

7.6. RAW WATER STORAGE PROJECT [QRA FUNDED] - CAPITAL WORKS BUDGET

REPORT AUTHOR	Team Leader Asset Management
EXECUTIVE	General Manager Infrastructure
DEPARTMENT	Infrastructure
TEAM	Infrastructure Planning and Delivery
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RECOMMENDATION

That Council notes:

- 1. the merging of the Mossman Raw Water Storage project into the Mossman River Intake project; and**
- 2. that the grant funded revenue and expenditure associated with this project will be included within Budget Review 1.**

EXECUTIVE SUMMARY

This report advises Council that the Mossman Raw Water Storage project, which commenced in 2025–26, was merged with the Mossman River Intake project. However, the associated grant revenue and expenditure were not transferred to the Mossman River Intake project in the 2026–27 budget.

Budget Review 1 will increase the Mossman River Intake project budget and grant-funded capital revenue by corresponding amounts, resulting in no net cost to Council.

PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS

At the Special Budget Meeting held 16 June 2026, it was resolved that Council adopt the 2026–27 annual budget. This included the Capital Program budget for 2026–27.

REPORT/BACKGROUND

In 2025–26, Council received \$47,566,943.95 under the Disaster Recovery Funding Arrangements (DRFA) for its Water and Sewer Program.

Under this program, the Mossman Raw Water Storage project was approved to commence through the 2025–26 Budget Review 2.

The project is adjacent to Council's Mossman River Intake project, where a second intake is planned to improve water security across Douglas Shire.

A review of project risks and delivery opportunities found that combining the projects was the most efficient approach. This would improve design alignment and integration while delivering significant construction and project management efficiencies.

When the 2026–27 budget documents were prepared, the Mossman Raw Water Storage project line was removed and its scope and delivery arrangements were incorporated into the Mossman River Intake project.

However, the project costs and associated grant revenue were not transferred, understating both revenue and expenditure in the approved 2026–27 capital budget.

FINANCIAL AND RESOURCE IMPLICATIONS

The remaining project grant funding is to be added to the Mossman River Intake Project in Budget Review 1, recognising the Mossman River Intake Project and Mossman Raw Water Storage Project are now combined into one single project.

Budget Review 1 will record equal grant revenue and expenditure, resulting in no additional cost to Council.

RISK MANAGEMENT IMPLICATIONS

Delivering the projects separately would likely create design and integration issues because they are closely interconnected.

Additional project management resources would be needed to mitigate design and construction integration risks.

Using two contractors in the same area would also increase construction risks, including conflicts over site access, safety, and logistics.

ENVIRONMENTAL IMPLICATIONS

NIL

SOCIAL IMPLICATIONS

NIL

CORPORATE AND OPERATIONAL PLAN

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 1 - Liveability

To deliver community activities to promote safe, healthy, inclusive and socially engaged communities with an environmental conscious.

1.8 - Provide safe, efficient and reliable water and wastewater services.

Operational Plan 2026-2027 Actions:

3.4.1 - Delivery of the 2026/2027 Capital Works Program.

LEGISLATION AND POLICY

Not applicable

CONSULTATION

Internal consultation with all relevant departments in Council has occurred including Infrastructure, Planning and Delivery, Infrastructure Recovery and Financial Services.

External Consultation:

Council has consulted with the QRA as part of the QRA Water & Sewer grant funded program.

CONCLUSION

The Mossman River Intake and Mossman Raw Water Storage projects have been combined to achieve better project outcomes.

Budget Review 1 will transfer the Raw Water Storage project budget and associated grant revenue to the Mossman River Intake project.

ATTACHMENTS

Nil