

REPORTS TO COUNCIL - ITEMS FOR INFORMATION

10.3 Bungendore Bulk Water Pipeline Project Update (Ref: ; Author: Duff/Cunningham)

File Reference: PJT0007/01

Recommendation

That the report be received for information.

Report

At the meeting of 12 April 2023, Council endorsed the development of the Queanbeyan to Bungendore Bulk Water Pipeline (Supply Trunk Main) Project (Palerang Communities IWCM 2019 Strategy Option 3) to tender ready stage (**Resolution No 135/23**).

An update was provided to Council at the 22 November 2023 meeting (**Resolution No 504/23**).

NSW Public Works Advisory (PWA) were engaged to assist with project delivery through to tender ready stage. The design and scope of works is nearing completion for a tender ready package for the construction components.

Three separate packages are currently envisaged for the project, including the pipeline itself (some 31km of water supply trunk main), the proposed 6ML reservoir at Brooks Bank and the proposed Dodsworth pumping station and Millpost re-chlorination facilities. This latter package will also include the necessary high voltage electrical supply works required for both sites.

On 17 April 2024, a briefing was provided in relation to the expected impact of the project on the HQJOC facility. Whilst the potential for a supply connection was raised as part of that briefing, there has been no further discussion or questions sought since this time.

Queanbeyan Water Supply Agreement

Key terms for a future agreement and underlying principles incorporating water supply for Bungendore have been developed by the cross border working group, including a number of (Planning and Water) NSW and ACT government agencies.

The Bungendore Pipeline project has been supported by both NSW and Federal governments including relevant Ministers. It is understood that the ACT government is considering their position formally before they go into caretaker mode.

Pending the advice from the ACT Government and subject to both the Federal and NSW Governments aligned the same, Council may continue further negotiations with relevant parties. This will initiate a subsequent status report to Council to review the project before proceeding.

Grant Funding Opportunities

Council sought and received partial funding for the design component of this project under the State government's Safe and Secure Water Program as reported when the Feasibility Study was presented to Council in April 2023.

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For the project to proceed to construction, it is almost certain that a level of external grant funding will be required. The Federal National Water Grid (NWG) program is one such opportunity, with applications being accepted twice yearly in May and again in November.

At this stage, the aim is to make an application for NWG grant funding in the coming November 2024 round. A formal Treasury-compliant business case will be developed as a critical and mandatory supporting pre-requisite for the grant application.

Other required criteria are expected to include the development of detailed estimates, a favourable Benefit Cost assessment and the production of a detailed risk register.

In summary, the project will only be eligible for consideration for grant funding applications after the completion of:

- A formal Treasury Business Case that demonstrates viability and return;
- Agreement in principle from the ACT, Federal and State governments to amend the Queanbeyan Water Supply Agreement to include Bungendore; and
- A formal decision of Council to proceed with the project.

A further report will be made to Council as these matters progress.

Current Budget

In terms of current budget arrangements, the design to tender ready stage for this project was allocated \$2.5 million across the 22/23 and 23/24 financial years, with some carryover of unexpended funds to be proposed for the current 24/25 financial year.

To date, a total of \$1,616,316 has been spent (either acquitted or committed). Funding for these works has mostly been sourced from development contributions and a Safe and Secure Water Program grant of \$197,824.

Attachments

Nil