

# Agenda

## **Special Meeting (Region Shaping Projects and Planning Matters)**

**Thursday, 20 February 2020**

**commencing at 2:00pm**

**Council Chambers, Corner Currie and Bury Streets, Nambour**



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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 INFORMING OF PERSONAL INTERESTS****3.1 MATERIAL PERSONAL INTEREST**

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

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

**3.2 CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST**

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

The other Councillors must then decide

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



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**4 REPORTS DIRECT TO COUNCIL****4.1 SUNSHINE COAST PLANNING SCHEME 2014 - HISTORICAL CULTURAL HERITAGE - CONSIDERATION OF SUBMISSIONS**

<b>File No:</b>	<b>Council meetings</b>	
<b>Author:</b>	<b>Senior Strategic Planner</b> <b>Customer Engagement &amp; Planning Services Group</b>	
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**PURPOSE**

The purpose of this report is to:

- present to Council the outcomes from public consultation on the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage
- seek Council's endorsement to proceed with the proposed planning scheme amendment, subject to changes, and to forward to the Planning Minister seeking approval to adopt the proposed planning scheme amendment and
- seek Council's endorsement to proceed to adopt the proposed planning scheme policy amendment.

**EXECUTIVE SUMMARY**

This report presents to Council the outcomes from public consultation on the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage ('the proposed amendment').

The proposed amendment was subject to formal public consultation from 19 August to 16 September 2019.

As a result of public consultation on the proposed amendment, Council received a total of 386 submissions. 62 submissions indicated either support or provisional support for the proposed amendment, 319 submissions indicated either objection or partial objection to the proposed amendment, while 5 submissions offered factual information (neither supporting nor objecting to the proposed amendment).

The **Consultation Report (Attachment 1, Appendix F)** provides a summary of the submissions received in relation to the proposed amendment and recommended responses to those submissions based upon further research and technical review.

Having considered all submissions, a number of changes are proposed to the public consultation version of the proposed amendment.

Key changes include not proceeding with some proposed new local heritage places that were identified in the public consultation version of the proposed amendment. In particular, this report recommends that Council not proceed with the identification of Sunshine Castle and a number of private residences as new local heritage places.

Some changes to new and existing character areas are also recommended, with a particular focus on the Moffat Beach and Yandina Character Areas, involving adjustments to boundaries and the removal of some character buildings.

The recommended changes to the proposed amendment are not considered to make it significantly different to the version that was placed on public consultation and therefore do not require re-notification.

In accordance with the Minister's Guidelines and Rules under the Planning Act 2016, it is recommended that Council proceed with the Sunshine Coast Planning Scheme 2014 (Major Amendment) – Historic Cultural Heritage, with changes, and seek the Planning Minister's approval for Council to adopt the proposed planning scheme amendment. It is also recommended that Council proceed to adopt the Planning Scheme Policy (Amendment) – Historic Cultural Heritage, with changes.

## **OFFICER RECOMMENDATION**

**That Council:**

- (a) receive and note the report titled "Sunshine Coast Planning Scheme 2014 - Historical Cultural Heritage - Consideration of Submissions"**
- (b) having considered all submissions received about the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage, decide to proceed with the proposed amendment, with changes (Appendix A)**
- (c) delegate authority to the Chief Executive Officer to progress and finalise the proposed planning scheme amendment and planning scheme policy amendment in accordance with section 20 and section 22 the Planning Act 2016 respectively**
- (d) adopt the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) – Historic Cultural Heritage (Appendix A), subject to receiving advice from the Planning Minister that Council may proceed to adopt the proposed planning scheme amendment**
- (e) adopt the proposed Planning Scheme Policy (Amendment) – Historic Cultural Heritage (Appendix A), subject to receiving advice from the Planning Minister in relation to the proposed planning scheme amendment as referenced in item (d) above and**
- (f) investigate the introduction of an incentives program to assist private owners in the maintenance and management of local heritage places, to be funded from the Heritage Levy.**

## **FINANCE AND RESOURCING**

The review of submissions has been undertaken within existing budget resources and sufficient funds are available within the Strategic Planning Branch 2019/20 budget to finalise the planning scheme amendment process.

Under the proposed amendment, 15 Council owned property holdings and 1 partially owned Council property holding are proposed to be identified as local heritage places. This is not envisaged to have a significant financial impact, as many of these property holdings are parks, cemeteries or conservation reserves and thus would not require significant changes in current property management arrangements.

In conjunction with the proposed amendment, it is recommended that Council develop and implement an incentives program to assist private owners of heritage places. Such an incentives program will require the development and adoption of formal guidelines and a policy. In the 2019/20 Heritage Levy budget, \$80,000 has been set aside for this purpose, as well as \$30,000 for the Heritage Advisory Service.



**CORPORATE PLAN****Corporate Plan Goal:** *A strong community***Outcome:** 1.3 - A shared future that embraces culture, heritage, diversity**Operational Activity:** 1.3.4 - Develop the annual Heritage Levy program to implement the priority activities and projects identified in the Sunshine Coast Heritage Plan 2015-2020.**CONSULTATION****Councillor Consultation**

A Councillor workshop was held on 23 January 2020 to discuss the outcomes of the public consultation process. Individual briefings have also occurred with all Divisional Councillors.

