



BUSINESS ENTERPRISE COMMITTEE MEETING

AGENDA

6 AUGUST 2014

Your attendance is required at a meeting of the Business Enterprise Committee to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 6 August 2014 commencing at 9.00 am for transaction of the enclosed business.

A handwritten signature in black ink, appearing to be "C. R.", written over a horizontal line.

CHIEF EXECUTIVE OFFICER
30 July 2014

Next Meeting Date: 03.09.14

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.

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	OPENING.....	1
2	PRESENT	1
3	APOLOGIES AND LEAVE OF ABSENCE	1
4	CONFIRMATION OF MINUTES	1
5	DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA.....	1
6	BUSINESS OUTSTANDING	2
	NIL	2
7	PUBLIC FORUMS/DEPUTATIONS	3
7.1	POSSIBLE COMPOST PROJECT	3
7.2	AIRBIZ AVIATION STRATEGIES PRESENTING RESULTS OF THE AIRPORT SURVEYS.....	14
8	OFFICERS' REPORTS.....	15
8.1	2014-15 ANNUAL PERFORMANCE PLAN FOR ROCKHAMPTON AIRPORT	15
8.2	LANDFILL OPERATING HOURS	31
9	STRATEGIC REPORTS.....	33
9.1	AIRPORT FINANCE AND STRATEGIC MATTERS REPORT JUNE 2014	33
9.2	RRWR FINANCE AND STRATEGIC MATTERS REPORT - JUNE 2014	46
9.3	RRWR ANNUAL PERFORMANCE PLAN QUARTERLY REPORT AS AT 30 JUNE 2014	57
10	NOTICES OF MOTION.....	68
	NIL	68
11	URGENT BUSINESS/QUESTIONS	69
12	CLOSED SESSION	70
13.1	LANDFILL ACCOUNTS	70
13	CONFIDENTIAL REPORTS.....	71
13.1	LANDFILL ACCOUNTS	71
14	CLOSURE OF MEETING	72

1 OPENING

2 PRESENT

Members Present:

Councillor N K Fisher (Chairperson)
The Mayor, Councillor M F Strelow
Councillor C E Smith
Councillor C R Rutherford
Councillor G A Belz
Councillor R A Swadling

In Attendance:

Mr E Pardon – Chief Executive Officer
Mr R Cheesman – General Manager Corporate Services

3 APOLOGIES AND LEAVE OF ABSENCE

Councillor Greg Belz - Leave of Absence from 30 June 2014 to 8 August 2014

4 CONFIRMATION OF MINUTES

Minutes of the Business Enterprise Committee held 2 July 2014

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 BUSINESS OUTSTANDING

Nil

7 PUBLIC FORUMS/DEPUTATIONS

7.1 POSSIBLE COMPOST PROJECT

File No:	150
Attachments:	1. Information from Mick Alexander regarding Compost Project
Authorising Officer:	Robert Holmes - General Manager Regional Services
Author:	Craig Dunglison - Manager RRWR

SUMMARY

Council has been approached to consider the support of a trial involving the composting of greenwaste and possibly organics and/or sewerage and water treatment sludge. The cost to undertake the trial is not minor but the outcomes could be significant providing Council with a direction that would greatly reduce waste going to landfill utilising very importantly a potential local market. Mr Mick Alexander will provide a presentation to the Committee.

OFFICER'S RECOMMENDATION

THAT the deputation and the report '*Possible Compost Project*' be received.

COMMENTARY

Mr Mick Alexander approached Council via the Mayor in June 2013 with a request for Council to consider undertaking a trial involving the composting of greenwaste, sludge (sewerage and water treatment) and possibly organics ie food scraps etc. Also Mr Alexander had several potential clients who were local graziers that were considering pasture improvement utilising this product.

Some effort has been put into making the trial occur but no suitable land to undertake the trial can be located from existing land owned by Council.

Also the cost to run the trial is \$89,000 which are the costs for Mr Alexander and specialists to manage and monitor the trial and to also provide the necessary equipment to turn the windrows of product. Mr Alexander would also undertake to sell the product.

