

Agenda

Special Meeting (Region Making Projects)

Thursday, 8 November 2018

commencing at 2:00pm

Council Chambers, Omrah Avenue, Caloundra

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	5
3	INFORMING OF PERSONAL INTERESTS.....	5
3.1	MATERIAL PERSONAL INTEREST	5
3.2	CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST	5
4	REPORTS DIRECT TO COUNCIL	7
4.1	BUILT INFRASTRUCTURE.....	7
4.1.1	SUNSHINE COAST AIRPORT EXPANSION PROJECT UPDATE	7
5	CONFIDENTIAL SESSION	15
5.1	OFFICE OF THE CEO	15
5.1.1	CONFIDENTIAL - NOT FOR PUBLIC RELEASE - MAROOCHYDORE CITY CENTRE UPDATE.....	15
5.2	ECONOMIC AND COMMUNITY DEVELOPMENT	16
5.2.1	CONFIDENTIAL - NOT FOR PUBLIC RELEASE - SUNSHINE COAST INTERNATIONAL BROADBAND NETWORK PROJECT	16
6	NEXT MEETING.....	16
7	MEETING CLOSURE.....	16

1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**3 INFORMING OF PERSONAL INTERESTS****3.1 MATERIAL PERSONAL INTEREST**

Pursuant to Section 175C of the *Local Government Act 2009*, a Councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the Councillor's material personal interest in the matter and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

3.2 CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST

Pursuant to Section 175E of the *Local Government Act 2009*, a Councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees, must inform the meeting about the councillor's personal interest the matter.

The other Councillors must then decide

- (a) whether the Councillor has a real conflict of interest or perceived conflict of interest in the matter and
- (b) if they decide the Councillor has a real conflict of interest or perceived conflict of interest in the matter
 - (i) whether the Councillor must leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on, or
 - (ii) that the Councillor may participate in the meeting in relation to the matter, including by voting on the matter.

4 REPORTS DIRECT TO COUNCIL**4.1 BUILT INFRASTRUCTURE****4.1.1 SUNSHINE COAST AIRPORT EXPANSION PROJECT UPDATE****File No:** SCAEP Quarterly Reporting**Author:** Project Director (Sunshine Coast Airport Expansion)
Built Infrastructure Group

PURPOSE

The purpose of this report is to provide Council with a progress update on the delivery of the Sunshine Coast Airport Expansion Project

EXECUTIVE SUMMARY

This report provides an update on the Sunshine Coast Airport Expansion Project (SCAEP or Project) and more specifically, the significant activities undertaken in the last quarter.

Key milestones achieved by the contractor include top soil stripping, installation of the containment bund and polishing pond, the completion of the dredging campaign and the submission of the Issued for Approval (IFA) design documents.

Despite significant rainfall events in recent weeks, the Contractor remains on track to deliver the Project in accordance with the contract Date for Completion.

Further work has been undertaken on the vegetation management strategy necessary to address the impacts associated with penetrations through the Obstacle Limitation Surface (OLS) for the approaches to the new runway.

Negotiations are underway with the Department of Environment and Science to agree to minor amendments to adjust the water quality parameters on the Environmental Authority (EA) to better reflect the effect of the significant rainfall events that have been experienced since the contract works commenced.

Airservices Australia (ASA) have advised that, due to amended internal process requirements, the new airspace and instrument flight procedure design will not be available until May 2020. Assistance is being sought from the private sector in an effort to minimise the impact associated with this delay.

The Contractor will be encouraged to make adjustments to the works program to ensure activities can be undertaken in a sequence which minimises delays.

The procurement activities for the quarter include:

- The award of an Airspace Design Strategy consultancy (Q1820A & B) to IDS Australasia Pty Ltd
- The award of the Flood Mitigation Levee Construction (ITT186) to Auzcon Pty Ltd
- The award of Slashing Services (Q1892) to Suncoast Mowing Solutions

OFFICER RECOMMENDATION

That Council receive and note the report titled "Sunshine Coast Airport Expansion Project Update".

FINANCE AND RESOURCING

The Project expenditure continues to align closely to the forecasted expenditure. As at 30 September 2018 actual expenditure for 2018/19 was at 33% (\$47.86 million) of the full year's budget. The adopted budget for 2018/19 is \$146.29 million for a cumulative total of \$205.99 million. The financial position including monthly forecast expenditures will be reviewed in December 2018 in conjunction with Council's Budget Review process.

