



AGENDA

PERFORMANCE AND SERVICE COMMITTEE MEETING

Tuesday 24 January 2012

Commencing at 9.00am

Council Chambers, Cnr Currie and Bury Streets, Nambour

COMMITTEE MEMBERS (Quorum – 4)

Councillor C Thompson – Division 4 (Chair)

Councillor R Abbot – Mayor

Councillor T Dwyer – Division 2

Councillor J McKay – Division 5

Councillor C Dickson – Division 6

Councillor D Blumel – Division 8

Councillor P Tatton – Division 10

Councillor L Brennan – Division 12

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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 OBLIGATIONS OF COUNCILLORS

3.1 *DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS*

Pursuant to Section 172 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 *DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS*

Pursuant to Section 173 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 in the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

4 REPORTS

4.1 FINANCE AND BUSINESS

4.1.1 DECEMBER 2011 FINANCIAL PERFORMANCE REPORT

File No: ECM 24 January 2012

Author: Financial Services Manager
Finance and Business

Appendix: [App A - December 2011 Financial Performance Report](#) (PSC Att Pg 3)

PURPOSE

To meet council's legislative obligations, a monthly report is to be presented to council on its financial performance.

EXECUTIVE SUMMARY

Council's financial results at 31 December 2011 show the organisation tracking closely to budget with a \$5.1 million better than forecasted operating position against the year to date budget. With the Budget Review 2 (BR2) requests reflected in the ledger, the end of year position is forecast to be an operating deficit of \$8.1 million.

The 31 December 2011 operating surplus variation of \$5.1 million is made up of higher than budgeted operating revenue of \$2.7 million and lower than anticipated expenses of \$2.4 million. To provide context these variances to budget are 1.4% and 1.2% respectively and in both cases are positive variances.

At 31 December 2011, \$75.9 million or 37.1% of council's \$205.1 million 2011/2012 capital works program was financially complete.

During the months of October, November and December, the 2011/2012 Operating and Capital budgets were adjusted to accommodate reallocations between budget categories or line items. Reallocations are set out in Appendix A.

A recommendation has been made to write off debtor's account 12306 for the value of \$39,139.51. As this amount is greater than the \$10,000 delegation from Council, it is required to be approved by council. The amount is provided for in the provision for doubtful debts.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "December 2011 Financial Performance Report";
 - (b) approve the minor budget reallocations for both operating and capital outlines in December 2011 Financial Performance report (Appendix A); and
 - (c) approve the write off of debtor's account 12306.
-

FINANCE AND RESOURCING

This report incorporates reallocations within both the 2011/2012 operating and capital budgets. There is no change to the bottom line of the 2011/2012 budget as a result of these reallocations.

CORPORATE PLAN

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.1 Ethical, accountable and transparent decision-making
Strategy: 8.1.2 Ensure legislative compliance and awareness

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.2 Effective business management
Strategy: 8.2.1 Develop indicators and measure the performance of council and the success in achieving its vision

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.3 Strong financial management
Strategy: 8.3.2 Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

All departments or branches participated in the formation of the recommendations associated with this report.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

Council's financial results at 31 December 2011 show the organisation tracking closely to budget with a \$5.1 million better than forecasted operating position against the year to date budget. With the Budget Review 2 requests reflected in the ledger, the end of year position is forecasted to be a deficit of \$8.1 million.

The 31 December 2011 operating surplus variation of \$5.1 million is made up of higher than budgeted operating revenues of \$2.7 million and lower than anticipated expenses of \$2.4 million.

At 31 December 2011, operating revenues are \$2.7 million or 1.4% over budget. This variation is in part due to \$1.2 million in general rates prepayments, which should be significantly reduced after the January 2012 rate run. In addition to the general rates, the Finance and Business department is \$1 million ahead in revenue. This is due in part to increased interest revenue of \$360,000, and increased fees and charges of \$237,000 which is due to greater than forecasted holiday park revenue.

Infrastructure services department revenue is favourable at \$707,000, due mainly to a greater recovery of plant costs from capital than anticipated, as well as increased charges to capital by Civil Works.

Community Services department revenue is favourable at \$558,000, due to grants received for the trainee program which still need to be allocated to the appropriate departments.

Regional Strategy and Planning department continues to experience a decline in development application fees, with revenue down \$1.2 million as at the end of December 2011. This variance is in addition to the \$2 million adjustment made as part of the BR2 process. This reduction is reflective of broader market conditions.

At 31 December 2011, operating expenses were \$2.4 million or 1.2% under budget. This variance is caused by an overspend on employee costs of \$3 million which is being offset by an underspend on materials and services of \$4.9 million.

Of the \$3 million unfavourable variance in employee costs, \$2.5 million can be related to vast savings not being achieved. A number of branches are looking at finding additional savings in the materials and services spend to fund their vast shortfall in employee costs.

In addition to utilising the underspend in Material and Services spend to fund the shortfall in employee savings, majority of departments are reporting timing differences in operational projects, and a short month for expenditure in December.

At 31 December 2011, \$75.9 million or 37.1% of Council's \$205.1 million 2011/2012 capital works program was financially complete. Any program that is currently overspent by \$50,000 against the year to date budget is set out in Appendix A.

Within the 2011/2012 capital works program, \$31 million has been allocated to the Horton Park land acquisition, which is awaiting gazettal. Excluding the Horton Park land acquisition, the year to date spend of \$75.9 million can be compared to a reduced capital works program of \$174.1 million, and a financial completion rate of 43.6%.

During December, the 2011/2012 Operating and Capital Budgets were adjusted to accommodate reallocations between budget categories or line items. Reallocations are set out in Appendix A.

A recommendation has been made to write off debtor's account 12306 for the value of \$39,139.51. As this amount is greater than the \$10,000 delegation from Council, it is required to be approved by council. The amount has been provided for in the provision for doubtful debts at year end in the audited financial statements adopted by Council. The debt related to repairs to a sewer main that collapsed, due to his excavation works, at 20 Victor Street Alexandra Headland on 17 January 2005. Council issued an invoice for the damage and a letter of demand was issued 10 February 2006. Council's Legal Branch filed a Statement of Claim in the Magistrates Court in November 2008, however they were unable to locate the debtor to effect personal service. Searches conducted in March 2009 revealed the debtor was deregistered as a builder.

The debtor was placed in bankruptcy on 2 June 2008 in the Federal Magistrates Court under a Debtors Petition filed by the Deputy Commissioner of Taxation. It is believed the debtor may have returned to Victoria.

Legal

There are no legal implications to this report.

Policy

Council has delegated authority to the Chief Executive Officer to write off unrecoverable debts up to a maximum of \$10,000. Delegation 2008/03 adopted 23 April 2008.

Risk

At a corporate level the actual performance is tracking close to budget. Individual variances to budget are identified and being closely monitored.

Previous Council Resolution

On 7 December 2011 Council adopted a revised budget (Budget Review 2). The changes in that review are reflected in the attached reports.

Related Documentation

There is no related documentation for this report.

Critical Dates

There are no critical dates that relate to this report.

Implementation

There are no implementation details to include in this report.

4.1.2 INVESTMENT PERFORMANCE 31 DECEMBER 2011**File No:** ECM 24 January 2012**Author:** Financial Planning and Performance Manager
Finance and Business

PURPOSE

The purpose of this report is to inform council of the performance of its investment portfolio over the period to 31 December 2011, as required by council's Investment Policy.

EXECUTIVE SUMMARY

Investment returns for the quarter continue to out-perform both benchmarks and budget estimates, mainly due to achieving higher than anticipated interest rates. Even though rates have fallen, both as a direct result of reductions in the Official Cash Rate by the Reserve Bank of Australia and through market concerns over European sovereign debt, council has obtained above-market rates from individual agencies to maintain high returns.

There were two reductions in the Official Cash rate through the last quarter: in November and December. Current interest rate futures are predicting a further reduction when the Reserve Bank board meets in February. Accordingly, it is expected that the current level of return will not be maintained through the next six month period.

OFFICER RECOMMENDATION

That Council receive and note the report entitled "Investment Performance 31 December 2011".

FINANCE AND RESOURCING

The return on invested cash for the six months is \$8,629,435 compared to a budgeted position of \$8,300,000. The full year budget for interest on investments is \$14,220,000 and with current market uncertainty it is not proposed to amend the forecast at this juncture.

Total funds invested as at 31 December 2011 were \$239,192,241. This cash position represents a reduction from the corresponding period in 2010, but is generally in accordance with budget projections. With the issue of the second-half rates levy due in January 2012, the cash position is expected to trend upwards over the coming months thereby providing additional funds for investment.

Interest revenue shown in the statement of financial performance for the period to 31 December 2011 includes revenue from the investment of surplus cash together with contributions from Unitywater under the Participation Agreement.

CORPORATE PLAN**Corporate Plan Theme:** *Great Governance***Emerging Priority:** 8.1 Ethical, accountable and transparent decision-making
Strategy: 8.1.2 Ensure legislative compliance and awareness

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.2 Effective business management
Strategy: 8.2.1 Develop indicators and measure the performance of council and the success in achieving its vision

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.3 Strong financial management
Strategy: 8.3.2 Ensure council's financial management performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

The report has been distributed to members of the Investment Oversight Committee for review.

External Consultation

Queensland Treasury Corporation has been consulted for information relating to economic forecasts and statistical benchmarking data used in the compilation of this report.

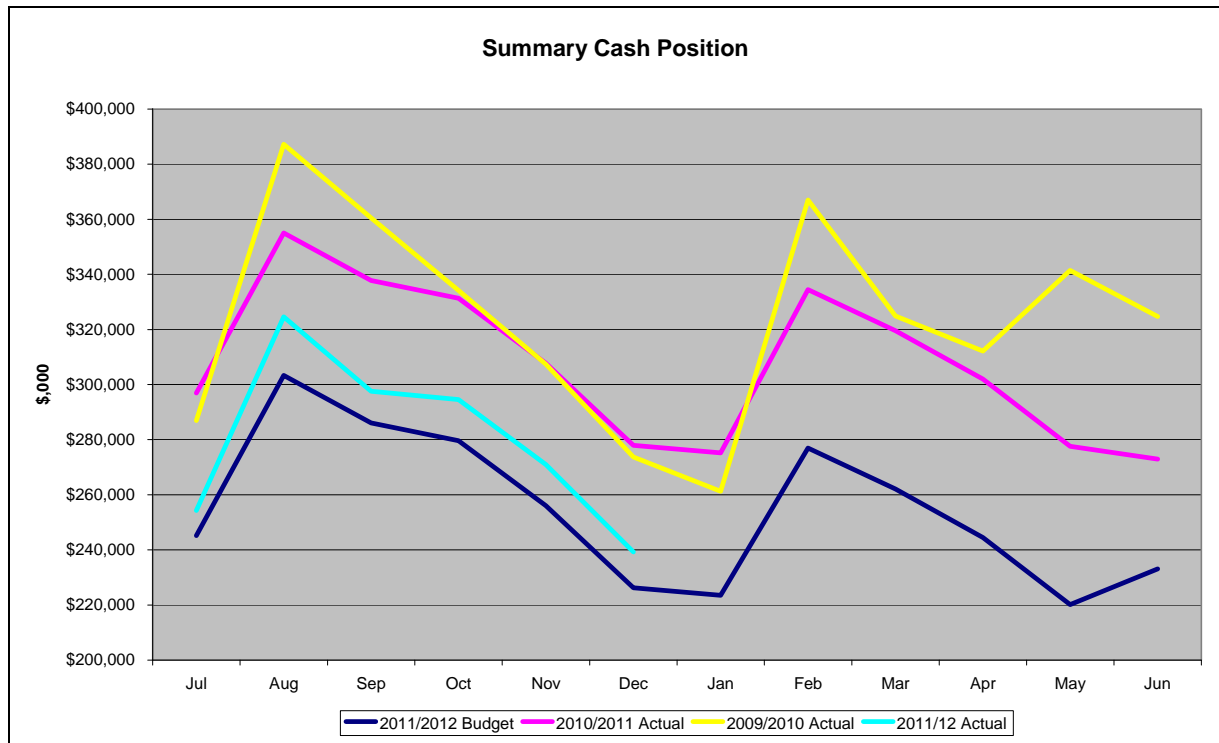
Community Engagement

Council's Investment Policy is adopted as part of the annual budget process with the views of the community garnered through the input of Councillors at that time.