**Internal Consultation**

Consultation has occurred with the following Council business areas in the preparation of the proposed amendment:

- Development Services
- Cultural Heritage Services
- Library Services
- Environment and Sustainability Policy
- Strategic Property
- Transport Strategy and Planning
- Natural Areas Management
- Coastal Constructed Water Bodies and Planning
- Project Delivery

**External Consultation**State Government

The proposed amendment was subject to formal State interest review prior to public consultation.

As part of this process, Council staff engaged with representatives from the following State agencies:

- Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP)
- Department of Environment and Science (DES) Heritage Team and
- Department of Transport and Main Roads (DTMR).

Local stakeholder groups

Targeted external stakeholder consultation occurred at the early research stages of the project. Project consultant Converge contacted relevant specific individuals and groups for the purposes of gathering historic information and details of specific places.

The Sunshine Coast Heritage Reference Group (SCHRG) has been regularly briefed on the study process and its progress in general terms. A specific sub-committee of SCHRG was appointed to review all key project outputs related to the identification of local heritage places.

Consultation is ongoing with representatives of the Kabi Kabi First Nation and the Jinibara People. A separate history document for the Jinibara People was published as part of the proposed amendment (accompanying the publication of the Thematic History of the Sunshine Coast document, which is focused on the European history of the Sunshine Coast in the post-contact era). It is anticipated that a document relating to the Kabi Kabi First Nation in the post-contact era will be published at a later date.

During the formal consultation period, briefings about the proposed amendment were provided to the following groups:

- Organisation of Sunshine Coast Association of Residents (OSCAR)
- Kenilworth Showgrounds Association
- Maleny Commerce
- Sunshine Coast Environment Council (SCEC)
- Sunshine Coast Heritage Reference Group (SCHRAG)
- Urban Development Institute of Australia (UDIA), Sunshine Coast Branch
- Yandina and District Community Association (YADCA)
- Yandina Chamber of Commerce.

### **Community Engagement**

The formal public consultation of the proposed amendment took place between 19 August and 16 September 2019 (21 business days).

As part of this public consultation, Council undertook the following community engagement activities in accordance with a Communications Plan considered by the Planning Minister:

- a public notice was published in the Sunshine Coast Daily on Saturday 17 August 2019
- a media statement was issued prior to the commencement of the public consultation period, advising of the proposed amendment and public consultation period
- written notice (letters and emails) were sent prior to the public consultation period to all affected landowners (including an information sheet providing an overview of the proposed amendment)
- release of industry newswatches in the initial stages of public consultation
- a copy of the public notice, amendment documentation and information sheets were made available at all Council offices and Council libraries
- a dedicated web page was provided on Council's 'Have Your Say' website, including a copy of the public notice, interactive mapping, proposed amendment documentation, information sheets and an online submission form
- advertisements were placed in local publications during the public consultation period and
- various phone, email and counter enquiries were responded to (in excess of 200 enquiries).

Council staff also attended a public meeting held at Moffat Beach on 16 September 2019 in relation to the proposed amendment.

Whilst the formal public consultation period ended on 16 September 2019, Council has continued to accept submissions up to the preparation of this report.

## PROPOSAL

### Background

At the Ordinary Meeting held on 19 April 2018, Council decided to amend the Sunshine Coast Planning Scheme 2014 in relation to historic cultural heritage (Council Resolution 18/58).

Preparation of the proposed amendment is a key action of the Sunshine Coast Heritage Plan 2015-2020, and was also a recommendation arising from a review of heritage-related submissions to the draft planning scheme.

Each local government in Queensland is required to maintain either a local heritage register or planning scheme provisions to identify and protect local heritage places. It is prudent that this list be updated from time to time so that it remains current and appropriately reflects the significant historic themes of an area.

The identification of local heritage places and character areas is 'historic' or 'post-contact' in scope, meaning it relates to the period following the first European contact with the Sunshine Coast.

The amendment process has been conducted to conform generally with the framework established by the Queensland Heritage Act 1992 and has followed contemporary best practice methods. This has resulted in an increased focus on post-World War II and contemporary architecture heritage places. This is particularly important in the context of the Sunshine Coast given that a very significant proportion of the region's development has occurred within the last 70 years.

On 14 June 2019, Council received advice from the Planning Minister that it may proceed to publicly consult on the proposed amendment, subject to conditions.

In accordance with the Planning Minister's advice and Council resolution OM18/58, the proposed planning scheme amendment and planning scheme policy amendment were subject to public consultation from 19 August to 16 September 2019.

### Outcomes of community consultation process

As a result of public consultation on the proposed amendment, a total of 386 individual submissions were received. Council has considered the matters raised by all submissions, irrespective of the date received.

The review of submissions has identified the following:

- 319 submissions either object or partially object to the proposed amendment
- 62 submissions either support or provisionally support the proposed amendment and
- 5 submissions offer factual information and/or corrections to the proposed amendment without expressing either support or objection.

The key issues raised in submissions relating to the proposed amendment include the following:

#### *Local heritage places and character area preservation generally*

- Support or objection to heritage and character area preservation in general terms
- Concern that owners of places affected by the proposed amendment were not individually consulted prior to the public consultation period
- Other concerns about the public consultation process.