Council via RRWR would have to supply:

- land for the trial;
- pad and associated earthworks – ie compost pad and possibly ponds to capture run-off;
- 1,500 tonnes of product (greenwaste mulch and sludge) and place it at the trial's location;
- required water (several thousand litres per day) and;
- screening of the product at the end of the trial.

These costs could be in excess of \$300,000.

The trial is of particular interest in that, if successful, Council could produce a product that could be sold locally and significantly reduce waste going to landfill with up to 60% of the contents of all 240L MGB being organic waste and viable as compost feed stock and also providing a viable solution for the disposal of greenwaste mulch and importantly sludge from the sewage treatment plant and water treatment plant.

What is particularly important in regards to this trial is that the potential customers are graziers. Usually compost of this type is promoted to the horticultural sector which is limited in the Rockhampton area; whereas there is a large potential market in the grazing sector with pasture improvements making this project particularly attractive.

If this market can be grown locally then Council has great potential to utilise a range of waste products that will greatly reduce the waste that Council will have to transport for disposal and would extend the life of all landfills involved.

The challenge is the cost to undertake the trial and finding suitable land on which the trial can take place.

BACKGROUND

In June of 2013 the Mayor referred a contact with Mr Mick Alexander of GBP Qld Pty Ltd (Grazing Best Practice) to the Manager of Rockhampton Regional Waste and Recycling (RRWR) for assessment of a proposal that Mr Alexander had put forward. The proposal was to undertake a composting trial utilising greenwaste, sludge and possibly organics. Mr Alexander has a potential number of grazier clients who were willing to immediately take the compost and utilise it for pasture improvement.

A meeting was held with Mr Alexander at the Yeppoon Landfill to review the proposal (See Attachment 1). Also at the meeting, a possible site to undertake the trial was considered. A site at the Yeppoon Landfill was considered initially as the main elements for the trial were close to hand – greenwaste mulch – landfill, sludge – and water from either the Yeppoon Sewage Treatment Plant or the Landfill's stormwater ponds.

The trial had an initial cost of \$89,000 to engage and fund Mr Alexander and his colleague who would supply the required equipment to turn the windrows and the expertise to monitor the process to ensure that an appropriate product was produced.

RRWR would have to supply the necessary plant i.e. bulldozer and grader to prepare the site. The preparation work may also undertake the provision of appropriate soil to level, waterproof and make the site trafficable in reasonable rain events. RRWR would also have to supply the required material in appropriate quantities to the selected location via dump trucks that is the greenwaste and sludge. Also RRWR would have to supply a reasonable quantity of water or treated effluent. These materials and action will be a cost to RRWR, i.e. loader and dump truck hire and water truck or temporary pipeline construction. These items could cost RRWR up to \$300,000.

Council was informed of the proposed trial but Council requested that the trial not take place at Yeppoon Landfill but at a location closer to Rockhampton which would put the operation closer to the largest stockpile of greenwaste and sludge, etc. – Rockhampton.

Work has been underway for at least 6 months to locate a suitable site which is close to the Lakes Creek Road Landfill. Several sites were considered but most Council owned landfill is either close to occupied dwellings or flood prone, both unsuitable for a composting operation trial or otherwise.

Finally the use of Lakes Creek Landfill itself was considered and there is suitable land at the site but due to its final shape being sloped to shed water, considerable funds would have to be made available to provide the required level area, with a trafficable finish and leachate catchment ponds. But if this site was developed then it could be used indefinitely. Also no additional Planning requirements would be generated.

The land that can be utilised is now targeted as the possible site for the piggy-back expansion option. Although this project is potentially of vital importance the piggy-back expansion option is currently considered more valuable and will take precedence.

BUDGET IMPLICATIONS

There are no specific funds allocated in the budget.

LEGISLATIVE CONTEXT

The Waste Reduction and Recycling Act 2011 will require Council to produce a Waste Management Strategy. The current proposed Strategy framework will have targets for Council to meet in the area of increasing the tonnes of waste recycled.

