

5.7. GIFTING OF THE BALLEY HOOLEY STEAM RAILWAY

REPORT AUTHORS Terry Farrelly, Manager People and Community Services
Michael Kriedemann, Executive Manager Infrastructure

MANAGER Mark Stoermer, Chief Executive Officer

DEPARTMENT People and Community Services
Infrastructure Services

RECOMMENDATION

That Council resolves to:

1. Note that the owner has recently approached Council with a proposal to gift the assets of the Balley Hooley Steam Railway to Council;
2. Invite the Balley Hooley Steam Railway owner to enter into discussions with relevant Council Officers to discuss details of this proposal;
3. Note that Council Officers will provide a future Council Report describing the details of the proposal and recommendations about the Balley Hooley Steam Railway assets;
4. Delegate authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer, to determine and finalise any and all matters associated with this report.

EXECUTIVE SUMMARY

The Balley Hooley Steam Railway owner recently contacted Council regarding the gifting of the Balley Hooley Steam Railway asset, with the intention that Council would then own and operate the tourist railway.

In order to understand what the proposal entails, Council Officers will be required to enter into discussions about the assets of the Balley Hooley Steam Railway and discuss the community and economic benefits this asset would bring to Council and the community.

Council Officers will undertake an analysis of the proposal and consider any whole of life project costs to maintain and operate the Balley Hooley Steam Railway. These discussions would be non-binding and a Council Report would be prepared once discussions have concluded.

BACKGROUND

Sugar cane in the Shire was transported by train from the Mossman Mill to Port Douglas up until the 1950s and has a rich and cherished history. With no need for transporting sugar cane to Port Douglas the steam and diesel locomotives were decommissioned and retained by Mossman Mill. Balley Hooley Steam Railway was established in early 2000 as a tourist attraction, conducting steam train tours from Port Douglas to Mossman and incorporating Mossman Mill tours.

The Mossman Mill operated tours up until 2002 in which the train journey to Mossman ceased and the Balley Hooley Steam Railway tour was reduced to a 4km journey from the Port Douglas Crystalbrook Marina to St Crispins Avenue.

The John Morris Family then purchased the Balley Hooley Steam Railway from Mossman Mill and currently operates Sundays only in off peak times and more frequently in peak times. The train journey is popular amongst visiting tourists to Port Douglas and is hired for weddings and functions. The train departs from Marina Station, Mirage Country Club Station, Oaks Resort Station and St Crispins Station. The Balley Hooley Steam Railway is recognised as an iconic piece of the Shire's history and is favoured by tourists as a "must do".

COMMENT

To understand the extent of the proposal, Council staff will need to enter into discussions with the owner, Mr John Morris, regarding the assets and what Council's ongoing commitment may be if assets are gifted to Council.

Council Officers will undertake an asset and financial due diligence analysis and develop a report for consideration at a future Ordinary Meeting of Council.

PROPOSAL

This proposal is for Council to resolve to:

1. Note that the owner of the Balley Hooley Steam Railway recently approached Council with a proposal to gift the assets of the Bally Hooley Steam Railway to Council;
2. Invite the Balley Hooley Steam Railway owner to have further discussions with relevant Council Officers to discuss details of this proposal;
3. Note that Council Officers will provide a future Council report describing the details of the proposal and recommendations about the Balley Hooley Steam Railway assets.
4. Delegate authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer, to determine and finalise any and all matters associated with this report..

FINANCIAL/RESOURCE IMPLICATIONS

Council Officers will undertake an asset and financial due diligence analysis prior to completing a report to a future Ordinary Meeting of Council. The project management of this stage of the project will be completed using in-house resources.

Asset due diligence will need to be completed using external specialist rail engineers and transport economists.

RISK MANAGEMENT IMPLICATIONS

The purpose of the discussions is to understand what assets are being gifted and explore the opportunities for Council and the community.

The process is non-binding and obligation-free for Council and a thorough risk assessment of the project will be undertaken.

SUSTAINABILITY IMPLICATIONS

- Economic:** The gifting of a fully functional railway and rolling assets could represent significant economic opportunities with respect to employment opportunities of the ongoing operations. Whole of life costs, risks, direct and indirect employment and economic impacts will be investigated during the feasibility process.
- Environmental:** The gifting of assets would not have an environmental impact. Coal powered steam train emissions will be investigated through the feasibility process.
- Social:** The prospect of preserving one of the Shire's iconic asset and the possibility of an increase in employment opportunities would provide a significant social benefit to the broader community. As well as assessing the whole of life costs, risks and financial benefits, social and non-financial benefits will be investigated through the feasibility process.

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.*

Goal 4 - *We will promote arts and cultural programs and events that bring vibrancy to the community and compliment the tourist experience.*

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:

Custodian	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.
Facilitator	Council often brings stakeholders together on important issues, projects or for service delivery. In this role, Council can act as a mediator, connector, collaborator or initiator.

CONSULTATION

Internal: In writing this report, consultation has been undertaken with:

- Infrastructure Services; and
- People and Community Services.

External: Preliminary discussions with the John Morris Family Group have been undertaken to understand, at a basic level, the 'offer' in order for this report to be completed. Further, detailed discussions will be required if Council resolves to undertake asset and financial due diligence.

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

Nil

5.8. COMMERCIAL WATER USAGE CHARGE FOR UNTREATED WATER SUPPLY

REPORT AUTHOR Lara Balzarolo, Technical Support Officer Water & Wastewater

MANAGER Peter Tonkes, Manager Water and Wastewater

DEPARTMENT Water and Wastewater

RECOMMENDATION

That Council adopts the commercial untreated water usage charge for businesses that utilise untreated water supply within Douglas Shire.

EXECUTIVE SUMMARY

Douglas Shire Council supplies untreated water to a number of domestic residents within the shire. In the ordinary council meeting dated 28 May 2019, council adopted the untreated water usage charge of \$1.20 p/kL for domestic water users within the shire. However, a commercial untreated water usage charge has not been implemented, as there were no commercial operators utilising untreated water within the shire. In anticipation that a commercial demand for untreated water may eventuate and for completeness, a new commercial water usage charge is proposed.

The costs to operate an untreated water scheme is lower compared to the costs to operate a treated water scheme. Untreated water schemes require less infrastructure, no chemicals, less operator hours and a less frequent testing routine.

BACKGROUND

Douglas Shire Council Water and Wastewater Department source raw untreated water for treatment for the Mossman/Port Douglas, Whyanbeel and Daintree schemes and directly to the De Meio scheme.

Douglas Shire Council has separated the water usage charge between treated and untreated water supplies, however only for domestic users. It is now recognised there may be a requirement for commercial supply of untreated water.

COMMENT

The raw untreated water reticulation network does not have storage or buffer capacity as is found in the treated water reticulation network through the use of reservoirs. As a result, the untreated water supply is more prone to interruptions and restrictions to ensure that council water treatment plants are not deprived of inflow. To manage this, access for a commercial operator to the untreated water supply must be scrutinised and a separate commercial untreated water supply agreement shall be developed for each applicant.