#### *Identification of new local heritage places*

- Support for some of the new local heritage places and the nomination of additional prospective local heritage places (which have been noted for future reference and investigation)

- Objection to the proposed identification of Sunshine Castle, Bli Bli, as a local heritage place – primarily on the basis that this would cause an unreasonable impact on the property owners as the buildings comprising the Castle are not economically viable to maintain or restore
- Objection to the proposed identification of other local heritage places, primarily on the basis of perceived impacts on site use/operations and/or the extent of modification that has occurred to the nominated heritage fabric:
  - Kenilworth Showgrounds and Kenilworth Hall
  - Lake Weyba House
  - Maleny Hotel
  - Nambour Showgrounds
  - Perwillowen House
  - Surfair International Hotel
  - Third Maleny Butter Factory (former)
  - University of the Sunshine Coast Library.

#### *Existing local heritage places*

- Objection to the proposed removal of the following existing local heritage places:
  - Eudlo State School
  - Mapleton State School
  - Block A Yandina State School
  - Blazed Tree Boundary Marker, Pacific Paradise.
- Objection to the proposed retention of a number of existing local heritage places.

#### *Character areas*

- Some support but predominantly concern about, and objection to:
  - the proposed Moffat Beach character area, primarily on the basis of the specific nature of the character identified in the proposed amendment, and the suggestion that it is unreasonable to nominate post-war beach houses as character buildings because of their structural integrity and unsuitability for contemporary living
  - the proposed Maleny Maple Street character area, primarily on the basis that Maple Street does not have a significant unified character worthy of recognition but also due to the potential impost on owners, particularly with respect to nominated character building sites
  - the existing Yandina character area, primarily on the basis that the proposed expansion of the area to include Farrell Street (Old Bruce Highway) and inclusion of additional character buildings will impact owner independence and business viability, as well as unreasonably restricting the use of Local centre-zoned land.
- Some concern and objection in relation to other character areas generally, primarily based on the potential impact of character area and character building identification on owner entitlements to use and enjoy land.

The **Consultation Report (Attachment 1, Appendix F)** provides a more detailed summary of the issues raised in submissions and the recommended responses to these issues.

**Summary of key recommended changes to the proposed amendment**

After reviewing the issues raised in submissions, the following key changes are recommended to the public consultation version of the proposed amendment:

- not proceed with the identification of the following sites as proposed local heritage places:
  - Agnes Shipwreck
  - Lake Weyba House
  - Perwillowen House.
  - Sunshine Castle, Bli Bli
- retain the following sites as proposed new local heritage places (including with changes in some instances to respond to issues raised in submissions):
  - Kenilworth Showgrounds and Kenilworth Hall
  - Maleny Hotel
  - Nambour Showgrounds
  - Surfair International Hotel
  - Third Maleny Butter Factory (former)
  - University of the Sunshine Coast Library.
- re-instate the following existing local heritage places which were proposed for removal from the planning scheme:
  - Eudlo State School
  - Mapleton State School
  - Block A Yandina State School
  - Blazed Tree Boundary Marker, Pacific Paradise.
- remove No. 80 Schubert Road, Woombye (existing local heritage place) from the planning scheme
- modify the boundary of the proposed Moffat Beach character area to remove land located on the southern side of Grigor Street from the proposed area
- within the proposed Moffat Beach character area, not proceed with the identification of character buildings on the overlay mapping but retain reference to these buildings within the statement of significance for the character area (for information and advisory purposes only)
- modify the boundary of the proposed expansion to the existing Yandina character area, to exclude properties on Farrell Street with the exception of properties in the general area at the junction of Stevens Street and Farrell Street
- not proceed with the identification of a number of proposed character buildings and
- not proceed with the identification of the Land in proximity to a local heritage place overlay element in a number of instances.

The **Consultation Report (Attachment 1, Appendix F)** provides detailed information about the rationale underpinning these and other recommended post-consultation changes to the proposed amendment.

The above recommended changes have been incorporated into the proposed amendment at **Appendix A (Amendment Instrument: Proposed Sunshine Coast Planning Scheme)**

**2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage).** For ease of reference, the recommended changes are highlighted in yellow in this document.

**Attachment 2 - Explanatory Memorandum: Proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage** has also been updated to take account of the outcome of the consultation process.

### Conclusion

Having considered all submissions received, it is recommended that Council proceed with the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage, with changes.

The proposed changes are not considered to make the proposed planning scheme amendment significantly different to the version that was placed on public consultation, such that Council can now proceed to seek the Planning Minister's approval for Council to adopt the proposed amendment in accordance with the Minister's Guidelines and Rules.

### **Legal**

No legal advice has been sought in relation to this report.

Under section 112 of the Queensland Heritage Act 1992, Council has the option of identifying local heritage places in either its planning scheme (with amendment processes administered under the Planning Act 2016) or in a local heritage register (with amendment processes administered under the Queensland Heritage Act 1992).

Council currently identifies local heritage places in its planning scheme. It is considered appropriate to maintain this arrangement given that it is already familiar to planning scheme users and the general community, and there is not considered to be a material difference in pursuing one approach over the other.

