

## 5.5. MOSSMAN WATER INTAKE WISER FUNDING APPLICATION

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**MANAGER** Rachel Brophy, Chief Executive Officer

**DEPARTMENT** Water and Wastewater

### RECOMMENDATION

**That Council:**

1. **Endorses the application for grant funding from the National Water Grid’s “Water Infrastructure for Sustainable and Efficient Regions” (WISER) fund in partnership with the Department of Regional Development, Manufacturing and Water for an alternative Mossman Water Intake;**
2. **Commits a contribution from Council of \$6,400,000 for this project, and notes that if successful, the contribution will be over the financial years 2025-2026 and 2026-2027;**
3. **Delegates authority to the Chief Executive Officer under Section 257 of the *Local Government Act 2009* to administer all matters in relation to the above.**

### EXECUTIVE SUMMARY

In December 2023, the landscape was irrevocably altered by ex-Tropical Cyclone (TC) Jasper and ensuing rainfall, significantly affecting the Shire’s raw water sources. The objective of the Mossman River Intake project is to establish a more reliable and resilient water source in response to this impact, and forms part of the Water Supply Security Strategy & Implementation Plan. An opportunity has arisen to seek the National Water Grid’s Water Infrastructure for Sustainable and Efficient Regions (WISER)’s funding for the completion of this critical water project, contingent upon a council co-contribution.

This report aims to secure confirmation of Council's commitment to co-funding and endorse its application to the National Water Grid, in partnership with the Department of Regional Development, Manufacturing and Water (DRDMW).

### BACKGROUND – WISER FUNDING

The National Water Grid’s Water Infrastructure for Sustainable and Efficient Regions (WISER) funding initiative aims to improve water security, while being economically and environmentally responsible. Proposals for funding must be submitted by state and territory governments. Council has partnered with the Department of Regional Development, Manufacturing and Water (DRDMW) in developing the funding submission.

The WISER Initiative eligibility criteria is as follows:

- Submitted by 30 March 2024
- Able to commence by 30 June 2025 and be delivered by 30 June 2027
- Eligible for funding under the National Water Grid Investment Framework
- Aligned with one of two Strategic Objectives as outlined in the Guidance Document

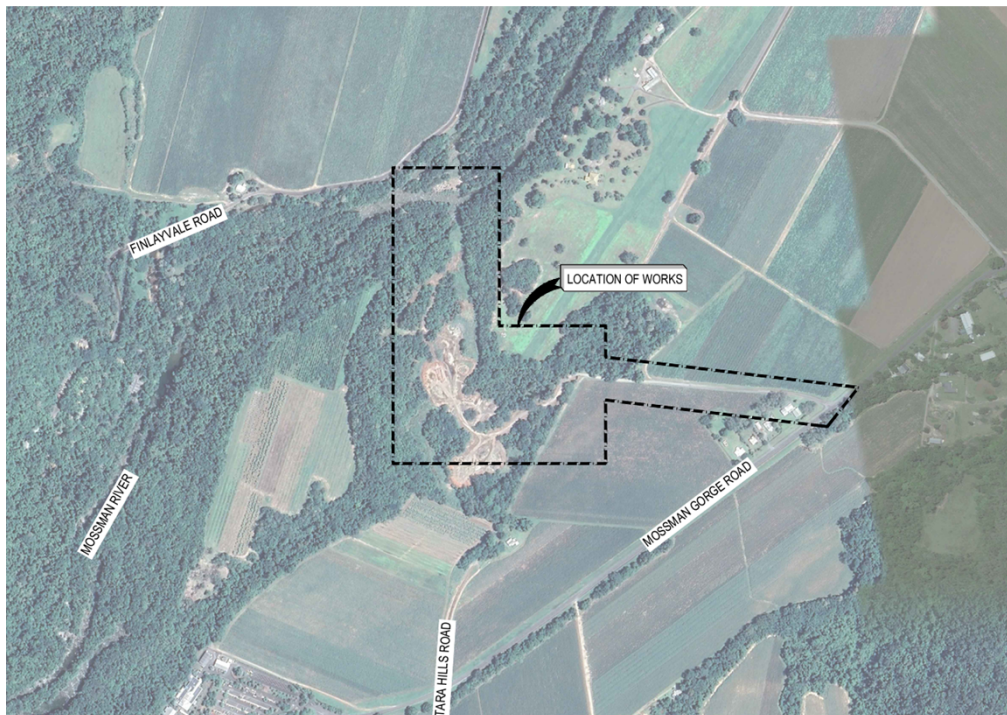
- Able to deliver a positive environmental aspect as outlined in the Guidance Document
- Seeking no more than \$5 million Australian Government funding per project
- Part of a package seeking no more than \$20 million Australian Government funding, and
- Endorsed at the package level by the relevant state Minister and listed in order of priority.

