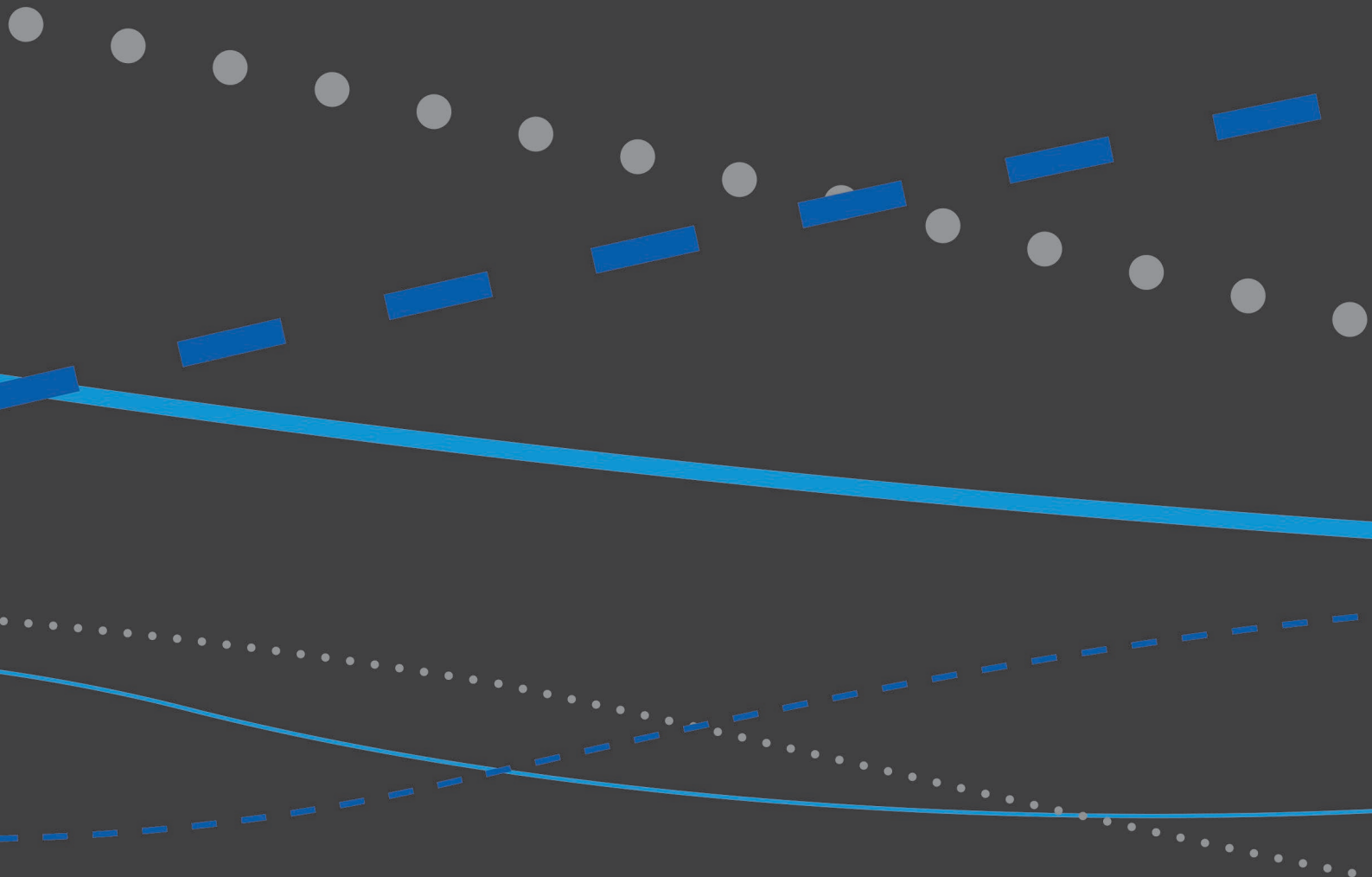




# ***Interim Local Government Infrastructure Plan Amendment***

## **Submission Analysis Report**

Date: 19/11/2020



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## Document History

Title	Version No.	Date	Author	Reviewer	Approved by
Report	1.0	19/11/2020	Jonathan Cutting	Project Manager; Neil McGaffin	Neil McGaffin

## 1. Executive Summary

The proposed Interim Local Government Infrastructure Plan (LGIP) Amendment involves an update of the LGIP's Schedule of Works to remove a water reservoir identified as W8 within the Schedule of Works. The water reservoir located in Bowen South is no longer required to provide capacity and pressure to the Bowen area following other upgrades to the network, such as the Bowen Recycled Water Network that effectively created extra capacity.

At the 14 October 2020 Ordinary Meeting, Council resolved to undertake public consultation on the Interim LGIP amendment to remove water reservoir W8 from the LGIP.