### **Policy**

The Sunshine Coast Heritage Plan 2015-2020 called for investigations into Sunshine Coast historic cultural heritage (Action 1.1.1 of the Plan). These investigations were undertaken and formed the basis for the proposed amendment (represented by Actions 1.1.2 and 1.1.3 from the Plan - providing for the preparation of a list of heritage places in the Council area and the amendment of the planning scheme to reflect the list of heritage places developed). The proposed planning scheme amendment is also compliant with the relevant requirements of the State Planning Policy.

### **Risk**

There are risks in relation to not proceeding with the proposed amendment, specifically the potential for the significant values of proposed local heritage places and proposed character areas to be lost or compromised through new development.

There is also a risk of the context of existing and proposed local heritage places being negatively affected by adjacent or nearby new development which is not complementary to the context, setting and appearance of these places. The purpose of the proposed 'Land in proximity to a local heritage place' overlay element is to aid in avoiding such outcomes.

### **Previous Council Resolution**

#### **Ordinary Meeting 19 April 2018 (OM18/58)**

*That Council:*

- (a) *note the discussions held in confidential session in relation to Sunshine Coast Historic Cultural Heritage Study*

- (b) *amend the following local planning instruments in accordance with discussions in (a) above:*
- i. Sunshine Coast Planning Scheme 2014 pursuant to procedures under section 20 of the Planning Act 2016 and*
  - ii. Schedule 6 Planning Scheme Policies of the Sunshine Coast Planning Scheme 2014 pursuant to procedures under section 22 of the Planning Act 2016 and*
- (c) *delegate authority to the Chief Executive Officer to carry out the statutory process to prepare and progress the proposed planning scheme amendment and planning scheme policy amendment under the Minister's Guidelines and Rules and section 20 and 22 of the Planning Act 2016 respectively, noting that following public notification of the proposed planning scheme amendment and planning scheme policy amendment and receipt of submissions, a further report will be presented to Council for formal consideration.*

### **Related Documentation**

The following documents are of key relevance to the matters raised in this report:

- Queensland Heritage Act 1992
- Planning Act 2016
- Minister's Guidelines and Rules (July 2017)
- State Planning Policy – state interest guidance material – Cultural Heritage (April 2016 and July 2017)
- Sunshine Coast Planning Scheme 2014
- Sunshine Coast Heritage Plan 2015-2020

### **Critical Dates**

There are no critical dates relevant to this report. However, given that public consultation on the proposed planning scheme amendment concluded in September 2019, it would be desirable to progress and implement the proposed amendment as soon as practicable.

### **Implementation**

If Council decides to proceed with the Sunshine Coast Planning Scheme 2014 (Major Amendment) and Planning Scheme Policy (Amendment) – Historic Cultural Heritage, with changes, the following actions will be required:

- (a) respond to each person who made a properly made submission about the proposed planning scheme amendment and provide access to a copy of the Consultation Report
- (b) upload a copy of the Consultation Report to Council's website
- (c) write to the Planning Minister seeking approval to adopt the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) – Historic Cultural Heritage, with changes
- (d) subject to receiving approval from the Planning Minister, adopt the proposed planning scheme amendment and proposed planning scheme policy amendment and
- (e) place an adoption notice in the Queensland Government Gazette and the Sunshine Coast Daily and prepare the amended planning scheme document for commencement.





**4.2 SUNSHINE COAST AIRPORT EXPANSION PROJECT (SCAEP) UPDATE**

**File No:** SCAEP Quarterly Reporting  
**Author:** Project Director (Sunshine Coast Airport Expansion)  
Built Infrastructure Group

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**PURPOSE**

The purpose of this report is to update Council on the progress of the Sunshine Coast Airport Expansion Project as at 31 December 2019. Information on project related matters since that time will be provided as an update at the Council meeting.

**EXECUTIVE SUMMARY**

This report provides an update on the Sunshine Coast Airport Expansion Project (the project) milestones, project site works, ancillary works programs and the Airspace Change Proposal (ACP). Construction of the new runway progressed well during the reporting quarter ending at 31 December 2019, with significant milestones achieved by both the Principal and the Design and Construct Contractor (Contractor).

The Project remains on schedule in relation to the overall program prepared by the Principal for the cut-over for the May 2020 runway opening.

This quarter saw the completion of all major sand rehandling works. More than half of the Fine Crushed Rock (FCR) runway pavement was placed and topsoiling and landscaping works on the flanks reached 90% completion status. The first layer of asphalt was also laid on approximately 700 metres of the runway at the eastern end.

Due to favourable weather conditions ponded water on site was reduced significantly, resulting in the ocean release option no longer being required. At the end of the year there was less than 20 ML of water remaining.

The procurement activities for the quarter include:

- Lower Mooloolah River Environmental Reserve Pre-Construction Investigations and Design (Q1994) to Future-Plus Environmental Pty Ltd on 9 October 2019
- Provision of Anemometer for purposes of aviation reporting (Q18452) to DTN Company Australia Pty Ltd on 17 October 2019; and
- In accordance with the 2019/20 Procurement Policy, suppliers from the Register of Pre-Qualified Suppliers and Preferred Supplier Arrangements have been engaged for services under Trade and General Maintenance.

