



LATE ITEMS ORDINARY MEETING

AGENDA

11 OCTOBER 2016

Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 11 October 2016 commencing at 9.00 am for transaction of the enclosed business.

A handwritten signature in black ink, appearing to be "C. R.", is positioned above the printed name of the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER
7 October 2016

Next Meeting Date: 25.10.16

Please note:

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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11. OFFICERS' REPORTS

11.4 MATURING THE INFRASTRUCTURE PIPELINE PROGRAM

File No:	2744
Attachments:	1. MIP Program Letter and Guidelines
Authorising Officer:	Martin Crow - Manager Engineering Services Peter Kofod - General Manager Regional Services
Author:	Angus Russell - Coordinator Strategic Infrastructure

SUMMARY

This report provides information on the Queensland Government's Maturing the Infrastructure Pipeline Program and recommends prioritised projects for submission.

OFFICER'S RECOMMENDATION

THAT Council:

1. Note the details and criteria of the Maturing the Infrastructure Pipeline Program; and,
2. Endorse the proposed projects to submit to the Maturing the Infrastructure Pipeline Program.

COMMENTARY

Council has been invited to participate in the Queensland Government's Maturing the Infrastructure Pipeline (MIP) Program. The program forms part of the State Infrastructure Fund which is aimed at supporting implementation of the State Infrastructure Plan (SIP) which was released in March 2016. The Fund is focused on infrastructure projects that will enhance productivity, support jobs and are ready to be brought to market quickly to underpin productivity and jobs growth.

The \$20 million MIP Program, is aimed at fast tracking early stages of the infrastructure project pipeline by developing strategic assessments and preliminary evaluations for projects. The program does not provide capital funding of proposed projects.

The Department of Infrastructure Local Government and Planning are conducting a Program briefing on Friday 7 October 2016. As this briefing is after the deadline for submission of this Council Report, some amendments to the Report recommendations may be suggested at the Council Meeting on Tuesday 11 October 2016.

The Program is in two parts. The first part, which will facilitate rapid viability and feasibility assessment, draws directly on the SIP Part B that lists "proposals raised through consultation" and "future opportunities". The "proposals raised through consultation" for the Fitzroy region (SIP Part B p 15) are:

- Rockhampton Convention Centre
- Rockhampton Base Hospital Carpark (*expected to commence mid 2017*)
- Moura Link–Aldoga Rail Project
- Type 1 road vehicle access through Rockhampton (*expected to commence late 2016*)
- Fitzroy to Gladstone Pipeline (GAWB)
- Duplication of Capricorn Highway (Bruce Highway to Gracemere) (DTMR)

The one of direct interest to Council is the Rockhampton Convention Centre. Support for a stand-alone convention centre has waned somewhat as a result of the high capital and operating costs. It is proposed that this project be re-scoped as early stage investigation and feasibility assessment of a mixed use development that incorporates convention facilities at the Pilbeam Theatre/Art Gallery precinct.

Such a mixed use development would be considered in concert with separate investigations currently underway in relation to the Art Gallery and would aim to provide a higher level of aggregate utilisation of the site and deliver potential operational and locational synergies with the Pilbeam Theatre and Art Gallery.

This project may effectively be pre-qualified for the rapid assessment process and Council will need to be actively involved in defining its scope and contributing to the assessment process.

The second part of the program is for early stage assessments of new infrastructure proposals from local government. New infrastructure proposals for this assessment are required to be submitted by 21 October 2016. The criteria applied to these proposals are:

- At early stages of planning (strategic assessment of service requirements and preliminary evaluation)
- Align with Local Government, regional or State priorities
- Leverage or unlock economic productivity or enhance liveability
- Not be currently funded or progressed through another QG initiative
- Aligned with the State Infrastructure Plan (desirable)
- Address identified productivity and liveability needs (desirable)
- Attract new or alternative funding sources (desirable)

The program will involve moderated assessment and prioritisation processes through these two tranches of work.

A copy of the Program Guidelines is provided in Attachment 1.

The program also encourages local government to apply more rigorous project planning, evaluation and prioritisation policies and processes. While speculative at this stage, it may be possible the application of these processes may become prerequisites for future capital grants from the State.