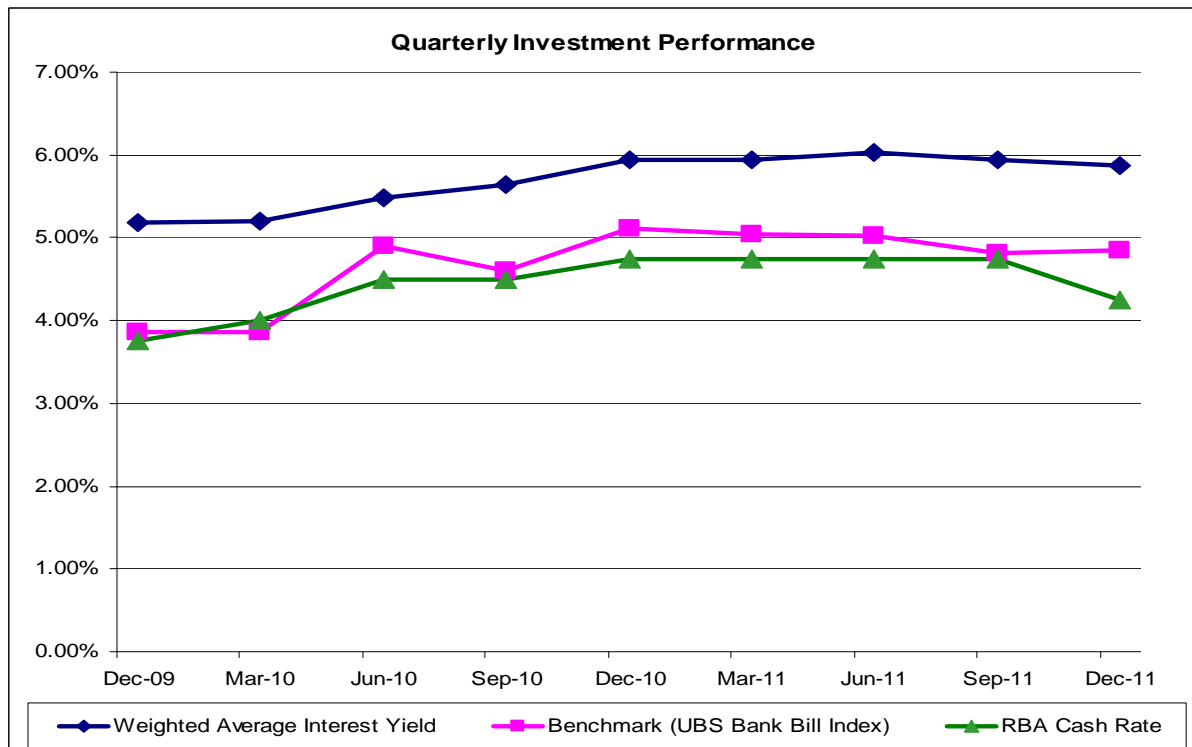
PROPOSAL

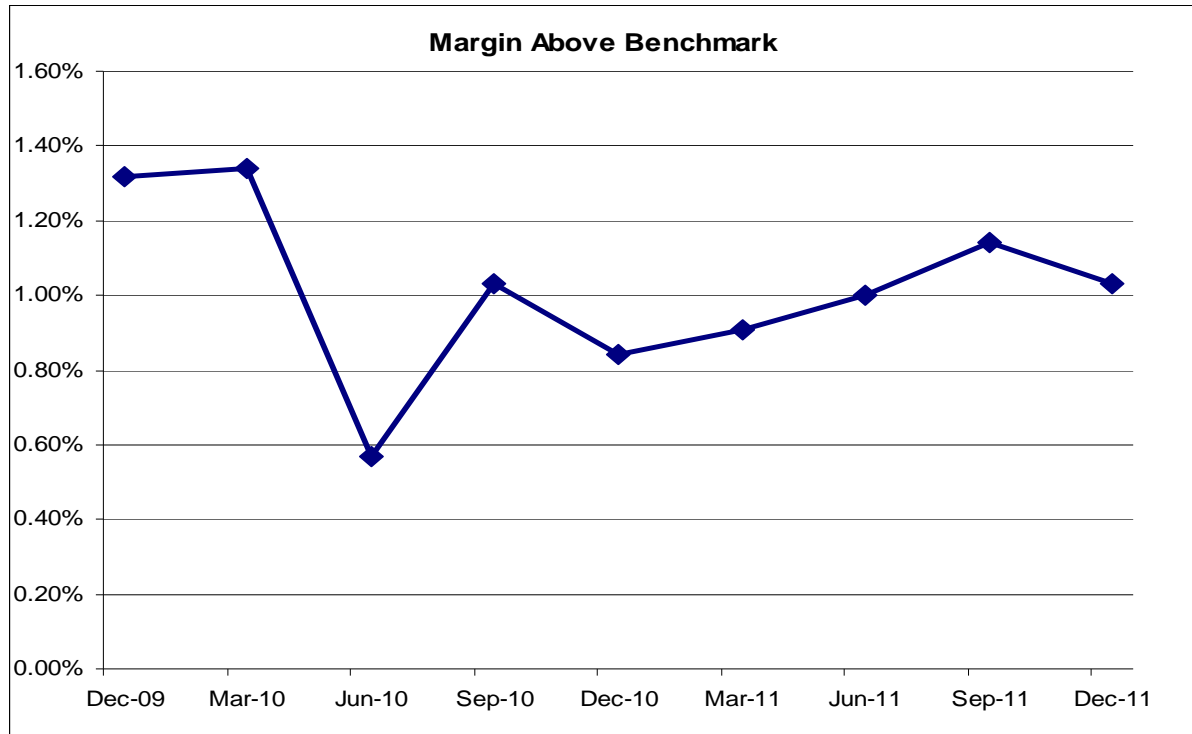
The most significant events impacting on council's investment decisions over the last quarter relate to the reduction in the Official Cash Rate by the Reserve Bank of Australia when they met in November and December. With the Cash Rate currently at 4.25% it is now at its lowest level since April 2010, with interest rate returns and benchmarks at similar levels. With ongoing concerns over European sovereign debt and the potential impact on the local and regional economy, market economists are predicting a further reduction in interest rates at the February 2012 Board meeting of the Reserve Bank of Australia. Indeed, the current interest rate futures market is pricing in significant reductions in the Cash Rate throughout 2012.

The graph below shows the actual cash balances available for investment against the current budget and as compared to previous years:



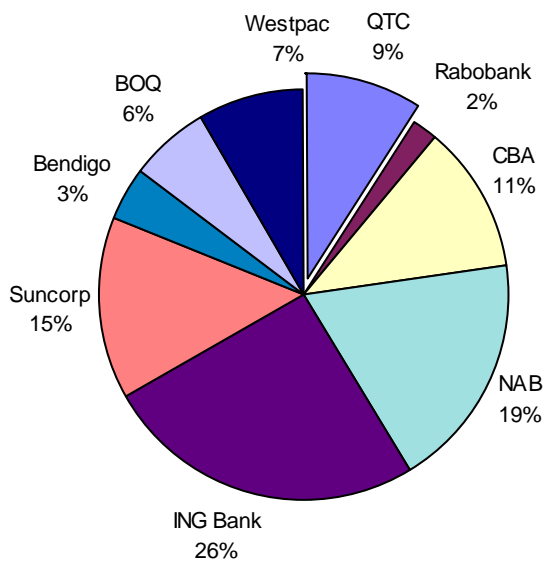
Investment performance against the market is determined by comparing actual results against recognised benchmarks. The margins above benchmark rates are depicted in the following graphs (based upon the average interest rates prevailing as at the close of the reporting period). It should be noted that both investment rates and benchmarks vary daily and this snapshot is not necessarily representative of the positions that applied at the time the original investment decisions were made.





The benchmark used to measure the performance of cash funds is the UBS Bank Bill Index; whereas the Bank Bill Swap Rate (BBSW) is the accepted benchmark for term deposits.

As with previous periods, council has invested in either capital guaranteed cash funds or in fixed rate term deposits. Further, council's Investment Policy ensures diversity between individual counter-parties and between different rating categories. As at 31 December 2011, cash funds invested totalled \$239,191,241 with the balance across different agencies depicted in the following graph:



The focus for investment remains the preservation of capital and on cash flow requirements rather than chasing higher interest returns.

Legal

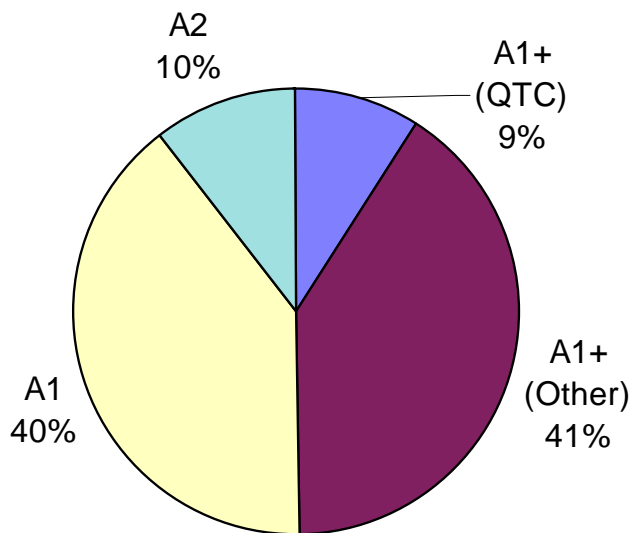
Funds are invested in accordance with the provisions of the Statutory Bodies Financial Arrangements Act 1982 and the associated Statutory Bodies Financial Arrangements Regulation 2007, and the Local Government Act 2009.

Policy

Council's Investment Policy was adopted as part of the budget process for 2011/2012 and provides guidance for all investment decisions during the year.

Risk

The Investment Policy contains clear guidelines for the diversification of risk and capital protection. The following graph shows the current diversification of the portfolio by credit risk category:



The above graph shows that the exposure for A1 rated agencies was 40% as at 31 December 2011, whereas the Investment Policy provides a maximum exposure of 30%. The reason for the variance relates to a review of the credit risk ratings of all Australian banks in late November 2011 by ratings agency Standard and Poors. At that time the credit rating for ING was reduced from A1+ to A1, meaning that council's exposure within that category was thereby increased. At the time of the original investment decision all categories were within the limits established in the Investment Policy. With term deposits maturing in January 2012, the decision was made to retain all deposits as they fall due rather than to break the contracts early and risk incurring break-costs. At the time of writing, the exposure under the A1 category had reduced to 32% and there are further maturities due 25 January 2012.

Council's risk during this period was not significant.

Previous Council Resolution

There are no previous council resolutions that relate to this report.

Related Documentation

There is no related documentation for this report.

Critical Dates

There are no critical dates that relate to this report.

Implementation

There are no implementation details to include in this report.

4.1.3 ANNUAL RESOLUTION TO AUTHORISE COUNCILLOR PAYMENTS

File No: ECM 24 January 2012
Author: Team Leader Councillor Governance
Finance and Business
Attachment: [Att 1 - Qld Government Gazette No. 98 - Remuneration Schedule](#)
(PSC Att Pg 17)

PURPOSE

The purpose of this report is to comply with council's statutory obligation under sections 41 and 42 of the *Local Government (Operations) Regulation 2010* (the Regulation) wherein council is obligated to make an annual resolution to authorise the payment of remuneration and superannuation to Councillors.

EXECUTIVE SUMMARY

Established under the *Local Government Act 2009*, the Local Government Remuneration and Discipline Tribunal (the Tribunal) is an independent entity whose members are appointed by Governor-in-Council.

In accordance with the Regulation, the Tribunal must make a determination on Mayor, Deputy Mayor and Councillor remuneration by 1 December each year for the following calendar year.

The Tribunal published in the Queensland Government Gazette on 9 December 2011 its 2011 Report which included its review of Local Government categories, the assignment of Local Governments to categories as well as the level of remuneration to be paid to Mayors, Deputy Mayors and Councillors in 2012.

In its 2011 Report, the Tribunal decided:

- not to change the existing ten categories and determined that Sunshine Coast Council shall remain a Category 8 Council;
- that it will continue to set remuneration levels for Councillors based on percentages of the annual base salary payable to a Member of the Queensland Legislative Assembly (reference rate). The reference rate was increased by 2.5% from \$133,800 to \$137,149 in accordance with the increase granted to Members of the Queensland Legislative Assembly in 2011;
- that it would discontinue its previous practice of setting remuneration ranges for each level of councillor in each category of local government and instead move to a single rate for Mayors, Deputy Mayors and Councillors in each category which are close to the mid point of the previously established ranges; and
- that an amalgamation loading be payable to affected Councils (including Sunshine Coast Council) from 1 January 2012 until the conclusion of the 2012 Local Government elections.

A copy of the gazetted remuneration schedule is attached to this report.

Under section 42 of the Regulations, each Council (excluding Brisbane City Council) is required to make an annual resolution to authorise the payment of remuneration (and amalgamation loading where applicable) to Councillors. It is important to note that this resolution applies to both the current and incoming council and cannot be changed by subsequent resolution in 2012. Under section 43 of the Regulation, variation to the remuneration amount paid to a councillor can only be approved by the Tribunal under exceptional circumstances.

This report is presented to authorise remuneration and associated payments to Councillors for 2012.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Annual Resolution to Authorise Councillor Payments”;**
- (b) in accordance with section 42 of the *Local Government (Operations) Regulation 2010*:**
 - (i) consider the remuneration schedule for Councillors as set by the State Government appointed Local Government Remuneration and Discipline Tribunal for a Category 8 Council and that, accordingly, the following payments be authorised in accordance with the determination in the remuneration schedule set by the Tribunal:**
 - (1) the Mayor be remunerated at 140% of the salary payable to a Member of the Queensland Legislative Assembly;**
 - (2) the Deputy Mayor be remunerated at 97% of the salary payable to a Member of the Queensland Legislative Assembly;**
 - (3) each Councillor be remunerated at 85% of the salary payable to a Member of the Queensland Legislative Assembly; and**
 - (ii) note that the amalgamation loading is payable to the Mayor, Deputy Mayor and each Councillor from 1 January 2012 until the conclusion of the 2012 Local Government elections;**
 - (iii) note that the purpose of the remuneration is to cover:**
 - (1) the cost of attendance (excluding expenses) at Council Business (as defined in the Guidelines of Council’s Reimbursement of Expenses and Provision of Facilities for Mayor and Councillors); and**
 - (2) the cost of attendance and expenses at any non-Council Business as part of the role of Councillor; and**
 - (iv) note the remuneration be payable per annum in accordance with the remuneration schedule from 1 January 2012; and**
- (c) in accordance with section 226 of the *Local Government Act 2009*, authorise the payment of superannuation contributions for Councillors of up to 12% on the condition that Councillors:**

- (i) contribute 50% of the payment amount, as nominated above, from their salaries, that is, Councillors will contribute up to 6% of their salary and Council will contribute up to 12% to a nominated superannuation fund;
- (ii) make contributions through a salary sacrifice arrangement under section 226 of the *Local Government Act 2009* by way of formal request to Council; and
- (iii) nominate the preferred superannuation fund and, where no nomination has occurred, the superannuation payments be made to LG Super.