**OFFICER RECOMMENDATION**

**That Council receive and note the report titled “Sunshine Coast Airport Expansion Project (SCAEP) Update”.**

**FINANCE AND RESOURCING**

The Project budget adopted by Council for the financial year 2019/20 is \$126.89 million, with a cumulative total of \$328.17 million to 30 June 2021. Throughout the reporting period, regular reviews of the Project cash flow have been undertaken. The Project cash flow includes contract and ancillary works package expenditure management and other project related costs.

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

External consultants have been engaged to assist with the mandatory monitoring activities in accordance with the Coordinator Generals Evaluation Report and subsequent environmental approvals and permits as well as amendments to those approvals and permits.

During Quarter 2, Council drew down a further \$18,637,619 from Queensland Treasury Corporation (QTC) covering principal contractor costs for the period May 2019 to August 2019 inclusive, at a borrowing rate of 1.285%. This brings the total QTC borrowings for this project to \$105,193,193. Further drawdowns from QTC will occur during Quarter 3.

## **CORPORATE PLAN**

**Corporate Plan Goal:** *A smart economy*  
**Outcome:** 3.3 - Investment and growth in high-value industries  
**Operational Activity:** 3.3.1 - Manage the Sunshine Coast Airport Expansion Project, ensuring compliance with state and federal agency regulatory requirements.

## **CONSULTATION**

### **Councillor Consultation**

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

### **Internal Consultation**

- Chief Executive Officer
- Group Executive Built Infrastructure
- Group Executive Economic and Community Development
- Chief of Staff, Office of the Mayor & CEO
- Chief Strategy Officer, Office of the Mayor & CEO
- General Counsel, Office of the Mayor & CEO
- Manager Communication, Office of the Mayor & CEO
- Chief Financial Officer, Finance
- Project Director (Workplace), Business Performance
- Coordinator Financial Accounting, Finance
- Manager Environment & Sustainability Policy, Liveability & Natural Assets
- Coordinator Strategic Property, Office of the Mayor & CEO.

### **External Consultation**

- Sunshine Coast Airport (SCA)
- John Holland Pty Ltd
- Beca Consulting Pty Ltd
- Aurecon Australasia Pty Ltd
- King & Wood Mallesons

- Office of the Coordinator-General
- Department of Environment and Science
- Department of Natural Resources, Mines and Energy
- Department of State Development, Manufacturing, Infrastructure and Planning
- BMT WBM Pty Ltd
- Core Consulting Pty Ltd
- Future-Plus Environmental
- Civil Aviation Safety Authority (CASA)
- Airservices Australia (AA)
- Aircraft Noise Ombudsman (ANO)
- Kabi Kabi Peoples Aboriginal Corporation
- PropPro Property Professionals
- AECOM
- Sunshine Coast Environment Council (SCEC)
- Various community groups.

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

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

Interaction with Airservices Australia is conducted in accordance with the Terms of Reference Agreement with Airservices Australia and Sunshine Coast Airport.

### **Community Engagement**

The Project Director Sunshine Coast Airport Expansion provided project updates to several community interest groups including the Sunshine Coast Airport Community & Aviation Forum meetings held on 4 December 2019.

Bi-monthly meetings with Sunshine Coast Environment Council continue to be held providing updates on environmental matters associated with the project.

### **PROPOSAL**

Construction of the new runway at the Sunshine Coast Airport progressed well during the reporting quarter to 31 December 2019. Significant milestones were achieved by both the Principal and the Design and Construct Contractor (Contractor). The Project remains on schedule in relation to the overall program prepared by the Principal for the cut-over for the May 2020 runway opening.

This quarter the Contractor completed all major sand rehandling works. 60% (200,000 tonnes) of Fine Crushed Rock (FCR) runway pavement was laid and 90% of topsoiling and

landscaping to the flanks was completed. Asphalt works commenced in mid-December 2019 with 700 metres of the first layer of the runway laid. Drainage works were completed airside and 95% of the project site was free-draining by 20 December 2019.

### **Management of Pondered Water**

The Water Treatment Plant (WTP) was fully commissioned on 17 October 2019 and by 20 December 2019, 42 ML of water had been treated and reused on site at a rate of 10 litres per second operating on a 24 hour/day 7 day/week basis.

Management of the issues associated with the PFAS contamination continued during the quarter. This included discussions with the Department of Environment and Science (DES). A tidal works permit application was submitted for the installation of the underground pipeline to facilitate the release of pondered surface water to the ocean. Owners consent and a development permit was received from the Department of Natural Resources, Mines and Energy. In mid- December 2019, it was confirmed that the option to release pondered water to the ocean was no longer required following the successful management of stored water across the site aided by favourable dry weather conditions. Further investigations into the movement of the contaminated soils within the site are continuing.

The pondered surface water on site at the end of the quarter was less than 30 ML (onsite 14 ML and contained in tanks 14 ML). Since then all but 6 ML which is contained in storage tanks has been treated and re-used on site.

### **Airspace Change Proposal (ACP)**

The Civil Aviation Safety Authority (CASA) approved the Airspace Change Proposal in October 2019 to meet the required Aeronautical Information Regulation and Control (AIRAC) submission date for the May 2020 runway opening. A flight validation of the new runway is expected to be undertaken in the first half of 2020.