The State Infrastructure Fund incorporates a \$300 million Priority Economic Works and Productivity Program targeting productivity lifting and capacity improving infrastructure. This supports a range of themes in Part A of the SIP including infrastructure that connects our communities and markets, and better use of existing assets. The Rockhampton Road Train Access is one of the initial projects funded by this program.

The Fund also includes a \$180 million Significant Regional Infrastructure Projects Program for significant infrastructure projects in key regional centres that respond to a community need or provide increased economic opportunities.

The details of this program are not published, however, the 25 projects allocated funding include the following:

- Cairns Western Arterial Road: Bill Fulton Bridge (Freshwater Ck) duplication - \$34.2 M
- Renewal of school facilities in Central Queensland - \$26.4 M
- Regional Education Infrastructure Enhancements - \$20.3 M
- Social housing Toowoomba, Townsville & Rockhampton - \$14.2 M
- Step Up/Step Down Mental Health Units Mackay, Bundaberg & Gladstone - \$12 M
- Police and Fire Station at Howard - \$10 M
- Mon Repos Turtle Centre Redevelopment - \$10 M
- New Palm Island Primary Health Care - \$8.5 M
- Townsville Hospital Paediatrics Unit Upgrade & Expansion - \$6.6 M
- Mackay – Replacement fire station and support facilities - \$7.5 M
- Digital Electricity Meters for Low Income Regional Residents - \$5.5 M
- McKinlay Multi-purpose Health Service refurbishment and expansion - \$5 M
- Smithfield replacement fire station - \$3.8 M
- Proserpine replacement fire station - \$2.4 M
- Improving tourism and recreation use of the Great Barrier Reef - \$2.4 M

- Rockhampton Firecom project (extension of fire station) - \$2.2 M
- Bouli Community Clinic refurbishment - \$2 M
- Pormpuraaw Drinking water security project - \$1.8 M
- New Mackay Tourism Visitor Information Centre - \$1.3 M
- Herberton replacement fire station - \$1.2 M
- Extension of fire station, Port Douglas - \$800,000
- Extension of fire station, Dimbulah - \$700,000
- Wastewater upgrades, Aurukun Shire Council - \$600,000
- Mount Inkerman Nature Tourism Development - \$541,000
- Upgrade of drinking water infrastructure, Mapoon Aboriginal Shire Council - \$80,000.

While this program is fully committed, the State has allocated an additional \$1.5 billion over 5 years in its 2016/17 Budget to the State Infrastructure Fund. The Budget Papers indicate the allocation of these funds will be informed by independent advice from Building Queensland, including the Building Queensland infrastructure pipeline of projects.

Future infrastructure projects emerging through the MIP Program may potentially provide a source of projects for this capital fund.

In this context the following projects, in order of priority, are proposed to be submitted to the second part of the MIP Program which seeks new projects.

1. Rockhampton CBD Revitalisation (enhanced streetscapes and pedestrian environments and potential cultural hub centred around Customs House)
2. Parkhurst Strategic Road Network (including Alexandra Street Extended from Birkbeck Drive to Edenbrook Drive, Norman Road from Yeppoon Road to Boundary Road and William Palfrey Road from Edenbrook Drive to Yaamba Road at Olive Street)
3. Mount Morgan Water Supply Security (Gracemere to Mount Morgan pipeline and may include reviewing all alternative supply options)
4. North Rockhampton Sewage Treatment Plant Capacity Upgrade (to support growth and meet future demand in North Rockhampton)
5. Regional Industrial Estate and Intermodal Logistics Hub (Gracemere)

All of these projects were listed in Council's submission to the State Infrastructure Plan and the rationale for these particular projects includes their current early stage of planning, their potential to catalyse and support development or address existing deficiency and disadvantage. The mix of projects also intentionally span transport, water, sewerage and community infrastructure.

BACKGROUND

Council made a submission on the Draft State Infrastructure Plan in November 2015. That submission identified some 54 infrastructure priorities and identified the following as Council's highest priorities at the time.

- Fitzroy Weirs – bring forward construction (0-3 years) to capitalise on Federal funding opportunities (NWIDF and NAIF) and to support economic and regional development objectives.
- Rockhampton Northern Access Stage 1 – bring forward construction (0-3 years) to address capacity constraints and freight movements into and out of the Parkhurst Industrial Area.
- Rockhampton Ring Road – bring forward corridor designation and acquisition and start funding negotiations for commencement of Stage 4 in 5-10 years to address existing bridges congestion.
- Rockhampton Type 1 Road Train Access – road network upgrades through Rockhampton to provide viable Type 1 route to abattoirs at Lakes Creek and Nerimbera.
- Rockhampton Base Hospital Car Park – bring forward design and construction (0-3 years) to address parking and access issues that have been raised by the community.