## BACKGROUND – MOSSMAN RIVER INTAKE

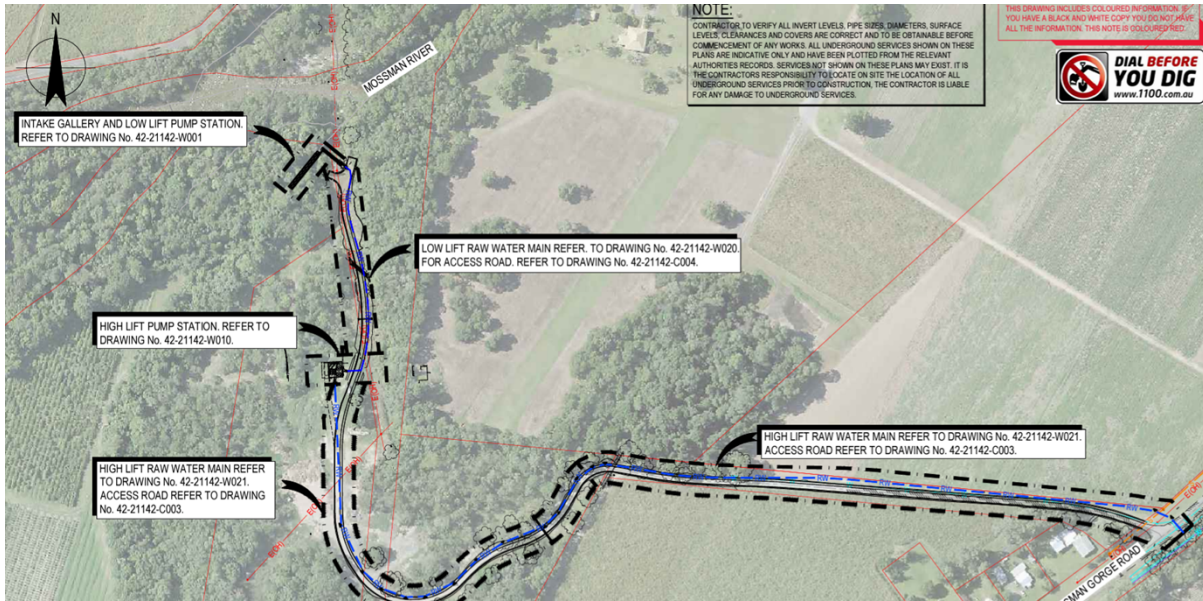
The Mossman Water Treatment Plant (WTP) is fed from a single intake located on Rex Creek which is a run of stream intake with no storage i.e. solely dependent on creek flows from consistent rainfall. Under the current Water Licence for Rex Creek, Council has a nominal entitlement of 4800 ML per annum. To maintain ecological flow requirements, the take of water is restricted due to low flow conditions through the dry season, which typically extends from May to October, coinciding with peak tourism season and increased demand. Extraction is limited by a diminishing extraction rate proportional to the level in the creek, resulting in severe restrictions on water usage in the communities that rely on it, despite the area receiving a substantial mean annual rainfall of 2027mm (BOM, 2024. Data from 1884-2022).

Since 2010, Council has undertaken concept planning, options assessment, feasibility studies and detailed engineering design and costing projects for the Mossman River Intake as part of a broader water security program.

The Mossman River intake location is a reliable water source which in the dry season contains very low turbidity water, of high clarity, which is unlikely to contaminate the intake over time. This alternative intake allows for downtime of the Rex Creek intake for critical maintenance and repairs such as completing critical repairs to the intake and single raw water main. The Mossman River intake is a safer and more accessible location, refer Figure 1 and Figure 2.



