

Port Hinchinbrook Sewerage Scheme levy FAQs

Version 2 with additional information following Port Hinchinbrook community information meeting 30/7/24.

1. What does normalisation of Port Hinchinbrook mean?

What this means is the privately owned assets within Port Hinchinbrook, such as roads, bridges, culverts and sewerage, will be under the control of Council.

The normalisation project includes a new sewerage treatment plant (STP) being built to replace the current failing system as well as renewal of some pump station and effluent infrastructure, culverts and road assets.

While the estate has been in liquidation there has been particular concern for the ongoing maintenance, and operation of the estate's sewerage system. The solution for Port Hinchinbrook needs to be one that is long-term and can offer a secure future for the residents and opportunities for the development to realise the potential of this iconic destination.

2. Why is Council building a new Sewerage Treatment Plant

Council officially took ownership of the Port Hinchinbrook STP on 2 December 2021.

With numerous failures of the estate's ageing STP and associated infrastructure, this matter has been critical to resolve as releases to the environment had the very real potential to impact on public health and the Great Barrier Reef World Heritage Area.

The Port Hinchinbrook STP License agreements between the State, Council and Liquidator provides for secure sewerage services for residents whilst the normalisation of the private estate was finalised. This agreement reflects the commitment of the Queensland Government, Liquidator and Council to ensure that environmental releases from the estate are a thing of the past.

3. How much will Port Hinchinbrook residents be charged for sewerage utility in FY 2024/25?

Sewerage Charge	Innisfail Sewerage Scheme	Tully and Mission Beach Sewerage Schemes	Port Hinchinbrook Sewerage Scheme
Residential	\$1,126.00	\$1,058.00	\$3,237.00
Non-Residential	\$1,126.00	\$1,058.00	\$3,237.00
Vacant	\$1,014.00	\$953.00	\$2,915.00
Additional Pedestal	\$935.00	\$879.00	\$2,689.00

4. What is the 'additional pedestal' charge?

For a residential property, there is only one charge per property, there are no additional charges per toilet. The 'additional pedestal' is applicable to non-residential properties, of which there are 3 within the serviced area.

5. How many properties are paying the above charges?

	2023/2024	2024/2025
Number of Service Charges	335	335
Residential	182	182
Non-Residential	3	3
Vacant	147	147
Additional Pedestal	3	3

6. How will this charge affect my next rates bill?

Properties in the Port Hinchinbrook STP service area will see the following sewerage utility charges in their rates notice in August 2024 which represent the 6 monthly sewerage charges:

- Residential and non-residential - \$1,618.50

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- Vacant - \$1,457.50
- Additional pedestals (non-residential) - \$1,344.50

To learn more about Sewerage Utility Charges and how they're applied, please see page 13 of Council's Revenue Statement 2024-2025 on Council's website.

7. Why has Port Hinchinbrook's sewerage utility charge increased?

The increase is to supplement a \$7 million funding shortfall in the cost of construction for the Port Hinchinbrook Sewerage Treatment Plant (STP).

A breakdown of the **budget and** funding for construction for the STP is:

Total STP Budget	
Construction	\$15,600,000
Design & Project Management	\$1,100,000
Contingency	\$400,000
Total	\$17,100,000
Total STP Funding	
Commonwealth Funding	\$5,100,000
State Funding	\$4,970,000
CCRC Loan Borrowings (QTC Loan)	\$7,000,000
Total	\$17,070,000

The overall budget and funding for construction of the STP including Normalisation is:

Commonwealth Funding	
New STP	\$5,100,000
Reticulation Renewal	\$450,000
Transport Renewal	\$450,000
Total Commonwealth Funding	\$6,000,000
State Funding	
New STP	\$4,970,000
Road Acquisition	\$1,100,000
STP Land Acquisition	\$230,000
Total State Funding	\$6,300,000
Total Grant Funding	\$12,300,000
QTC Loan	\$7,000,000
Total funding	\$19,300,000

8. Why isn't this cost spread across the broader ratepayer base like other capital investments?

Sewerage costs are not levied as part of the general rates. Throughout the Cassowary Coast sewerage is paid for by the properties connected to that scheme.

9. Is the STP intended to service the broader Cardwell area, and if so why aren't Cardwell residents helping to pay the shortfall?

The STP is designed to cater for the ultimate capacity required for a fully developed Port Hinchinbrook precinct with the addition of staged mechanical and electrical works. Operation of the plant is designed to allow for service 500EP.

With minor upgrades (electrical and mechanical) in the future the STP can achieve 1500EP **which would accommodate a fully developed Port Hinchinbrook estate.** At which point the sewerage scheme could

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be increased to include Cardwell, **but not without the installation of considerable infrastructure throughout the region and further upgrades to the STP facility.**

The utility charge for sewerage purposes [is] levied on all land, rateable or not, whether vacant or occupied to which Council has or is prepared to connect sewerage services (page 13, Revenue Statement 2024-2025).