- Rockhampton Inner City Revitalisation – State planning and catalyst project development to address inner city decline and promote economic and regional development.
- Rockhampton Regional Industrial Estate (GIA) – plan and commence development (0-4 years) to address future demand and historical under investment in suitable industrial land product.
- Rockhampton Airport Defence Precinct – establishment of a defence aviation precinct at the airport to support military exercises and logistics.

A number of these projects are advancing. Building Queensland is currently developing the business case for the Fitzroy Weirs in conjunction with the project's proponents GAWB and SunWater. Early works are anticipated to commence on the Rockhampton Northern Access Project in 2017-18 and construction of intersection upgrades to facilitate Type 1 Road Train access to the Rockhampton abattoirs is expected to commence before the end of 2016. Construction of the hospital car park is anticipated to commence in mid-2017.

PREVIOUS DECISIONS

On 24 November 2015 Council considered, amended and endorsed a submission on the draft State Infrastructure Plan.

BUDGET IMPLICATIONS

There are no immediate budget implications as the rapid and early stage assessments will be undertaken under the MIP Program. Applying for this early stage assessment does not commit the State or Council to subsequent planning or capital expenditure.

STAFFING IMPLICATIONS

Relevant Council officers will need to be involved in the rapid and early stage assessments should the submitted projects be successful. This however potentially represents an opportunity for Council to work more closely with the State Government in planning priority infrastructure projects for the region.

RISK ASSESSMENT

Proposing projects under the MIP Program does not represent a significant risk to Council. It does not commit future capital budgets at this stage. The down-side risk of not engaging in the Program is potentially lowering Council's ability to access subsequent capital funding in State Infrastructure Fund associated programs.

CORPORATE/OPERATIONAL PLAN

The recommendation of this report support a number of Council's stated goals including:

- Grow a strong, resilient and diversified economy
- Safe, secure and reliable infrastructure serving current and future community needs
- Liveable and distinctive communities that we are proud to be part of
- A safe, caring and healthy community that we all belong to

CONCLUSION

The report recommends Council engage with the MIP Program and submit a number of project proposals for consideration. The recommended projects are considered to have significant potential to catalyse and support development or address existing deficiency and disadvantage. The mix of recommended projects also deliberately span a number of infrastructure networks including transport, water, sewerage and community infrastructure with the intention of maximising the potential for one or more projects to be approved.

MATURING THE INFRASTRUCTURE PIPELINE PROGRAM

MIP Program Letter and Guidelines

Meeting Date: 11 October 2016

Attachment No: 1



Department of Infrastructure,
Local Government and Planning

Our ref: DGBN16/1300

19 September 2016

Mr Evan Pardon
Chief Executive Officer
Rockhampton Regional Council
PO Box 1860
ROCKHAMPTON QLD 4700

Dear Mr Pardon

The State Infrastructure Fund \$20 million *Maturing the Infrastructure Pipeline Program* is designed to fast track the early stages of the infrastructure project pipeline. It will also help to find new and innovative ways to deliver the state's infrastructure needs, including sustainable funding solutions.

To achieve this, the program will work through two concurrent activities to assess the potential viability and feasibility of each proposal.

The first activity, a rapid assessment, focuses on working closely with key stakeholders and industry to undertake rapid assessments that will determine project maturity and strategic alignment. Initially the program will target *proposals raised through consultation* and *future opportunities* identified in the State Infrastructure Plan Part B that are currently without a funding stream and at varying levels of maturity. For suitable projects an investment prospectus will be developed. The prospectus will provide a useful snapshot of the project and inform discussions with investors in infrastructure.

The second activity, an early stage assessment, focuses on working with local government to provide an initial assessment of new infrastructure proposals for the purpose of selecting proposals that are suitable for progression. The selected proposals will be funded through pre-business case work in line with the project assessment framework and the Queensland Treasury Corporation project decision framework for local government leaders.

A key benefit of the program is to enable state and local governments to leverage the information from these assessments for forward planning and budgeting purposes.

