
Mullumbimby connection to the Rous bulk water supply

Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)

Recommendation

That Council resolves that:

1. Byron Shire Council will not be required to make capital connection contributions, should they request to permanently connect the Mullumbimby local water supply area to the Rous County Council bulk water supply.
2. Any requests to permanently connect to the Rous bulk water network will be reviewed on a case-by-case basis utilising the methodology within this report.

Background

Byron Shire Council (BySC) has commenced community consultation on their Mullumbimby Water Supply Strategy. This long-term strategy is seeking to address water supply security for the local supply area of Mullumbimby.

The strategy considers four possible scenarios to meet the town's needs for water for both existing customers and future developments over time. The executive summary for the BySC Mullumbimby Water Supply Strategy is [Attachment 1](#) to this report.

The purpose of this report is to clarify for BySC what the potential costs of a connection to the Rous supply would be, in lieu of historical development contributions within this local supply area, so that the information can be incorporated into their comparison of potential options for the Mullumbimby local supply area.

Mullumbimby Water Capacity and Demand – Current State

Water is currently sourced and supplied to Mullumbimby by BySC from its Laverty's Gap Weir. The pattern of demand for water in Mullumbimby is shown in Table 1 and matches approximately the secure yield available from the Laverty's Gap Weir.

Should there be a recurrence of a drought equivalent to the worst drought on record, Laverty's Gap Weir will experience significant stress in meeting current unrestricted water demands.

Table 1 Byron Shire Council Water supply

	Units	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Mullumbimby local supply	mega litres	346	338	410	384	417	439	415
Rous bulk supply - BySC	mega litres	2528	2287	2465	2653	2672	2704	2565

Source: NSW Local Water Utility Performance Reporting - Water Supply and Sewerage Data.

Current Emergency Water Supply Arrangements

Rous and BySC have an arrangement in place whereby up to 183 megalitres (ML) of water per year can be supplied to Mullumbimby via an emergency pipeline connection. This arrangement has been in place since the Millenium drought in the mid-2000's.

The fee arrangement for this emergency connection to Mullumbimby is different to Rous's long-term position for its bulk water supply charge. The Mullumbimby emergency connection is charged on actual water supplied at a Special Approved Connection rate (currently \$5.19 per kilolitre), given

its temporary nature and that no development contributions have been historically collected by Rous for this supply area.

Bulk Water - Development Servicing Plan

Rous has a Bulk Water Development Servicing Plan (DSP) which outlines the up-front levies to be charged in order to recover part of the capital infrastructure costs incurred in servicing new developments or additions to existing developments.

Rous would impose these levies (if applicable) on new developments in Mullumbimby should BySC seek to permanently connect to the Rous bulk water supply. Equally, some existing BySC development contributions would decrease or cease to be levied.

In considering whether Rous should impose these levies on BySC for the permanent connection of Mullumbimby to the Rous water network, the following are relevant:

- The permanent infrastructure connection costs would be fully funded by BySC.
- There would be no requirement/s to augment the Rous bulk distribution network to enable the permanent connection of Mullumbimby.
- Development contributions collected to date from the Byron Shire Local Government Area (excluding Mullumbimby) have been used to fund augmentations to the Rous bulk water supply, which has provided additional capacity to supply bulk water to new water connections.
- BySC's total water demand from the Rous bulk water supply has remained consistent for the last 15-20 years, due in-part to both councils' ongoing water conservation and water recovery programs.
- Mullumbimby supply would be a small portion of the Rous bulk water supply.
- BySC is a founding constituent Council of Rous and is integral to the long-term viability of the regional bulk water supply system.

Given the factors outlined above, it is considered reasonable to not seek an upfront capital connection contribution if BySC were to seek a permanent water connection for Mullumbimby.

Comment

Any future requests to permanently connect additional areas to the Rous bulk water network will be reviewed on a case-by-case basis. It is not the intention of this report to establish a standing position on the imposition of capital developer contribution levies when in receipt of any similar connection requests in the future.

The key differentiating factor in the current Mullumbimby context is that no capital works or augmentations would be required to make the existing emergency water supply connection permanent.

Governance

• Integrated Planning and Reporting

The addition of Mullumbimby local supply to the Rous bulk water supply would represent a small percentage of bulk water supply and would not influence the direction of Council's Business Activity Strategic Plan, including any of its resourcing strategies, such as the Future Water Project 2060.

The Regional Drought Management and Demand Management Plans will need to be amended to reflect a permanent connection to Mullumbimby if it is sought and granted.

The Drought Management Plan is not scheduled to be updated until the future operating philosophy of Rous's Stage 1 future water sources is known and the Demand Management Plan is due to be updated in 2025/26 as the current Plan comes to an end. Interim arrangements for clarity would need to be put in place should the permanent connection proceed.

- **Finance**

This emergency connection has been charged based upon the temporary water supply charge in Rous's 'Revenue policy.' This fee is charged on a per kilolitre rate and is higher than the bulk water price per kilolitre in lieu of developer contributions being paid. If a decision is made to connect this supply permanently, then an appropriate fee structure will need to be determined. This may include incorporating the usage within the bulk water charges for Byron Shire Council. These charges are set annually and an interim fee structure may be required in the short-term.

- **Legal**

It is unclear whether Mullumbimby currently sits outside of Rous's proclamation area for the purposes of exercising a bulk water supply function. Further investigations in this respect will be required should BySC seek to permanently connect to the Rous bulk water supply.

In the interim, a formal delegation in accordance with section 377 of the *Local Government Act 1993* would need to be made by BySC and formally accepted by resolution of Rous, to provide bulk water services to Mullumbimby.

Consultation

An overview of the BySC request outlined in this report was provided at the May 2024 councillor workshop. No other specific consultation has been undertaken as a part of this report.

Conclusion

Byron Shire Council is currently seeking community feedback on its Mullumbimby Water Supply Strategy. BySC staff are endorsing the findings of the Strategy's multicriteria assessment which determined that a permanent connection to the Rous bulk water supply represents the best scenario to address water supply security for Mullumbimby.

The estimated total unrestricted average annual demand for water in Mullumbimby is approximately 450 megalitres (ML) per year. The additional demand on the Rous bulk water supply that would be created through a permanent connection to Mullumbimby would represent approximately 4 percent of current bulk water supplies to the region. Considering the projected population growth of the region, the portion Mullumbimby represents would be expected to be closer to 5 per cent by 2050.

Given the factors outlined in this report, it is recommended that should BySC request that Mullumbimby be permanently connected to the Rous bulk water supply, that Rous would not apply any capital connection contributions resulting from this process.

Attachment

1. Mullumbimby Water Supply Strategy - Executive Summary