial loan figures are taken from Public Forum QPRC loan answers 12th September, 2018)

Response – Finance

Both the former Queanbeyan (\$13.1m) and Palerang (\$24.8m) Councils carried debt at the time of merger. Council pays principal and interest on its borrowings each year. Borrowings have reduced from \$36.8m in FY2017 to \$35.2m in FY2018. The adopted Delivery Program has forecast borrowings to increase by \$42.65m, \$25.9m and \$105.4m in the next three years to renew and construct important road, buildings, water and sewer infrastructure. In that same period, loan payments of \$11.594m will be made. Borrowings are encouraged by government and supported by Council's financial strategy to smooth out 'lumpiness' in capital works and distribute the cost and benefit of those works across the term of the loan (typically 20 years) in line with the principle of inter-generational equity.

The 2018 Revenue Policy illustrates 26,399 general rated properties, as well as 21,444 and 21,251 water and sewer charged properties respectively.

- 5. How does QPRC intend to ensure that future and present ratepayers, and also future QPRC councils, are not so indebted in the future by loan repayments, that little council core maintenance projects can be undertaken, and council rates do not become excessive?**

Response – Finance

Council borrows for new, upgraded or renewed infrastructure – not for the maintenance of infrastructure. That debt is often serviced by lease income or development contributions. The management of infrastructure assets is also monitored in the financial statements (special schedule 7) as measures of asset renewal, maintenance and backlog against 'fit for future benchmarks for local government.

- 6. a. How many staff are on contracts in excess of \$150,000 and where do each of these staff members live (i.e. Do they live in the QPRC region? e.g. Queanbeyan, Bungendore, Braidwood, and not their personal addresses.)**
b. Does each staff member in 6 a have a council motor vehicle?
c. What is the annual cost of maintaining the individual vehicles in 6 b?
d. What is the lease payment for each vehicle in 6 c?

Response – Finance

Five senior staff are on fixed term standard contracts established by the NSW Government, remunerated above SES 1. As disclosed in the Annual Reports, the contracts include remuneration packages providing salary, superannuation and a motor vehicle.

Four of the five senior staff live in Queanbeyan/ACT.

Council's Annual Report for 2017-18 will be published in November 2018