Public consultation for the Interim LGIP amendment was undertaken from the 26/10/2020 to 16/11/2020. One submission was received. The submission does not trigger a change to the Interim LGIP amendment; therefore, it is recommended Council adopt the amendment for commencement on the 30 November 2020.

## 2. Background

*A Draft Whitsundays Regional Council Sewer and Water Network Modelling Report* for the Whitsunday Region, based on Council's Desired Standards of Service (DSS), was completed in February 2020. This Report identified that Bowen's potable water demand no longer triggers the construction of the W8 Reservoir during the period of the Local Government Infrastructure Plan (LGIP), being 2018 to 2031.

Since the LGIP's previous demand model in May 2014, Council secured funding to upgrade the water reticulation pipelines throughout Bowen. This was delivered between 2015 and 2020, providing most of Bowen's considerable parklands' water demand with high quality recycled water, significantly reducing demand on the potable water network.

Since the LGIP's previous Economic and Population Study (EPS), in November 2013, Council has undertaken an updated EPS in 2018, which identifies a reduction in projected population growth in Bowen by 260 people at 2031 (adopted medium growth scenarios) and, therefore, a reduction in demand.

Council has further improvements planned for Bowen's water network, subject to funding, including extending the recycled water network, Heronvale Reservoir augmentations (increase capacity and pressure), additional smart water meters and community demand management program, which will reduce network demands, reduce network losses and increase capacity over the coming decades at significantly less cost than constructing and using the W8 Reservoir.

The improvements that have been implemented are included in the 2020 water demand model, which identifies that the W8 Reservoir is not required during the period of the LGIP to meet Council's DSS.

Given the improvements to the water network since the previous demand model in 2014 and the forecast asset cost of \$14,684,350, the W8 Reservoir can no longer be considered the least cost option to meet Council's DSS and should therefore be removed from the LGIP Schedule of Works.

### 3. Overview of the Consultation

Public consultation for the Interim LGIP amendment was undertaken from the 26/10/2020 to 16/11/2020 and Council received one submission.

The purpose of consultation was to notify affected communities and key stakeholders of the purpose and intent of the Interim LGIP Amendment.

The community and affected landholders were consulted in accordance with the *Ministers Guidelines and Rules 2020, Chapter 5, Part 2 (5.7)*, including:

- Placing a public notice in a newspaper within the LGA, including key information about the amendment;
- Displaying a copy of the public notice in each of Council's offices, visible to the public;
- Facebook posts;
- Direct notice sent to the affected landowner;
- Displaying the revised Schedule of Works model, Interim LGIP amendment, extrinsic material referenced and completed review checklist on Council's website, and the material made available at Local Government offices for inspection or purchase; and
- Advertising the amendment for a period of 15 business days.

## 4. Submission Analysis

Submission Summary	Submission Response
<p><i>Submitter objects to the removal of Water reservoir W8, within the LGIP Schedule of Works for the following reasons:</i></p> <p><b>Desired Standards of service requirements not addressed</b></p> <p><i>It is understood that in preparation of the existing LGIP v1.6 dated July 2017, the W8 reservoir was identified as a planned upgrade in response to the findings of the Water and Sewerage Network Model Updates report prepared by Hyder Consulting dated 16/05/2014.</i></p> <p><i>In Hyder's assessment, they identified that despite the Bowen network generally meeting pressure requirements, a number of areas were not meeting fire flow requirements.</i></p> <p><i>As such, as part of the water augmentation suggestions, the report recommended a reservoir upgrade in order to meet the DSOS requirements for operating and emergency storage based on the current network loading.</i></p> <p><i>Upon review of the Removal Justification Report provided to support the removal of the W8 reservoir, the report makes no mention as to how the DSOS requirements for fire flow will be addressed in absence of the planned reservoir.</i></p> <p><i>As noted above, the only justification provided for the removal of the reservoir is due to the change to the potable demand as a result of the introduction of a recycled water supply to Bowen and the implementation of some demand management.</i></p> <p><i>Thus, this is of great concern that a critical element triggering the need for the reservoir has not been considered in the assessment for the removal of the reservoir from the LGIP.</i></p>	<p><b>Desired Standards of service requirements not addressed</b></p> <p>The <i>Draft Whitsundays Regional Council Sewer and Water Network Modelling 2020</i>, which informed the Interim LGIP Amendment, has identified that sufficient reservoir capacity is available to meet Desired Standards of Service and achieve fire flows of anticipated growth defined by the <i>Economic and Population Study 2018</i> on unconstrained land within the Priority Infrastructure Area of Bowen. Servicing constrained land, is not assumed as orderly and efficient development under the LGIP growth projections and infrastructure planning, therefore, would be required to occur at the cost of the developer where this may occur. This requirement is set out by Item 13 of the Interim LGIP Review Checklist.</p> <p><b>Population reduction</b></p> <p>As discussed within the Interim LGIP Amendment extrinsic material - Removal Justification Report, the reduction in population identified by the <i>Economic and Population Study 2018</i>, in comparison to the <i>Economic and Population Study 2013</i> is only one factor influencing a reduction in demand that has triggered Council to remove the water reservoir W8 from the LGIP Schedule of Works. Factors that have come to fruition since the LGIP's previous demand model in May 2014 include Council securing funding to upgrade the water reticulation pipelines throughout Bowen, delivered between 2015 and 2020, which provided most of Bowen's considerable parklands' water demand with high quality recycled water. This significantly reducing demand on the potable water network. This has been included within the <i>Draft Whitsundays Regional Council Sewer and Water Network Modelling</i></p>

