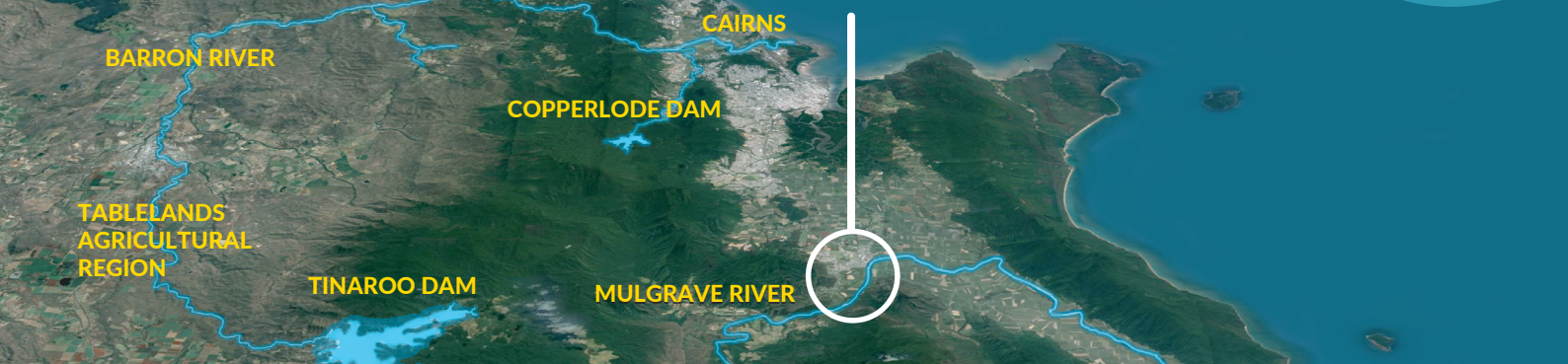


Cairns Water Security Stage 1 (CWSS1)



A critical regional infrastructure project supporting population and economic growth, and disaster resilience in Cairns and FNQ.

The CWSS1 project secures Cairns' future water needs well into the next decade. It has been confirmed through a detailed independent business case as the best value for money solution to the city's water needs.

Existing funding commitments confirm there is consensus at all levels of government, across all political parties, that CWSS1 is the most viable option to provide essential drinking water for Cairns.

But with an increased total project cost and the financial impact of recovering from ex-Tropical Cyclone Jasper, Council is calling on the Queensland and Australian Governments to fully fund CWSS1 to ensure sufficient drinking water - a basic human need - is available as our population and economy grow.

Total project cost

Following a rigorous procurement process for the design and construction of the new intake, water treatment plant and pipe

network, the total project cost has increased from \$248 million to \$472 million.

The Queensland and Federal Governments have already committed \$215 million (\$107.5 million each) to assist with the completion of the project.

These commitments were based on a preliminary capital cost estimate for the project of \$248 million prepared in early 2022 and based on a high-level understanding of the required investments and infrastructure.

The revised total project cost has been calculated by independent Cost Advisor Ranbury Management Group and takes into account the value of the design and construct tender for the project awarded to John Holland Queensland in December 2023.

The increase in cost reflects the substantial inflationary pressures being experienced in the construction sector across Australia that have led to similar cost increases across major projects nationally.

Project timeline

- 2015: Cairns Water Security Strategy adopted
- 2019-2022: Business case confirms CWSS1 as best solution
- Q2 2021: Council endorses CWSS1 as No. 1 Advocacy priority
- Q3 2021: Support from all local state and federal members
- May 2022: \$107.5 million funding commitment - Federal
- June 2022: \$107.5 million funding commitment - State
- Q2 2023 - today: Briefings with Ministers and key stakeholders on likely cost increase
- December 2023: Construction contract awarded, Council reconfirms project as No. 1 Advocacy priority
- December 16 2023: Cyclone Jasper causes widespread damage and devastation to Cairns and the surrounding region
- Mid-2024: Construction starts
- Mid-2026: CWSS1 completed

What we need

State and Federal Governments to support the disaster recovery and future economic and social prosperity of Cairns by increasing their existing commitments to the Cairns Water Security Stage 1 (CWSS1) Project to \$236 million each.