The total Project cash flow includes contract and ancillary work package expenditure, financing and management costs.

Two large royalty payments were made to the Department of Environment and Science for the removal of sand from the Spitfire Channel Alignment area in Moreton Bay.

Administration of the overall project continues to be managed by the Project team, including the monitoring of mandatory governance requirements required to deliver a project of this nature.

The Principal's Representative is responsible for contract administration of the Design and Construct Contract.

External consultants are continuing to monitor and assist with the mandatory environmental approval's activities required in accordance with the Coordinator Generals Evaluation Report and subsequent environmental approvals and authorities.

CORPORATE PLAN

Corporate Plan Goal: *A smart economy*

Outcome: 1.2 - New capital investment in the region

Operational Activity: 1.2.6 - Continue works on the construction of the new runway, including appointment of design and construction contractors.

CONSULTATION

Mayor and Councillor Consultation

In accordance with the Project's Governance Framework, the Mayor, relevant Portfolio Councillors and the Division Councillor generally meet on a quarterly basis to oversee activities relating to the project, including discussion of key issues impacting the project.

Internal Consultation

- Chief Executive Officer
- Group Executive Built Infrastructure
- Group Executive Economic and Community Development
- Group Executive Liveability and Natural Assets
- Chief of Staff Office of the Mayor
- Projects Lawyer
- Chief Strategy Officer
- Manager Business Performance
- Manager Project Delivery, Liveability and Natural Assets
- Manager Environment and Sustainability Policy, Liveability and Natural Assets
- Coordinator Biodiversity and Waterways, Liveability and Natural Assets

- Coordinator Natural Areas Management, Liveability and Natural Assets
- Coordinator Strategic Property

External Consultation

- Sunshine Coast Airport
- John Holland Pty Ltd
- Dredging International Pty Ltd
- Beca Consulting Pty Ltd
- Aurecon Australasia Pty Ltd
- BMT WBM Pty Ltd
- PSK Environmental
- King & Wood Mallesons
- Core Consulting Pty Ltd
- Contour Consulting Engineers
- SMEC Australia Pty Ltd
- Everick Heritage Consultants Pty Ltd
- Department of Environment and Science
- Civil Aviation Safety Authority (CASA)
- Airservices Australia (ASA)
- IDS Australasia Pty Ltd
- Converge Heritage and Community, including Archaeo Cultural Heritage Services Pty Ltd
- Kabi Kabi First Nation People Claimant Representatives
- Quandamooka Yooloolurrabee Aboriginal Corporation (QYAC)
- Energex Ltd
- Unitywater
- Port of Brisbane Pty Ltd
- Sunshine Coast Environment Council
- Various community groups.

Various Project groups have continued to meet in accordance with the Project's Governance Framework, namely:

- SCAEP Project Control Group - Meets on a quarterly basis to oversee the coordination of all activities relating to the project, including discussion of key issues impacting the project.
- SCAEP Project Steering Group - Meets monthly to discuss the activities relating to the delivery of the project and chaired by the Chief Executive Officer.
- The Sunshine Coast Airport Project Control Group attended by two representatives each from Council and from the airport operator Palisade Investment Partners. This meeting is chaired by the Group Executive Built Infrastructure.

Community Engagement

The Project Director provided project updates to several community interest groups, the Built Infrastructure Leadership's Team and to the Finance Branch.

Bi-monthly meetings with Sunshine Coast Environment Council continue to be held providing updates on the project including environmental matters. The Project representatives met with Coolum North Shore Coast Care to discuss dune revegetation at Beach Access No. 111 where the dredging activities on the foreshore took place.

A media opportunity and Mayoral site visit to mark the completion of the dredging and sand delivery was undertaken on 24 September 2018.

Members of the team were involved in a Community Engagement meeting arranged by the Department of Environment and Science (DES) to discuss the project.

PROJECT PROGRESS

Significant milestones have been achieved this quarter by both the Principal and the Contractor in regards to early and preliminary works. The ancillary work programs continue to progress and discussions have been held with DES regarding a minor amendment to the Environmental Authority (EA).

The Design and Construct Contractor, John Holland has achieved significant milestones this quarter with the installation of the containment bund and the polishing pond, the subsequent completion of dredging activities and the design progressing towards Issued for Construction (IFC) status.