The Executive Steering Groups and Joint Implementation Groups consisting of representatives from Sunshine Coast Council, Sunshine Coast Airport and Airservices Australia continue to meet on a regular basis to progress the planning for the transition to the new runway. An Operational Readiness Airfield Transition (ORAT) Management group has been formed. A program of critical milestones activities and dates has been shared with primary stakeholders.

### **Ancillary Work Packages**

Ancillary Works Packages are progressing under the management and administration of the SCAEP team.

#### **(a) Environmental Approval Submissions**

On 4 October 2019 SCAEP received approval from the Department of State Development, Manufacturing, Infrastructure and Planning to progress with the trimming and permanent removal of marine plants on Sunshine Coast Airport land. The approvals relate to works required to install a fauna exclusion fence adjacent to the motorway, trim trees to achieve an obstacle limitation surface free of intrusions and to install new stormwater drains.

#### **(b) Flood Mitigation Levee and National Park Revocation**

The works have been completed and are currently under maintenance by the contractor with full handover of the site to Council in August 2020. The process of revocation of the required portion of the Mt Coolum National Park to Council is proceeding. Queensland Parks and Wildlife service has advised that a re-valuation of the land parcels involved is required.

#### **(c) Wallum Heath Management Area (WHMA)**

Clearing works to remove taller woody vegetation as per the approved Wallum Heath Management Plan commenced in May and are now complete). All woody materials that resulted from the clearing works were mulched and used for landscaping purposes.

Following the extended period of dry weather, the WHMA is dry with no ponding water evident.

(d) Mount Emu She-Oak

Following a period of minimal rain the translocated heath tiles have dried out and the vegetation appear to be in good health. There has been a further increase in the number of naturally regenerated Mount Emu She-oak to 73 from 69 individuals. Further mortality of the 200 nursery raised plants has been observed. Following a population count 139 individuals remain.

An additional 400 nursery raised Mount Emu She-oaks were planted in receival area 2 in December 2019. Currently these plants appear to be in good health with minimal impact from dry conditions and wildlife predation.

(e) Acid Frog and Ground Parrot Monitoring

The latest eastern ground parrot survey was undertaken following the removal of taller woody vegetation and slashing of areas within the WHMA. Results from the bio acoustic monitors are not currently available. However, the call triangulation and flushing survey methods have identified eastern ground parrots still present within the WHMA. Population estimates will be derived from the bio acoustic monitors. Due to the lack of rain and no ponding water, frog surveys have not occurred.

(f) Obstacle Limitation Surface

The initial round of vegetation management works to address the Obstacle Limitation Surface (OLS) penetrations has been completed. A conventional survey check being undertaken to determine if additional work is required to deliver the required outcome.

(g) Conservation Corridor

The design of the Conservation Corridor has been finalised and issued for construction. Currently fencing along the Sunshine Motorway section is underway primarily to reduce the interaction of macropods and vehicles in this area. Clearing works along the Sunshine Motorway have been completed.

(h) Installation of Western Anemometer

Work on the new anemometer at the western end of the new runway is underway. The contractor has completed the system design and is in the process of readying the equipment to be delivered to site. The details have been shared with Airservices Australia in advance of the works being undertaken. Prior to installation, the principal contractor is required to carry out civil and electrical works. The anemometer is planned to be operational prior to the transition to the new runway.

(i) ARFFS Rapid Response Route

The Design and Construct Contractor has been issued a variation notice to carry out the detailed design. The design has been assessed against the project flood model to ensure compliance with the Coordinator-Generals requirements. The design has also been reviewed by Airservices Australia. The principal contractor is currently pricing a construction variation and investigating staging options to meet the operational requirements of ARFFS. It is currently expected that the road will be completed within 6 weeks of the opening of the new runway. An interim route and method of operation is being discussed with Airservices Australia for the 6 week period between runway opening and completion of the final access road.

(j) Finland Road Traffic Management

The contract with Evolution Traffic Control Pty Ltd continues to operate in a revised operational format due to the load limit placed on the Bli Bli Bridge.

**Project Works Program**

The Contractor's current program dated 20 December 2019 shows completion of the requisite separable portions in time for the transition date of May 2020. The Contractor is considering initiatives to support efficient delivery of critical path activities as part of their program to achieve the required milestones.

Completion of the overall project remains on target for delivery by the end of 2020.

**State Government Approvals**

All Environmental Approvals associated with the Contractor's works have been obtained and all monitoring and reporting requirements have been met.

**Legal**

External legal opinion has been sought in relation to Council's responsibilities associated with compliance with EA approvals and acquittal of Council's obligations in relation to its General Environmental Duty.

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

**Policy**

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

**Risk**

The risk and opportunities register, which includes the mitigation strategies for each identified risk, has been continuously reviewed and updated. The higher order risks are summarised below:

- Timeframe associated with preparation for the transition from RWY18/36 to RWY13/31.
- Impacts associated with PFAS management, particularly in relation to the movement of soil on site.
- Alteration of Air Traffic Control Tower services by Airservices Australia.

All other risks have been identified as medium to low.