FINANCE AND RESOURCING

The recommendations presented in this report will see a slight decrease in the total amount paid to councillors in remuneration and amalgamation loading. For the 2011 calendar year the total payments were \$1,620,280. The recommendations in this report would see that drop to \$1,616,517 for the calendar 2012 year. This represents a decrease of \$3,763.

In accordance with its 2011 Report, the Tribunal decided to discontinue the practice of setting a recommended range for each Local Government category and instead determined the below remuneration schedule as applicable to Sunshine Coast Council as a Category 8 council:

	Mayor	Deputy Mayor	Councillor
Category 8 - Remuneration (% of "Reference Rate" of \$137,149) ¹	140%	97%	85%
Remuneration (pa) ²	\$192,009	\$133,035	\$116,577
Amalgamation Loading per annum from 1 January 2012 to conclusion of 2012 election	\$4,350	\$3,010	\$2,650
Superannuation Contribution	50% of payment amount	50% of payment amount	50% of payment amount

The amalgamation loading will cease to be paid at the conclusion of the 2012 local government elections and will not be payable to councillors (including mayor and deputy mayor) elected at the 2012 local government elections.

CORPORATE PLAN

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.1 Ethical, accountable and transparent decision-making
Strategy: 8.1.2 Ensure legislative compliance and awareness

CONSULTATION

Internal Consultation

- Executive Office
- Finance and Business department
- Councillor C Thompson, Finance and Business Unit Portfolio Councillor

¹ The "Reference Rate" is the remuneration rate payable to a Member of the Queensland Legislative Assembly.

² The monetary amounts shown are per annum figures which apply from 1 January 2012.

External Consultation

No external consultation has been undertaken.

Community Engagement

Community engagement was undertaken by the Local Government Remuneration and Discipline Tribunal in reviewing the remuneration levels prior to publishing the 2011 report. Submissions from community members, individual councils and the Local Government Association of Queensland were considered.

PROPOSAL

The Local Government Remuneration and Discipline Tribunal 2011 Report received gazettal on 9 December 2011. During 2011, the Tribunal conducted a review of Local Government categories as well as the categories to which each council is assigned. The Tribunal recommended no changes be made to the ten categories and that the Sunshine Coast Council remain a Category 8 Council.

Within its report, the Tribunal determined that Councillor remuneration will continue to be based on percentages of the annual base salary of Members of the Queensland Legislative Assembly (reference rate). A 2.5% increase in the reference rate was applied in 2011 and has likewise been applied to the remuneration for Mayors, Deputy Mayors and Councillors. As such, the reference rate has increased from \$133,800 to \$137,149 per annum.

In departure from previous practice, the Tribunal decided to set specific percentages of the reference rate (remuneration schedule) to be applied to the remuneration of Mayors, Deputy Mayors and Councillors of each of the ten categories. Rather than the remuneration ranges formerly set, the remuneration schedule specified is close to the mid point of the previously established ranges. It should be noted that in the past council has resolved to set councillor remuneration at the midpoint of the ranges previously determined by the Tribunal for Sunshine Coast Council.

The remuneration schedule (expressed as a percentage of the reference rate as well as the monetary per annum value) determined for Sunshine Coast Council (as a Category 8 Council) is attached to this report and is summarised below:

- Mayor 140% \$192,009
- Deputy Mayor 97% \$133,035
- Councillor 85% \$116,577

The Tribunal previously determined that an 'Amalgamation Loading' be paid to Councillors of local governments where one or more local government areas was amalgamated. The purpose of the loading was to recognise the additional workload presented to councillors of amalgamated councils. The loading reduced each year in accordance with Tribunal recommendations and will cease in 2012 at the conclusion of the local government elections.

The Amalgamation Loading payable per annum from 1 January 2012 until the conclusion of elections is:

- Mayor \$4,350
- Deputy Mayor \$3,010
- Councillor \$2,650

In simpler terms, the current Mayor, Deputy Mayor and Councillors will receive the remuneration rate specified above plus the amalgamation loading (pro rata until the conclusion of the election). Councillors (including Mayor and Deputy Mayor) elected at the 2012 elections will receive the remuneration rate specified above (pro rata until 31 December 2012) without the amalgamation loading.

Legal

Under section 41 of the Regulations, each Council (excluding Brisbane City Council) is required to make an annual resolution to authorise the payment of remuneration (and amalgamation loading where applicable) to its Councillors.

The resolution must authorise the payment of remuneration to a person who is a councillor of the local government and should include:

- the purpose for which the remuneration is to be paid;
- the person who is entitled to the remuneration;
- the amount of remuneration that is to be paid; and
- if the amount of remuneration to be paid to councillors, other than the mayor, varies as between councillors – the reason for the variation.

This resolution applies to both existing Councillors as well as those Councillors elected at the 2012 Local Government elections. Subsequent resolution by the new council is not required and any variation to the remuneration rate specified can only be made by submission by the Local Government to the Tribunal.

Further, section 41(4) of the Regulation specifies that the Local Government Remuneration and Discipline Tribunal is not to include in its determination of remuneration any voluntary contribution a local government may make for councillor superannuation. Council may make a determination regarding superannuation and currently Sunshine Coast Councillors contribute their proportion of superannuation via a salary sacrifice arrangement under section 226 of the Act. The conditions relating to the superannuation arrangement are:

- Councillors contribute 50% from their salaries towards a superannuation payment of 12%;
- contributions are made through salary sacrifice arrangements under section 226 of the *Local Government Act 2009* by way of a formal request to Council; and
- Councillors nominate the preferred superannuation fund and where no nomination occurs the superannuation payments are made to LG Super.

Policy

The Tribunal was precluded from determining any amount for expenses to be paid or facilities to be provided to a councillor of a local government. The *Local Government Act 2009* (the Act) provides that a local government must adopt an Expenses and Provision of Facilities Policy that complies with the requirements under the Act and relevant guidelines issued by the Chief Executive of the Department of Local Government and Planning. Council has adopted a policy in this regard and therefore the matter of expenses and facilities is not included in the subject of this report.

Risk

Council is required to make a resolution authorising payments to Councillors within 90 days of the Tribunal's report being gazetted. The Tribunal's 2011 report was gazetted on 9 December 2011 and, as such, resolution is required prior to 9 March 2012 or Council risks being in breach of section 42 of the *Local Government (Operations) Regulations 2010*.

If council does not resolve to authorise payments to Councillors within the specified timeframe, no remuneration can be made to Councillors. If council decides that it wishes to reject the remuneration schedule, it must first resolve to accept the remuneration schedule (in order that Councillors can receive remuneration) and then make a separate resolution to make a submission to the Local Government Remuneration and Discipline Tribunal. Such submission must present a case with proper reasoning as to why deviance from the schedule is necessary and the 'exceptional circumstances' that surround the submission.

Further, the election caretaker period will commence upon the public notification that local government elections are to be held. Whilst the caretaker provisions under *The Local Government Electoral Act 2011* do not preclude decisions regarding payments to Councillors it is recognised that council decisions will be more closely followed by the community during this time.

Previous Council Resolution

Ordinary Meeting – 2 February 2011 (OM11/8) – Annual Resolution to Authorise Councillor Payments

"That Council:

- (a) note the report titled "Annual Resolution to Authorise Councillor Payments";*
- (b) in accordance with section 42 of the Local Government (Operations) Regulation 2010 :*
 - (i) consider that, as per previous years, an appropriate remuneration rate for Councillors is at the mid point of the range set by the Local Government Remuneration Tribunal for a Category 8 Council and that, accordingly, the following payments be authorised in accordance with the determination in the remuneration schedule set by the Tribunal:*
 - (1) the Mayor be remunerated at 138.75% of the salary payable to a Member Queensland Legislative Assembly;*
 - (2) the Deputy Mayor be remunerated at 96.25% of the salary payable to a Member Queensland Legislative Assembly; and*
 - (3) each Councillor be remunerated at 85% of the salary payable to a Member Queensland Legislative Assembly; and*
 - (ii) note that the purpose of the remuneration is to cover:*
 - (1) the cost of attendance (excluding expenses) at Council Business (as defined in the Guidelines of Council's Reimbursement of Expenses and Provision of Facilities for Mayor and Councillors); and*
 - (2) the cost of attendance and expenses at any non-Council Business as part of the role of Councillor; and*
 - (iii) note the remuneration be payable from 1 January 2011;*

- (c) *in accordance with section 226 of the Local Government Act 2009 it resolve that Council make superannuation payments of up to 12% be authorised on the condition that Councillors:*
- (i) *contribute 50% of the payment amount, as nominated above, from their salaries, that is, Councillors will contribute up to 6% of their salary and Council will contribute up to 12% to a nominated superannuation fund*
 - (ii) *make contributions through a salary sacrifice arrangement under section 226 of the Local Government Act 2009 by way of formal request to Council;*
 - (iii) *nominate the preferred superannuation fund and, where no nomination has occurred, the superannuation payments be made to LG Super;*
 - (iv) *will be required to sign an authorisation form on an annual basis; and*
- (d) *request the Chief Executive Officer to consult with councillors in relation to councillor leave protocols.”*

Related Documentation

The 2011 Report of the Local Government Remuneration and Discipline Tribunal – accessible at: <http://dlgp.qld.gov.au/resources/report/local-government/full-report-2011.pdf>

Critical Dates

The resolution to authorise Councillor remuneration payments must be made within 90 days of the gazettal of the Tribunal determination. The gazettal was made on 9 December 2011 and therefore the resolution needs to be made by 9 March 2012.

Implementation

Payment of Councillor remuneration rates will be adjusted in accordance with council's resolution and backdated to be effective from 1 January 2012. A further adjustment of Councillor remuneration will occur at the conclusion of the local government elections to accommodate the cessation of the amalgamation loading and to take account of probable changes to divisional Councillors, Deputy Mayor and Mayor as a result of those elections.

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4.2 INFRASTRUCTURE SERVICES

4.2.1 SUNSHINE COAST COUNCIL ALTERNATIVE WASTE TECHNOLOGY OPTIONS REVIEW

File No: 1-14054

Author: Waste Innovation Engineer
Infrastructure Services

Attachments: [Att 1 - Comparative Qualitative Assessment](#) (PSC Att Pg 21)
[Att 2 - Consultation](#) (PSC Att Pg 22)
[Att 3 - Critical Timeframes](#) (PSC Att Pg 25)
[Att 4 - Waste Contracts Governance Structure](#) (PSC Att Pg 26)
[Att 5 - Options Review Report](#) (PSC Att Pg 27)

PURPOSE

In 2010, Council endorsed the Waste Minimisation Strategy 2009-2014 that established a target of 70 per cent diversion of waste from landfill by 2014, emphasizing resource recovery and a focus on sustainability. In October 2011, the State government passed the *Waste Reduction and Recycling Act 2011*, establishing a target of 65 per cent recycling of household waste by 2020.

The purpose of this report is to outline the options for the establishment of an Alternative Waste Treatment (AWT) facility that is proposed to be constructed at Sustainability Park. Sustainability Park is located at a Greenfield site, adjoining Corbould Park industrial estate and is zoned appropriately for waste management use. The main purpose of the Alternative Waste Treatment will be to recover resources contained within the household waste stream. The secondary purpose will be to recover resources within the Commercial waste stream.

The development of an Alternative Waste Treatment is seen as the single most effective approach to move Council towards the strategy target attainment.

EXECUTIVE SUMMARY

The Council endorsed waste diversion target is 70 per cent by 2014. Council currently achieves a total diversion rate of 41 per cent. While Council has made significant investment in resource recovery infrastructure at transfer stations and landfills, the delivery of this target is unlikely to be achieved by 2014, due to the complexity of the solution and the procurement timeframes involved. This target was established as a stretch target for Council to aim towards and will continue to drive Council's waste strategy development across all waste streams.

Household kerbside waste represents almost 50 per cent of the waste disposed to landfill in the region and provides Council with the most significant waste stream to achieve the local and State diversion targets. The development of a new collection contract for tender release in late 2012 provides Council with a unique opportunity to incorporate an Alternative Waste Treatment and deliver an efficient collection configuration and processing solution.

The scenarios for a technology solution have been examined and detailed in a draft report entitled *Sunshine Coast Council: Alternative Waste Technology Options Review* (Attachment 5). These scenarios were also presented to Council on 28 November 2011 at a workshop on Alternative Waste Technologies.

