

## **7.5. FUNDING OPPORTUNITY - RESIDENTIAL ACTIVATION FUND ROUND 2**

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<b>DATE</b>	16 June 2026

### **RECOMMENDATION**

#### **That Council:**

- 1. retrospectively approve the submission of a grant application under the Residential Activation Fund – Round 2 seeking funding for the construction of trunk water supply and sewer infrastructure to support future housing growth;**
- 2. acknowledge the requirement to allocate funds within future Capital Works budget to advance detailed design of the trunk water supply and sewer infrastructure project; and**
- 3. delegates authority under Section 257 of the *Local Government Act 2009* to the Chief Executive Officer (or delegate) to finalise all matters associated with the project if successful.**

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### **EXECUTIVE SUMMARY**

The purpose of this report is to advise Council of funding opportunities that have been made available to assist Local Governments with the delivery of trunk infrastructure works that unlock housing supply and for Council to retrospectively approve the lodgement of an application under the funding initiative.

The initiative is referred to as the Residential Activation Fund – Round 2, which has allocated \$500M towards trunk infrastructure projects. Eligible infrastructure works could consist of roadworks, water supply and sewer works or a combination thereof. There is no requirement for Council to co-contribute towards the works.

Applications for the grant funding opened on 23 February 2026 and closed on 24 April 2026. Council applied, seeking \$6.1 million in funding for the construction of trunk watermain adjacent to the Captain Cook Highway and the construction of a trunk sewer pressure main from the pumpstation constructed as part of Stage 1, New Port Estate, Craiglie.

Announcements from the State on successful applications are expected to be released in June-July 2026.

### **PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS**

Not Applicable

## **REPORT/BACKGROUND**

Funding opportunities to assist Council with the construction of essential trunk infrastructure works to unlock housing supply is made available through the Residential Activation Fund – Round 2 administered by the Queensland Government Department of State Development, Infrastructure and Planning.

The land to the south of Craiglie is currently being developed through the construction of New Port Estate which extends from Port Pacific Estate through to Andreassen Road and is anticipated to provide approximately 350 residential allotments. The land further to the south of Andreassen Road provides an additional 104 residential allotments.

The southern residential precinct of Craiglie will provide approximately 450 residential allotments and represents the growth corridor for the Craiglie and broader Port Douglas locality. It is anticipated that this area will accommodate the growth of greenfield residential development for the next 10-15 years.

The submission put forward by Douglas Shire sought funding for the construction of a 300mm watermain from Beor Street intersection to Andreassen Road and the construction of a sewer rising main from the pump station in New Port Estate to connect to the existing sewer network at Beor Street. The total cost of the work was estimated at \$6.1M. The estimate included additional costs for Project Management.

To be eligible, detailed design plans were to be well advanced with works being able to commence within 12 months from the date of announcement, if successful. Detailed design plans for the sewer rising main have been prepared by others as part of the works for Stage one (1) of New Port Estate. An engineering firm was engaged to prepare a design for the water supply works and detail the alignment, long section and future connections to the water reticulation network.

Both the water supply and sewer main works are included within Council's *Local Government Infrastructure Plan* and are key infrastructure items to support future growth. These two (2) projects were also chosen due to the ability to deliver these works without the issue of land tenure complicating the delivery of the works.

If successful, the infrastructure works will be performed on Council freehold land, drainage reserve where Council is the Trustee, and within the Captain Cook Highway Road corridor.

A plan detailing the residential precinct and the watermain and sewer works is attached.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

To be eligible, design plans for the works were to be well advanced. A local engineering firm was engaged to prepare a design for the watermain.

If successful, further costs will be incurred to finalise the design. However, these costs will be offset through the funding of the project. The cost estimate provided as part of the grant submission included a contingency for project management costs.

There is no requirement for Council to co-contribute towards the works.

## **RISK MANAGEMENT IMPLICATIONS**

Whilst there is no material risk identified associated with having made a grant application, if unsuccessful Council will be required to consider the inclusion of trunk infrastructure into its Capital Works Program. This may create significant risk to both the delivery of the approved Capital Works Program and a financial risk in that the costs associated with funding this project are not currently reflected in forward capital budgets.

The above risks will be managed through existing business administration processes including Budget Reviews, Councillor Workshops and reporting through Ordinary Council Meetings.

## ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

## SOCIAL IMPLICATIONS

As detailed above, the grant application seeks funding to support key infrastructure projects to unlock and facilitate housing in the region. The works are identified in Council's *Local Government Infrastructure Plan*.

## 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.*

#### Theme 2 - Prosperity

Council plans, builds and maintains the infrastructure required to improve our lifestyle and promote economic growth, working actively to support local businesses.

*2.5 - Pursue opportunities to improve housing outcomes.*

### Operational Plan 2025-2026 Actions:

It is expected that officers apply for grant opportunities to fund operational and/or capital expenditure that would otherwise be met by Council, thereby reducing the financial burden on residents and ratepayers.

