

**PUBLIC FORUM
QUESTIONS/ANSWERS
08 August 2018**



Questions – Sue Ball-Guymer, Secretary QRRRA

Queanbeyan Water and Sewer Fund

Your answer to Public Forum question 11 on 11 July stated that according to the 2016-17 financial Statements the balances in the Queanbeyan water and sewer funds were as follows:

Queanbeyan Water Fund

- ***\$5.9 million developer contributions***
- ***\$6.8 million surplus restricted funds***

Queanbeyan Sewer Fund

- ***\$14.3 million developer contributions***
- ***\$34.4 million surplus restricted funds***

1. **For what purpose can the developer funds be used?**

Response - Finance

Environmental Planning and Assessment Act 1979 Section 7.11 (previously Section 64) states:

(1) If a consent authority is satisfied that development for which development consent is sought will or is likely to require the provision of or increase the demand for public amenities and public services within the area, the consent authority may grant the development consent subject to a condition requiring:

- (a) the dedication of land free of cost, or*
- (b) the payment of a monetary contribution, or both.*

Therefore contributions are received for the purpose of increasing public amenities.

2. **What are ‘surplus restricted funds? How are they accumulated? For what purpose can they be used?**

Response - Finance

Surplus restricted funds are funds generated from surpluses from the Water, Sewer and Waste operations. Funds are only able to be used for utility operations, utility capital projects and capital projects and governance of the utilities.

Your answer to question 12 indicated that Council expects the developer contributions in the Queanbeyan Sewer Fund to be reduced by \$6.9 million to \$6.5 million by the third quarter 2017-18.

3. **What have these \$6.9 million been used for?**

Response - Finance

\$4.1 million was budgeted for the mains rehabilitation work.

\$2.4 million was budgeted for the Sewerage Treatment Plant Upgrade

\$0.4 million was budgeted for additional work sewer network.

4. Given that ICON Water will now not be involved in the construction of the new STP, what is the level of additional funds the Council be required to find?

Response – Community Connections

With Icon no longer participating in the 'best for region' sewerage project, the infrastructure will be scaled fit for purpose only. Therefore, QPRC will need to fund the infrastructure as originally forecast by the former Queanbeyan City Council in its financial plans, using a mix of reserves, grants and debts.

Your response to question 13 of 11 July indicated that \$33 million would be drawn from reserves for the STP

5. Given the STP is estimated to cost over \$133 million, how much of the balance of over \$100 million will be covered by grants and how much by loans?

Response - Finance

The estimate for the STP will be revised down after the design phase and exclusion of the 'best for region' elements.

The exact split of the balance of the project cost has not been defined at this stage. As the project develops, applications will be made to several grant funding streams.

As per Delivery Program 2018-21 (\$m)

	Levies	Reserve	Contributions	Loan	Total
2018-19	\$0.195	\$6.500	-	-	\$6.695
2019-20	-	\$15.105	\$30.000	\$10.000	\$55.105
2020-21	-	\$12.100	\$30.000	\$30.000	\$72.100
Total	\$0.195	\$33.705	\$60.000	\$40.000	\$133.900

Jerrabomberra Technology Park

The business paper supporting the enabling infrastructure of the south Jerrabomberra Technology Park refers to the provision of sites for a school, innovation hub and sports facility, the latter two being constructed by Council.

6. What commitments does council have from future tenants of the proposed innovation hub?

Response - CEO

An expression of interest has been lodged with the Federal Government for grants to assist construction. Council is discussing tenancy opportunities with universities to operate the hub based on the University of Wollongong model. Phase two of the grant process requires business cases that will form up prospective co-funders or tenancies

7. How many of the 30 people who attended the Defence Industry roundtable in March made a commitment to move to the proposed precinct?

Response - CEO

The roundtable arranged by the Federal local member was aimed to raise awareness of the South Jerra concept, identify interest of parties to local or develop the precinct. It is too early to respond until funding agreements, development applications and other planning agreements are prepared, pending the success of grant applications.

8. Why is council providing \$8 million in funding to support what is in essence a commercial development?

Response - CEO

Council sees great benefit for the region in facilitating a park that can cluster defence, space and renewable energy and other technology business, in turn generating jobs, enabling local business to expand, and reducing the number of residents travelling west to the ACT for work. Currently, more than 60% of Queanbeyan's working population is employed in the ACT

Council has taken a proactive approach, providing in-principle support through an \$8m contribution for water and sewer infrastructure which will act as the catalyst for the development. That contribution is subject to receipt of grants from government, and the Poplars and Village Building Company developers formally gifting land to the council and government for community uses. Council will be responsible for constructing and owning that infrastructure.

The business paper also assumes the precinct will accommodate over 1000 employees over time, thus reducing the number of residents travelling into the ACT for work.

9. What analysis has been carried out to support this assumption?

Response - CEO

Council uses an employment generation calculator from the ID Economic Profiler model. It also received advice from the NSW Department of Premier and Cabinet regional indicative employment generator from business parks.