The delays to the construction program due to the inability to remove ponded water from the site has resulted in a tighter program for the completion of the initial component of the runway and associated infrastructure. However, the project remains on track to complete the work necessary to transition to the new runway in May 2020.

The SCAEP team, together with representatives from Sunshine Coast Airport Pty Ltd have met with CASA and have identified a mitigation measure that could be implemented in the event that unforeseen and unavoidable circumstances delay the transition date. The mitigation will ensure that the airport can continue to operate in its current mode if such a highly unlikely event occurs.

**Previous Council Resolution****Sunshine Coast Airport Expansion Project Update - Special Meeting 14 November 2019 (SM19/20)**

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

**Sunshine Coast Airport Expansion Project - Alternative Release Methods for Ponded Site Water - Special Meeting 22 August 2019 (SM19/18)**

*That Council endorse the application for approvals to release ponded water from the Sunshine Coast Airport Expansion Project direct to the sea, via a bored underground pipeline from the western side of David Low Way at the northern end of the Airport site, to a point approximately 400 metres seawards of the Lowest Astronomical Tide level.*

**Related Documentation**

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

**Critical Dates**

With advice that CASA has approved the Airspace Change Proposal (ACP), Airservices Australia is now working through various requirements in preparation for the May 2020 transition. An Operational Readiness Airfield Transition (ORAT) process has been initiated to ensure that all stakeholders are aware of the role that each will play in the transition to the new runway.

A runway readiness program has been developed with input from SCC, SCA, Airservices Australia and CASA to provide the ability to monitor the activities necessary to achieve the milestones in a timely manner.

**Implementation**

Delivery of the Sunshine Coast Airport Expansion Project is to continue in accordance with various approvals obtained to date.

Work as detailed in this report continues.





**4.3 SUNSHINE COAST AIRPORT - AGREEMENT PERFORMANCE UPDATE****File No:** Council Meetings**Author:** Head of Business and Innovation  
Business Performance Group**Attachments:** Att 1 - Revenue Share Payments – *Confidential*.....Pg 5/5

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**PURPOSE**

The purpose of the report is to update Council regarding performance of the agreement relating to lease, operation and management of the Sunshine Coast Airport (SCA).

**EXECUTIVE SUMMARY**

On 1 December 2017, the agreement with commercial partner, Palisade Investment Partners Ltd (Palisade) reached Financial Close. From that point, Palisade acquired control of Sunshine Coast Airport Pty Ltd (SCAPL) and commenced operating and managing the SCA for a 99 year term.

Matters relevant to this update regarding the performance of the agreement relating to the lease, operation and management of the SCA are:

**Annual Operating Plan**

The agreement requires SCA to prepare an Annual Operating Plan. The 2020/21 SCA Annual Operating Plan is not due to be finalised until 30 May 2020.

**Master Plan**

SCA was required to prepare a draft Master Plan for the consideration of Council as required by the Agreement. This was provided to Council prior to 1 September 2019 with Council considering the plan and confirming that it met the requirements of the SCA Framework Agreement in October 2019. Accordingly the Sunshine Coast Airport Master Plan 2040 is now finalised and has commenced.

**Revenue Share**

Council continues to receive revenue share payments from SCAPL of 5% of Gross Revenue as per the Agreement.

**OFFICER RECOMMENDATION**

**That Council receive and note the report titled "Sunshine Coast Airport - Agreement Performance Update".**

**FINANCE AND RESOURCING**

At financial close, Council received the first lease payment of \$67 million.

An additional lease payment of \$15 million (plus interest) becomes due in 2022.

A new runway construction payment of \$290 million is payable at the later of runway completion or 30 June 2022.

In addition, Council will receive 5% revenue share payments from Financial Close (December 2017) for the life of the lease, which is estimated to generate \$205 million.

The Revenue Sharing is provided in Performance Reports, which are provided quarterly, with payments made six monthly, in February and August.

### **Commonwealth Concessional Loan**

Council had a Concessional Loan Facility Agreement from the Commonwealth Government Department of Infrastructure, Transport, Cities & Regional Development (DITCRD) for the amount of \$181 million. The loan had a fixed interest rate of 2.5%. The Loan was to be repaid on 30 June 2022 upon receipt of the \$290 million from Palisade.

When borrowing rates decrease substantially, DITCRD were requested to review the interest rate of 2.5%, however they declined to offer Council a lower interest rate. The loan balance of \$86.6 million was repaid in September 2019 with borrowings from Queensland Treasury Corporation (QTC) at a three year fixed rate of 1.335%.

The remainder of the project will be funded by borrowings from QTC.

## **CORPORATE PLAN**

<b>Corporate Plan Goal:</b>	<b><i>An outstanding organisation</i></b>
<b>Outcome:</b>	We serve our community by providing this great service
<b>Operational Activity:</b>	S27 - Financial and procurement services - financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

## **CONSULTATION**

### **Councillor Consultation**

Progress is reported to Council via a number of Ordinary Meetings and Special Meetings. Last briefing was to an Ordinary Meeting of 17 October 2019.