The key findings from the Sunshine Coast Council Alternative Waste Treatment Options Review (Attachment 5) are listed below:

- Councils existing collection contracts end in June 2014 and Council will need to issue a Request for Tender for collection by November 2012. The collection configuration, waste disposal and Alternative Waste Treatment are intrinsically linked. Failure to decide on the preferred Alternative Waste Treatment by July 2012 may result in the inability to integrate an Alternative Waste Treatment with the collection configuration. In the long term, this may result in inefficiencies, contractual complexity, and higher costs incurred by Council.
- An Alternative Waste Treatment developed or contracted by Council is most suited to the household waste stream as it provides Council with the single greatest opportunity to achieve waste diversion. The household waste stream is a local government responsibility, represents almost 50 per cent of waste disposed to landfill and will continue to increase with population growth. All planning and investment decisions should be based on household waste volumes, until Council can guarantee additional waste volume supply from other waste streams or surrounding Councils.
- Within the household waste stream, organics (garden and food waste) make up almost 50 per cent. Technology that makes use of the organics fraction offers the most sustainable use of these resources.
- The technology assessment has been largely based on the evidence and experience of Alternative Waste Treatment operations within Australia. Anaerobic Digestion has not been included in the scenario development, due to the poor record of performance of Anaerobic Digestion within Australia.
- The risk workshop identified that Scenario 3 – Compost household separated organics represents the lowest risk option and Scenario 2 – Thermal mixed waste represents the highest risk option. Further risk workshops will need to be completed to define Council's risk appetite and align the appropriate technology selection with risk appetite.
- At this time, thermal conversion treatment may not be a suitable technology solution for Council. Council engaged the Queensland Treasury Corporation (QTC) to prepare an Energy from Waste Feasibility Review, which will be formally reported to Council in 2012 by Economic Development. The QTC report (included as an Appendix to Attachment 5) found that a thermal conversion facility represents a high-cost waste management option, with high technology risks, complex procurement and significant regulatory and community perception risks. While it is acknowledged that thermal technology is well established in Europe and the USA, the potential lead-time for thermal facility development could be 6-10 years and would require a 25 year contract commitment. This defers Council's opportunity to achieve waste diversion in the medium term and commits Council to a single long-term approach. Thermal technology may be best considered as a second stage approach based on improved technology development and regulatory/community acceptance.
- Sustainability Park, adjoining Corbould Industrial Estate is the preferred location for the establishment of an Alternative Waste Treatment facility as it is owned by Council, is zoned appropriately for waste management use and has adequate buffers from sensitive receptors.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Sunshine Coast Alternative Waste Technology Options Review”; and**
- (b) request the Chief Executive Officer to establish an Alternative Waste Treatment Working Group, comprising of up to three Councillors (current councillor portfolios of Environment, Economic Development & Entrepreneurship and Major Projects, to 31 March 2012), and relevant staff from across Council departments to:**
 - (i) review the Alternative Waste Treatment scenarios examined in this report;**
 - (ii) develop a short list of preferred Alternative Waste Treatment technology and collection configuration scenarios;**
 - (iii) prepare a business case and implementation plan that compares the short listed preferred scenarios and provides a whole of life financial evaluation and triple bottom line assessment to be used for Council decision making; and**
 - (iv) report back to Council by July 2012 to allow a decision to be made on the preferred Alternative Waste Treatment model and bin collection configuration.**

FINANCE AND RESOURCING

The implementation of an Alternative Waste Treatment and associated collection approach will represent one of the largest long-term cost decisions the Council is ever likely to make. The estimated upfront capital cost for an Alternative Waste Treatment facility is dependant upon the technology type. The market sounding completed by Council in November 2011 indicated the following capital costs:

- Compost facility (for separated organics only): \$15 – 30 million
- Compost facility (for mixed waste): \$40 – 50 million
- Thermal facility (for mixed waste): \$90 – 120 million

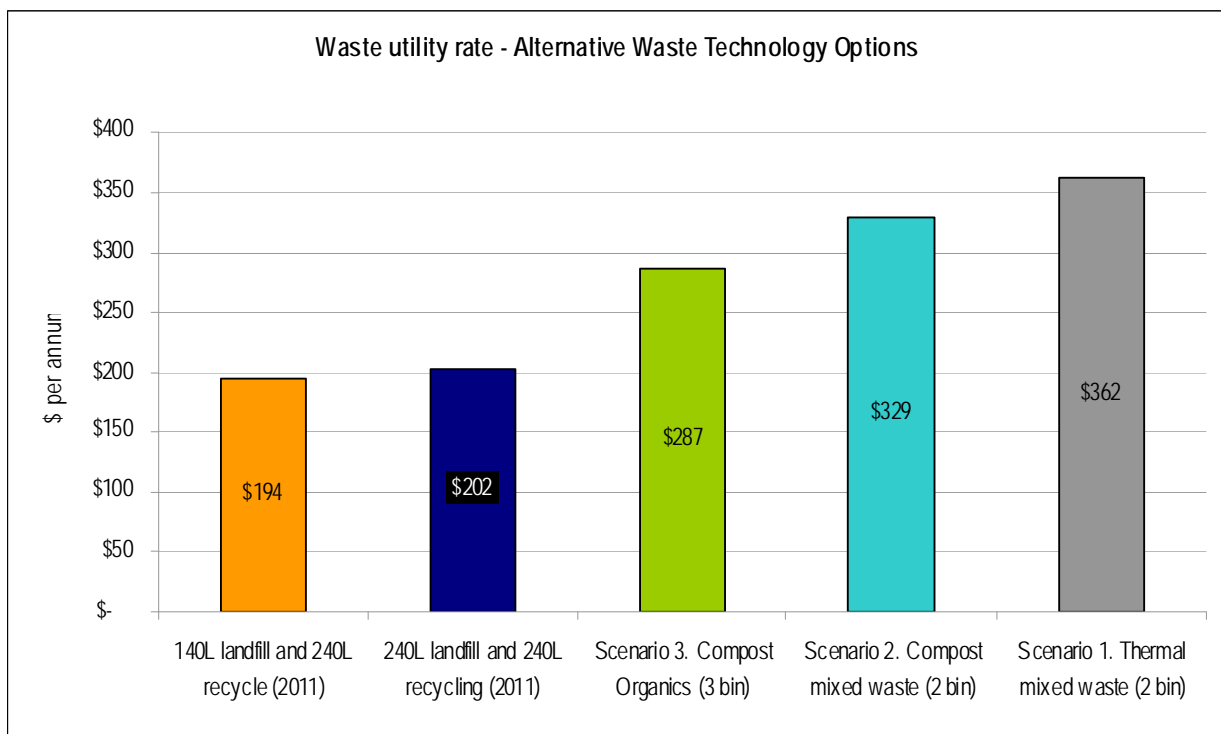
The Sunshine Coast Council: Alternative Waste Technology Options Review seeks to quantify the financial impact of the various options of an Alternative Waste Treatment, based on the financial impact on the waste utility rate. Council's current waste services are priced on a full cost pricing recovery basis using a long-term financial model. The current full cost priced waste utility rate for financial year 2012 for the most commonly utilised domestic services are:

- 240L waste bin (weekly) and 240L recycling bin (fortnightly) – \$202/annum
- 140L waste bin (weekly) and 240L recycling bin (fortnightly) \$194/annum

It should be noted that the financial impact of the Alternative Waste Treatment options has been modeled based on high level collection cost assumptions, as well as Alternative Waste Treatment gate fees provided by current private industry operators of Alternative Waste Treatment. The modelling does not take into account capital works that may be required for other components of Council’s waste business. Furthermore, the modelling assumes no capital subsidy contribution towards the Alternative Waste Treatment capital works program. It should be emphasised that the final cost impact will remain uncertain until Council has approached the market and received prices for both collection contract services and the Alternative Waste Treatment option.

Figure 1 compares the current full cost price in 2011/2012 of the waste utility rate with the proposed waste utility rates of the various Alternative Waste Treatment scenarios. The proposed waste utility rates for each Alternative Waste Treatment scenario include the likely capital and operating costs that Council would incur for the implementation of an Alternative Waste Treatment.

Figure 1: Waste utility rate of AWT scenarios



CORPORATE PLAN

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 1.1 A broad economic base
Strategy: 1.1.4 Encourage and help to establish sustainable business clusters

Corporate Plan Theme: *Ecological Sustainability*

Emerging Priority: 2.1 The impact of climate change
Strategy: 2.1.4 In partnership with government and the community, develop and implement energy transition and greenhouse gas reduction strategies for the region

Corporate Plan Theme: *Ecological Sustainability*

Emerging Priority: 2.2 Our natural environment preserved for the future
Strategy: 2.2.1 Engage with the community to assist with the protection of our environment through sustainable practices and resource minimisation

Corporate Plan Theme: *Ecological Sustainability*

Emerging Priority: 2.5 Innovative programs to protect our ecology
Strategy: 2.5.1 Develop a waste management and recycling strategy targeted to the goal of zero waste

Corporate Plan Theme: *Great Governance*

Emerging Priority: 8.2 Effective business management
Strategy: 8.2.3 Implement a business approach that focuses on maximising opportunities, managing risks and improving quality of service

CONSULTATION

There has been an extensive consultation approach to the Waste Strategy over the past three years, consisting of:

Internal Consultation

- Councillors
- Executive Leadership Team (ELT)
- Waste and Resources Management
- Planning and Assessment
- Finance and Procurement, and
- Economic Development

External Consultation

Private industry operators of Alternative Waste Technology, via market sounding.

Community Engagement

- Public forums
- Community surveys
- Focus groups, and
- Online forums

Attachment 2 summarises the consultation approach and outcomes.

PROPOSAL

In 2010, after extensive community consultation, Council adopted the Waste Minimisation Strategy 2009-2014. The overarching objective of the strategy was to achieve 70 per cent diversion of waste from landfill by 2014 by minimising waste, adding value to the Sunshine Coast economy and maximising the re-use of embodied resources.

The delivery of this target is unlikely to be achieved by 2014, due to the complexity of the solution and the procurement timeframes involved. Currently, Council achieves a resource recovery rate of 41 per cent and has invested significantly in resource recovery infrastructure at the three major landfills to improve resource recovery of Construction and Demolition (C&D) wastes and self-haul household waste.

The key drivers for Council investigating Alternative Waste Treatment options include:

- **New Collection Contract (2014)** – Council currently manages three different collection arrangements, through three separate contracts with three contractors. These contracts align to expire in June 2014. It is intended that a new contract for waste collection and recyclables processing will go to tender in November 2012 and be awarded by July 2013. To ensure the most competitive response for Council, it is critical that the collection and recyclables processing approach reflects Council's waste strategy for the next seven to 10 years.
- **State Resource Recovery Targets** – the Queensland Waste Reforms, legislated by the Waste Reduction and Recycling Act passed on 12 October 2011, establishes a target of 65 per cent recycling of household waste by 2020. Council currently achieves 28 per cent resource recovery from kerbside household waste. Meeting the required increase can only be achieved by an investment in resource recovery technology and complimentary collection approaches.
- **Preserving limited landfill space** – waste generated within the Sunshine Coast region is currently disposed at one of three major landfills, being Caloundra, Nambour and Noosa. The Nambour landfill, the most centrally located landfill has a forecast closure in 2019-2020¹. The remaining landfills have a forecast life until 2028-2030 based on current plans. Preservation of existing landfill capacity within the region is an imperative to avoid the establishment of new greenfield landfills or the transport of waste to other landfills located in South-East Queensland.
- **Australia's most sustainable region** – Councils Corporate Plan 2009-2014 has an overarching goal of achieving sustainable approaches within the region. In the waste context, this means targeting a waste diversion from landfill of 70 per cent through the development of technology and partnerships that diversify economic opportunities for the region.

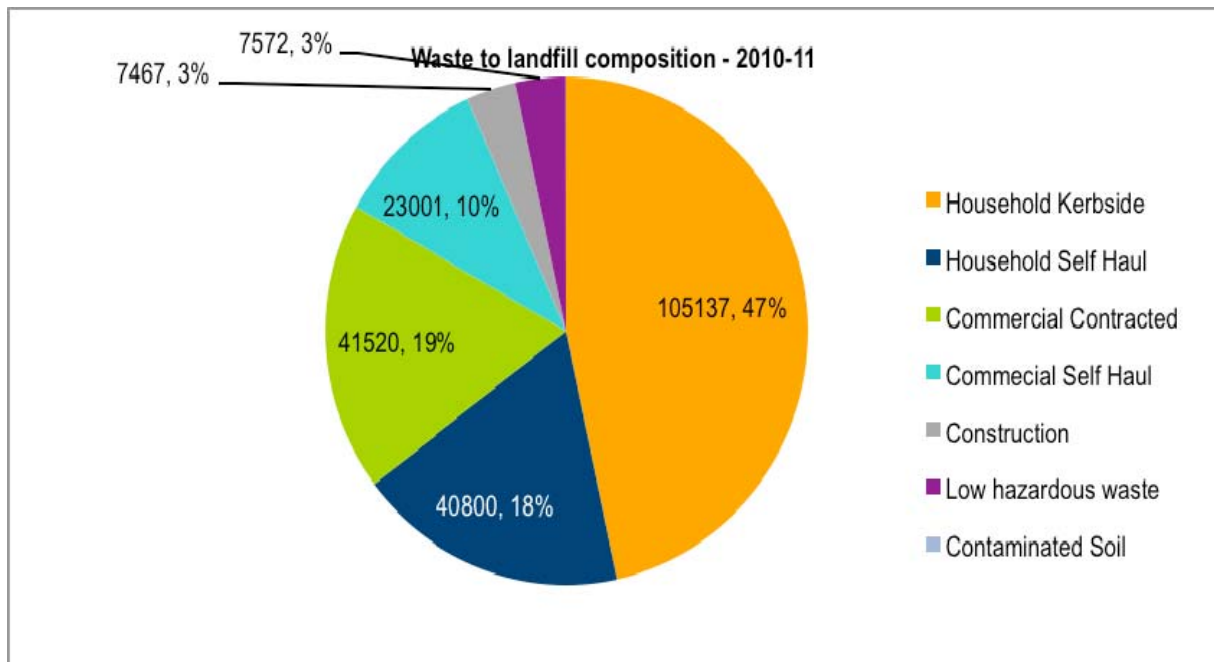
A focus on Household waste

Council has perpetual responsibility for the management and disposal of household waste, under the statutory powers conferred by the Department of Environment and Resource Management (DERM), the *Environmental Protection (Waste Management) Regulation 2000* and the *Local Government Act 2009*. Household waste represents between 45 to 50 per cent of all waste arriving at Council landfills and provides Council with the most significant waste stream to achieve diversion targets.

¹ SCRC Waste Disposal Management Plan. Allan Watson Associates

Figure 2 depicts the sources of waste across Council’s total landfill portfolio.