The dredging activities were completed on the 23 September 2018. This major milestone involved the delivery of just under 1.3 million m³ of loose sand to the project site over a period of 44 days. The Nile River's daily performance improved steadily throughout the campaign, culminating in the delivery of up to four loads of sand within a 24 hour period. This reduced the anticipated sand delivery timeframe. Dismantling of the sinker line was undertaken over a period two days (25 & 26 September 2018) with Marcoola Beach closed with beach accesses 110 and 112. This included floating the sinker line and relocating it to the beach. The pipe was then cut into 12 metre pieces and relocated to the northern end of the runway area for storage. The Nile River departed Brisbane for Singapore on 25 September 2018.

The sand dune at Beach Access No. 110 has been re-shaped and revegetation will commence in October 2018. A light spill screen will be erected to prevent interruptions to turtle resting activities.

The 80% Design has progressed with the Issued for Approval (IFA) Design Documents finalised at a Technical Design Workshop held on 27 September 2018 involving the relevant stakeholders. The Issued for Construction (IFC) version is due for release in late October 2018.

Both the Contractor and the Project Team are working with DES in a concerted effort to identify and deliver best practice erosion and sediment control practices across a very large site comprising some 150 hectares of disturbed ground.

Departmental compliance team members have now audited the site on four occasions. A number of minor issues have been identified and the Contractor has taken steps to address those issues and further enhance the Erosion and Sediment Control Plan to seek continuous improvement.

The Contractor successfully delivered just under 1.3 million m³ of sand accompanied by 2,500 mega litres of water without incident during the dredge campaign. Since then, more than 300 mega litres of rainfall has been received on the site.

As required by the Concessional Loan Facility Agreement for the Expansion Project, a Quarterly Progress Report for Quarter 2 was provided to the Department of Infrastructure, Regional Development and Cities.

Ancillary Work Packages

Ancillary Works Packages continue to progress for both the Enabling Activities and the Preliminary Works.

a) Environmental Approval Submissions

SCAEP are currently in discussions with DES to agree to minor amendment to the current Environmental Authority (EA). SCAEP are seeking amendments relating to:

- A groundwater monitoring location associated with conditions for the removal of the reclamation bund and polishing pond; and
- Water quality parameters to reflect the significant rainfall events that have been experienced this year.

b) Runway Obstacle Limitation Surface (OLS)

Evaluation of the impacts of the penetration through the OLS for the approach to the new runway continues. A Flora and Fauna survey was undertaken in September 2018 and the vegetation management options identified during this process are currently being considered. Discussions are being held with the land owners. A final report is due in November 2018.

c) Flood Mitigation Levee

The contract for the construction of the flood mitigation levee has been awarded. The contractor will commence preliminary activities by the end of October 2018 with a view to having the works complete by late April 2019.

d) Acid Frog and Ground Parrot Monitoring

Results from the 2017/18 acid frog monitoring show population numbers were greater than at the corresponding time in 2016/17. This is attributed to greater rainfall during the wet season. These numbers have been compared against baseline studies at the Maroochy River National Park and show that project activities appear not to be having a negative impact on these species.

Results from April 2018 ground parrot monitoring compare favourably with those of previous surveys, with call frequency and the estimated abundance of birds similar to April 2012 and greater than April 2017. However, early July 2018 call frequency, the number of triangulation fixes, and estimated abundance of ground parrots were all lower than in April 2018. These results were similar however to results obtained during surveys in June/July of 2017. Determining whether the apparent decline in ground parrot numbers through April-July is real and/or attributable to impacts associated with the Project is still being investigated.

Clearing in the Wallum Heath Management Area (WHMA) was placed on hold during the ground parrot breeding season 15 July - 31 October 2018. Recent weather events have now triggered an eight week exclusion for clearing within acid frog habitat required under the DES approved Acid Frog Species Management Plan.

Monitoring of remaining acid frog and ground parrot habitat will continue with the next survey in early October 2018.

e) Pavement Impact Assessment

As a condition of the Coordinator General's Evaluation Report, Council is required to use detailed project-related traffic and transport generation information together with the Department of Transport and Main Roads Pavement Impact Assessment tool to calculate the compensation for loss of asset life of the state road network. An external consultant is now calculating these costs with the material quantities being sourced

from the IFA design. This work should be complete by end October 2018. Current indications are that the quantum will be nominal.