One way to achieve this target would be to collect the organics currently in the 240L MGB and a separate bin i.e. the third bin and then to compost this material in association with greenwaste and sludge. If this process can be performed in a manner that makes a financial return for Council this will lower the cost to the ratepayer.

STAFFING IMPLICATIONS

Staff time would be required to work with Mr Alexander to develop the elements of the trial. This could entail significant time allotments.

RISK ASSESSMENT

If the trial is supported there is little likelihood that the trial will not succeed. The risk in the trial is ability to produce material that will meet and hopefully exceed the customer's requirements thus enhancing the likelihood that the market will develop. The development of this market – graziers utilising compost produced from Council various waste streams.

CORPORATE/OPERATIONAL PLAN

Extract from Strategic Business Plan adopted by Council 24 March 2009 and Annual Performance Plan:

Vision

"We will be a leader in the sustainable management of waste.

We will achieve this by:

- The provision of well-run services and facilities;
- Meeting high environmental standards; and
- Extract from Rockhampton Regional Council Corporate Plan:

"Provide waste management facilities and services which meet the community's needs"

CONCLUSION

This trial could have significant advantages for the Council in that large quantities of waste could be treated and disposed of locally thus diverting the waste away from the need to transport it to a disposal location for burying. Also this trial could have significant advantages to a local industry.

POSSIBLE COMPOST PROJECT

Information from Mick Alexander regarding Compost Project

Meeting Date: 6 August 2014

Attachment No: 1

Private and Confidential



1
Mick Alexander
GBP QLD Pty Ltd
PO Box 500,
Yeppoon. Qld 4703

27th June 2013.

Strategic Manager Regional Waste and Recycling
Mr Craig Dungleison
Rockhampton Regional Council
PO Box 1860
Rockhampton
QLD 4700

To Implement a Turned Composting Trial at RRC Site

Dear Craig,

Please accept this proposal from GBP QLD to establish a turned (aerated) composting trial at the Yeppoon Landfill site in 2013 in order to maximise the value of waste materials in the Rockhampton region. The trial will include the complete composting program (for 1,000 – 1,500 tonnes compost) and marketing of compost to local end users. This program would be a valuable and exciting project for Rockhampton regional Council (RRC) to undertake in a carbon based economy where environmental credentials are very important. RRC will be viewed as a forward thinking visionary council that recycles waste products and reduces the carbon footprint.

- Ratepayers will see 'value for money' by being able to source high quality biological fertiliser at a low cost and
- Agricultural practitioners will be able source value added product.

This proposal may also be supported under the carbon farming initiative methodologies for carbon credits.

The following document will detail the requirements for the composting proposal.

GBP Qld and Future Ag Composting wish to present a proposal to Rockhampton Regional Council to compost green waste materials, bio-solids and possibly other raw materials utilising a commercial composting program. The program, being proposed will initially utilise 1,000 – 1,500 tonnes of combined waste materials in a 10 – 12 week cycle. This trial will demonstrate the success of a one off trial and the potential of developing a full-time 4 cycle composting program that could utilise in excess of 20,000 tonnes of product a year.

Summary

Rockhampton Regional Council (RRC) ratepayers generate approximately 130,000 cubic meters (52,000 tonnes) of shredded green waste annually as well as large quantities of organic material, water treatment sludge, bio-solids and lime slag. The disposal and recycling of this material has become a major issue to RRC due to the ongoing cost of transportation, removal and or storage of waste materials.

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

2

In order to alleviate this problem, GBP QLD will coordinate the commercial composting trial with Future Ag Composting to turn 1,000 – 1,500 tonne of combined shredded green waste, organic waste, bio-solids and water treatment sludge into a high quality certified compost that end users want to source. The composting process will be situated on the most ideal site that will minimise the cost of sourcing and transporting these raw materials and also make use of existing RRC resources.

The trial will significantly reduce the cost of RRC handling, transporting and or storing the materials by converting them into a valuable fertiliser based resource. This proposal will also ensure that the finished product is marketed to local and regional based end-users by GBP Qld. All products will meet and exceed the Australian standards for compost AS 4454 (2012).

