



MINUTES OF THE PUBLIC FORUM HELD ON 18 JANUARY 2023

1. Opening

The Public Forum commenced at 5.35pm.

2. Presentations relating to listed Items on the Council Agenda

The following presenter was heard:

	Name	Item no	Item description	For/Against
1	Emma Brooks Maher	9.5	New Fee – School Hire of Sportsfields	Against

The following written presentations were received:

	Name	Item no	Item description	For/Against
1	Save Bungendore Park Inc	9.5	New Fee – School Hire of Sportsfields	For
2	Save Bungendore Park Inc	10.2	Bungendore High School State Significant Development Update	For
3	Queanbeyan Ratepayers and Residents Association	9.3	Multi-Sport Community Facility Fund 2022/23 (Round 2) – Queanbeyan Regional Sports Complex	Against
4	Maureen Elgood	9.5 and 10.2	New Fee – School Hire of Sportsfields and Bungendore High School State Significant Development Update	Against
5	Leigh Rayner	9.5	New Fee – School Hire of Sportsfields	Against
6	Emma Brooks Maher	9.5	New Fee – School Hire of Sportsfields	Against
7	Kerry Douth	10.2	Bungendore High School State Significant Development Update	Against
8	Kerry Douth	9.5	New Fee – School Hire of Sportsfields	Against

3. Petitions

There were no petitions submitted.

4. 'Questions on Notice' from the Public

Responses to the following 'Questions on Notice' received up to 11 January 2023 were provided and tabled at the meeting (see attached for responses):

Nos	Received from	In relation to:
1-12	Queanbeyan Ratepayers and Residents Association	QPRC finances

5. Presentations

An award presentation was made for Jason Aslimoski who was inducted into the QPRC Sporting Gallery for his achievements representing Australia playing Gridiron/American Football.

6. Closure

As there were no further matters, the Public Forum closed at 5.45pm.



ATTACHMENT TO MINUTES OF THE PUBLIC FORUM HELD ON 18 JANUARY 2023

‘Questions on Notice’ from the Public

Responses to the following ‘Questions on Notice’ received up to *Wednesday 11 January 2023* were provided and tabled at the meeting.

Questions submitted by: Queanbeyan Ratepayers and Residents Association

The following questions all relate to QPRC finances.

In Resolution 084/16 of the 30 June 2016 Extraordinary Meeting of Council the Administrator resolved, *inter alia*, to;

1. Fund up to \$36m being the outstanding amount required to construct the Ellerton Drive Extension Project, based on final estimates.
2. Endorse the borrowing of the outstanding amount required to construct the Ellerton Drive Extension Project from the New South Wales Treasury Corporation.
3. Note that the repayment of the loan for the Ellerton Drive Extension Project is to be **funded from developer contributions**.

Agenda papers for the said Meeting indicated that total interest payable on the \$36m loan at an interest rate of 3.35% over the 20 year period of the loan would be **\$13,541,786**.

Resolution 416/18 of 28 November 2018 Ordinary Meeting of Council approved borrowings of \$50.4m, of which \$36m was for the Ellerton Drive Extension Project at an interest rate of 3.85%. According to the agenda papers for this meeting the total interest payable on this loan over a 20 year period was \$22,100,513.55. The interest payable on the \$36m component of the loan was not identified but can be calculated as **\$15,786,081**.

In October 2019 the NSW Government published a list of successful projects under its Low Cost Loans Initiative (LCLI). The loan for the Ellerton Drive Extension Project was included in this list with the total interest payable on the loan shown as **\$5,905,480** resulting in a refund of \$2,902,740. The LCLI provides for a refund of 50% of total interest on eligible projects. The list states that the EDE project enables 5161 new houses.

Our questions are:

1. What is the total interest payable on the \$36m loan for the Ellerton Drive Extension?

Interest over the life of the EDE loan is \$5,965,481, and there is a subsidy of \$2,982,740 from the NSW Government.

2. Why is the quantum of interest noted in the NSW LCLI listing less than that alluded to in the agenda papers relating to Resolution 416/18 of 28 November 2018?

Resolution 416/18 refers to the request for borrowings via TCorp for the EDE and various other projects. The papers referred to an indicative borrowing rate. The Council report suggested a 20-year term, but Council undertook a 10-year term. This reduced the interest paid over the life of the loan and allowed for a lower interest rate due to the shorter term.

3. Why is it appropriate for a developer to benefit from favourable interest rate conditions, subsidised by NSW tax payers, while at the same time QPRC rate payers are being burdened with repayments on loans from commercial sources at undisclosed interest rates?

Council works to secure the best value available to it out of every loan and all other financial transactions and applies for all government assistance available for ratepayers and developers.

Council loans are disclosed to the public in the Operational Plan, as exhibited every year and if required approval sought from the Minister for Local Government. A Loan Summary is published every quarter and presented to Council in the Quarterly Budget Review Statement, which lists current and proposed loans; loan term, original loan amount, interest rate, opening balance, interest and principal paid year to date, closing balance and scheduled completion date.

4. How many houses have been enabled as a result of the EDE project?

The EDE project is one of a package of transport infrastructure projects required for the growth of Queanbeyan between 2006 and 2031. During the period 2006 to 2021 the number of dwellings in Queanbeyan has grown by 4,006. Projected areas for growth also including Jumping Creek which is approved for 212 residential lots plus one residual rural residential lot and the EDE project will provide direct access to Jumping Creek.

In response to Public Forum questions on 25 March 2020 about the LCLI the QPRC stated, inter alia, the *"the Googong development is only funding about 67% of the loan for the EDE. Other developers as well as council also fund this debt."* This statement contradicts point 3 of resolution 084/16 and is contrary to information consistently given to the community.