Level 12, Executive Building
100 George Street Brisbane
PO Box 15009 City East
Queensland 4002 Australia
Telephone +61 7 3452 7009
Website www.dilgp.qld.gov.au
ABN 251 66 523 889

As a local government organisation that is eligible to participate in both the rapid assessment (due to earlier sponsorship of a proposal identified in the State Infrastructure Plan) and early stage assessments we invite you to:

- provide a key contact and details to InfrastructurePolicy@dilgp.qld.gov.au by 30 September 2016. An invitation will then be forwarded to your representative for a stakeholder briefing to be held in early October 2016. The briefing will provide information on the *Maturing the Infrastructure Pipeline Program* process and your local governments anticipated involvement. The briefing will be made available to those who are unable to participate in person.
- submit new infrastructure proposals for early stage assessment under the program. Guidelines (including a submission template) for providing an infrastructure proposal submission are attached. Please read these guidelines carefully before submitting an application.

Applications can be submitted via email by Friday, 21 October 2016 at InfrastructurePolicy@dilgp.qld.gov.au or by post to Mr Darren Nightingale, Director, Infrastructure Policy and Planning, Department of Infrastructure, Local Government and Planning, PO Box 15009, City East Qld 4002.

If you require further information, please contact Mr Nightingale on 3452 7682 or by email at InfrastructurePolicy@dilgp.qld.gov.au.

Yours sincerely



Frankie Carroll
Director-General

Enc

Department of Infrastructure, Local Government and Planning

Maturing the Infrastructure Pipeline Program

Submission guidelines for local government

September 2016



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Maturing the Infrastructure Pipeline Program
Submission guidelines for local government

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Introduction

Purpose

The purpose of the Maturing the Infrastructure Pipeline Program – Submission guidelines for local government is to:

- describe the aims and benefits of the program
- communicate key activities during the process
- outline the requirements for a local government early stage assessment submission
- provide a submission template.

Background

The State Infrastructure Plan (SIP) was released in March 2016. It outlines the Queensland Government's commitment to addressing infrastructure needs across the state in a timely, sensible and cost effective way while working within a fiscally constrained environment.

The State Infrastructure Fund (SIF) supports implementation of the SIP – facilitating the delivery of the infrastructure that Queensland needs to drive economic growth and jobs across the state.

The \$20 million Maturing the Infrastructure Pipeline Program, established under the SIF, aims to provide early assessment of proposals that will progress through to the next stages of the infrastructure pipeline.

The program was developed to help identify a pipeline of robust projects and enable them to be matured from conceptually good ideas into proposals supported by solid evidence and sound strategic thinking, and to consider projects at an early stage that would be suited to further investment.

There are two concurrent activities within the program:

1. Rapid assessment – focus on working with industry to rapidly assess up to 236 projects (proposals raised through consultation and future opportunities) identified in the SIP.
2. Early stage assessment – focus on working with local government to identify infrastructure needs and progress assessments of proposals, in-line with the project assessment framework, to enable future investment (the focus of this guideline).

The Queensland Government project assessment framework provides tools and techniques to assess projects throughout the project lifecycle – from initial concept to benefits realisation. The first two stages identified in the framework are the:

1. strategic assessment of service requirements (identify the need)
2. preliminary evaluation (develop and assess options).

Further information regarding the framework can be found on [Queensland Treasury's website](#).

Previous identification of opportunities or proposals does not exclude local government from submitting new proposals as part of the early stage assessment activity covered under this guideline.

Early stage assessment

Benefits

The early stage assessment aims to:

- fund early stage assessments (strategic assessment of service requirements and preliminary evaluation) of local government infrastructure priorities
- develop documentation to support investment decisions
- provide a consistent approach to proposal development
- limit the administrative burden of local government participation in the program.

Proposal identification and selection

The Queensland Government is committed to supporting infrastructure proposals that will have long-term benefits for the community. The proposals identified through this process will be funded through early stage assessments for progression along the infrastructure pipeline. Proposals that will require an investment of greater than \$50 million will use the Building Queensland frameworks, as applicable.

For this reason there are a number of criteria that each proposal must meet and there are some proposals that will be ineligible for funding.

Eligibility criteria

Assessment of proposals will take into account the following criteria.