Figure 2: Composition of waste to landfill by waste stream



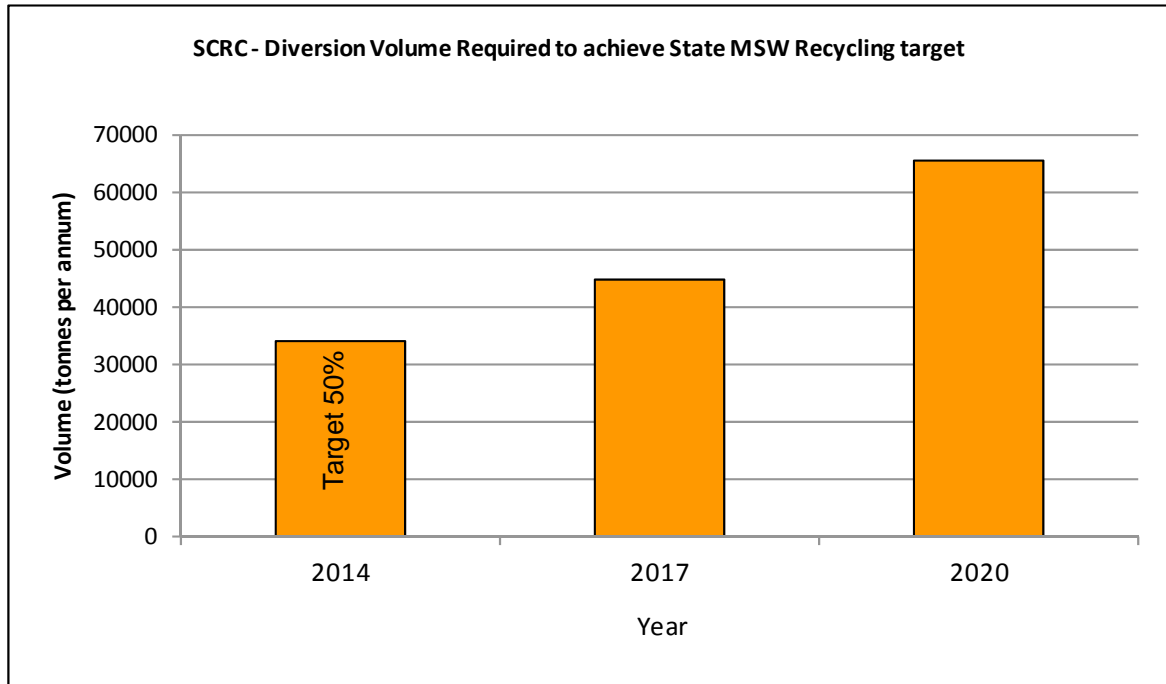
Achieving the State household waste recycling target

The State household waste recycling target is to achieve 65 per cent by 2020. The current kerbside household collection approach, for the past three years, has resulted in an average household recycling rate of 28 per cent.

Based on the current waste generation rates, to achieve the State targets over the next 8 years will require significant additional resource recovery from the household waste stream. Figure 3 illustrates that the additional volume of waste that will need to be recovered from the current household waste bin is:

- 2014 – 34,000 tonnes per annum
- 2017 – 45,000 tonnes per annum
- 2020 – 65,000 tonnes per annum

Figure 3: Volume of waste requiring diversion from landfill to meet state recycling target.



Target attainment can only be achieved by the introduction of a collection approach and complimentary resource recovery technology to extract the resources currently contained within the household waste bin.

Alternative Waste Technology Options

The Sunshine Coast Council Alternative Waste Technology Options Review (Attachment 5) provides a detailed description and evaluation of scenarios for an Alternative Waste Treatment and complimentary collection approach. Five Alternative Waste Treatment scenarios have been examined, detailed in Table 1.

Table 1: AWT Scenarios

SCENARIO	DIVERSION RATE (%)	NO OF BINS	AWT TYPE	COLLECTION FREQUENCY		
				MIXED WASTE	RECYCLING	ORGANICS
1	50 – 55	2	Compost (of sorted mixed waste)	Weekly	Fortnightly	N/A
2	80 – 85	2	Thermal treatment (of mixed waste)	Weekly	Fortnightly	N/A
3	30 – 35	3	Compost (of organics bin only)	Fortnightly	Fortnightly	Weekly
4	60 – 65	3	Compost (of sorted mixed waste and organics bin)	Fortnightly	Fortnightly	Weekly
5	80 – 85	2	Compost + thermal (of mixed waste)	Weekly	Fortnightly	N/A
Notes: 1. Organics bin includes garden and food scraps						

Each of the scenarios detailed above have relative advantages and disadvantages. The preferred approach selected by Council will need to fit a broad range of evaluation criteria and meet Council's risk appetite.

Attachment 1 contains a qualitative comparative assessment of each scenario, based on a number of evaluation criteria prepared by Council officers.

Based on research and an assessment of anaerobic digestion technology in Australia, Council officers have excluded anaerobic digestion technology from the technology risk assessment due to the history of poor performance of these plants in Australia. Three large scale Anaerobic Digestion plants processing mixed waste have been commissioned in Australia and one has been mothballed (Atlas in Perth), and one has experienced poor performance (UR3R). A third plant (Arrowbio in Sydney) cost \$50 million to develop and is still operating but it has required ongoing modification and additional plant has been retrofitted, increasing the initial investment. It does not yet perform according to plan. Anaeco in Perth, WA are currently constructing a 55,000 tonne per annum Anaerobic Digestion plant, however, this plant is not commercially proven and based on Council's risk appetite, it was prudent to eliminate Anaerobic Digestion from the technology risk assessment.

Legal

The legal implications for this proposal relate to compliance with the sound contracting principles for the procurement process. This will be triggered when Council pass a resolution endorsing a preferred approach.

The *Local Government Act 2009* (LGA) and the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulations) provide the legislative framework for local government procurement in Queensland. More specifically, s106 of the Act states that when entering a contract, the local government must have regard to the following sound contracting principles:

- a) value for money
- b) open and effective competition
- c) encouragement of the development of competitive local business and industry
- d) environmental protection, and
- e) ethical behaviour and fair dealing.

Council must invite written tenders before making a contract for the carrying out of work, or the supply of goods or services involving a cost of more than \$150,000 (ex GST) or another amount as set forth in the *Local Government Act 2009* or Regulations.

The Expression of Interest or Request for Tender that Council issue for an Alternative Waste Treatment will be in excess of \$150,000 (ex GST) and sound contracting principles will need to be adhered to throughout the procurement process.

Policy

The Waste Minimisation Strategy 2009-2014 stated goal is to increase the recovery of waste resources to over 70 per cent by 2014 to add value to the Coast's economy and minimise damage to the environment.

To achieve the goal, Council will use these principles to guide its decisions:

- Follow the waste hierarchy by greatly increasing Council's focus on reducing and recycling waste to avoid disposal
- Focus on diverting organic waste from landfill
- Utilise the "polluter pays" principle
- Partner with the community and private sectors to determine and deliver services
- Maximise the economic opportunities from any recovered resources
- Provide an efficient, convenient and safe waste systems
- Minimise the costs and risks to the ratepayer by using proven technology and services and competitive tendering to engage the private sector and deliver value for money

Risk

A comparative risk assessment of scenario 1–5 was completed in November 2011 to identify the different risk profiles of each technology and collection configuration. The risk assessment was completed with Project team members using the approach adopted within the AS/NZS ISO31000:2009 Risk Management Standard.

Based on this preliminary comparative risk assessment, Scenario 3 has the lowest risk profile of each of the scenarios.

Table 2 summarises the risk scores of scenario 1–5.

Table 2: Risk profile of scenario 1 – 5

SCENARIO	RISK PROFILE	DESCRIPTION OF HIGHEST RISKS
Scenario 1 Compost of sorted mixed waste (2 bin collection system)	Extreme – Nil High – 1 Moderate – 3 Low – 3	High – Recovered products (low quality compost) not capable of being used in a long-term market
Scenario 2 Thermal treatment of mixed waste	Extreme – Nil High – 2 Moderate – 5	High – 1. Plant performance does not achieve design capacity, recovery rates or air pollution discharge criteria

SCENARIO	RISK PROFILE	DESCRIPTION OF HIGHEST RISKS
(2 bin collection system)	Low – 1	High – 2. Public objection to formal approval process
Scenario 3 Compost of organics bin only (3 bin collection system)	Extreme – Nil High – Nil Moderate – 3 Low – 4	Moderate – Feedstock input composition not suitable to reliably operate process as designed and produce outputs to specification.
Scenario 4. Compost of sorted mixed waste and organics bin (3 bin collection system)	These scenarios were not individually assessed. This scenario is a combination of Scenario 1 and 3.	High – Recovered products (low quality compost) not capable of being used in a long-term market.
Scenario 5. Compost of sorted mixed waste and thermal treatment of residual waste (2 bin collection system)	These scenarios were not individually assessed. This scenario is a combination of Scenario 1 and 2.	High – Recovered products (low quality compost) not capable of being used in a long-term market. High – Plant performance does not achieve design capacity, recovery rates or air pollution discharge criteria High – Public objection to formal approval process

Separate to the Alternative Waste Treatment technology risks, the project risks that are significant include:

RISK	RISK RESULTS IN	RISK MITIGATED BY
Delay in Request for Tender for collection and recyclables processing	<ul style="list-style-type: none"> ▪ Contract extension to current contracts with potential financial cost 	<ul style="list-style-type: none"> ▪ Contract preparation completed by October 2011 ▪ Governance structure ▪ Council resolution to proceed with procurement of an AWT
Inability to secure Council resolution on preferred AWT approach by July 2012	<ul style="list-style-type: none"> ▪ Inability to integrate AWT with the collection tender ▪ Landfill capacity exhausted in shorter timeframe ▪ Bring forward greenfield landfill development 	Council resolution to proceed with procurement of an AWT
Delay in the development of Sustainability Park	<ul style="list-style-type: none"> ▪ Delay in construction of AWT ▪ Landfill capacity exhausted in shorter timeframe ▪ Bring forward greenfield landfill development 	<ul style="list-style-type: none"> ▪ Concept design planning in FY2012 ▪ Detailed design planning in FY2013 ▪ Service infrastructure construction in FY2013
Failure to meet targets detailed in the <i>Waste Minimisation Strategy 2009-2014</i> by 2014	<ul style="list-style-type: none"> ▪ Community dissatisfaction ▪ Reputational risk ▪ Political dissatisfaction 	<ul style="list-style-type: none"> ▪ Regular community and Councillor consultation of the waste achievements to date and proposed strategy implementation
Adverse ruling by Queensland Competition Authority (QCA) of regulated monopoly of commercial waste	<ul style="list-style-type: none"> ▪ Loss of regulated monopoly of commercial waste ▪ Dilution of Council's commercial service provision and associated revenue loss ▪ Inability to realise additional waste diversion attributed to the commercial waste stream 	<ul style="list-style-type: none"> ▪ Robust development of responses submitted to the QCA ▪ Differential pricing of the landfill gate fee for commercial waste ▪ Council development of a resource recovery facility for commercial waste

Previous Council Resolution

Adoption of the Waste Minimisation Strategy 2009-2014.

Related Documentation

- AMPM, 2011, Draft Feasibility Report for Sustainability Park
- Aurecon, 2011, Domestic Waste Collection System Model. Project Completion Report.
- Queensland Treasury Corporation, 2011, Sunshine Coast Regional Council Energy from Waste Feasibility Review
- Sunshine Coast Council, 2011, Alternative Waste Technology Options Review
- Waste Minimisation Strategy 2009-2014

Critical Dates

A Request for Tender for waste collection and recyclables processing will be released for tendering in November 2012. Due to the integral relationship between waste collection and an Alternative Waste Treatment, it is critical that a decision on whether to proceed with a 2 bin Alternative Waste Treatment or a 3 bin Alternative Waste Treatment will need to be resolved by Council before November 2012 to enable finalisation of the collection contract service specifications.

The key dates for the project are outlined in Table 3.

Table 3: Key dates

KEY TIMELINES	ACTIVITY
30 March 2012	Completion of business case and implementation plan for preferred scenarios
July 2012	Council decision on preferred Alternative Waste Treatment
November 2012	Request for Tender released for waste collection and recyclables processing

Implementation

Based on the size, complexity and long-term nature of this project, a governance structure will be needed to provide structured decision making and problem solving mechanisms throughout the project lifecycle.

The initial phase of the Project will be supported by a Alternative Waste Treatment Working Group that involves Councillors and close cooperation across several Council departments and branches, including:

- waste and resource management
- environmental policy
- economic development, and
- finance and procurement

The primary focus of the Alternative Waste Treatment Working Group will be to:

- evaluate the Alternative Waste Treatment scenarios contained in the Alternative Waste Treatment Options Review
- develop a short list of preferred Alternative Waste Treatment technology and collection configuration scenarios
- prepare a business case and implementation plan that compares the short listed preferred scenarios and provides a whole of life financial evaluation and triple bottom line assessment to be used for final Council decision making
- investigate State and Federal funding opportunities for capital funding of the preferred Alternative Waste Treatment.

Table 4 outlines the roles and responsibilities of groups making up the governance structure. Attachment 4 contains an overview of the governance framework.