**Figure 1: Mossman River Intake Locality Plan**



**Figure 2: Mossman River Intake Compilation Plan**

Constructing an additional intake will build resiliency into the water supply scheme by providing an alternative supply source. The Mossman River watercourse is a fourth-order stream as opposed to the second-order stream that is Rex Creek, so there are larger flows from multiple contributing streams and larger catchment size. The Wet Tropics Water Plan has an additional 2000ML of strategic unallocated water for State purposes that Council is eligible to apply for and has commenced appraising how it will fulfil the application requirements.

The Mossman River Intake project includes:

1. construction of a new intake on the Mossman River (at the Drumsara site) through a submerged gallery intake,
2. break tanks and clarification process units,
3. low lift and high lift pump station with associated pipeline to the Mossman WTP,
4. associated roadworks, earthworks, electrical connections and commissioning activities.

## COMMENTS

The recent disaster events in December 2023 have intensified the urgency of the Water Supply Security Strategy & Implementation Plan. Representatives from the Federal and State Governments have visited Douglas since ex-TC Jasper to assess Council's water security. In particular, senior staff from DRDMW, Qld Treasury, Qld Health, Department of Premier and Cabinet and the National Water Grid Authority visited Council's water infrastructure in late February to better understand the critical need for the alternative Mossman Water Intake.

An options assessment workshop with key Council staff and external water industry experts took place on 26 February 2024. The key outcome of this review work identified the criticality of the Mossman River intake to improve water security and resiliency, paired with community education and a network optimisation program.

The aim of the initiatives identified in the Strategy are to offset the ongoing increase in water usage from population growth and maximise the utilisation of water already within the network thus minimise the need to extract water from the river.

The initiatives include smart water meters, recycled water and re-use, leak detection and pipe upgrades, community awareness programs, demand management education and engagement campaigns.

The timeline for the Mossman River Intake is as follows:

- Concept design – Detailed design complete as at January 2020.
- Aboriginal cultural heritage assessments – Complete pending “National Indigenous Australians Agency (NIAA) recommendation to seek advice from the Queensland government on whether any processes are required under the future acts regime of the *Native Title Act 1993* before work can commence” – pending advice from Cultural Heritage Consultant.
- Environmental assessments – EPBC (2023/09533) – Douglas Shire Council Mossman Water Intake – decision: is Not Controlled Action – 4 March 2024.
- Procurement plans – March 2024 to May 2024 – in progress.
- Stakeholder management plans – March 2024 to May 2024 - in progress.

The timeframe for project commencement is as follows:

- Transaction planning – development of the procurement strategy, market sounding, probity plan, tender documentation and technical schedules. March 2024 – May 2024.
- Contractor Procurement – Tendering, negotiations, and contract award. July 2024 – February 2025.
- Design and Mobilisation – March 2025 – May 2025
- Construction end date – May 2027
- Commissioning – April 2027-June 2027
- Full operation date – 30 June 2027

The DRDMW has issued a letter to Council evidencing their strong support for the WISER proposal subject to Council endorsement of the Mossman River Intake and funding commitment.

The timeline for the provision of a letter of support for the WISER proposal is 15 April 2024. This must be submitted to the DRDMW for inclusion in the proposal.

## PROPOSAL

That Council:

1. Endorses the application for grant funding from the National Water Grid’s “Water Infrastructure for Sustainable and Efficient Regions” (WISER) fund in partnership with the Department of Regional Development, Manufacturing and Water for an alternative Mossman Water Intake;
2. Commits a contribution from Council of \$6,400,000 for this project, and notes that if successful, the contribution will be over the financial years 2025-2026 and 2026-2027;
3. Delegates authority to the Chief Executive Officer under Section 257 of the Local Government Act 2009 to administer all matters in relation to the above.

## FINANCIAL/RESOURCE IMPLICATIONS

Total project costs are estimated to be in the vicinity of \$16.4m to be funded:

- \$5m State Government Funding

- \$5m Federal Government Funding
- \$6.4m Council contribution

The opportunity to secure grant funding for this significant trans-generational infrastructure, with minimal contribution from Council (39% of total estimated cost) will reduce the financial impost on ratepayers while creating a secure water source for future growth of the Shire.

If the project is successful in its grant application, Council funds would need to be allocated from Capital Works budgets for the financial years 2025-2026 and 2026-2027 and included in the Capital Works ten year plan.

Additional maintenance costs will be incurred by Council due to additional equipment. These additional costs will be included in the operational budget of future years, once the project is complete.

