

<b>ORDINARY MEETING</b>  <b>8 SEPTEMBER 2015</b>	<b>5.7</b>
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## APPLICATION FOR BUILDING OUR REGIONS FUNDING

Paul Hoye, General Manager Operations

### **RECOMMENDATION:**

**That Council resolves to submit an application under Round One of the Building Our Regions Fund for an amount of \$5 million being for the construction of a new water storage reservoir to service Port Douglas and Craiglie.**

### **EXECUTIVE SUMMARY:**

The purpose of this report is to confirm Council's intention to apply for \$5 million to contribute towards the construction of a high level, larger water storage reservoir to be constructed to meet future water supply demands for Port Douglas and Craiglie. A clear resolution of Council is required by the Building Our Regions fund to support the application.

### **BACKGROUND:**

Issues relating to the water supply in Port Douglas were identified over six years ago and include low water pressure, insufficient water storage and deterioration of pipes in the trunk and distribution systems.

A plan to meet the future water supply needs of the Douglas Shire was done in 2010. It identified a serious water storage shortfall in Port Douglas and determined a new, larger and higher reservoir was required.

A location for the new reservoir has been identified, and at its meeting on 6 March 2015, Council resolved to purchase the site on Ferrero Road, Craiglie being part of Lot 8 on RP891300.

Preliminary designs and costs have been completed and the project is estimated to cost \$13.1 million excluding GST. The main components are:

- A 20 ML reservoir sited above the 53m elevation contour AHD
- Dedicated inlet & outlet mains each 2.5 km
- Access road of 0.64 km

Tender documents are ready to go to market and include:

- Concept Design Report;
- Preliminary Design Report and Preliminary Design Drawings;
- Detailed Design Report and Detail Design Drawings; and
- Technical documentation (technical specification, schedule of quantities and any other schedules required for tendering purposes, and cost estimates based on the schedule of quantities).

The detailed design complies with the design standards provided in the FNQROC Regional Development Manual, NRW Guidelines for Water and Sewerage, Workplace Health and Safety requirements and related Australian Standards.

The reservoir is Council's highest priority in terms of major infrastructure and without State or Federal government funding it will be difficult to fund.

Council lodged an application on 31 July, 2015 for 50/50 funding under Round Two of the Federal government's National Stronger Regions Fund (NSRF). Announcement of the projects to be funded is expected in December 2015.

### **PROPOSAL:**

All local governments in regional Queensland are eligible to apply for funding under the Building our Regions program.

Funding is only available for infrastructure projects which would be ready to start construction by 30 September 2016 and completed by December 2019. Councils can apply for more than one project.

Eligible projects include community infrastructure including water infrastructure.

Council's Port Douglas Water Supply Reservoir ticks all the boxes and rather than wait for the outcome of the NSRF application, it is recommended that Council submit an application under Round One of the Building Our Regions Fund for \$5 million towards the project. A draft Application has been completed.

The Port Douglas Water Supply Reservoir is the sole project being proposed for this round of funding.

The deadline for applications is 11 September, 2015, with the announcement of funded projects anticipated in December, 2015.

Included in the mandatory documents required for a compliant application is evidence of local government support and approval for the application (e.g. council resolution or minute).

It is proposed that Council resolves to submit an application under Round One of the Building Our Regions Fund for an amount of \$5 million being for the construction of a new water storage reservoir to service Port Douglas and Craiglie.

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

This report has been prepared in accordance with the following Corporate Plan 2014-2019 actions:

*2.1.2 Investigate options, resources, development and implementation of additional water infrastructure including a new reservoir.*

### **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:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information Provider	Advocate	Facilitator	Agent	Part Funder	Asset Owner	Fully Responsible	Regulator

<b>Part Funder:</b>	Sharing the cost of a program or activity with other organisations
<b>Asset Owner:</b>	Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.
<b>Fully Responsible:</b>	Funding the full cost of a program or activity.
<b>Regulator:</b>	Meeting the responsibilities associated with regulating activities through legislation or local law.

### **FINANCIAL/RESOURCE IMPLICATIONS:**

If selected as one of the projects to be funded, Council will then need to resolve to enter into an agreement with the State Government to deliver the project. If that occurs, Council's contribution is estimated at \$8.1 million.

### **RISK MANAGEMENT IMPLICATIONS:**

Douglas Shire Council commissioned Bligh Tanner to prepare a Drinking Water Quality Management Plan for the Shire. It is a public health based risk management plan that meets the requirements of the Australian Drinking Water Guidelines 2011 and the *Water Supply (Safety and Reliability) Act 2008*.

The Plan describes the Mossman/Port Douglas, Whyanbeel and Daintree drinking water schemes operated by Council from catchment to tap.

Through this risk assessment process, a number of risks to Council's drinking water schemes have been identified.

One of the critical items identified was a shortfall in water supply for the Port Douglas area with the rated the risk of demand exceeding supply in the Mossman-Port Douglas Water Supply as Catastrophic. The mitigation of the hazard is the building of a new water storage reservoir.

### **SUSTAINABILITY IMPLICATIONS:**

**ECONOMIC:** There are a number of developments in the pipeline for Port Douglas and Craigie which include a caravan park, 37 additional marina berths, 229 residential lots and 17 industrial lots. In addition in May this year, Sheraton Mirage confirmed it would be proceeding with a \$40 million upgrade including refurbishment of 294 hotel suites, a new convention centre and upgrading of the renowned mega-pool. The importance of Council providing complementary upgrades in infrastructure to match tourism development cannot be understated.

**ENVIRONMENTAL:** Nil

SOCIAL: Continuity of water supply to the Port Douglas and Craiglie communities is vital and a core Council responsibility.

**INTERNAL/EXTERNAL CONSULTATION:**

Consultation has occurred with the Department of State Development's Senior Economic Development Officer, Regional Services who has reviewed a draft application and provided advice.

Others consultant include Tourism Port Douglas Daintree, Douglas Chamber of Commerce, Regional Development Australia FNQ & Torres Straits Inc. and The Fullshare Group, all of which have provided a letter of support to Council to accompany the application.