Table 4: Proposed governance structure

PHASES	GOVERNANCE ELEMENTS	RESPONSIBILITIES AND ROLES
AWT preferred technology decision	<ul style="list-style-type: none"> ▪ AWT Working Group 	<ul style="list-style-type: none"> ▪ The AWT Working Group will comprise Councillors and senior officers with legal, economic, financial and procurement expertise to provide overall oversight of the AWT technology decision. It will ultimately report to Council on the short listed AWT technology for final Council determination.
Procurement strategy development	<ul style="list-style-type: none"> ▪ Project Governance Group 	<ul style="list-style-type: none"> ▪ The governance group will comprise senior officers with legal, economic, financial and procurement expertise to provide overall oversight of the project progression, governance structure and ensure compliance with legal and probity principles. It will ultimately report to Council on the final procurement strategy and contract documentation
Contract development	<ul style="list-style-type: none"> ▪ Project Control Group 	<ul style="list-style-type: none"> ▪ The Project control group will comprise of senior staff and officers with decision making capabilities and be accountable to the Project Governance Group and Council. ▪ It would provide direction and oversight to the development of the project.
Tendering	<ul style="list-style-type: none"> ▪ Project manager 	<ul style="list-style-type: none"> ▪ The project manager would be accountable to the steering committee. ▪ The project manager's role will be to plan, coordinate, direct and supervise the project development, procurement and delivery phase of the project.
	<ul style="list-style-type: none"> ▪ Contract development team 	<ul style="list-style-type: none"> ▪ The project team would include the project manager, and technical commercial, legal and communication advisors. ▪ It would be responsible for developing preliminary technical solutions, procurement strategy, project costs and pricing, legal requirements and communication strategy.
	<ul style="list-style-type: none"> ▪ Probity advisor 	<ul style="list-style-type: none"> ▪ The probity advisor would report to the steering committee and project manager. ▪ Its role would be to address and advise on conflicts of interest matters as and when they arise, and ensure transparency, integrity and accountability of decision making at all levels.

4.2.2 SHEPPERSONS LANE CONSTRUCTION

File No: ECM 24 January 2012
Author: Manager Transport and Engineering Services
Infrastructure Services
Appendix: [App A - Letter From Neilsen Group 281011](#) (PSC Att Pg 185)
Attachment: [Att 1 - 20948 Constructruction Estimate](#) (Att Pg 186)

PURPOSE

The purpose of this report is to advise Council of an offer from Neilsen's Quality Gravels Pty Ltd (Neilsen's) for the Kin Kin Quarry to contribute towards the cost of the construction of Sheppersons Lane, Kin Kin to a bitumen sealed standard (approximately 1545m in length).

The decisions sought are:

1. To accept the offer from Neilsen's Quality Gravels Pty Ltd to contribute towards the construction of Sheppersons Lane Kin Kin; and
2. Consider the sum of \$500,000 as part of the 2012/2013 Transportation Capital Program in the Gravel Roads sub-program as Councils contribution toward the works.

These decisions are subject to council's approval of the Kin Kin Quarry Management Plan.

EXECUTIVE SUMMARY

An existing section of gravel laneway is required to be upgraded to facilitate the operation of the Kin Kin Quarry located at Sheppersons Lane Kin Kin. Operator of the Kin Kin Quarry, Neilsen's Quality Gravels Pty Ltd, has offered to share the cost of the works equally with Council on the basis that council covers the bitumen sealing costs, the quarry supplies the necessary road base materials at its own cost and all other costs are shared equally.

The upgrade of the road to the proposed design would result in 1545m of sealed 8m wide road formation from the Kin Kin Road intersection to the quarry gate entrance.

The amount of council required funding for this project has been estimated based on council's civil construction rates and split to reflect the offer from Neilsen's. However, it is intended to call tenders for the work so that the road construction process is fully transparent and to seek the most competitive offer to undertake the work.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Sheppersons Lane Construction"; and
- (b) accept the offer from Neilsen's Quality Gravels Pty Ltd (Appendix A) to contribute towards the construction of Sheppersons Lane Kin Kin; and
- (c) consider the approval of the sum of \$500,000 as part of the 2012/2013 Transportation Capital Program in the Gravel Roads sub-program as Councils contribution toward the works.

FINANCE AND RESOURCING

The detailed design has been completed by council for the construction and bitumen sealing of the laneway from Kin Kin Road to the Kin Kin Quarry gate for a distance of 1545 metres. The road would be constructed as a nominal 8.0m wide bitumen sealed formation, including culvert drainage, signs and line marking at an estimated total cost of \$1,000,000.

It is anticipated that based on the cost sharing proposal, council's estimated contribution toward the works is \$500,000, which equates to 50%. This estimate is based upon council's civil construction rates, including the cost to bitumen seal the road but without the supply of road base material, which is being provided in kind by Neilson's.

Advice from council's Regional Strategy and Planning department is that the approval to operate the quarry is an old approval and as such the new quarry operator (Neilsen's) are not able to be conditioned to fund the reconstruction and bitumen sealing of Sheppersons Lane.

The 2011/2012 Transportation Capital Budget does not currently contain the required funds to cover the contribution needed to proceed with this project, capitalising on the offer from Neilsen's. Advice from council's finance branch is that loan borrowings can not be extended at this point in time to allow the extension of 2011/2012 Capital Program to cover this work. As such consideration must be given to including the required funds in the 2012/2013 budget process.

Council would manage the project including calling tenders for the work, supervising construction and managing contractor payments to ensure the work meets all council standards.

CORPORATE PLAN

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 1.3 Infrastructure for economic growth
Strategy: 1.3.1 Facilitate the delivery of key infrastructure projects for our preferred economic growth

Corporate Plan Theme: *Accessibility and Connectedness*

Emerging Priority: 6.4 A community that recognises the importance of universal access and equity
Strategy: 6.4.2 Work in partnership with government, the private sector and community groups to understand needs and promote high quality universal access

Corporate Plan Theme: *Managing Growth*

Emerging Priority: 7.5 Council's services and assets meet the needs of our growing community
Strategy: 7.5.3 Maintain and renew council assets to agreed standards

CONSULTATION

Internal Consultation

- Cr L Brennan, Divisional Councillor;
- Executive Director Infrastructure Services; and
- Co-Ordinator Plan Applications (North), Regional Strategy and Planning.
- Council's Financial Services Branch

External Consultation

- Owner of the quarry; and residents of Sheppersons Lane
- Group Quarry Manager, Neilsen Quality Gravels Pty Ltd
- Department of Transport and Main Roads.

Community Engagement

Residents of Sheppersons Lane Kin Kin have contacted council on a number of occasions requesting the bitumen sealing of the road to alleviate dust and safety issues caused by heavy vehicle traffic from the Quarry.

Whilst there has been a degree of anxiety from parts of the Kin Kin community regarding extended operations of the Kin Kin Quarry the residents of Sheppersons Lane are in general support of the project.

It should also be noted that the Department of Transport and Main Roads (DTMR) have commenced work on the widening of the state controlled Pomona Kin Kin Road project over the Kin Kin range. This DTMR project has been accelerated due to the impending Kin Kin Quarry operations and councils request seeking the required state road improvements.

PROPOSAL

Council has been approached by Neilsen's Quality Gravels Pty Ltd with an offer to contribute to the reconstruction of Sheppersons Lane to a better standard than currently exists. The offer is to share the cost of the works equally with Council on the basis that council covers the bitumen sealing costs, the quarry supplies the necessary road base materials at its own cost and all other costs are shared equally.

Sheppersons Lane is a narrow poorly formed gravel road off Kin Kin Road that leads to Kin Kin Quarry. It has a resort near the Kin Kin Road intersection and three other residences on rural lands inclusive of the quarry property. It is proposed to construct the road as an 8 metre wide sealed road for the full length from the Kin Kin Road intersection to the quarry gate. A design has been prepared and the estimated cost of the works to council is \$500,000.

The quarry product that would be supplied to the project by the Neilson's at their cost would be supplied in accordance with the Department of Transport and Main Roads (DTMR) standards; however the quarry does not yet have formal DTMR Quarry approval.

Legal

Advice from council's Regional Strategy and Planning department is that the approval for the Kin Kin Quarry is an old one but is subject to conditions, including the requirement to operate in accordance with a detailed management plan. The management plan addresses issues such as the location siltation ponds, the extent of proposed excavations, proposed access locations, buffers to adjoining properties, staging of works and rehabilitation procedures. There is a current management plan in place for the quarry last approved in 2005 and the Quarry may operate in accordance with this plan. However, Neilson's are proposing to amend the approved management plan as they would like to excavate at the bottom of the hill in the next 5 to 10 years, where as the 2005 management plan suggests they will start from the top of the hill and work their way down.

While the quarry does require council approval to amend the management plan, council is lawfully unable to condition reconstruction of Sheppersons Lane, just like it is unable to impose a restriction on its output. The only means for council to make them pay for the full road reconstruction would be if Neilsens were to seek a further extension to the term of the approval. Currently the approval for the quarry would lapse on 12 May 2033 and the operators have advised that they consider there to be enough material there until that time.

Policy

Had the operation of the Kin Kin Quarry been the subject of a new development application, the reconstruction of Sheppersons Lane would have been a condition of development. However, as the quarry will recommence operation on the old permit there is no policy to request the work be done at no cost to council.

Risk

There are risks to the safety of local road users and residents on Sheppersons Lane should the project not go ahead due to the increase in traffic volumes of heavy vehicles hauling materials along the existing narrow, poorly formed laneway. Without the width of 2 traffic lanes, local road users may be forced off the road more frequently due to the increased material production output planned for the quarry and the resultant truck volumes.

Additional gravel road maintenance costs will result if heavy quarry trucks are forced to use Sheppersons Lane without a proper structural pavement and bitumen seal.

Previous Council Resolutions

In 2010 a report was tabled to Council providing information regarding the proposal to recommence and increase the Kin Kin Quarry's production output. This report included a request for council's staff to negotiate with the quarry operator to seek commitment to carry out road improvements.

Ordinary Meeting 25 February 2010 Council Resolution (OM10/031)

(SPC) Item 4.1.5 Extractive Industry, 150 Sheppersons Lane, Kin Kin

That Council:

- (a) receive and note the report titled 'Extractive Industry, 150 Sheppersons Lane, Kin Kin';*
- (b) request the Chief Executive Officer to enter into negotiations with the quarry operator with a view to seeking their commitment to carry out road improvements and traffic improvements to Sheppersons Lane and Kin Kin Range Road to improve its suitability for heavy vehicle movement and traffic management options including embargos on movements during school bus times;*
- (c) request the Chief Executive Officer to contact the Department of Transport and Main Roads to seek road improvements in the form of seal maintenance, line marking and reduced speed limits to improve the road safety of the Kin Kin Road; and*
- (d) request the Chief Executive Officer to continue to monitor quarry operations to ensure the requirements of the development approval are met, including the implementation of management measures to mitigate impacts for residents and road users.*

Related Documentation

- Proposal letter from the Neilsen's Quality Gravels Group
- Council Civil Construction Cost Estimate
- Construction Plans for Proposed Works

Critical Dates

It is critical that the upgrade of Sheppersons Lane be carried out prior to the recommencement of quarry operations to reduce the impact of dust and for overall road safety improvements.

Neilsen's are working to have the new Quarry Management Plan approved but do not have a firm production date. It is expected that a mid 2012 reconstruction timeframe for Sheppersons Lane will align with the Quarry's Management Plan approval and production schedule.

Implementation

The detailed design has been undertaken by council and is complete for this project.

Had council been in a position to provide additional funding this financial year, construction specifications could be collated and tenders would be sort using council's normal procurement process. Given the timing of the ordinary council meeting and the procurement process timeframes it is unlikely construction would have commenced until April 2012.

If the funds are included in the 2012/2013 budget then construction would commence within the first two months of the new financial year 2012.

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4.3 COMMUNITY SERVICES

4.3.1 MERIDAN FIELDS SPORTS GROUNDS REVISED MASTER PLAN

File No:	ECM01/2012
Author:	Sport Recreation and Wellbeing Planning Officer Community Services
Appendix:	<u>App A - Meridan Fields Sports Grounds Revised Master Plan</u> (PSC Att Pg 189)
Attachment:	<u>Att 1 – Proposed Energex Powerline Alignment</u> (PSC Att Pg 190)

PURPOSE

To seek council's approval to adopt the revised Meridan Fields Sports Grounds Master Plan and note the future stages for the development of the site as outlined in this report.

EXECUTIVE SUMMARY

The previously endorsed Master Plan for Meridan Fields "Recreation and Community Use" was prepared in 2007. In recent years a number of changes have necessitated the review and development of a revised Master Plan (concept only). These changes include:

- a number of site constraints;
- a proposed potential East-West Palmview to Kawana Greenlink corridor;
- a proposed Energex power line easement corridor; and
- the policy direction in the recently adopted Open Space Strategy and Sport and Active Recreation Plan.

The revised and renamed "Meridan Fields Sports Grounds Master Plan" now provides a clear guideline for the development of the site. It builds on the existing infrastructure to reflect best value-for-money, whilst retaining flexibility for changes in future use and/or multi-use options.

The process in developing this master plan has been sensitive to ensuring alignment with other key council strategies, community needs, population projections, statutory policies and regulations. Of note are the aspirations and recommendations of the recently adopted Sunshine Coast Open Space Strategy and Sport and Active Recreation Plan 2011-2026 which committed to:

- developing the Meridan Fields to a district standard;
 - protecting existing district sports grounds across the Sunshine Coast;
 - ensuring that the use of existing infrastructure is maximised before developing new facilities;
 - improving outcomes for community use of schools;
 - ensuring playing surfaces are well drained; and
 - where corridor developments outside council's control are likely to impact on existing sporting facilities, ensure no net loss of capacity.
-

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled “Meridan Fields Sports Grounds Revised Master Plan”;
- (b) adopt the Meridan Fields Sports Grounds Revised Master Plan (Appendix A) and implement future stages of development for the Meridan Fields Sports Ground in accordance with the revised master plan, subsequent development priorities as outlined within this report and councils annual budget process including ten year capital works program;
- (c) inform Energex that council is seeking an alternative high voltage powerline alignment which does not impact the Meridan Fields Sports Grounds site; and
- (d) confirm that the revised master plan and prioritised staged implementation can be utilised to guide the relevant sporting groups in co-ordinating management agreements with council and in seeking external funding opportunities to supplement council’s capital costs.