5. What percentage of the EDE loan is being funded by QPRC ratepayers?

Funding for the construction of the EDE was provided from four funding sources:

- \$25 million from the Federal Government
- \$12.5 million from Re-Start NSW
- \$12.5 million from Transport for NSW
- \$36 million Council loan – with principal and interest repayments over 10 years funded by developers

\$36M was funded by a Council loan, with principal and interest repayments being made by GTPL of \$25.7M including an upfront payment of \$6.4M that Council is holding in reserve and \$486,200 per quarter payments over the life of the loan. GTPL additionally paid \$5.8M toward other road upgrades including Cooma Street Stage 3, Edwin Land Parkway, Lanyon Drive, and Yass / Hincksman.

6. What is the contingency plan if the developer contributions are insufficient to meet the loan commitments?

Contributions towards the various transport infrastructure projects referred to in 4 above (including the EDE project) are part of developer contribution plans. Funds will continue to be collected through the application of Council contribution plans and are calculated to meet the funding requirements of the projects identified.

7. Is the Council liable for these loan commitments?

Yes.

8. What risk assessment was undertaken prior to the loan being taken out?

The EDE project was many years in planning, and subject to studies, surveys and peer reviews. As noted above the report was presented to the 30 June 2016 meeting (Item No 4.1) when Council resolved to fund up to \$36m being the outstanding amount required to construct the EDE Project, based on final estimates and endorse the borrowing of the outstanding amount required for construction from TCorp.

On 27 June 2018 the Council resolved, in relation to the South Jerra Business Technology Park, to, inter alia, *“Commit \$8m from Queanbeyan water and sewer reserves as its contribution to construct the infrastructure spine, should the NSW grant be successful and land owner agreements obtained.”* And to *“Consider terms of s64 contributions plan to recoup appropriate portion of Council’s infrastructure investment.”* (Agenda Item 12.2. Resolution 191/18.)

9. Has the \$8million commitment from the Queanbeyan water and sewer reserves been paid?

Yes. This investment was used for necessary water mains and sewer infrastructure which facilitated this state significant development site, including the Regional Sports Complex. This was used as Council’s contribution to the NSW Government funding received (\$23million). Future Developer Contributions plan reviews will consider including the recoupment of some of these funds from future development to the extent that this is possible.

10. How much of the Council’s infrastructure investment has been recouped in accordance with the above resolution?

The Jerrabomberra Innovation Precinct Infrastructure Planning Agreement 2020 was originally executed on 5 June 2020 and is an agreement between Council, The Village Building Company and Poplars Developments in respect of the provision of infrastructure at South Jerrabomberra and West Jerrabomberra. The agreement details the developer contributions and what infrastructure is funded.

The South Tralee Essential Infrastructure Planning Agreement applies to land known as South Jerrabomberra Urban Release Area about 12 kilometres south west of the Queanbeyan CBD adjoining ACT Hume. It was originally executed on 19 June 2018 between Queanbeyan-Palerang Regional Council and Canberra Estates Consortium No 4 Pty Ltd. Its objective is to provide for the:

- provision of sewer and potable water supply infrastructure
- facilities and services (essential infrastructure) to meet the demands of the Development and other development within the South Jerrabomberra Urban Release Area.

Both Planning Agreements can be found on Council’s website <https://www.qprc.nsw.gov.au/Building-Development/Planning-Zoning/Planning-Controls#section-6>

The South Jerrabomberra Local Infrastructure Contributions Plan 2018 also applies. This provides for contributions to be payable by both residential and non-residential development.

For residential development contributions cover:

- Open space facilities
- Community facilities
- Transport facilities
- Community services
- Administration.

For non-residential development, development contributions are collected for transport facilities and administration.

The appendices to the MorrisonLow report “Organisational Service Review” list the ‘opportunities’ identified, but the body of the report did not seem to examine how the QPRC got to this dire financial situation.

11. What were the ‘Terms of Reference’ for the review?

The request for service to Morrison Low from the Organisational Review was:

1. To conduct an organisational service review, in the context of an SRV discussion with Council and the community
2. On the basis of Council’s completed service planning work, to work with the leadership team and Councillors to identify potential savings and prioritisation of service delivery
3. To complete the work in a short timeframe in advance of the SRV discussion with the community.

The Morrison Low proposal in response to the Council request includes:

- Conducting an organisation-wide service review aimed at identifying improvements to Council’s financial position to create a productivity improvement program to support a special rate variation (SRV) application to IPART and provide options for community engagement to mitigate the size of any SRV.
- Developing a prioritisation matrix model for the development of a detail service review program.
- Providing a framework for ongoing, detailed service reviews.

Morrison Low were additionally engaged to review Council’s financial position and present its assessment to Councillors at a Council workshop, and then to work with Councillors over additional workshops to consider the options and reach a financially sustainable position. This was a separate engagement and the delivery was direct to Councillors over several face-to-face workshops.

12. Will the QPRC commission a forensic audit of past financial transactions?

Council’s financial transactions are subject to an external audit at the end of each financial year by the NSW Audit Office. The results of these audits are presented to Council’s Audit, Risk and Improvement Committee (ARIC) and Council. The last audit was presented to the December meeting and is available on Council’s website.

Council has a program of internal audits which is reviewed each year by the ARIC. Internal Audits have included reviews of our financial controls, procurement (tendering) and budget management.

Whilst a forensic audit of past financial transactions is not proposed, ongoing business improvement and analysis of a range of data sources is underway to enhance productivity and efficiency of each section of Council operations, and will continue subject to resources being available to do such investigation work.