## Population reduction

*As stated in Council's Removal Justification Report, the updated 2018 Economic and Population Study (EPS) identified a reduction of 260 people at 2031 in Bowen's projected population growth (adopted medium growth scenarios).*

*It is considered that a reduction in 260 people is not a significant decrease in projected population nor will it have a substantial impact on the demand. Further, the reduction in the projected population growth has no relevance as to whether the reservoir is required or not.*

*It is also important to highlight, that based on the recent Whitsunday Paradise development approval, the projected population growth will likely underestimate the actual population growth by 2031 in the Bowen area.*

*This is on the basis that the Whitsundays Paradise development will stimulate further development in the area as a result of services and infrastructure that will be developed as part of the delivery of the development.*

*It is therefore considered that the previous projected population figures for Bowen are more appropriate and the nominated infrastructure remains relevant.*

## Summary

- *No justification has been provided with regards to how the DSOS requirements for fire flow will be addressed in absence of the planned reservoir.*
- *The reduction of 260 people in the population projections for 2031 is not a significant population decrease to have substantial impact on the demand*
- *The recent approval of the Whitsunday Paradise development will likely stimulate further development in the Bowen South area due to the delivery of services and infrastructure to the area thus population growth will exceed the project growth rates.*

*2020, which identifies the Reservoir is no longer required within the lifetime of the LGIP.*

*Other planned works which are not included within the Draft Whitsundays Regional Council Sewer and Water Network Modelling but will further reduce Bowen's water network demand include:*

- *extending the recycled water network, Heronvale Reservoir augmentations (increase capacity and pressure);*
- *additional smart water meters and community demand management program, which will reduce network demands.*

*Given the improvements to the water network since the previous demand model in 2014 and further infrastructure upgrades proposed, the asset cost of \$14,684,350 for the W8 Reservoir can no longer be considered the least cost option to meet Council's DSS.*

*In regard to the 'Whitsundays Paradise development stimulating further development in the area'. Traditional growth rates for Bowen are accounted for in the Economic and Population Study 2018. This Study does not anticipate another Whitsunday Paradise type residential development to occur given the lack of existing industry and employment opportunities in Bowen. Nonetheless, should the development occur in stages supported by out-of-Region investors, the influx in construction workers may only be a short-term occurrence, with the lack of projected industry growth and employment opportunities identified by the Economic and Population Study 2018 resulting in a failure to sustain a long-term permanent resident population.*

*It is considered the Interim LGIP Amendment ensures the most cost-effective option for servicing the anticipated demand within unconstrained land for the lifetime of the LGIP based on the Economic and Population Study 2018, ensuring compliance with Item 30 of the Interim LGIP Review Checklist.*



## 5. Recommendations

The points raised in the submission do not alter the purpose or need for the amendment. Therefore, it is recommended that Council proceed with the adoption and commencement of the Interim LGIP Amendment to remove water reservoir W8 from the Schedule of Works. The removal of the W8 Reservoir will improve the LGIP's financial sustainability, identified in the Schedule of Works cost and contingency values, saving Council approximately \$15M.

## 6. Next Steps

This report will be considered by Council when deciding upon the adoption of the Interim LGIP Amendment.

With the receipt of this Submission Analysis Report, the next steps involve Council:

- (a) approving the release of the Submission Analysis Report;
- (b) providing written response and the Submission Analysis Report to the submitter;
- (c) adopting the Interim Local Government Infrastructure Plan Amendment and associated extrinsic material in accordance with Chapter 5, Part 2 (6) of the *Ministers Guidelines and Rules 2020*;
- (d) notifying the community of the resolution to adopt and commence the Interim Local Government Infrastructure Plan Amendment by public notice within QLD gazette, local newspapers and Council website;
- (e) commencing the Interim Local Government Infrastructure Plan Amendment on the 30 November 2020, following gazettal; and
- (f) sending the Local Government Infrastructure Plan Amendment and QLD gazette public notice to the Chief Executive.