FINANCE AND RESOURCING

Future staged works of the revised master plan are proposed to be funded through the annual capital works program in 2011/2012, 2012/2013 and 2013/2014. User groups may also allocate funding and/or contribute through grant application funding.

The table below outlines the proposed capital works budget allocations from 2011/2012 (adopted) and 2012/2013 - 2013/2014 (indicative) and proposed major works. Please note that this total figure will not fund all of the master plans objectives. Council will be seeking external funding to assist project objectives based on the revised master plan.

Year	Capital Budget Allocation	Outline of Proposed Works
2011/2012	\$300,000	Improving existing fields flood immunity and drainage capabilities.
2012/2013	\$300,000	Completing embellishments (lighting) for existing sporting fields and infrastructure. Commencing detailed design for future field and infrastructure construction.
2013/2014	\$440,000	Commence civil works for additional sporting fields.
Total	\$1,040,000	Additional works will be required to complete all of the master plan objectives.

The revised master plan for the Meridan Fields Sports Grounds provides council with a sound base to lobby Federal/State Government and private development for implementation funding assistance and contributions. It will also provide council with a strategic direction to implement the development in a clear and focussed way.

CORPORATE PLAN**Corporate Plan Theme:** *Robust Economy*

Emerging Priorities: 1.1 A broad economic base
Strategies: 1.1.3 Facilitate the development of the region's knowledge-based economy in particular the creative, health, environmental, leisure and sporting sectors

Corporate Plan Theme: *Health & Wellbeing*

Emerging Priorities: 4.2 Active lifestyles
Strategies: 4.2.3 Promote physical activity and recreation

Corporate Plan Theme: *Social Cohesion*

Emerging Priorities: 5.3 A sense of identity and belonging
Strategies: 5.3.1 Support community programs and infrastructure that encourage interaction, contribute to place making and a sense of community

CONSULTATION

Extensive consultation has occurred to ensure the revised master plan aligns correctly with council's strategic intent and operational environment as well as with external user groups and other stakeholders. Below outlines the various stakeholders involved in this consultation.

Internal Consultation

- Councillor Grosskreutz
- Councillor Dwyer
- Councillor Jones
- Building and Facilities Services
- Community Facilities
- Social Policy
- Parks & Gardens
- Community Assets and Leasing
- Integrated Transport Planning
- Infrastructure Policy
- Strategic Planning

External Consultation

- Caloundra Football Club
- Caloundra Seahawks Hockey Club
- Sunshine Coast Football

- Sunshine Coast Hockey
- Football Queensland
- Hockey Queensland
- Pacific Lutheran College
- Meridan State College
- Quad Park Corporation
- Caloundra RSL
- AFL Sunshine Coast
- AFL Queensland
- Energex
- Transport and Main Roads
- The Sunshine Coast University

Consultation summary with existing stakeholders

Consultation with existing site user groups identified that improved field flood immunity, drainage, lighting, irrigation and improved equipment storage opportunities would assist the site's current usage and improve its utilisation.

PROPOSAL

Background of the Meridan Fields Sports Grounds

Located along the Meridan Way at Meridan Plains, within the emerging residential precincts of Kawana Forest and Caloundra West, the Meridan Fields Sports Grounds are part of an 86 hectare parcel of freehold land, of which approximately 20 hectares has become suitable for sport and recreation embellishment.

The site was acquired by Caloundra City Council to mitigate the shortfall of sport and recreation facilities (in Caloundra west and eastern beaches) identified in the *Caloundra City Open Space Plan 1999* and a Master plan was adopted in 2007 – the *Meridan Fields – Meridan Plains Recreation and Community Use Master Plan* to stimulate the informed development of the Meridan Fields Sports Ground.

This original master plan proposed the development of 17 sporting fields, various storage facilities and multiple hard courts. However since the adoption of this master plan several planning limitations have constrained the sites development, which include:

- a 40m corridor allowance for the proposed potential East-West Palmview – Kawana Greenlink;
- developmental constraints due to the nature of the site residing in a flood plain;
- land resumptions to support the Multi Modal Transport Corridor Creekside interchange; and
- a proposed 40m Energex power line easement alignment through the western, southern and eastern portions of the site.

In 2010 stage 1 works commenced for the Meridan Fields Sports Grounds which to date has included the development of:

- a large clubhouse
- 6 x full-sized soccer fields (2 with lighting)
- 2 x full-sized hockey fields (1 with lighting)
- 170 space car park
- internal roads and hardstand areas, and
- landscaped buffer mounds along the northern boundary and street tree planting.

The site now plays host to the Caloundra Football Club, the Caloundra Seahawks Hockey Club and the Pacific Lutheran and Meridan Colleges for various sporting activities. The site is also receiving further interest from other sporting groups such as AFL Oztag, Cricket and Touch Football for future use.

Further capital works funding has been allocated for the Meridan Fields Sports Grounds through to 2014 to stimulate further staged development. However, this future development and activation of the remaining available land (which is the highest quality land on site) has the potential to become constrained by the proposed alignment of an Energex power line easement. This constraint is outlined in more detail below.

Proposed Sunsouth 120kv high voltage Energex Power Project – Meridan Plains East substation to Birtinya substation

The connection of the future Meridan Plains East switching station to the future Birtinya substation (a distance of approximately 4.1km) proposes a 40m easement for a power line to traverse along the western, southern and eastern parts of the Meridan Fields Sports Grounds site to the Transport and Main Road's Lot 465 on SP186331 (part of the future Multi Modal Transport Corridor), refer Attachment 1.

The current indicative alignment of this power line easement will have an impact on the proposed sporting uses at the Meridan Fields Sports Ground and this report recommends that negotiations with Energex are directed so that alternative alignments are reviewed to ensure a 'no net loss' scenario to the Meridan Fields Sports Ground.

Strategic Review - Meridan Fields Sports Grounds

In March 2011 council adopted the Sunshine Coast Open Space Strategy 2011 to guide the planning, development and management of council's controlled open space. Key considerations within this strategy in relation to the Meridan Fields Sports Grounds Revised Master Plan (district sports grounds) development are:

- sports ground policy direction including improving long-term financial viability through shared support infrastructure such as club-houses, car parks and water re-use; planning for effective links to community by public transport, cycle and pedestrian paths; considering accessibility to the community for unstructured recreational activities ; advocating for appropriate investment in land, construction and maintenance to increase capacity of existing open space and minimise need for additional open space.

- relevant landscape development principles include: character reflective of local identity and heritage values, designed to positively contribute to the amenity of the surrounding areas, shade trees dividing fields, shaded car parking, boundary areas substantially planted with locally native/shrub species, planting to provide diversity of layers and qualities for wildlife needs - food sources, connection, protection and breeding, emergency vehicle access and ensure playing surfaces are well drained.

Recommendations to:

- protect and develop the existing district sports grounds across the Sunshine Coast; and
- continue to develop Meridan Fields Master Plan (consistent with desired standards of service as much as possible).

In March 2011 council adopted the Sunshine Coast Sport and Active Recreation Plan 2011–2026 to guide the current and future provision of facilities and services to meet the needs of the Sunshine Coast's diverse communities over the next 15 years.

The vision for this plan is: *“Through its role in sport and active recreation, Sunshine Coast Council will contribute to the health and well being, social cohesion, and broadening of the economy of the Sunshine Coast. It will do this by:*

- *Providing or facilitating equitable access to facilities and services*
- *Providing pathways*
- *Providing or facilitating infrastructure in response to existing needs and/ or population growth that is sustainable and consistent with identified local and regional needs*
- *Facilitating partnerships with community, government and education sectors*
- *Encouraging clubs to be self sufficient*
- *Encouraging and/ or supporting regional and higher level events, especially those which build on the natural and competitive advantages of the region*
- *Ensuring that sport and recreation assets are effectively managed and protected.”*

Six 'Guiding Principles' were identified to give effect to council's 'vision' for sport and active recreation and guide the future planning and management of facilities and opportunities. They are consistent with other planning within council and should be used as a reference point for future development. The guiding principles comprise:

- Economic and environment sustainability
- Infrastructure provision and club sustainability
- Accessibility and mobility
- Urban character and amenity
- Social equity
- Community involvement and inclusion

Two sub principals relevant to the Meridan Fields Sports Grounds Revised Master Plan development were identified as:

- Ensuring that the use of existing infrastructure is maximised before developing new facilities.
- Where corridor developments outside council's control are likely to impact on existing sporting facilities, ensure no net loss of capacity and, where relocation is required, provide good access and redevelopment to an equal or better standard.

The recommendation for the Meridan Fields Sports Grounds (within Locality 21) was to:

- Progressively implement the master plan for Meridan Fields.

Proposed Potential East-West Palmview to Kawana Greenlink alignment

It should be noted that council is yet to determine its preferred alignment for the East-West Palmview to Kawana Greenlink.

Currently a 40m wide corridor has been reserved through the northern portion of the Meridan Fields Sports Grounds. This potential corridor allows for the future consideration of a east-west Palmview to Kawana Greenlink (known as Option D).

The revised master plan demonstrates that the proposed potential alignment for a public transport link is an acceptable solution and can be accommodated in the sports grounds without causing significant impacts to the existing and proposed sporting facilities and activities.

Future Development Priorities – Meridan Sporting Fields Complex

In support of the Open Space Strategy's typical embellishments table and the Sport and Active Recreation Plan's principal of "ensuring that the use of existing infrastructure is maximised before developing new facilities" it is recommended that initial works on the Meridan Fields Sports Grounds are concentrated to improve the capabilities and capacity of the existing fields and infrastructure before commencing further field development.

The revised Meridan Fields Sports Grounds Master Plan responds to the key recommendations identified within the Sunshine Coast Open Space Strategy 2011 and the Sunshine Coast Sport and Active Recreation Plan 2011-2026 and ensures:

- existing and future demand for sport and recreation facilities are catered for;
- effective and efficient use of space is planned to cater for the demands of the user groups, both in the immediate and longer terms;
- positive dual use arrangements are fostered with the Pacific Lutheran and Meridan Colleges;
- provision of a safe and secure environment for all users and enhancement of visual amenity;
- adequate and functional clubhouses and amenities to cater for all users;
- active transport provision is provided;
- equitable access and safe, sufficient parking;

- provision of improved connectivity within and through the complex as part of a holistic vehicular and pedestrian/cycle network;
- a realistic and achievable design that has been developed in consultation with user groups, aimed at providing a functional, attractive, and sustainable reserve precinct;
- financial implications are properly considered. In particular, providing facilities and improvements aimed at assisting the clubs becoming financially stronger through increased participation rates, and improved volunteer morale and therefore retention.

Key features of the Meridan Fields Sports Grounds Revised Master Plan are:

- a district football and AFL facility with the capacity to attract and host local-regional events
- a district hockey facility with the capacity to host local - regional events (dependant on demonstrated demands)
- greater capacity to cater for the needs of other sports should demands warrant such as; rugby league, rugby union, cricket and touch football/ Oztag.
- a high quality green space for the community to utilise and celebrate
- strong connections between the complex and the wider community itself.

Legal

There are no legal implications to this report.

Policy

The Sunshine Coast Sport and Active Recreation Plan 2011-2026 forms council's policy on sport and active recreation for the region and provides a direction for the future. This policy has been reviewed and used to guide the final recommendations within the Meridan Fields Sports Grounds Revised Master Plan.

Risk

Further loss of open space at the Meridan Fields Sports Grounds due to the potential alignment of an Energex power line and easement could result in an inadequate supply of sport and active recreation opportunities in this area.

Previous Council Resolution**Ordinary Meeting 7 December 2011 (OM11/321)**

(SPC) Item 5.2.2 Confidential – Not For Public Release - Palmview North-South and East-West Greenlink Alignments

That Council:

- (a) *note the report from Parsons Brinckerhoff titled “Palmview North-South Greenlink Alignment Review” dated August 2011 (Attachment 1);*
- (b) *endorse Option 1, identified as the Energex Easement in the report from Parsons Brinckerhoff titled “Palmview North-South Greenlink Alignment Review”, as the preferred alignment for the North-South Greenlink;*
- (c) *refer the report titled “Palmview North-South Greenlink Alignment Review” (Attachment 1) and Council’s recommendation to the Minister of Local Government and the Minister of Transport for their approval that the report satisfactorily addresses the Terms of Reference agreed to with the State;*
- (d) *note the Executive Summary report from ARUP titled “Palmview-Kawana East-West Greenlink Report” dated November 2011 (Attachment 2);*
- (e) *acknowledge Option E which runs on the southern boundary of the Meridan Plains Sports Fields, identified in the report from ARUP titled “Palmview-Kawana East-West Greenlink Report”, will not be considered further and that planning for the Meridan Plains Sports Fields proceed accordingly; and*
- (f) *defer the final decision on the preferred alignment for the East-West Greenlink, to a later meeting, to allow residents to consolidate their collective view and to hold further discussions with Energex.*

Item (4.04.6) Meridan Fields Master Plan Council Resolution (07/243)

That:

- (a) *Report Number 20070702.cf.1 from Acting Principal Landscape Architect, Chris Fenaughty, dated 2 July 2007, be received and noted;*
- (b) *The Meridan Fields Master Plan (Attachment 1) as identified in (a) above be endorsed;*
- (c) *The Meridan Fields Master Plan be referred to the 4/10/20 Year Financial Plan and be included in the Recreation Infrastructure, Road Infrastructure, Facilities, Major Projects, Environment and Drainage Programs for consideration at budget discussions;*
- (d) *The Master Plan and prioritised staged implementation be presented to the relevant sporting groups to assist those organisations in co-ordinating management agreements with Council and also in identifying and seeking external funding opportunities to supplement Council’s implementation costs; and*
- (e) *The endorsed Master Plan be presented to the relevant state agencies and stakeholders for their information. These include Department of Local Government, Planning, Sport and Recreation; Department of Main Roads; and Queensland Transport.*

Related Documentation

- Sunshine Coast Council Open Space Strategy 2011
- Sunshine Coast Sport and Active Recreation Plan 2011 – 2026
- Sunshine Coast Sustainable Transport Strategy 2011-2031
- Sunshine Coast Active Transport Plan 2011-2013
- 2010 Sunshine Coast Council Palmview Structure Plan
- 2007 Meridan Fields Master Plan
- 2005 Central Park Master Plan
- Energex Sunsouth Power Project
- Main Roads Multi Modal Transport Corridor Project

Critical Dates

It is imperative that council has an endorsed position in relation to the future development aspirations of the Meridan Fields Sport Grounds site to adequately direct future development and defend council's position of 'no net loss' in relation to the proposed energex power line easement.