- f) **Airspace as Instrument Flight Procedure Design**
Airservices Australia (ASA) have advised that, due to amended internal process requirements, the new airspace and instrument flight procedure design will not be available until May 2020. Assistance is being sought from the private sector in an effort to minimise the impact associated with this delay. At this stage the completion date of the project of December 2020 is unchanged.
- g) **PFAS**
PSK Environmental in association with Core Consultants have developed a PFAS Management Framework which is currently being implemented throughout the project. This framework aligns with national guidelines and has been submitted to DES for review. All testing of water and soil on the project to date has returned very low results. Minor PFAS presence has been recorded at levels well below those that would be considered to pose a risk to humans. All levels are below specified levels for a moderately disturbed environment.
- h) **National Park Bund**
DES has granted authorisation for Flood Levee works in the Mt Coolum National Park for flood mitigation purposes. This includes in-principle approval of revocation of the area of the National Park in the bund footprint. A contractor (Auzcon Pty Ltd) has been engaged to undertake these works commencing November 2018 for a 28 week program. Council is progressing final revocation and offsets in parallel.
- i) **Public Utility Plant Relocations**
All public utility plant affected by the project has now been relocated and is operational.
- j) **Finland Road Intersection**
Approval in principal has been obtained from the Department of Transport and Main Roads to establish traffic control in the form of temporary manually operated traffic signals at the intersection with Finland Rd and David Low Way rather than to construct a separate access road. A Request for Quote (RFQ) to cover these specific works was sent to the four companies on council's existing supplier agreement and this is now in the assessment stage. This RFQ will be awarded prior to the commencement of proposed material haulage towards the end of 2018.
- k) **Relocation of the Bureau of Meteorology Instrumentation**
The new Automatic Weather Station (AWS) has been installed on the new site and is fully operational. The existing AWS has now been decommissioned.

Project Works Program

The Works Program is currently being revised by the Design and Construct Contractor, John Holland. The runway design has continued to progress and the Issued for Construction (IFC) version is due for release later in October 2018.

Commissioning of the runway remains on target for delivery by the end of 2020.

State Government Approvals

Numerous State Government Agency approvals, permits or amendments have been required in accordance with the Coordinator-General's and the Minister for the Environment's over-arching approvals. All Environmental Approvals associated with the Contractor's works have been obtained.

Legal

The construction of the project will be subject to the procurement requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Policy

- Sunshine Coast Airport Master Plan 2007
- Regional Economic Development Strategy 2013-2033

Risk

The risk and opportunities register that includes the mitigation strategies for each identified risk continues to be reviewed and updated. The higher risks are summarised below:

- Timeframe associated with Airspace design and transition from RWY18/36 to RWY13/31.
- Management of potential OLS penetrations.
- Provision of Air Traffic Control services by Airservices Australia.
- Variations to the taxiway design to accommodate foreshadowed changes in CASA's Manual of Standards (MOS) Part 139.

All other risks have been identified as medium to low.

Previous Council Resolution**Council Resolution (SM18/17) Region Making Projects Special Meeting - 10 September 2018**

That Council note the discussions held confidential session in relation the Sunshine Coast Airport Expansion Project.

Related Documentation

- *Sunshine Coast Airport Expansion Project Environmental Impact Statement.*
- *Sunshine Coast Airport Expansion Project Additional Information to the Environmental Impact Statement.*
- *Project Plan.* A detailed Project Plan has been prepared for the Project. The Project Plan will be reviewed and amended, as required, as the Project progresses through different stages.

Critical Dates

The preliminary design of the Airspace and Flight Paths are to be completed by early March 2019 in order to meet the Aeronautical Information Regulation and Control (AIRAC) publication cycles for May 2020.

Implementation

Work as detailed in this report will continue.

5 CONFIDENTIAL SESSION

5.1 OFFICE OF THE CEO

5.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - MAROOCHYDORE CITY CENTRE UPDATE

File No: Council meetings
Author: Portfolio Director, Major Projects
Office of the CEO

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to 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.

5.2 ECONOMIC AND COMMUNITY DEVELOPMENT

**5.2.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - SUNSHINE COAST
INTERNATIONAL BROADBAND NETWORK PROJECT**

File No: Council meetings

Author: Group Executive
Economic & Community Development Group

This report is confidential in accordance with section 275 (e) of the *Local Government Regulation 2012* as it contains information relating to contracts proposed to be made by Council.

6 NEXT MEETING

Nil

7 MEETING CLOSURE