



Standing Committee on Public Accounts

Inquiry into Annual and Financial Reports 2022-2023 **ANSWER TO QUESTION TAKEN ON NOTICE**

Asked by Elizabeth Kikkert MLA on 23 November 2023: Ray Hezkial took on notice the following question(s):

Reference: Hansard uncorrected proof transcript 23 November 2023 pp 59-61

In relation to: Belconnen Trunk Sewerage costs

THE CHAIR: Just—actually I have an Icon Water question, but it is not with that pipeline. The Ginninderra one, that is all completed. How much did that cost, the total cost at the end? The pipeline, the sewerage—

Mr Hezkial: Belconnen Trunk Sewerage—

THE CHAIR: Yes, Belconnen—

Mr Hezkial: Thank you. Yes—

THE CHAIR: I am thinking of Ginninderra Drive.

Mr Hezkial: No, that is okay. It runs through a number of suburbs. It runs through Evatt and Latham, so it is understandable.

So that particular pipeline is—the reason for that project is for growth to the northern parts of Canberra. That is currently in service also. And is going through a commissioning and proving period. So we are pleased that that has come online now. And obviously includes a number of other ancillary infrastructure associated with it, including four odour control units along that pipeline. So that was a really key infrastructure project. And in enabling that growth in that part of the city.

THE CHAIR: And the total cost of that project?

Mr Hezkial: Bear with me. \$34.4 million.

THE CHAIR: And what was the initial funding for that or the initial expectation of that project cost?

Mr Hezkial: That would be contained in our Annual Report.

THE CHAIR: Yes.

Mr Hezkial: Bear with me.

[...]

Mr Hezkial: I might have to come back to you on your previous question—

THE CHAIR: Okay.

Mr Hezkial: —with the original estimate—

THE CHAIR: Yes. That is right.

And also, how much are those odour control units cost? There is four of them. Are they are all the same price?

Mr Hezkial: I am going to have to take that one on notice. But if I was to offer an opinion, I would suggest they probably were not all the same price. But as we released the tender to market, we would have encompassed the construction of the odour control units as well as the Belconnen Trunks are in the one—in the one contract. I would have to go back and check what the itemisation was on that contract.

THE CHAIR: All right. And so are they different companies that build those four different odour control units or is it the same?

Mr Hezkial: I believe it is the same company.

THE CHAIR: It is the same company—

Mr Hezkial: I just want to be correct—

THE CHAIR: Yes.

Mr Hezkial: —with what I am providing back.

THE CHAIR: Yes. And also, the reason why, if there is a difference in prices, the reason why there is a cost difference?

Mr Hezkial: Typically I think it would be based on topography. But I will—

THE CHAIR: Yes.

Mr Hezkial: —definitely take that question on notice.

THE CHAIR: Yes. Okay.

Andrew Barr MLA: : I have sought advice from Icon Water and their answer to the Member's question is as follows:—

The estimated project cost for the Belconnen trunk sewer project as of June 2020 was \$27.4 million. This includes the pipeline and Odour Control Units (OCUs). The cost for delivery has now increased to \$34.4 million due to a combination of refinement of scope, as well as general construction cost escalation including through supply chain impacts resulting from COVID-19, and COVID-19 construction shut down impacts. In addition, final estimated project cost has been impacted by other factors including inclement weather and adverse ground conditions.

The four OCUs have been delivered by Icon Water's delivery partner for the Belconnen Trunk Sewer project and a team of specialist sub-contractors. The costs for the four OCUs are included in the total project cost referred to above. The cost of each OCU is substantially the same due to their standardised design, with variances within 25 per cent across the four sites due to specific requirements relating to topography, access, and servicing.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 5.12.23

By the Treasurer, Andrew Barr MLA