A procurement management plan will be developed, in line with Council's Procurement Policy and the Local Government Regulations. A probity advisor will be appointed to ensure due diligence and adherence to probity requirements.

## **RISK MANAGEMENT IMPLICATIONS**

If Council does not endorse this proposal, it would result in a reduced level of service for the water supply for the Douglas community and possible long term water restrictions.

Risks associated with endorsing this report include securing competitive offers from the market and securing strategic reserve of the water licence allocation (in progress).

Grant payments will be made on the achievement of project milestones, and Council is responsible for cost and time overruns, insurances and contingency.

## **SUSTAINABILITY IMPLICATIONS**

**Economic:** The Mossman Water Intake project is a significant investment in Water Infrastructure, necessary to facilitate water source that supports future growth and disaster resilience in the Shire.

**Environmental:** The Mossman Water Intake project will facilitate water security for Douglas Shire. The project will comply with environmental and industry standards. The site was previously used for sugar cane production and a quarry.

**Social:** Safe secure water supply is integral to community and businesses.

## **CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE**

This report has been prepared in accordance with the following:

### **Corporate Plan 2019-2024 Initiatives:**

#### **Theme 1 - Celebrating Our Communities**

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from

and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy and we welcome all new arrivals as part of our broader community.

**Goal 1** - *We will celebrate the diversity of our community and ensure that all infrastructure, programs, and services are underpinned with inclusiveness and accessibility.*

**Goal 2** - *We will deliver programs and services that protect and enhance the liveability of our Beautiful Shire.*

**Goal 3** - *We will develop programs that promote health, well-being and safety in the community.*

## **Theme 2 - Fostering Sustainable Economic Growth**

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

**Goal 1** - *We will build appropriate infrastructure and deliver services that connect and support businesses.*

## **Theme 3 - Leading Environmental Stewardship**

Our visitors and residents deeply value the unparalleled environment in which we live. We recognise our responsibility in protecting and preserving our natural world for generations to come. We understand the strong link between the environment and the economy: they are interdependent. Douglas Shire will be at the forefront of environmental protection by developing strategies, setting policies, and working with all stakeholders to become the envy of and to inspire locations across Australia and the World.

**Goal 1** - *We will protect our sensitive environment and plan for the impact of climate change.*

**Goal 3** - *We will continue to build water infrastructure so that the Douglas Shire may enjoy water security and water quality.*

## **Theme 5 - Robust Governance and Efficient Service Delivery**

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 2** - *We will put the customer at the centre of our service delivery and process improvement as we deliver efficient and appropriate services based on community expectations.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

**Goal 4** - *We will work with our communities to ensure they are informed, empowered and supported so that they are resilient to the impacts of disaster events. Through our leadership and capabilities we will plan, prepare, respond and recover from events so as to minimise the impact on people, property, the environment, and our economic stability.*

## Operational Plan 2023-2024 Actions:

Mossman River intake - Part of the Douglas Shire water security strategy. Progress the intake as a matter of urgency to avoid Rex Creek water licence exceedance by 2025/26.

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Advocate</b>	Council makes representation on behalf of the community on important issues, funding opportunities, projects and programs. Council will use its influence to seek the best outcomes for the community.
<b>Builder/Owner</b>	Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.
<b>Custodian</b>	Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment, and good governance.
<b>Service Provider</b>	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

## CONSULTATION

**Internal:** Management Team, Water Team, Projects Team, Finance Team, Grants Officer, Councillors.

**External:** The Honourable Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water  
Linda Dobe, Acting Director-General of Department of Regional Development, Manufacturing and Water (DRDMW)  
Jarrod Cowley-Grimmond, Acting Deputy Director-General (DRDMW), Water Resource Management  
Steph Hogan, Executive Director (DRDMW), Strategic Water Initiatives, Water Resource Management  
Daniel Harris, A/Executive Director (DRDMW), Water Operations and Systems  
Janice Wilson, Managing Director, Double Black Diamond Solutions Pty Ltd  
Cameron Jessup, Regional Director – Queensland / Technical Director – Water Services Advisory, BetterAIM  
Property owner

## **COMMUNITY ENGAGEMENT**

Refer to the Stakeholder Engagement Report dated June 2023.

## **ATTACHMENTS**

Nil