Council has not prepared to connect sewerage services to Cardwell at this point in time, **and has no current plans to do so in the future. As such, Cardwell residents are not in the Port Hinchinbrook sewerage scheme and by legislation Cardwell residents cannot be charged the sewerage charge.**

*Please Note: Additional words **in bold** have been added to the original version of this question to offer further clarity following confusion from the audience at the Port Hinchinbrook community meeting 30/7/24.*

10. What is the life span of the STP?

The life span of STP varies across its different components. On average, the useful life for majority of these components is expected to be between 50 to 80 years, with security and electrical equipment less at 25 years.

11. Did residents at Port Hinchinbrook agree to cover this cost of construction for a new STP?

Port Hinchinbrook residents have shown strong support for Council to lead the normalisation of Port Hinchinbrook which required the construction of a new STP. Community consultation undertaken in October 2020 indicated that the expected sewerage utility charge could be upwards of \$3,000 per year due to the small number of users within the scheme.

At the Local Government Meeting in June 2023, Council resolved to secure the debt funding of \$7 million, and endorse the principle that the serviced area of the Port Hinchinbrook Sewerage Scheme would meet full cost recovery through amended sewerage charges to commence 1 July 2024. Council has received no objections to this endorsement.

12. How long will Port Hinchinbrook residents be paying this

Council will review the utility charges every year alongside all other fees and charges as standard practice, however it should be noted that Council's term for the \$7 million STP shortfall loan is over 20 years. In the meantime, Council continues to advocate to the government to help cover the costs associated with the construction of the STP and normalisation of Port Hinchinbrook. Should Council receive further funding to support the STP, this will see a reduction in the charge and this will be dependent on the amount of any funding granted.

It's also hoped that through the normalisation process that commercial investment will be attracted back into the region and the burden will be reduced as development occurs within the serviced area of the scheme.

13. What has Council done to address the \$7 million Queensland Treasury Corporation (QTC) loan to fund the shortfall?

Council has been strongly advocating to state and federal governments seeking financial support for the STP funding shortfall, including ongoing liaison with the following Queensland Government representatives:

- Hon. Meaghan Scanlon – Minister for Housing, Local Government and Planning and Minister for Public Works
- Hon. Leanne Linard – Minister for the Environment and the Great Barrier Reef
- Hon. Steven Miles - Premier

A response from Minister Scanlon was received by Council on 19 July 2024 suggesting that Council should apply for both Works for Queensland and the Local Government Grants and Subsidies Program (LGGSP). However, this project is ineligible for both programs.

The LGGSP Program guidelines highlight that costs incurred are ineligible as costs would have been

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incurred prior to execution of a project funding schedule. At the Port Hinchinbrook ratepayer meeting held at the Cardwell Community Hall on 30 July 2024, Mayor Millwood made a commitment that Council would apply to the LGGSP funding even though the Department had provided advice to the CEO that the project was ineligible. Nevertheless, Council is progressing with an application to this fund for the \$7m shortfall.

The project is also ineligible for Works for Queensland funding as it has commenced construction.

In 2023 the [then] Mayor and CEO met with [then] Deputy Premier Steven Miles and Minister for Housing, Local Government and Planning, Hon. Meaghan Scanlon. Letters have since been issued earlier this year to remind our state leaders that this matter as presented is yet to be resolved. Council's Advocacy Plan also includes this matter.

The funding shortfall was discussed at a meeting held by Member for Hinchinbrook Nick Dametto in Cairns on Friday 31 May 2024. Attending from Council was Mayor Teresa Millwood with Division One [then] Councillor Peter Reed and Chief Executive Officer Andrew Graffen alongside operational staff. From the State Government, representatives from Economic Development Queensland and the Premier and Cabinet were in attendance. Read more about this meeting at <https://nickdametto.com/statement-from-nick-dametto-mp-port-hinchinbrook-june>

Following Council's budget announcement in June 2024, Mr Dametto has written to Hon. Meaghan Scanlon requesting urgent funding assistance.

Council will continue to work collaboratively with Mr Dametto to seek funding shortfall solutions at every opportunity.

14. What is Council doing to attract investment to Port Hinchinbrook?

The Normalisation and construction of an STP are key actions that would encourage investors to consider Port Hinchinbrook an attractive prospect.

To boost commercial investment into Port Hinchinbrook and the broader Cardwell area Council will launch a regionwide Investment Prospectus with a targeted marketing campaign. The Port Hinchinbrook STP and Normalisation, as well as One Mile Creek dredging and the Cardwell Mountain Bike Trails feature in the top 12 of the Cassowary Coast's 'region-shaping' projects.

Earlier this year Council has joined with the Cardwell Chamber of Commerce and Cardwell stakeholders to advocate for further funding support from the Queensland Government. This submission can be found on Council's website at <https://www.cassowarycoast.qld.gov.au/news/article/1173/joint-statement-from-cassowary-coast-regional-council-and-cardwell-chamber-of-commerce-regarding-port-hinchinbrook-development-and-one-mile-creek>.

15. What if I cannot pay the extra charge by the due date?

Ratepayers who have difficulty paying the charge are encouraged to contact Customer Service to have a confidential discussion about their specific circumstances. Please do not hesitate to contact Customer Service on 1300 763 903 or email enquiries@cassowarycoast.qld.gov.au.