The fee for GBP Qld to undertake this trial will be \$89,000 exc gst and will include:

- Transport of composting equipment to Yeppoon Landfill
- Operational costs of equipment to make the composted product
- Development of the specific compost recipe to be utilised
- Construction of the windrows of compost and turn as required
- Labour, running costs and contractor time to undertake the trial
- Marketing of the completed product
- Disposal of completed product
- Sourcing of other required minerals to balance the compost for specific end user requirements

In a full commercial situation a minimum of 2,500 – 3,500 tonne would be composted at the one time requiring three times more area than is available at the Yeppoon Landfill site. However, the space available is very limited and so the tonnage to be produced is also lower than ideal. The general cost of producing 3,000 tonne of compost would be approximately \$35.00 per tonne whereas the trial cost is higher due to the smaller scale and reduced site area available. However the time required to produce the compost is still 10 – 12 weeks. Scale will reduce the cost per tonne significantly.

GBP Qld proposes to:

- Pre-allocate (forward sell) 40% (400 – 600 tonne) of the potential compost product prior to the program beginning
- Market the remaining 60% as soon as the compost program is completed
- Value-add various compost volumes to specific end user soil requirements.

Rockhampton Regional Council will need to:

- Prepare the compost trial sites prior to the trial beginning
- Stockpile materials as requested prior to the trial beginning
- Allow access of staff involved in trial on the chosen site
- Provide access to 300 – 1,000 litres of water per tonne of compost
- Assist with transport of completed compost off site (weighing trucks)
- Provision of screening equipment for screening of compost at end of process to maximise quality

Site preparation will be conducted by RRC staff to ensure that the required compost turning equipment can be operated within the designated zone. (details to be assigned at start of contract)

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

3

Timing of Compost Program

The cycle length for completing an aerated turned compost is approximately 10 – 12 weeks, with raw materials being converted into a highly valued bio-fertiliser. This is a very distinct process using a heating stage that maximises the aerobic microbial diversity in the product. It is essential to manage the heating and moisture process in the first 3 weeks.

It is possible for GBP Qld to undertake this proposal in the second half of 2013, beginning in late July and being completed by late September 2013. This timing would allow the compost to be utilised by local and regional end-users in summer cropping systems. GBP Qld has an extensive client base of 1,200 businesses in central Qld.

Raw Material Costs and Value Adding

Raw waste materials will be supplied by RRC on site to Yeppoon Landfill. This may include shredded green waste, bio-solids, organic material, waste water from the water treatment works. A recipe will be developed for standard high quality compost under the Australian Compost Standards

If other materials (value add) are required to enhance and balance the compost, they will be sourced from local and regional retailers and paid for by end users. These products may include rock phosphate, elemental sulphur, gypsum, lime, crusher dust and or zeolite. Many end- users (farmers) are very technologically advanced and are wanting to balance their soils with correct nutrients. Farmers see compost as the ideal vehicle to get minerals into the soil, making nutrients plant-available without an enormous cost.

Generally additives to the raw compost could range from:

- Rock Phosphate – \$30/ 50 kg
- Gypsum - \$16.00 / 100 kg
- Lime - \$8.00/ 100 kg
- Zeolite - \$7.00/ 10 kg
- Crusher dust (would depend on paramagnetism qualities)
- Other minerals such as zinc, boron and copper

Generally, a cost base for sale of a commercial compost product is approximately \$30 - \$50/ tonne depending on the quality of the product and required nutrients. Previous compost programs have required additional products valued at \$30.00 - \$70.00/ tonne of compost. This would make the completed compost valued at \$60.00 - \$120.00 / tonne. However this cost being compared to the cost of MAP at \$800 - \$900/ tonne makes a good product very valuable.