Implementation

The 2011/2012, 2012/2013, 2013/2014 Capital Works Program includes the allocation of funding to contribute towards the staged detailed planning and construction of master plan initiatives and outlines future stages of development to be prioritised in accordance with council's ten year Capital Works Program.

Further implementation will occur in line with the revised master plan objectives as funding becomes available.

4.4 EXECUTIVE OFFICE

4.4.1 STATE EMERGENCY SERVICE OPERATIONS ON THE SUNSHINE COAST IN 2011

File No: ECM 24 January 2012

Author: Project Director Partnerships and Engagement
Executive Office

Appendices: [App A - Memorandum of Agreement](#) (PSC Att Pg 191)
[App B - Memorandum of Agreement - Schedule A](#) (PSC Att Pg 207)

PURPOSE

The purpose of this report is:

- to provide an update on the Sunshine Coast State Emergency Service (SES) operations over the past twelve months, and
- to present for council's consideration a proposed Memorandum of Agreement (MOA) [attachment 1] between Council and the Department of Community Safety (DCS).

EXECUTIVE SUMMARY

In the 2011 calendar year, State Emergency Service (SES) volunteers from the Sunshine Coast dedicated over 60,000 volunteer hours to assisting the local community. The largest deployments of State Emergency Service (SES) volunteers' time were to training, repairing storm damage, helping the police during the Daniel Morecombe search, and providing assistance at community celebrations such as the Caloundra Music Festival and the Mooloolaba New Year's Eve celebrations.

As well as the volunteer hours spent working in our region Sunshine Coast State Emergency Service (SES) were deployed around Queensland to help during Cyclone Yasi and the Brisbane Floods in early 2011. The hours attributed to these deployments are not included in the above statistics, however as a result of these deployments 66 Sunshine Coast SES Volunteers have been nominated for the National Emergency Medal.

In September 2011 Minister Neil Roberts wrote to Mayor Abbot regarding the preparation of a standard Memorandum of Agreement (MOA) between the Department of Community Safety and all Queensland Local Governments with respect to the management of the SES. The MOA consists of two parts a high level strategic agreement which sets out the responsibilities of both state and local government based on the requirements of the Disaster Management Act 2003 (the Act) and then a second document (Schedule A) which specifies particular local arrangements.

Since September council officers have met with officers from Emergency Management Queensland (EMQ) to discuss how best to progress the MOA. As a result of these discussions it is recommended that council now agree in principle to sign off the high level MOA which formalises both council's and the state's responsibilities under the Act; and authorise the CEO to finalise negotiations on the schedule of local arrangements by June 30 2012, once the final recommendations of the Queensland Floods Commission of Inquiry have been handed down.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled 'State Emergency Service Operations on the Sunshine Coast in 2011';**
- (b) formally acknowledge and thank the Sunshine Coast SES volunteers for their hard work and ongoing contribution and dedication to the community in 2011;**
- (c) agree in principle to sign off the Memorandum of Agreement (Appendix A) between the Department of Community Safety and the Sunshine Coast Council which sets out the responsibilities of both the State and Council regarding the management of the SES based on the requirements of both parties under the Disaster Management Act 2003; and**
- (d) delegate authority to the Chief Executive Officer to negotiate and finalise the contents of Schedule A (Appendix B) of the Memorandum of Agreement with the Department of Community Safety by 30 June 2012, noting that there is no requirement for any increase in operational resourcing above current levels.**

FINANCE AND RESOURCING

In its 2011/2012 budget council provided the SES with an operational budget of \$600,737.

The operational budget is used for:

- depreciation, maintenance, lease costs and improvements to land and buildings
- vehicles (purchase or lease) including fuel and maintenance
- operational equipment maintenance
- information and office technology equipment
- office furniture
- telephone and Internet
- stationery and consumable equipment
- operational call outs
- honorariums to 3 local controllers
- corporate costs

Capital budgets are sought and allocated on an as needs basis for the construction of new depots and other capital works.

In 2012/2013 funds will be sought for the construction of a new depot for the Nambour SES. This is a longstanding project which has been hampered due to the unavailability of suitable land on which to locate the depot. A suitable site has now been located in Victory Park, Laidlaw Rd, Woombye for this depot and this project will be the subject of a separate report.

Council also makes an annual application to the SES Non-Recurrent Subsidy Program to assist with purchase of vehicles, office technology equipment and the construction of buildings and facilities. Leased vehicles do not qualify for subsidy.

The Memorandum of Agreement is consistent with previous council resolution (OM09/005) in that it proposes that council continue to work in partnership with EMQ to provide resources to the Sunshine Coast SES and it does not require any increase in operational resourcing above current levels.

CORPORATE PLAN

Corporate Plan Theme: *Health & Wellbeing*

Emerging Priority: 4.1 Safe and healthy communities
Strategy: 4.1.4 Maintain and develop council's emergency and disaster management planning, prevention, response and recovery capabilities

Corporate Plan Theme: *Social Cohesion*

Emerging Priority: 5.2 Strong community groups and networks
Strategy: 5.2.1 Value and support community organisations and volunteers across the region

Corporate Plan Theme: *Social Cohesion*

Emerging Priority: 5.2 Strong community groups and networks
Strategy: 5.2.3 Support community initiatives through appropriate provision of information, expertise and resources

CONSULTATION

Council officers have been meeting regularly with Emergency Management Queensland staff about the matters contained in this report.

Internal Consultation

- Senior Policy Officer, Disaster Management
- Project Support Officer, Disaster Management
- Emergency Management Coordinator, Infrastructure Services

External Consultation

- Regional Director North Coast Region, Emergency Management Queensland
- Executive Manager North Coast Region, Emergency Management Queensland
- Area Director, Sunshine Coast, Emergency Management Queensland

PROPOSAL

Currently there are 354 active SES Volunteers on the Sunshine Coast. They operate in three Units divided into 13 Groups located around the region.

Both Council and EMQ provide administrative support and financial assistance to the SES. Day to day management of the volunteers is by the Unit Local Controller and Group Leaders with training and management support provided by EMQ. Council provides the SES with accommodation, vehicles, IT infrastructure, internal furnishings, equipment and fuel. Council also maintained the SES buildings and equipment.

In the 2011 calendar year, SES volunteers from the Sunshine Coast dedicated over 60,000 volunteer hours to assisting the local community. The largest deployments of SES volunteers' time were to training, repairing storm damage, helping the police during the Daniel Morecombe search, and providing assistance at community celebrations such as the Caloundra Music Festival and the Mooloolaba New Year's Eve celebrations. See below for a more detailed breakdown of actual deployments.

Category	Total # of Hours
Storm Damage Operations Response	10,817
Assist Police/Crime Scene (Daniel Morecombe search)	5,770
Operations	49
Land Search Operations	1,211
Medical Evacuations	12
Traffic Control Operations	1,217
Vertical Rescue Operations	314
Administration	3,321
Community Support (Caloundra Music Festival; NY Celebrations/fireworks)	4,689
Equipment Maintenance	1,779
Training	28,802
Fundraising	2,496
Grand Total	60,477

As well as the volunteer hours spent working in our region, Sunshine Coast SES volunteers were also deployed around Queensland to help during Cyclone Yasi and the Brisbane Floods. The hours attributed to these deployments are not included in the above statistics, however as a result of these deployments 163 Sunshine Coast SES Volunteers have been nominated for the National Emergency Medal.

In September 2011 Minister Roberts wrote to Mayor Abbot regarding the preparation of a standard Memorandum of Agreement (MOA) between the Department of Community Safety and all Queensland Local Governments with respect to the management of the SES. The MOA consists of two parts a high level strategic agreement which sets out the responsibilities of both state and local government based on the requirements of the *Disaster Management Act 2003* (the Act) and then a schedule which specifies particular local arrangements.

Since September council officers have met with officers from EMQ to discuss how best to progress the MOA. It has been difficult to finalise these discussions given some uncertainty as to whether or not the Queensland Floods Commission of Inquiry final recommendations will refer to the operations and management of the SES.

However as a result of these discussions it is now recommended that council agree in principle to sign off the high level MOA which formalises both council's and the state's responsibilities under the Act, and finalise negotiations for Schedule A after the Inquiry's recommendations are bought down.

In the Memorandum of Agreement it is proposed that Emergency Management Queensland continue to be responsible for the governance framework, management and administration of the SES, including human resource management, administration of equipment and resources and that Council be responsible for the provision of SES land, buildings, vehicles, IT equipment, telephones and office consumables as well as providing an operational call out budget and honorariums for the local controllers.

Legal

This report's proposals will meet the Disaster Management Act 2003 requirements of local government for the state emergency service and assist Emergency Management Queensland in meeting their legislative requirements.

Policy

There are no identified policy implications for this report.

Risk

The SES volunteers provide an invaluable community service and one which neither council nor the state government could otherwise afford.

The proposals and recommendations contained in this report help clarify the roles and responsibilities of council and the state government, thereby reducing the risk of poor administration or a reduced resourcing adversely impact on the services that the SES provide.

Previous Council Resolution

Council Resolution (OM 09/005)

That Council:

- (a) Continue to work together with Emergency Management Queensland in partnership to provide support and resources to Sunshine Coast State Emergency Service Units and Groups as identified in Table 1 of this report;*
- (b) endorse a new structure for the State Emergency Service on the Sunshine Coast comprising of three Sunshine Coast State Emergency Service Units and the creation of a Sunshine Coast State Emergency Service Incident Management Group to be coordinated by Emergency Management Queensland, as set out in Table 3 of this report;*
- (c) approve the State Emergency Service Functions of Sunshine Coast State Emergency Service Units and Groups as set out in Attachment 2 to this report*
- (d) approve the payment of an honorarium, for the three Sunshine Coast State Emergency Service Unit Local Controllers with the amount being determined by the Chief Executive Officer;*

- (e) *delegate authority to the Chief Executive Officer to:*
- (i) *nominate a person to be local controller of an State Emergency Service Unit within the Sunshine Coast Regional Council area; and*
 - (ii) *develop a Memorandum of Understanding with Emergency Management Queensland on Council resourcing for the State Emergency Service based upon the service functions identified in Attachment 2 to this report and the split of responsibilities identified in Table 1 of this report; and*
- (f) *note the accommodation issues being experienced by some Sunshine Coast State Emergency Service Groups, particularly the Nambour State Emergency Service Group and that these matters will be the subject of a further Council report.*

Related Documentation

There are two appendices to this report, these being the Memorandum of Agreement and Schedule A to the Memorandum of Agreement.

Critical Dates

The Director General of Community Services set a target date of 1 November 2011 for Local Governments to sign off the Memorandum of Agreement. This target has not been met due to difficulties associated with finalising Schedule A which relates to specific local arrangements between Council and the Department.

However, given the State Government's desire to finalise the Agreement as soon as possible it is recommended that Council agree in principle to sign off the Memorandum of Agreement (MOA) between the Department of Community Safety and the Sunshine Coast Council. The agreement sets out the responsibilities of both the State and Council regarding the management of the State Emergency Service (SES) based on the requirements of both parties under the Disaster Management Act 2003 and delegate authority to the Chief Executive Officer to negotiate and develop, in partnership with the Department of Community Safety, the contents of Schedule A of the MOA with the aim of finalising these negotiations by 30 June 2012.

Implementation

The Floods Commission of Inquiry is due to hand down its recommendations at the end of February. This allows four months after the recommendations are handed down for negotiations between the parties to finalise Schedule A.

5 CONFIDENTIAL REPORTS

5.1 FINANCE AND BUSINESS

5.1.1 CONFIDENTIAL – NOT FOR PUBLIC RELEASE – THREE-YEAR FUNDING AND PERFORMANCE DEED WITH SUNSHINE COAST DESTINATION LIMITED

File No: ECM 24 January 2012
Author: Tourism, Events and Reporting Manager
Finance and Business

PURPOSE

In accordance with Section 72 (1) (e) of the *Local Government (Operations) Regulation 2010*, this report is considered confidential as it deals with contracts proposed to be made by the local government.

5.2 EXECUTIVE OFFICE

5.2.1 CONFIDENTIAL – NOT FOR PUBLIC RELEASE - FEASIBILITY STUDY INTO A SUNSHINE COAST ENTERTAINMENT, CONVENTION AND EXHIBITION CENTRE

File No: ECM 24 January 2012
Author: Project Director Partnerships and Engagement
Executive Office

PURPOSE

In accordance with Section 72 (1) (e) of the *Local Government (Operations) Regulation 2010*, this report is considered confidential as it deals with contracts proposed to be made by the local government.

6 NEXT MEETING

The next meeting of the Performance and Service Committee will be held on 14 February 2012 in the Tewantin Council Chambers, 9 Pelican Street, Tewantin.

7 MEETING CLOSURE