The proposal should:

- be within early stages of project planning i.e. strategic assessment of service requirements and preliminary evaluation
- align with local government, regional or state priorities
- leverage or unlock economic productivity or enhance liveability
- not be currently funded or progressed through another Queensland Government initiative.

Preference will be given to proposals that:

- align with the SIP
- address identified productivity and liveability needs
- attract new or alternate funding sources.

Ineligible proposals

Ineligible proposals for funding include proposals that:

- already have an identified funding source
- are at the business case stage of planning or beyond
- are based outside Queensland.

Approach

The early stage assessment process invites local governments to submit proposals for consideration. Submissions can be provided in one of two ways:

- by completing the submission template provided in Appendix 1; or
- by completing the concept selection and pre-feasibility stages of the project decision framework developed by Queensland Treasury Corporation.

The Queensland Treasury Corporation developed the project decision framework for local government leaders. The framework aligns with the requirements of the project assessment framework and aims to provide an overarching system through which decision making for new projects can be disciplined, robust and in the best interests of the community. The framework provides a staged approach that enables local government to assess the appropriateness of a project proposal before moving forward, specifically the first two stages:

1. concept selection (community need and rationale)
2. pre-feasibility (is this the best option).

Further information regarding the framework can be found on [Queensland Treasury Corporation website](#).

Proposals will be assessed and moderated prior to a recommendation being made to the Deputy Premier. Where a proposal is successful, the Department of Infrastructure, Local Government and Planning will engage professional service providers to prepare early stage assessment documentation, in-line with the project assessment framework and in collaboration with proposal applicants. Upon finalisation of the assessment, all documentation will be provided to the local government.

Submission

Local government will be invited to submit proposals using the submission template provided in Appendix 1, or via documentation from the project decision framework. If clarification of any point in the submission is required, the project team will communicate with the key contact as identified in the submission.

Department of Infrastructure, Local Government and Planning

Appendix 1 – Submission template

Maturing the Infrastructure Pipeline Program
Submission guidelines for local government

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Department of Infrastructure, Local Government and Planning

Maturing the Infrastructure Pipeline Program - Submission guidelines for local government

Expression of Interest

[Insert new proposal name]

Submitted by [insert local government]

[Insert date]



Department of Infrastructure, Local Government and Planning

Cover letter

[Insert date]

Director, Infrastructure Innovation and Practice
Department of Infrastructure, Local Government and Planning
PO Box 15009
City East Queensland 4002

Dear Sir/Madam

Proposal submission – [insert proposal name]

Yours sincerely

[Name]
[Details]

Maturing the Infrastructure Pipeline Program
Submission guidelines for local government

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Local government details

Local government details	
Local government name:	

Key contact	
Name	
Role	
Phone	
Email	

What is your infrastructure proposal?

Proposal details	
Name	
Location	
Geocode (latitude and longitude)	
Asset class (Tick as appropriate)	<input type="checkbox"/> Arts, Culture and Recreation <input type="checkbox"/> Cross-government <input type="checkbox"/> Digital <input type="checkbox"/> Education and Training <input type="checkbox"/> Energy <input type="checkbox"/> Health <input type="checkbox"/> Justice and Public Safety <input type="checkbox"/> Social Housing <input type="checkbox"/> Transport <input type="checkbox"/> Water <input type="checkbox"/> Other (please provide)
How does the proposal align with local government, regional or state government priorities?	
Has an investment strategy been developed that would enable the proposal to proceed? (If yes, please provide details)	

Background

Background	
How was this proposal identified as a priority/project for local government?	
Has any form of initial planning/investigation been undertaken in relation to this proposal? (If yes, please provide a summary of work completed)	
Has investment/support been sought previously for this proposal? (If yes, please provide details of submission or discussion)	

Issue/challenge

Issue/ challenge	
What is the infrastructure issue/challenge the proposal will address? (If more than one issue/challenge please identify each clearly)	
Outline the impacts that will occur if the infrastructure issue/ challenge are not addressed? (Quantify where possible and provide for each identified problem)	

Potential solutions

Potential solutions	
Is there an identified solution? (If yes, please provide details)	
Have alternate solutions been considered? If so, why are they not suitable?	
Is the proposal being addressed by another Queensland Government initiative?	

Benefits

Benefits	
What benefits will the proposal bring to the community (including to liveability and economic productivity)?	
Will the proposal attract further investment in the region? (If yes, please describe)	