Transporting of end product

There are two options for removal of the compost once completed. They are:

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

4

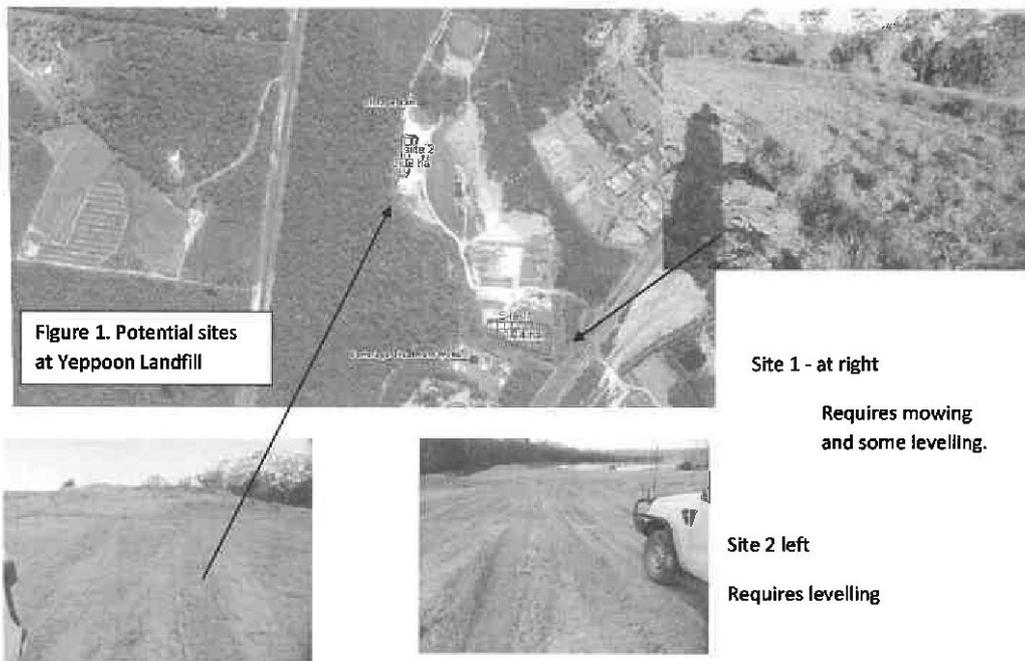
- RRC transports the product to the end user
- The end user transports the product from the Yeppoon Landfill

This cost would be paid by the end –user.

Site suitability/ background research:

GBP Qld and Rockhampton regional Council have conducted detailed research to ascertain the most suitable site to conduct the composting trial which is close to raw materials and an acceptable (EPA) regulated site. In past months, several discussions and site assessments have been conducted to ascertain two preferred sites at the Yeppoon Landfill – two sites assessed as below in figure 1.

- The two areas are a total of (site 1) 1.14 ha and (site 2) 0.32 ha –
- Although the ideal site would be less than 1% slope, flat, level and well drained, the sites chosen will allow the trial to be conducted without sourcing EPA approval for the trial. The two sites are on sloping land that will require minimal grading to enable the trial to be conducted. Some depressions will need to be filled to minimise loss of compost quality due to water laying in holes.
- The sites are both close to water – site 1 (access to treated water from the water treatment works) and site 2 will have access to the large runoff pond on the northern side of the Yeppoon landfill. Water is valuable as the process will require up to 300 - 1,000 litres per tonne of completed compost.



GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

5

Who we are

GBP QLD is an agricultural consultancy based in Yeppoon and working with a large number of farming families across Queensland and New South Wales delivering sustainable solutions (education and resource based). Mick and Noela Alexander (www.grazingbestprac.com.au, ABN: 47 142 800 093) have been developing best practice solutions in agriculture since 2004 and have been building regional interest in commercial composting and bio-fertiliser for five years. GBP deals in soil nutrition and growing healthy pastures and crops.

Future Ag Composting (ABN:31 078 588 524) is a family based agricultural business with a commercial composting enterprise. Director of Future Ag Composting, Eric Glasser has a portable compost turning plant that can be moved from site to site as each compost cycle is completed. Mr Glasser is highly experienced with on-farm aerobic turned composting and is currently composting 2,500 tonnes of green waste in the Toowoomba region.



