

Memerambi Benefited Area

Thank you Mr Mayor.

This is the biggest decision that I think the South Burnett Regional Council has made in its history since 2008. This development has been of major concern since work started on this historical subdivision approved in 1908.

The eyes of the region are upon us here today in deciding what the next move will be relating to Memerambi. I realise the gravity of what we are deciding upon here today and have made it my mission to consult as widely as possible to gain an understanding of the consequences of today's decision.

The community wants this solved, and I get that.

But the loudest comment I hear is that the community does not want to pay for this development, and I can tell you that is not only the loudest, it's also the most consistent comment. Those commenting on social media calling for Council to just 'come on and fix it' frighten me, as they clearly have no idea of the grave \$2 million risk we face here today as Councillors.

Yes, it looks disgusting! Yes, it reflects poorly on our region. And yes, it would be good to have it functioning.

And now we have a plan in front of us. But should we charge off with the ratepayers' credit card to spend up big to get to our goal of getting it sorted without looking at the real potential for this to go southwards?.

It seems to me that Council would not be in this situation today if people did their homework. So let's not make the same mistakes here again today.

There are two issues that influenced my decision to vote against this proposal. That is firstly the risk that Council is at to cover the costs of the work, which we all have made statements that we believe ratepayers should not cover any of the costs.

Secondly, the issue of the properties that face King St being included in the benefited area and having to contribute \$30 000.

I accept that Council does not have a monopoly on all knowledge. We have professional staff engaged related to the Town Planning elements of this, alongside engineers and building inspectors and the like.

In order for me to make the most informed decision relating to this I sought to engage with people that I thought had intelligent contributions to make in assisting me to know how workable the proposal put forward would be, notwithstanding legal aspects as I know we have had this base covered.

I have spoken to all of the real estate agencies in Kingaroy to understand views related to the availability of land and what the current situation does to potential future investment – the views are varied in relation to that.

I have spoken to bank managers in Kingaroy to get understanding of what their reaction might be to someone who seeks to borrow to purchase a block or a house in this estate – the views from the banks I spoke to are similar.

I spoke to builders in the region to see their take on the proposal before us – their views are quite frightening.

I spoke to valuers who are regularly used by banks in Kingaroy to see their opinion on the situation, and what they would likely do once the work is complete related to valuations.

The major issue that I received from this consultation was whether these blocks would be attractive for a potential purchaser into the future and to what extent Council is at risk once the money is borrowed.

Let's start to flesh the future out for Memerambi...

At present there are somewhere around 20 blocks in the Memerambi Estate that do not have houses on the block. These blocks will incur the \$30 000 charge the same as the blocks which currently have houses on them.

I have a large concern that the ability of those blocks currently without a house will struggle to be sold in the current climate and will not realise their true potential in value for their owners.

The reality of a bank loaning money to anyone to construct a house in this Estate with the current values is of real concern. I spoke to banks in Kingaroy about the reality of a bank loaning for a house construction, the answer related to what the property was valued at and whether the bank could get its money back should the owner default.

A real estate agent in Kingaroy spoke to me about his concern relating to the fact that a vacant house block in the newer part of Kingaroy, a more choice area in the town, sold for just \$40 000...less than the headworks charged to the developer.

If a block of land in Memerambi is to be sold at \$42 000 – that is \$12 000 to purchase a block as advertised earlier in the year by a real estate agent and \$30 000 for the benefited area, it is now more expensive to buy a block in the Memerambi Estate than it is in Kingaroy with established water and sewage connections.

The reality is the cost of building a house for \$200 000 on a vacant block in Memerambi purchased for a figure greater than a block in a choice part of Kingaroy, no bank will come at that. Without finance these blocks will sit idle, and if left to sit idle long enough will soon end up with Council

Would any valuer really place a block in Memerambi anywhere near the potential \$242 000? When you can buy an established house in Kingaroy in \$150 000?

So what? I hear you ask. Why is this Council's concern? It will always be Council's concern as to the viability of property in this Estate because we will be paying back the \$2 million each and every day – rain, hail or shine.

If the 20 or so vacant properties cannot be sold, the risk of Council owning these properties through arrears of rates is stark. How do we honour our commitment to the region that ratepayers will not pay for this development if in say 5 years time, Council becomes the owner of the blocks? Unable to sell because of the \$30 000 figure to clear the debt and an uphill fight with a bank to get finance to build a house.

The risk for Council is far too great – some \$600 000 risk if there are 20 vacant blocks.

However, it is not all plain sailing for properties with a house on them either. Builders have advised me there is a figure of somewhere between \$50 000 and \$70 000 to bring those properties to a liveable standard, on top of the \$30 000 owned to Council.

My real concern is that owners will simply be unable to afford the additional sum of around \$100 000 to realise the true potential of their properties. Again what risk is Council and the \$2 million we will be paying back from draw down date exposed to?

I am genuinely worried that Council will be throwing the ratepayers good money down after the unfortunate bad money from investors.

Councillors will be familiar with the Boondooma Dam subdivision undertaken by the former Wondai Shire Council. The wisest heads in Local Government indicated that these blocks would be worth around \$90 000, years later we in the South Burnett Regional Council relented and sold them for around \$20 000 just this year.

The principle of something appearing workable and justifiable on paper and yet in reality not being workable that applied to that development is something altogether real for us

here today. Except the difference here is that we will be paying this off for the next 20 years!

Would any of us invest our own \$2 million into this development? After all, if we are fair dinkum about saying to our constituents that we wouldn't put the ratepayer at risk, the answer to that question would surely be yes.

But I want to move to a more substantive issue and that is the issue of the properties that currently access their property via King St but will have back access to the newly created streets of either Prince St or Earl St. The reality is that these home owners who have had nothing to do with the Memerambi Estate other than the temerity to live their lives in the same community as this development will get caught up in this.

I have had personal contact with one owner who purchased her house with her husband in 2005, well before the developer for the Memerambi Estate acquired the 80 acres in question that was already subdivided in 1908.

This current ratepayer faces the enormity of a \$60 000 bill for the two back blocks that she has currently, which when combined with the two front blocks make up her acre block. That is \$60 000 for something she already owns and can get access to via the current road reserve.

I did not join this Council to send people broke, certainly not because of the actions of others trying to make a quick dollar in investment properties that have now gone wrong.

It is not lost on me that there were somewhere around 30 property owners tied in with Members Alliance that took legal action against Council, surmising that Council was to blame for this situation.

This court case has already cost the ratepayers of the South Burnett money defending Council. As far as I am concerned this Council is owed something by those who brought about a failed court case in the Planning & Environment court.

The proposal as it stands today is designed to assist these owners of the Estate, almost all who do not live in the South Burnett currently and those who brought about legal proceedings against Council and brought A Current Affair to the back of this building and surreptitiously filmed our staff in the course of their professional duty.

I can live with Council bending over backwards to help ungrateful property owners that do not live here to see this place sorted.

What I cannot live with is sending a young family and others to the point of almost bankruptcy because of legal requirements for them to be included in this area because in the eyes of the law they receive a 'benefit' from this benefited area.

I will always be on the side of Team South Burnett and because of that I cannot support this as it currently stands.

It has been said that people caught up in this situation could amalgamate their blocks to create one block (if there is currently two in this situation) and then put that block up for sale. My response to that is to relay the arguments I made earlier relating to the current vacant blocks in the Estate and the realistic ability for any current owner facing King St to be able offload their blocks to avoid paying this charge. The ability for those owners is severely limited.

If Councillors want to do what is morally right then they should not spend too much time on wondering what is the moral high ground in this situation.