Funding to be delivered over 4 years:

2023/24	2024/25	2025/26	2026/27
\$6 million each	\$110 million each	\$85 million each	\$35 million each

Ex-TC Jasper

Ex-Tropical Cyclone Jasper, the wettest cyclone on record, drenched the Cairns region in December 2023, causing extensive flooding to a number of Cairns suburbs. Homes were lost, infrastructure severely damaged and people's lives turned upside down following one of the most devastating natural disasters the region has ever experienced.

It also exposed the vulnerability of our current water supply, with residents placed on extreme water restrictions for 20 days, when blocked intakes at our key water source, Copperlode Falls Dam, resulted in treated water reserves falling to just 3%. The city came within two hours of running out of water. CWSS1 mitigates this risk by accessing a new water supply and establishing another treatment plant to the south of the city.

While the disaster recovery support packages provided by the State and Federal governments are welcome, our community will inevitably still bear significant costs as we look to rebuild infrastructure, address the environmental impacts of the event, and implement a range of initiatives necessary to support economic and social recovery.

This comes at a time where Cairns residents already face significant cost-of-living pressures with the rising cost of mortgage repayments, rent, insurance and day-to-day essentials all impacting household budgets and business profitability.

Cost-of-living relief

Increased funding from the State and Federal Governments will not only provide water security but offer significant cost-of-living relief to the Cairns community. The increased commitment to CWSS1 from both levels of government requested in this paper (\$236 million each) would deliver savings of \$7,320 per household, or \$488 per year over 15 years.

Cost of living relief: savings* per household



Queensland Government
\$244 pa
over 15 years
Total \$3,660

Federal Government
\$244 pa
over 15 years
Total \$3,660

*Savings per household represent future increases in Council rates and/or water charges avoided because of Government funding versus Council taking on debt to fund the project and repaying that debt over 15 years.

CWSS1 project - background

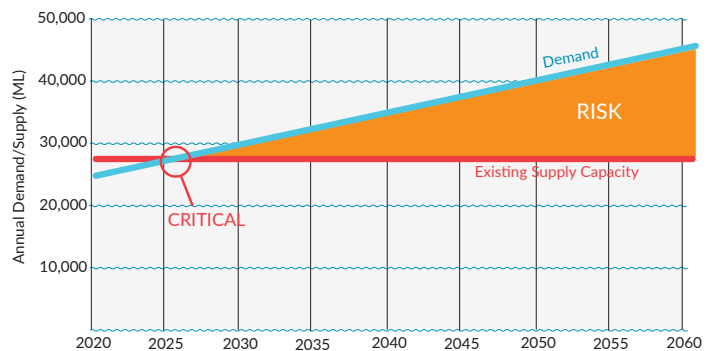
Constructed in 1976, when our population was 58,000, Cairns' primary water source, Copperlode Falls Dam, has served the city well. However, it can no longer meet the water needs of a growing population, expected to reach 241,000 by 2050.

Without a new water supply, Cairns faces the real possibility of a drinking water shortage by 2026.

The Cairns Water Security Stage 1 project will break ground in mid-2024 to provide a much-needed secondary supply, while increasing network resilience to respond to natural disasters.

A key part of the Cairns Water Security Strategy, and confirmed as the best value-for-money solution through a rigorous, independent business case process, the project sources water from a strategic reserve in the Mulgrave River near Gordonvale, and includes intake infrastructure, supply and mains connection pipelines, a treatment

plant and reservoirs. Adding 60ML of water per day to the network, CWSS1 is our 'new dam' but cheaper and with a lighter environmental footprint.



“This project is absolutely critical for our city and the liveability of its residents.”

The Hon. Warren Entsch
Member for Leichardt

“This is a major infrastructure project that I wholeheartedly support.”

Hon. Michael Healy MP
Minister for Tourism and Sport
Member for Cairns

Regional benefits



- Essential additional water for Cairns and FNQ to grow and prosper.
- Delivers critical risk mitigation for Council's existing water facilities, particularly during periods of natural disaster.
- Significantly cheaper than a new dam and with a lighter environmental footprint.
- Protects our visitor reputation by minimising water restrictions.
- Avoids conflict with future agricultural water needs on the Atherton Tablelands by not sourcing water from the Barron River/Mareeba Dimbulah Water Supply Scheme.
- Strategically located adjacent to the city's primary urban development front (Mt Peter) and in close proximity to the Cairns South State Development Area.

For more information:

www.cairns.qld.gov.au/advocacy

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CWSS1 is proudly supported by:

