



COMMERCIAL SERVICES COMMITTEE



A G E N D A

11 April 2017

Commencing immediately after the Planning and Development Committee Meeting

**Held at the Council Chambers - Civic Centre,
101 Goondoon Street, Gladstone**

Please note: These minutes are to be read in conjunction with the preceding General Meeting Minutes.

Terms of Reference

Committee is primarily responsible for overseeing policy and performance in Council- owned businesses that are (generally) subject to National Competition Policy reforms, viz:-

- Water and sewerage
- Waste Services
- Gladstone Airport
- Gladstone Entertainment Convention Centre
- Gladstone Aquatic Centre and public swimming pools
- Fleet Services
- Council property or business development
- Economic Development

Committee members are all Councillors.

By virtue of section 12(3)(g) of the *Local Government Act 2009*, the Mayor is a (ex-officio) member of the committee.

Cr Sobhanian is the Chair of the committee.

A quorum is a simple majority of members.

The committee meet in the first instance on the second Tuesday of each month commencing immediately after Planning and Development Committee Meeting in the Council Chambers and the committee by authorised to determine its future meeting times and frequency.

Committee Administrator is the Director Corporate and Community Services.

Appointment of Committees

Section 264 of the *Local Government Regulation 2012* as follows:-

- (1) A local government may -
 - (a) appoint, from its councillors, standing committees or special committees;and
 - (b) appoint advisory committees.
- (2) Two or more local governments may appoint, from their councillors, a joint standing committee.

Closed Meetings

Section 275 of the *Local Government Regulation 2012* as follows:-

- (1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss -
 - (a) the appointment, dismissal or discipline of employees; or
 - (b) industrial matters affecting employees; or
 - (c) the local government's budget; or
 - (d) rating concessions; or
 - (e) contracts proposed to be made by it; or
 - (f) starting or defending legal proceedings involving the local government; or
 - (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
 - (h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

Committee Members

Cr Sobhanian – Chair
Mayor Burnett
Cr Bush
Cr Churchill
Cr Goodluck
Cr Hansen
Cr Masters
Cr O'Grady
Cr Trevor

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CSC/1. OPENING AND APOLOGIES

CSC/2. DISCLOSURE OF INTEREST

Nil

CSC/3. CONFIRMATION OF MINUTES

CSC/3.1. CONFIRMATION AND ADOPTION OF THE COMMERCIAL SERVICES COMMITTEE MEETING MINUTES OF DATE

Responsible Officer: Director Corporate and Community Services

Committee Meeting Date: 11 April 2017

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the Commercial Services Committee held on 14 March 2017.

Officer's Recommendation:

{recommendation-start}

That the minutes of the Commercial Services Committee of Council held on 14 March 2017 be confirmed.

{recommendation-end}

{remove-from-minutes-start}

Attachments:

1. Minutes of the Commercial Services Committee of Council held on 14 March 2017.

Tabled Items:

Nil.

Report Prepared by: PA Director Corporate and Community Services

{remove-from-minutes-end}

CSC/4. DEPUTATIONS

Nil

CSC/5. OFFICERS' REPORTS

CSC/5.1. WASTE SERVICES QUARTERLY REPORT APRIL 2017

Responsible Officer: Director Engineering Services

Committee Meeting Date: 11 April 2017

File Ref: WM11.1 & RD12.1

Purpose:

The purpose of this report is to update Councillor's on the status of the 2016-2017 Waste Services Capital and Operational Budgets and works program, in particular covering the noteworthy issues from the previous month and the plans for the coming month. The report provides a basis to discuss the performance of the Department (including staff, consultants and contractors and customer feedback).

This is an information only report, and is not provided for the purpose of Council exercising its powers as a Local Government.

Officer's Recommendation:

That the Waste Services Quarterly Briefing Report – 3rd Quarter 2016/2017 be received for information.

Background:

The Waste Services Report is a regular information report that provides a budget update to Councillor's. The material in each report builds on previous reports and thus each report is only intended to present new information where the information is not new means no further activity has occurred from the previous report. Should a detailed analysis of an issue or project be required this will be the subject of a specific report, and more than likely a specific resolution of Council.

Capital and Operational Business Units are examined at the end of each financial year quarter, i.e:-

First Quarter	Jul, Aug, Sep	Reported at the first Briefing in October
Second Quarter	Oct, Nov, Dec	Reported at the first Briefing in January
Third Quarter	Jan, Feb, Mar	Reported at the first Briefing in May
Fourth Quarter	Apr, May, Jun	Reported at the first Briefing in July.

As at 31 March 2017 the financial year was **75.34%** completed. The following financial data has been extracted from Council's official financial database (Technology One):

Consideration:

Directors' Financial Overview - Waste Operational			% Of Year passed -		75.34%	
As at end of period 9						
Bus Unit	Description	Year to Date Expenditure	Adopted Expenditure Budget	% of Adopted Budgeted Expenditure	Revised Expenditure Budget	% of Revised Budgeted Expenditure
416	Waste Services Administration	1,207,205	1,636,977	73.7%	1,636,977	73.7%
420	Cleansing & Disposal	4,024,345	7,070,823	56.9%	7,070,823	56.9%
426	Transfer Station Operations - Agnes	268,152	400,000	67.0%	400,000	67.0%
427	Benaraby Waste Management Centre & Landfill	2,850,544	4,746,168	60.1%	4,746,168	60.1%
429	Transfer Station Operations - Other	374,956	496,200	75.6%	496,200	75.6%
430	Transfer Station Operations - Gladstone	1,351,976	2,081,000	65.0%	2,081,000	65.0%
438	Transfer Station Operations - Calliope	132,497	186,000	71.2%	186,000	71.2%
Sub Total		\$ 10,209,675	\$ 16,617,168	61.4%	\$ 16,617,168	61.4%

Directors' Financial Overview - Waste Capital						
<i>Bus Unit</i>	<i>Description</i>	<i>Year to Date Expenditure</i>	<i>Adopted Expenditure Budget</i>	<i>% of Adopted Budgeted Expenditure</i>	<i>Revised Expenditure Budget</i>	<i>% of Revised Budgeted Expenditure</i>
416	Waste Services Administration	0	0	0.0%	0	0.0%
420	Cleansing & Disposal	0	0	0.0%	0	0.0%
426	Transfer Station Operations - Agnes	50,886	105,000	48.5%	221,000	23.0%
427	Benaraby Waste Management Centre & Landfill	476,376	1,084,000	43.9%	1,141,500	41.7%
429	Transfer Station Operations - Other	16,107	25,000	64.4%	25,000	64.4%
430	Transfer Station Operations - Gladstone	193,184	115,000	168.0%	270,000	71.5%
438	Transfer Station Operations - Calliope	0	0	0.0%	0	0.0%
Sub Total		\$ 736,552	\$ 1,329,000	55.4%	\$ 1,657,500	44.4%

Directors' Financial Overview - Other areas of responsibility						
<i>Bus Unit</i>	<i>Description</i>	<i>Year to Date Expenditure</i>	<i>Adopted Expenditure Budget</i>	<i>% of Adopted Budgeted Expenditure</i>	<i>Revised Expenditure Budget</i>	<i>% of Revised Budgeted Expenditure</i>
417	Call Centre	250,210	487,659	51.3%	487,659	51.3%
418	Gravel Pits - Operational	363,965	0	0.0%	0	0.0%
418	Gravel Pits - Capital	1,096,533	1,325,677	82.7%	1,325,677	82.7%

Operational Business Units

Operational Business Units are tracking close to or within pro rata. Expenditure in these Business Units will be closely monitored for the remaining financial year.

Business Unit	Comment
Waste Services Administration	Expenditure is tracking close to pro-rata at 73.7% and is forecast to remain within allocation.
Cleansing & Disposal	Expenditure is tracking close to pro-rata at 56.9% with a month of costs yet to be included and is forecast to remain within allocation.
Transfer Station Operations – Agnes	Expenditure is tracking below pro-rata at 67.0% and is forecast to remain within allocation.
Benaraby Waste Management Centre & Landfill	Expenditure is tracking below pro-rata at 60.1% and is forecast to remain within allocation.
Transfer Station Operations - Other	Expenditure is tracking close to pro-rata at 75.6% and is forecast to remain within allocation.
Transfer Station Operations - Gladstone	Expenditure is tracking below pro-rata at 65.0% and is forecast to remain within allocation.
Transfer Station Operations - Calliope	Expenditure is tracking close to pro-rata at 71.2% and is forecast to remain within allocation.

Capital Business Units

For Councilor's convenience a copy of the adopted Capital Projects are provided in "Attachment 1". The current financial timing status of the Capital Projects is provided in "Attachment 2".

Technology One provides information on invoices received from contractors and suppliers as well as committed costs (i.e. value of contracts or purchase orders issued to contractors and suppliers which have not yet been invoiced to Council). The above Financial Overview table provides details on amounts invoiced to Council. Attachment 2 provides details on actual expenditure plus committed costs.

Based on invoices received to date, **44.4%** of the allocated budget has been spent. This places Waste Services tracking below pro-rata.

Capital Business Unit Summary

At the time of producing this report the Waste Services Budget had completed eight (8) projects out of 19. This sees 11 projects currently under construction or in preconstruction planning phase.

Transfer Station Operations – Agnes Water – The transfer station upgrade project has completed the design phase and is ready for tendering based on funding being available next financial year.

Benaraby Landfill – Nominated projects are progressing and it is forecast that all Benaraby Landfill projects will be completed by end of financial year.

Transfer Station Operations - Other – The new transfer station security fencing project has now been completed ready with final processing of claims continuing.

Status	Description
Projects nominated as <u>Completed March</u>	
LND0044 – Overland Storm water Drainage – Cell 2	Project completed within budget.
TSC0001 – Nagoorin Transfer Station Security Fencing	Project completed under budget.
LND0028 – GWMC – Site Drainage	Project completed under budget.
LND0043 – Customer Parking & Safety Fencing	Project completed under budget.
LND0054 – Benaraby Landfill – Intersection design & construction for further lift of Cell 2	Project completed under budget.
LND0056 – Benaraby Landfill – Shed for Drum Muster	Project completed under budget.
LND0057 – Benaraby Landfill – Stormwater Drainage	Project completed under budget.
LND0041 – Master Drain northern side of Gladstone	Project completed under budget.
Projects nominated as <u>Carry Over or "Partial Defer" March</u>	

(ie started but unable to finish this financial year. Carry over to 2017-2018)	
Nil.	
Projects nominated as <u>Carry Over or "Partial Defer" March</u> (ie started but unable to finish this financial year, Carry over to 2017-2018)	
Nil.	
Projects nominated as <u>Overspend March</u> (not yet complete but forecast to be overspent by 10% or more)	
Nil.	

Operational Plan Update

Operational Plan Measure	Current Status of "Target"	Comments
Number of community waste and environmentally related educational articles in Council communications and media per quarter. Target - 2	Will not be completed	Due to staff shortages and new staff members requiring extensive training, this target was not met. Waste Services place a high importance on public education and plan to show improvements in the next quarter.
Number of reported contaminated recycle bins per quarter. Target - <550	Target Surpassed	In this quarter Council's waste collections contractor reported that 435 recycle bins were contaminated.
Year-end tonnes of waste recycled as a percentage of total kerbside waste collected. Target - >20%	Target Surpassed	During this period 4,055.30 tonne of general waste has been collected during kerbside collection and sent to landfill. In comparison, 1,268.55 tonne of recyclables has been collected and transferred via Council's Waste Collections Contractor to the Material Recovery Facility in Parkhurst, Rockhampton. This represents 30% of the total kerbside waste collected was recyclables.
Year-end percentage of contaminated recycling bin owners contacted. Target - 100%	Target Not Met	Call Centre Staff previously monitored the contamination reports that are issued by JJ Richards each day. No letters have been generated on behalf of Waste Services

		and posted to the occupier of the properties with contaminated waste due to high volume of workload for the 1 x Administration Officer, in addition to the closure of the GRC Operated Call Centre.
Percentage per quarter of customer service requests initially received by Waste Services responded to within 10 business days of lodgement. Target - 100%	Completed Outside of Target	A total of 13 Customer Service Requests were not responded to within 10 days within the last quarter due to high staff workload. All the overdue Customer Service Requests were soon responded to shortly after the 10 day period had lapsed.
Percentage of Gravel Pit Operations Agreement disputes resolved to the satisfaction of both parties within 14 days notice. Target – 100%	Completed Within Target	No gravel pit disputes have occurred during this period.

Communication and Consultation (Internal/External):

Nil.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Budget Revisions

Nil.

Commentary:**LND0042 - Capping of Former Landfills Status**

Project commenced in January 2017 with capping of former landfill sites at Lowmead, Bororen and Mount Larcom. Works to be completed by end of financial year.

Tender Progress

Current status of tenders to be released for the remaining 2016-2017 financial year include:-

Tender	Status
LND0042 – Capping of Former Landfills	Work to be undertaken internally. For external works tender documents have been developed for construction and are to be issued for select tender.
LND0058 – Benaraby Landfill Vehicle Wash Down Facility	Documents being developed for the design with the view to release for select tender in April 2017.
LND0027 - Benaraby Landfill - Stage 3 Landfill Cell Development	Documents being developed for the construction of Stage 3 with the view to release for select tender in May 2017.

Summary:

Capital Works programmed to commence or continue in the month of April 2017 include:-

LND0046	Agnes Water Transfer Station Upgrade
LND0026	Benaraby Landfill – Leachate Disposal System
LND0027	Benaraby Landfill – Stage 3 Landfill Cell Development
LND0042	Benaraby Landfill – Capping of Former Landfills
LND0058	Benaraby Landfill – Vehicle Wash Down Facility
LND0050	Gladstone Transfer Station – Ground Water Bores

Attachments:

1. Waste Services 2016-2017 Budget allocation paper
2. Directors Financial Overview - Waste Capital – March 2017

Tabled Items:

Nil.

Report Prepared by: Manager Waste Services

CSC/5.2. WATER SERVICES MONTHLY REPORT MARCH 2017

Responsible Officer: Director Engineering Services

Committee Meeting Date: 11 April 2017

File Ref: WS5.1, WS9.1, SS4.1, SS10.1

Purpose:

The purpose of this report is to update the Councillors on the status of the 2016-2017 Water Services Capital and works program, in particular covering the noteworthy issues from the previous month and the plans for the coming month. The report provides a basis to discuss the performance of the Department (including staff, consultants and contractors and customer feedback).

This is an information only report, and is not provided for the purpose of Council exercising its powers as a Local Government.

Officer's Recommendation:

That the Water Services Monthly Report for March 2017 be received for information.

Background:

This is a regular monthly information report. The material in each report builds on previous reports and thus each month is only intended to present new information. Should a detailed analysis of an issue or project be required this will be the subject of a specific report, and more than likely a specific resolution of the Council.

Capital Business Units are examined at the end of each month and reported at the first Briefing meeting in the following month.

Operational Business Units are examined at the end of each financial year quarter in time for Council to consider its Budget Quarterly Review, i.e.

First Quarter	Jul, Aug, Sep	Reported at the first Briefing in October
Second Quarter	Oct, Nov, Dec	Reported at the first Briefing in January
Third Quarter	Jan, Feb, Mar	Reported at the first Briefing in April
Fourth Quarter	Apr, May, Jun	Reported at the first Briefing in July.

At the time of preparing this report 75.34% of the current financial year has elapsed. The following financial data has been extracted from Council's official financial database (Technology One).

Directors' Financial Overview - Water & Sewerage Operational						% Of Year passed -	75.34%
<i>As at end of period 9</i>							
Bus Unit	Description	Year to Date Expenditure	Adopted Expenditure Budget	% of Adopted Budgeted Expenditure	Revised Expenditure Budget	% of Revised Budgeted Expenditure	
210	Recoverable Works - Wastewater	188,593	210,084	89.8%	210,084	89.8%	
221	Industrial Sewerage	274,563	606,206	45.3%	606,206	45.3%	
222	1770 / Agnes Water Sewerage	948,380	1,571,158	60.4%	1,571,158	60.4%	
223	Curtis Island Sewerage	672,779	2,227,004	30.2%	2,227,004	30.2%	
225	Sewerage Administration	0	0	0.0%	0	0.0%	
228	Urban Sewerage - Boyne Is / Tannum / Calliope	2,304,568	3,205,930	71.9%	3,205,930	71.9%	
229	Urban Sewerage - Gladstone	3,882,470	7,459,955	52.0%	7,459,955	52.0%	
245	Recoverable Works - Water	237,731	107,084	222.0%	107,084	222.0%	
246	Lake Awoonga Scheme	13,651,647	20,935,241	65.2%	20,935,241	65.2%	
248	Miriam Vale & Bororen Water Schemes	238,538	295,075	80.8%	295,075	80.8%	
251	1770 / Agnes Water Water Scheme	1,223,064	1,996,021	61.3%	1,996,021	61.3%	
255	Water Administration	4,938,347	6,299,345	78.4%	6,299,345	78.4%	
Sub Total		\$ 28,560,681	\$ 44,913,103	63.6%	\$ 44,913,103	63.6%	

Directors' Financial Overview - Water & Sewerage Capital							
Bus Unit	Description	Year to Date Expenditure	Adopted Expenditure Budget	% of Adopted Budgeted Expenditure	Revised Expenditure Budget	% of Revised Budgeted Expenditure	
210	Recoverable Works - Wastewater	0	0	0.0%	0	0.0%	
221	Industrial Sewerage	99,949	262,500	38.1%	276,556	36.1%	
222	1770 / Agnes Water Sewerage	2,519,831	4,141,945	60.8%	4,361,050	57.8%	
223	Curtis Island Sewerage	47,413	28,125	168.6%	28,125	168.6%	
225	Sewerage Administration	0	0	0.0%	0	0.0%	
228	Urban Sewerage - Boyne Is / Tannum / Calliope	1,287,194	2,536,250	50.8%	2,644,270	48.7%	
229	Urban Sewerage - Gladstone	4,510,552	9,178,500	49.1%	9,779,397	46.1%	
245	Recoverable Works - Water	0	0	0.0%	0	0.0%	
246	Lake Awoonga Scheme	2,835,327	11,886,638	23.9%	11,406,527	24.9%	
248	Miriam Vale & Bororen Water Schemes	1,915,667	2,309,638	82.9%	2,309,638	82.9%	
251	1770 / Agnes Water Water Scheme	632,426	1,547,350	40.9%	1,574,352	40.2%	
255	Water Administration	0	0	0.0%	0	0.0%	
Sub Total		\$ 13,848,359	\$ 31,890,945	43.4%	\$ 32,379,914	42.8%	

Consideration:

Capital Business Units

Technology One provides information on invoices received from contractors and suppliers as well as committed costs (i.e. value of contracts or purchase orders issued to contractors and suppliers which have not yet been invoiced to Council). The table above provides details on amounts invoiced to Council. Attachment 2 provides details on actual plus committed costs.

Based on invoices received to date, 42.8% of the allocated budget has been spent. Based on invoiced amounts and including committed costs, 77.8% of the capital budget has been allocated.

The Water Services team had projected a cumulative expenditure of \$19.130M to the end of March. Estimated expenditure (based on invoiced costs and activities which have been completed but not invoiced) to end of March was \$14.112M. The low figures are due to recently awarded projects having long lead times for the procurement of pipe and fittings. In accordance with contracts, Council will only pay for works completed. Once the pipes and fittings are delivered to site, works commence quickly and higher value monthly invoices are paid. This means that there can be a lag of around three to four months before significant expenditure occurs on a project.

For Councillors convenience a copy of the adopted Capital Projects is provided in "Attachment 1".

The current financial and timing status of the Capital Projects is provided in "Attachment 2".

Capital Business Unit Summary

Industrial Sewerage - There are two main projects within this Business Unit.

Upgrade Yarwun WWTP – Consultant has been engaged to develop a concept design and assist Council with negotiating new environmental conditions. A kick off meeting is planned for first week in April.

1770 / Agnes Water Sewerage - There are three main projects within this Business Unit.

Trunk Rising Main from Pump Station 11 to WWTP - Stages 1 and 2 are complete. Stage 3 construction commenced on 31 January in Streeter Drive and 1300m of pipe has been laid. Contractor has submitted a variation for \$100,000 for higher than expected rock strength. The variation is being assessed by the superintendent. Progress has been impacted by recent rain events. Delay in this project will cause delay in commencing Clinton Reservoir Trunk Delivery Main project as contractor is planning to use the same work force on both projects.

SPS D and Rising Main - Consultant has completed the detail design and draft design drawings have been prepared. Safety in Design and review of draft detail design drawings have been completed.

Agnes WWTP Inlet Works Upgrade - Contract has been awarded and work to commence by 17 April 2017.

Urban Sewerage - Calliope/Boyne/Tannum - There are two main projects remaining within this Business Unit.

Sewerage Asset Replacement - Planning underway (noting that a contingency will be maintained for emergent works). Works for Boyne 4 Sewerage Pump Station, Tannum Sands WWTP inlet screens and the access road to the Tannum Sands Communication Tower have been completed. More works are programmed.

Sewer Relining - A section of sewer main in Calliope has been included in the main sewer lining tender. Tender closed on 9 March. Tender evaluation is in progress.

Urban Sewerage - Gladstone - There are eleven main projects remaining within this Business Unit.

Chapple Street A01 Pump Station and Emergency Storage Upgrade – Demolition of the Chapple St property completed in March. Tender for the Emergency Storage closed on 31 March. Consultant has been engaged to undertake the detail design of the pump station.

Cemetery Drive S01 SPS Upgrade and Emergency Storage - Construction of the actual storage tank is completed. Recent wet weather has delayed the project, with completion now expected by end of May 2017. Pigging/flowmeter works will be undertaken by GRC in April. Pump station upgrade works design and construct contract has been awarded.

SPS A05 Conversion – Tender has been awarded and site mobilisation will commence on 18 April.

Upgrade Switchboards - Materials purchased to allow Radtel boards to communicate with ClearSCADA system. Installation Works have been awarded and in progress.

Gladstone Mains Upgrade - Includes both a contingency for emergent works and relining program. Tender for relining was closed on 9 March 2017. Tender evaluation is in progress.

SPS A06 Upgrade – System modelling indicates that major works on the pump station may potentially be deferred. A condition assessment will be carried out on the existing wet and dry wells to determine what structural work is required. A consultant will be engaged to complete the concept design. The works to date may potentially save Council capital costs,

however due to the time required to complete these investigations, carry over of funds may be required to 2017/18.

SCADA Regional Tower – Due to access issues, an alternate location has been identified for the tower. Pre-approval is required from CASA before proceeding with detail design, which may delay delivery of this project. Some funds may need to be carried over into 2017/18 as a result.

Gladstone WWTP Biosolids Upgrade - Consultant currently undertaking review of sludge handling practices and recommended dewatering options. Extension of time request by the consultant has been approved.

Rising main from NRG to GWWTP - Tender was called and 3 submissions received. Due to Department of Main Roads requirements, enveloper pipe has been changed to concrete pipe. Tenderers have been requested to submit price for this work. Tender evaluation is in progress.

Lake Awoonga Scheme - Water - There are twenty one projects within this Business Unit.

Fire Flow Upgrade, Benaraby Road – Tender was awarded on 21 February and construction progressing with some delay due to inclement weather.

Kirkwood Low Reservoir - All environmental approvals have been received for the reservoir and access road. Reconfiguration of a lot is in progress for acquiring a portion of land for the access road. Contract for construction of bulk earthworks, access track and inlet and outlet mains has been awarded, with letter of acceptance being prepared. The design and construct tender for the reservoir closed on 23 March. Four submissions were received and the tender evaluation is in progress.

Paterson No.2 Reservoirs – Application for environmental approval has been lodged and awaiting approval. The design and construct tender for the reservoir closed on 23 March and tender evaluation is in progress. This project has been shortlisted to receive funding under the Building our Regions funding program. Tender award will be delayed to coincide with funding announcements to maximise eligible costs which can be claimed for.

Paterson 2 Water Main – Contract has been awarded and site possession was granted on 24 March 2017. The contractor has ordered all pipes and fittings, however recent wet weather has delayed the commencement of works.

Benaraby Reservoir - Land deal has been finalised and land registration has been completed.

Clinton Reservoir Trunk Delivery Main - Stage 1 is completed. Contract for the Stage 2 construction has been awarded. Site possession is being held up due to delay in submission of Quality and Environmental documents by the contractor. Pipes and fittings have been ordered and site works are expected to commence around two weeks late (17 April 2017).

Replace QAL Water Main – The concept design for stage one has been completed. The proposed alignment is through a gas easement. Council is seeking approval from Jemena to place the main within their easement. Pending approval timeframes, carry over funds may be required into 2017/18.

Miriam Vale Water Scheme – One main project in this Business Unit.

Miriam Vale WTP Upgrade – The old plant was decommissioned on 14 March 2017. Council officers are satisfied that the new plant can operate under all conditions. Practical completion issued on 31 March 2017. Due to the recent rain event, the minor outstanding

works will be completed by 7 April 2017. As per funding agreement, Department of State Development engaged a consultant to carry out a Technical Audit on the plant. A site audit was undertaken on 16 March 2017.

1770/Agnes Water - Water Scheme - There are five projects within this Business Unit.

Trunk Water Main from Agnes WTP to High Level Reservoir - Stage 1 completed. Stage 2 from school to tavern: Tender was awarded on 18 October and the contractor commenced mobilisation to site on 8 March. Due to inclement weather, contractor is unable to commence work as per the program and works will commence by 3 April. Stage 3 Round Hill Road section: An application for funding under Building Better Regions program was lodged on 28 February. Tender documents are being finalised.

Captain Cook Water Main Duplication and Rezone Agnes Water Supply - Stage 1 completed. Captain Cook Drive Booster Pump investigation is underway.

All Water and Sewerage Schemes

SCADA Upgrade - Consultant has been engaged to undertake option study. Consultant has submitted the Stage 1 deliverables – Documenting existing Network – on 27 March.

Odour Investigation - Investigation and development of odour /corrosion model is facilitated by Technical Services section. Consultant CH2M Hill has been engaged to undertake the work. Work progressing with 75% completed.

Future Tenders to be Called

The following table provides a summary of upcoming tenders to be released by Water Services:

Project Detail	Tender Date
Nil	

Finance Summary

Projects nominated as Completed March

Project	Completion Date
SGC4029 – SPS T01	March 2017
SGC4061 – A06 SPS Rising Main	March 2017
SGC6011 – South Trees WWTP Inlet Upgrade	March 2017
WLC1043 – QCV Water Line – Bruce Highway	March 2017
WLC9011 – Benaraby Reservoir	March 2017

Projects nominated as Defer March

(ie unable to substantially start this financial year)

Project	
Nil	

Projects nominated as Carry Over March

(ie started but unable to finish this financial year, Carry over a portion of budget to 2017-2018)

Project	
	Carry overs are being evaluated for few projects and will be included in the budget submissions.

Projects nominated as Overspend March

(not yet complete but forecast to be overspent by 10% or more of the whole project budget. Due to accounting practices there may be some anomalies within a particular financial year for projects that span more than one financial year)

Project	Status
WLC3018 – LA Meter Replacement	More meters replaced than anticipated
WLC9013- Kirkwood Reservoir	Tender awarded & most work will be in 17/18
WLC9018 - Heidelberg Reservoir	Increased design and geotech costs
WMC3018 – Miriam Vale New meters	Additional water meters were required
WAC2006 - Agnes Water / 1770 Water Service Replace	Additional services required replacement
WAC3019 - - Agnes Water / 1770 new water meters	Additional water meters were required
WAC3020 - Agnes Water / 1770 Water Service Replace	Additional services required replacement

Operational Plan Performance

Operational Plan Measure	Current Status of "Target"	Comments
Reduction in inflow/infiltration - number of sewer connections smoke tested Target - 4000 by 30 June 2017	On track	1079 properties have been smoke tested.
Water loss is reduced across the networks. Target – 10% reduction in water loss compared with SWIM data submitted for 2014.15	On track	Flow meters will be installed at critical points in the water network to allow identification of problem areas. Leak detection tenders are currently being evaluated to identify leaks on key infrastructure.
Number of treatment plants with operating philosophies	On track	The operating philosophy for each plant will be incorporated into the online data management system

Target - 6 of 6		that will address operating data as well as compliance data.
Percentage of customer service requests initially received by Water Services responded to within 10 business days of lodgement. Target - 100%	On track	No CSRs went over the 10 business days. They related to non-urgent issues which have been reported through the website.

Communication and Consultation (Internal/External):

Miriam Vale Water treatment plant received funding from Queensland Government under the Building our Regions Funding Program. As this project is one of the few projects within Round 1 nearing completion, this was selected for audit by the Department of State Development. The department engaged Cardno Pty Ltd to undertake the technical audit. Officers accompanied by Senior Projects Engineer – GRC, visited the site on 16 March to inspect the facility and collect all necessary data to complete the audit. While the department will officially notify Council of the audit outcomes in the coming months, the close out meeting did not raise any issues of concern.

Council officers have liaised with Gladstone Area Water Board (GAWB) regarding Maximum Daily Quantity (MDQ) exceedances incurred from three supply points during February 2017. GAWB have responded that the MDQ levels will not be reset, resulting in a potable water cost increase to Council for the remainder of the current pricing agreement (ie to June 2020).

Council officers have also liaised with GAWB regarding obtaining visibility rights on their reservoir levels and flow meters in order to improve Council's ability to move water around the network and balance water demand to reduce cost increases. GAWB currently hold reservations over providing this visibility.

Legal Environmental and Policy Implications:

A number of sewerage overflows were reported to the Department of Environment and Heritage Protection.

Financial and Resource Implications:

The volume of water purchased from GAWB in March will be low compared with a reserved amount of 877ML, due to the wet weather experienced across the Region.

Budget Revisions

Nil.

Staffing

Newly recruited Civil Project Engineer will commence work on 10 April 2017.

Summary:

Actual capital expenditure including committed was (\$25.19M) or 77.8% as at 31 March 2017.

Capital Works program that commenced or continued in the month of March include:

Project Code	Project Description
SIC5000, SAC5000, SCC5002, SGC5007	SCADA Upgrade – Consultant has been engaged to undertake option study. Various sites have been inspected. Consultant has delivered the Stage 1 deliverables – Documenting existing Network – on 27 March
SIC6002	Upgrade Yarwun WWTP – Tender has been awarded to develop a concept design for retrofitting the existing plant
SAC1014	SPS E Land Purchase - Land transaction complete. Cultural survey completed, driveway access to be installed per DA conditions.
SAC4008	Sewer Rising Main - SPS11 to Agnes Water WWTP Stage 2 - Works completed. Stage 3 – Construction commenced on 31 January. 1300m of pipe has been laid. Possible delay due to wet weather
SAC4009	SPS D and Rising Main – Safety in design and review of draft detail design drawings completed.
SAC6008	Agnes Water WWTP Irrigation Area - Planting of new vegetation completed. Monitoring rainfall and establishment of vegetation
SAC6009	Agnes WWTP Inlet Works Upgrade – Contractor will commence mobilization by 17 April
SCC4012	Switchboards – Quotation has been called and work will be undertaken in April.
SCP6000	Boyne Island WWTP Upgrade – Proof of Performance Test and Commissioning completed in January. Issue of Practical completion is delayed due to delays in completing the variation works by the contractor.
SGC4023	SPS S01 Upgrade – SPS S01 Upgrade – Council has awarded the pump station upgrade works. . Materials have been delivered to site for pigging/flowmeter works which will be undertaken by GRC in April.
SGC4058	SPS A01 Upgrade (Chapple Street) -SPS A01 Upgrade (Chapple Street) - Detail design is in progress. Demolition works completed in March 2017. Tender for the emergency storage closed on 31 March.
SGC4059	SPS S01 Emergency Storage - Construction of storage tank is completed. Project is expected to be completed by end of May 2017.
SGC4061	SPS A06 to A01 Diversion - Detail design is completed and final drawings received in March
SGC4063	SPS A05 Conversion – Tender has been awarded. Site mobilisation will commence on 18 April
SGC4064	SPS T05 Upgrade (raise) - Works completed. Road repairs also completed. Contractor has completed minor landscaping work in February. Awaiting invoice
SGC4067	Emergency Storage Upgrade for SPS A10 - Consultant has been engaged to undertake the design. 95% completed.
SGC6012	Gladstone WWTP Stormwater Mitigation – Contractor is progressing site works. Storage tank will be delivered on 10 April.
WLC1039	Chlorine modelling report received. Additional model runs requested with various pressure / flow scenarios. Options finalised and project has been completed in February

WLC1041	Clinton Reservoir Main - Stage 1 Chapman Drive water main completed. Stage 2 - Site works will commence by 17 April with 2 weeks delay. Site possession not granted yet due to delay in approval of documentation.
WLC1042	Paterson 2 Water Main – Site possession granted on 24 March. Commencement delayed due to wet weather.
WLC1045	Fire Flow Upgrade, Benaraby Road – Site possession granted on 10 March. Work progressing with some delay due to wet weather. Easement survey is in progress.
WLC1048	Replace QAL Water Line – Detail design of Stage 1 is progressing and awaiting Jemena's approval for the alignment within their easement.
WLC9012 WLC9013	Paterson 2 & Kirkwood Low Reservoirs – D&C tender closed on 23 March. Tender evaluation in progress. Kirkwood Access Track tender awarded. Letter of acceptance is in progress.
WLC9017	Kirkwood Low Reservoir Outlet – Stage 2 (Kirkwood Reservoir Access Track) design completed. Stage 1 and 3 design progressing.
WAC1005	Trunk Main from Agnes Water WTP to High Level Reservoir - Stage 1 (WTP to State School): Completed. Stage 2 (State School to Tavern): Contractor mobilised on site on 8 March. Construction will commence on 3 April with delay due to inclement weather Stage 3 (Tavern to high level Reservoir): Tender documents being finalised. Easements negotiations in progress. Awaiting funding announcements
WAC1006 WAC1007	Captain Cook Water Main Duplication - Construction completed. Booster pump investigation is underway.
WMC6001	Upgrade Miriam Vale WTP – Proof of Performance Test completed. Hydraulic testing also completed. New plant operational and optimisation completed. Old clear water tank has been removed. Minor site works and outstanding. Practical completion issued on 31 March

Attachments:

1. Water Services 2016-2017 - Budget Allocation Paper.
2. Directors Financial Overview - Water Services Capital - March.

Tabled Items:

Nil.

Report Prepared by: Senior Projects Engineer

CSC/5.3. FLEET SERVICES REPORT - MARCH 2017

Responsible Officer: Director Corporate and Community Services

Committee Meeting Date: 11 April 2017

File Ref: CM19.2

Purpose:

Presenting the Bi-monthly Report by Fleet Services for the period ended 31 March 2017.

Officer's Recommendation:

That the Bi-monthly Report by Fleet Services for the period ended 31 March 2017 be received.

Background:

Attached is the actual financial position of Fleet as at the end of March. Total Income and Expenses are inline with the revised budget. Insurance and registrations are high proportionally, however they are largely one-off purchases which have already occurred for the financial year.

2017/18 Budget

Plant hire rates for the following year are established in February so that they can form part of the budget packs which are delivered in March. Rates for 17/18 are probably slightly lower than the previous year reflecting a reduction in in the Rate of Return from 7.25% to 6.75%. This rate is calculated based on a 5 year rolling average of the NCP target return rate. Once interest rates increase this rate will also increase, however the 5 year average does help to smooth these fluctuations.

Outside the Rate of Return, there has been some increases, however the goal is always to minimise these increases. Fuel is always the unknown factor as price fluctuations are outside Council's control. Fleet's procurement program is focused on minimising fuel consumption, however Council will always be a major consumer of diesel.

Landfill Equipment Evaluation

Fleet Services is currently evaluating tenders for a Compactor, Traxcavator and Excavator with the input of Waste Services with a view to bringing a report to the next Finance and Corporate Governance Committee meeting. Generally Fleet asks for equipment to be delivered to the region for trialing, however this equipment is specialty equipment and therefore it is not practical to bring the equipment. Instead Waste Service employees along with a mechanic and a workplace Health & Safety officer went to various locations to test drive equipment on site at various landfills. This process is critical to ensuring that the best possible machinery is purchased. In this case the three items are worth nearly \$2M.



Mechanical Staff

Fleet Services are now back to full compliment of mechanical workforce with the commencement of two employees in March. Fleet Services has struggled over the last few months due to vacancies that existed. While Fleet has outsourced some work during this time, it is important now to catch up on some work.

WHS Award

Fleet Services was presented with an award by Council's Occupational Health and Safety team for work it has been doing to reduce Property damage to Council plant. As part of Fleet's goal of increasing communication, staff have been providing information packs in all vehicles and plant items covering mass and dimension limitations, registration information, Council policies and forms. It was felt to be important to give all operators factual information.

Fleet Services continue to work with departments and OHS to reduce property damage to both Council's plant fleet and third party equipment.



Consideration:

Nil.

Communication and Consultation (Internal/External):

Nil.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Figures for March is within the adopted budget.

Commentary:

Nil.

Summary:

Nil.

Attachments:

1. Fleet Budget as at 31 March 2017

Tabled Items:

Nil.

Report Prepared by: Manager Property & Fleet Services

CSC/5.4. FLEET BUSINESS PLAN

Responsible Officer: Director Corporate & Community Services

Committee Meeting Date: 11 April 2017

File Ref: PE10.1

Purpose:

Provide Council with information on the proposed revised Fleet Services Business Plan.

Officer's Recommendation:

That Council adopted the attached revised Fleet Services Business Plan.

Background:

On the 1 December 2015, Council adopted the current Fleet Services Business Plan. As this plan predates the 2016 Council election, a number of Councillors may not have seen this document.

Fleet Services operates as a commercial operation including seeking to make a profit each year. There is nothing provided by Fleet Services which can not be sourced by external providers and hence it is critical that the service is competitive with the external providers. It is for this reason that the Business Plan was created and is updated on a regular basis. Fleet Services benchmarks its rates against outside providers as well as benchmarking its servicing hourly rates.

The attached plan is not significantly different from the previous version as the focus remains on ensuring that the equipment is fit for purpose and is in working order with minimal down time. The plan also seeks to continually improve communication between Fleet and its customers.

This plan seeks to deliver 6 key objectives:

1. Improved two way communication,
2. Reduction in down time of plant,
3. Ensuring that the plant fleet meets the needs of customers;
4. Build greater respect of Council's plant fleet;
5. Further reductions in Council's fleet costs; and
6. Further rationalisation or changes to the plant fleet mix to drive down unit costs.

One of the major changes to Fleet during this time was the transfer of Contracts & Procurement from Contracts & Facilities to Finance. To ensure a consistency of approaches within Fleet, that change lead to the transfer of two employees, one from contracts and the other from Procurement to Fleet. This change has been very positive in helping to focus on the goal of improving communication and ensuring that plant is fit for purpose.

Consideration:

The plan includes an Action Plan and Key performance Indicators. The Action Plan predominately comprises "ongoing" tasks reflecting the fact that this is now a mature plan and rather than seeking to create major changes, the tasks are designed to continually seek

to improve what we currently doing. These tasks try to reinforce the objectives identified above.

The indicators are designed to reinforce the objectives and the tasks. These indicators are largely unchanged from the previous plan.

The replacement program does tend to be lumpy reflecting the useful lives of the existing equipment. These figures are based on a model only and the actual replacement program will depend on the condition of the plant.

Communication and Consultation (Internal/External):

Fleet Services regular meets with its customers to identify issues and look for ways to improve. Monthly reports are also sent to all Managers to provide information on utilisation percentages etc.

Fleet Services is in the process of finalising a Service Level Agreement with Engineering Services.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Fleet Services is self-funding and does not involve a direct impact on Council's budget, however it does pay a dividend back to the general budget.

Obviously plant hire rates do have an indirect impact on other departments' budgets.

Commentary:

Nil.

Summary:

Nil.

Attachments:

1. Fleet Services Business Plan.

Tabled Items:

Nil.

Report Prepared by: Manager Fleet & Property Services

CSC/5.5. GLADSTONE ENTERTAINMENT CONVENTION CENTRE MONTHLY REPORT FOR MARCH 2017

Responsible Officer: Director Corporate and Community Services

Committee Meeting Date: 11 April 2017

File Ref: CM19.2

Purpose:

The purpose of the report is to provide the monthly report for Gladstone Entertainment Convention Centre for March 2017.

Officer's Recommendation:

THAT the Gladstone Entertainment Convention Centre monthly report for March 2017 be 'received'.

Background:

Gladstone Entertainment Convention Centre (GECC) is a business unit of Gladstone Regional Council. First opened in 1981, the facility underwent a substantial redevelopment in 2012/13 to offer both residents and visitors a greater array of performances and entertainment options in Gladstone's CBD.

Commentary:

Operational Plan / Budget (Targets/Key Performance Indicators)

As shown in the *attached* Business Unit Report, GECC's trading position shows the following:

1. **Operating Revenue** - GECC was budgeted originally to receive \$2,488,500 in operating revenue in 2016/17 (\$1,781,500 in 2015/16). This excludes any capital grants received and the rates equivalent payments from Gladstone Ports Corporation to service the borrowings for the recent expansion project. The figures do include Community Service Obligation payments made by Council to GECC in accordance with policy adopted for the first time earlier this year.

A budget Adjustment was submitted in January 2017, reducing the income projected to \$1,925,250.

The report records \$1,224,389 (63.6% of budget) generated in revenue to March 31 (75.34% of year). In real terms this is \$219,549 behind YTD. This is confirmed to be timing:

- o \$167,335 in CSO claims as some major events (ie Community Musical) yet to be completed
 - o \$52,214 in Marketing Sales and Sponsorships and Grants yet to come in
2. **Operating Costs** – Conversely, GECC has budgeted \$4,408,899 in operating expenses in 2016/17 (\$4,696,343 in 2015/16), including annual depreciation of

\$830,645, but excluding bank interest and redemption on the \$19.4 million loan for the recent expansion project.

A budget Adjustment was submitted in January 2017, increasing the expenditure projected to \$4,531,201.

The report records \$3,133,016 (69.1%) in expenses to March 31 (75.34% of year).

The report records a current deficit of \$1,908,624 (73.2% of budget) to March 31 (75.34% of year).

3. **Operating Result** - The revised resultant operating (ex-capital) budget is a deficit of \$2,605,951 for 2016/17 (\$2,914,843 in 2015/16).

The report records a current deficit of \$1,908,624 (73.2% of budget) to March 31 (75.34% of year).

Activities in the Centre in March

Event Type	No. of Days	Patrons	Comments
Commercial:			
Meetings / Training	4	180	BETA, Building Strategy, Rural Fire
Conference / Exhibitions	2	2889	World Science Festival
Events	4	1370	Wedding, Tropix, CQU Graduation, Mayors Youth Breakfast
Shows - Hire	1	501	World of Musicals
Public Programs:			
Workshops	7	105	Community Musical Rehearsals
GECC Presents	1	404	Raw Untapped
TOTAL	19	5449	
Tickets Sold		3756	

Sales

- Weather events and 'out of the box' thinking saw all venue spaces activated as they should be on a number of occasions this month. 3 events successfully hosted at once, using all venue spaces and maximising our capacity.
- A long-term weekly hire has been successfully negotiated with Lifestyle Church. This is a boost for the Centre and the CBD in general and will see a beneficial ongoing partnership. Further bookings have been generated from this already.
- Confirmation has been received that the Alumina 2018 Conference will be held at the GECC in 2018. The event expects 300-400 delegates over 3 full days of conferencing

Marketing

- Dee Dalton has been appointed Sales and Marketing Officer. Dee brings a wealth of knowledge particularly in the digital space and was previously working for QANTAS in Sydney. She has hit the ground running and already showed her value to the business.
- Marketing has been more targeted of late, resulting in significant increases in pre-sold tickets more than 6 weeks out from a show and increased overall numbers.

- Social Club Offers are being well received with over 80 bookings from the first offer.
- Website remains a focus and an internal 'task force' has been put together to ensure this work remains constant.

Public Programs

- Community Musical rehearsals are now in full swing
- Untapped - GECC presented its first buy, as part of the 2017 GECC Presents Season, on 30 March. A free dance workshop was offered as part of the show, attended by 35 dancers (pax). Feedback from the workshop has been extremely positive. GECC experienced the largest patronage to this dance show, vs other dance shows presented for at least 12 months, with 393 paid patrons and total 404 patrons compared with an average of 200 patrons to other dance shows
- Children's Festival - Collaboration with community groups and GRC departments is underway to deliver a robust week of activities, offering free and paid events. Expressions of Interest have been received from arts workers in the community to participate in the week.

Public Relations

A summary of media exposure below for March 2017.

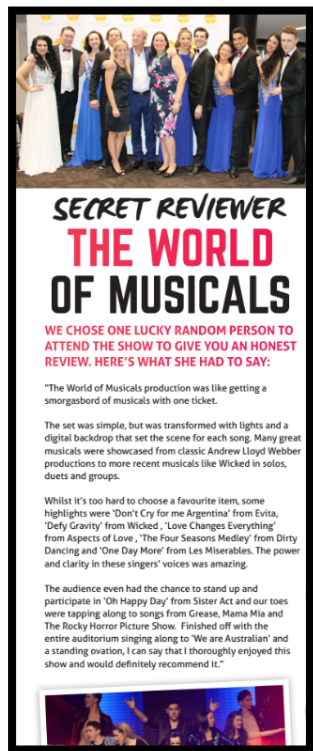
Title	Media	Date
Musical kicks off Australian tour in Gladstone	Gladstone Observer	1 st March 2017
Spider Hunter to catch amazing species Unique to Gladstone	Gladstone Observer	2 nd March 2017
Science Festival Opens Doors for Future Jobs	Gladstone Observer	4 th March 2017
'Really Powerful' Popular TV Show Tour is coming to Gladstone - Rockwiz	Gladstone Observer	8 th March 2017
What's On/Out and About	Gladstone News	9 th March 2017
Secret Reviewer - The World of Musicals	Gladstone News	9 th March 2017
What's On	Gladstone News	16 th March 2017
Koi Boys to Perform at Mayor's Ball	Gladstone News	16 th March 2017
'Biggest Adrenaline Rush' The man behind Roy Orbison	Gladstone Observer	22 nd March 2017
Untapped Advertisement	Gladstone News	23 rd March 2017
Lifestyle Church - In the City	Gladstone News	23 rd March 2017
BodyBuilders to strut the stage today in Gladstone	Gladstone Observer	25 th March 2017
The Koi Boys are bringing one big party	Gladstone Observer	29 th March 2017
Out and About - Tropix	Gladstone News	30 th March 2017
Family Affair for CQ University Graduates	Gladstone Observer	31 st March 2017
Dance Students Learn from the Best	Gladstone Observer	1 st April 2017

Facebook

- Post engagement is 24,119
- 66 new page likes from last month
- 12,073 user reach
- 24,119 post engagement
- Total Page Likes as of March EOM: 4.756

Website

- 5,773 sessions
- 4,001 users
- 26,100 page views
- Users spend an average of 2.48 minutes viewing per page



Legal Environmental and Policy Implications:

GECC trades having due regard to National Competition Policy <http://ncp.ncc.gov.au/> principles, the application of Codes of Competitive Conduct http://www.austlii.edu.au/au/legis/qld/consol_act/lga2009182/s47.html

On 17 May 2016, Council adopted formal processes for more clearly identifying non-commercial transactions for GECC via the Programming Policy and Annual Programming Proposal.

Catering / Bar Tender:

- A Catering Service Agreement has been signed between GRC and Light Group Pty Ltd for the provision of Bar, Café and Catering services at the GECC.
- The first couple of events have been very effective and work is continuing to ensure that the product provided by the new service provider meets the Centre's high standards.

Attachments:

1. GECC Business Unit Report March 2017

Tabled Items:

Nil.

Report Prepared by: General Manager Gladstone Entertainment Convention Centre

CSC/6. URGENT BUSINESS

Nil

CSC/7. NOTICE OF MOTION

Nil

CSC/8. CONFIDENTIAL ITEMS

Nil

CSC/9. MEETING CLOSE

ATTACHMENTS