### **Internal Consultation**

- Chief Executive Officer
- Group Executive, Business Performance
- Group Executive, Economic and Community Development
- Chief of Staff
- Council Solicitor, Legal Services
- Chief Financial Officer
- Manager, Property Management
- Project Director, Sunshine Coast Airport Expansion Project

### **External Consultation**

- Palisade Investment Partners Ltd
- Sunshine Coast Airport Pty Ltd

### **Community Engagement**

The Community was informed throughout the process up to financial close.

Community consultation was undertaken by SCAPL during the course of development of the Master Plan.

## **PROPOSAL**

On 1 December 2017, the agreement with commercial partner, Palisade, reached Financial Close. From that point, Palisade acquired control of SCAPL and commenced operating and managing the SCA for a 99 year term.

### **Council Contract Management Team**

Council has appointed a Contract Management Team to manage and administer the agreement/s with Palisade and SCA. The team currently consists of relevant specialists from:

- Property Management Branch
- Finance Branch
- Legal Services
- Business & Innovation Branch.

The team interacts directly with the Project Director, Sunshine Coast Airport Expansion Project.

### **Financial obligations under agreement**

Under the agreements SCA has a number of obligations to Council. The financial obligations include:

- Upfront lease payment of \$67 million
- Deferred lease premium of \$15 million plus interest, due on 30 June 2022
- A new runway construction payment of \$290 million payable on the later of runway completion and 30 June 2022
- Revenue share of 5% of gross revenue for the life of the 99 year lease, which is estimated to generate \$205 million.

### **Update on performance of agreement**

The agreement has continued to perform as expected since the last presentation to Council in October 2019. Matters relevant to this update are:

### **Annual Operating Plan**

The agreement provides that SCA must prepare and provide to Council an Annual Operating Plan. The 2019/2020 SCA Annual Operating Plan was finalised by SCA last year. A draft Annual Operating Plan for 2020/21 is due to be finalised by 30 May 2020 with SCA being required to provide Council with a draft prior to that time.

### **Master Plan**

SCA was required to prepare a draft Master Plan for the consideration of Council as required by the Agreement. This was provided to Council prior to 1 September 2019 with Council considering the plan and confirming that it met the requirements of the SCA Framework Agreement in October 2019. Accordingly the Sunshine Coast Airport Master Plan 2040 is now finalised and has commenced.

SCAPL as the manager of the SCA, and a commercial operation, are still required to obtain all necessary statutory authorities, such as planning and development approvals, from Council and other levels of government, as and when required by law to implement the Master Plan.

**Revenue Share**

The Revenue Sharing is provided in Performance Reports, which are provided quarterly, with payments made six monthly, in February and August. An independent audit certificate verifying the amounts for the year is provided each September.

**Legal**

The agreement is performing as expected. Any legal issues associated with the agreement will be addressed through engagement with Council's Legal Services Team.

**Policy**

Council will continue to ensure any relevant Policy implications or requirements are addressed as and when they arise.

**Risk**

A Contract Management Plan has been developed for these agreement/s, which is accompanied by a risk management and mitigation plan. No high risks have been identified to this point.

**Previous Council Resolution**

This matter was presented to a number of Ordinary and Special Meetings of Council throughout development and negotiation of agreements. The Resolutions relating to management and performance of the agreement are:

**Ordinary Meeting 17 October 2019 (OM19/165)**

*That Council:*

- (a) *receive and note the report titled "**Sunshine Coast Airport Draft Master Plan 2040 - Contract Compliance - SCA Framework Agreement**"*
- (b) *acknowledge the Sunshine Coast Airport Draft Master Plan 2040 meets the contractual requirements outlined in the SCA Framework Agreement*
- (c) *note that as Sunshine Coast Airport Pty Ltd hold the necessary licences relating to operation of the airport, all decisions on matters relating to operations and safety, including runway operations, will be made by Sunshine Coast Airport Pty Ltd*
- (d) *note that the draft Master Plan does not provide any approvals or authorities for matters contained within the Sunshine Coast Airport Draft Master Plan 2040 and that development associated with any component of the Sunshine Coast Airport Draft Master Plan 2040 will require Sunshine Coast Airport Pty Ltd to obtain the necessary statutory approvals and permits and*
- (e) *direct the Chief Executive Officer to advise the Sunshine Coast Airport Pty Ltd accordingly.*

**Special Meeting 22 August 2019 (SM19/17)**

*That Council approve the directions proposed in the confidential session in relation to the Sunshine Coast Airport – Agreement performance update.*

**Special Meeting 28 February 2019 (SM19/6)**

*That Council approve the directions proposed in the confidential session in relation to the Sunshine Coast Airport – Agreement performance update.*

**Ordinary Meeting 16 August 2018 (OM18/143)**

*That Council note the discussions held in the confidential session in relation to the Sunshine Coast Airport – Agreement performance update.*

**Ordinary Meeting 22 February 2018 (OM18/30)**

*That Council note the discussions held in the confidential session in relation to the Sunshine Coast Airport – Transaction Completion update.*

**Related Documentation**

There is no related documentation relevant to this report.

**Critical Dates**

There are no critical dates relevant to this report.

**Implementation**

Council to continue to manage the performance of the agreement relating to the lease, operation and management of the SCA.



**5 NEXT MEETING**

Nil

**6 MEETING CLOSURE**