## LEGISLATION AND POLICY

- *Local Government Act 2009*
- *Local Government Regulation 2012*

## CONSULTATION

Internal Consultation:

- Planning
- Water and Wastewater
- Financial Services

- Governance
- Community and Economic Development

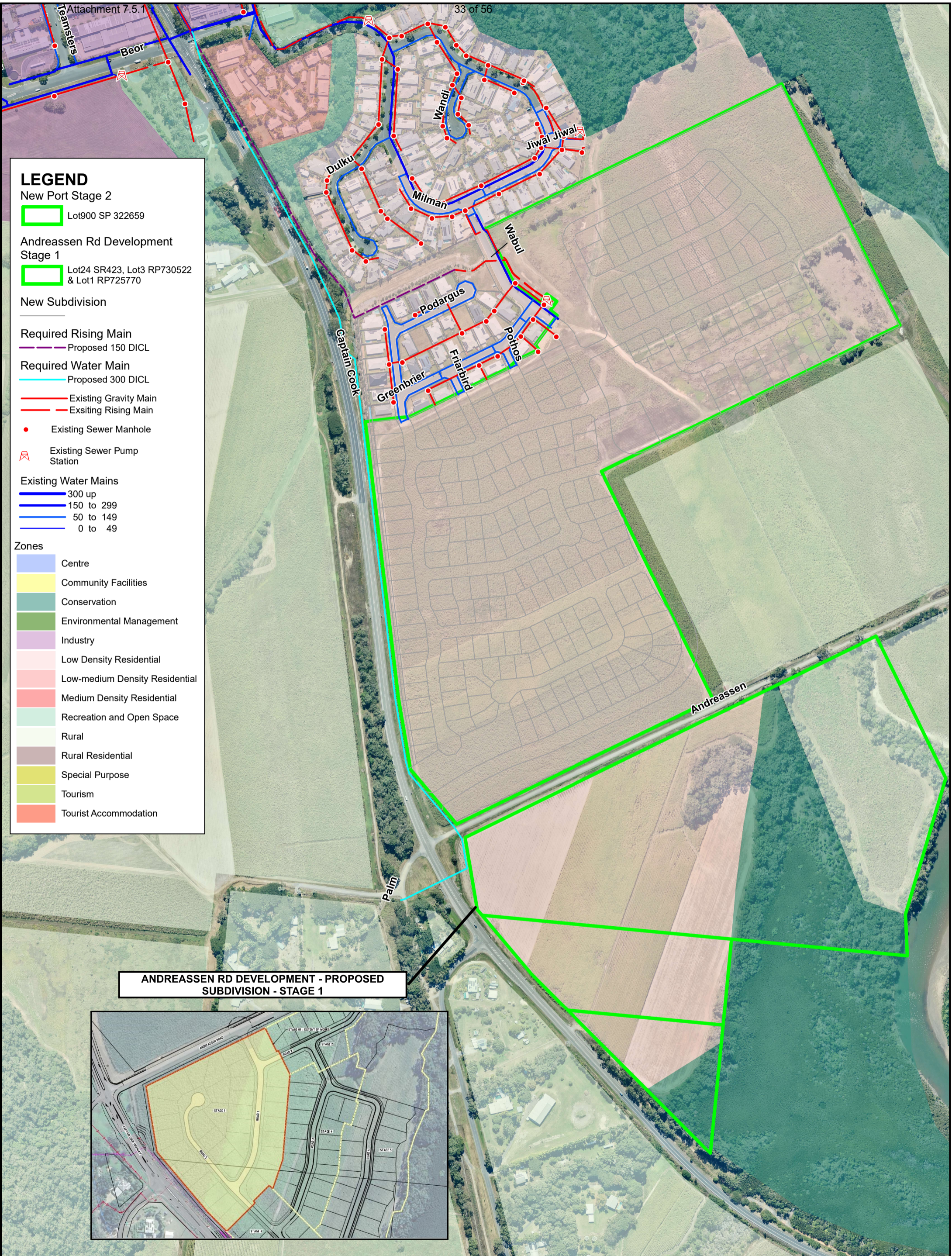
## **CONCLUSION**

Council lodged an application to the State Government's Residential Activation Fund Round 2 for \$6.1 million to fund the delivery of trunk water and sewer infrastructure in Craiglie. The successful grant applications will be announced by the State Government in July 2026, Council will be advised of the outcome of its application.

## **ATTACHMENTS**

1. Trunk Infrastructure Works to Service Residential Precinct [7.5.1 - 1 page]

# Trunk Infrastructure Works to Service Residential Precinct



**ANDREASSEN RD DEVELOPMENT - PROPOSED SUBDIVISION - STAGE 1**