Static pile composting at Biloela



Farmers assessing compost

What we can offer

GBP QLD can:

1. Reduce the need to transport green waste away from the Rockhampton Region – it is possible to compost 52,000 tonne per year. (4 cycles of 13,000 tonne each)
2. Create a local solution with jobs and local product.
3. Utilise green waste and other raw by-products locally – low handling costs.
4. Value add green waste to ensure uptake – see options below.
5. Make the green waste program a green/brown program.
6. Access to markets for compost products as a fertiliser.
7. Develop a carbon sequestration methodology for the Australian Govt (via CQU)
8. Coordinate a commercial composting operator (Future Ag Composting)
9. And coordinate the composting project (Inputs and outputs) to a successful stage.
10. Supply options – (various levels of compost ie wood based vs garden cuttings)
 - Give compost away to community (good quality – not the product available today)
 - Value add as complete fertiliser (we have the skills)
 - Supply council facilities, schools etc

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

6

What we need

- A minimum of 1,000 – 1,500 tonne in the trial would need to be composted to be a viable operation to move specialist equipment to central Queensland.
- Land area of 1.4 ha per 1,000 tonne of product (7.0 ha – 5,000 tonne)
- Water supply – this will vary depending on % moisture of the green waste (need 50% moisture)
- Clean compost – no plastic if possible
- A screening process and support from council to setup.

Resources Required:

Composting is an operation requiring:

- specialist knowledge;
- raw materials;
- water supply and;
- specialist composting equipment. (Compost Turner, specially geared tractor, pump facility, storage tanks).

A commercial composting operation can turn green waste into highly valued soil amelioration products in a short 10 – 12 week period. However, the volume of compost material being composted within each cycle will determine the area required for the operation.

Example of a layout to compost 2,000/ 1,000 and 4,000 tonne of compost.

m	width of row	3	6	3	10	3	6	3	10	3	6	3	10	3	6	3	10	3	6	3	100	
tonne/row	length of row	200	interspace	200		200		200		200		200		200		200		200		200	2000	tonne
tonne/row	length of row	100		100		100		100		100		100		100		100		100		100	1000	tonne
tonne/row	length of row	400		400		400		400		400		400		400		400		400		400	4000	tonne

Figure 2. Land area required to undertake a composting cycle. (1.5 – 2.0 m high rows)

Figure 2 shows the minimum area required to layout the 3 metre rows of compost. However, a further 40% to 50% of this area is required to allow for product movement, storage and handling. For each 1,000 tonne, an approximate are of 1.4 ha is required with gentle slope and good drainage.

Thankyou for your interest in composting.

Please contact mick@grazingbestprac.com.au and phone 0749383919 for more information.

Sincerely,



Mick Alexander (Director GBP QLD)

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

Private and Confidential

7

Reference

Assoc. Prof. Nanjappa Ashwath & Andrew Rank. (Sep 2009) GREEN WASTE - A Potential Growth Medium for Plants, and a Valuable Feed Stock for Bioenergy and Biochar Production - Centre for Plant & Water Science CQUniversity, Rockhampton, Qld 4702

GBP Qld Pty Ltd – PO Box 500, Yeppoon 4703 – www.grazingbestprac.com.au ph 0749383919/ 0438 395255

7.2 AIRBIZ AVIATION STRATEGIES PRESENTING RESULTS OF THE AIRPORT SURVEYS

File No: 10987
Attachments: Nil
Authorising Officer: Evan Pardon - Chief Executive Officer
Author: Ross Cheesman - General Manager Corporate Services

SUMMARY

Ms Cally Ward from Airbiz Aviation Strategies presenting the results of the Airport surveys.

OFFICER'S RECOMMENDATION

THAT the presentation from Airbiz Aviation Strategies be "received".

COMMENTARY

Council recently engaged Airbiz Aviation Strategies through a competitive process to undertake an airport survey of passengers.

This data is critical for airlines when assessing new routes and current schedules. As part of the engagement, Airbiz Aviation Strategies were also to prepare a business case template for the use in approaching airlines for potential new routes.

Ms Cally Ward from Airbiz Aviation Strategies will attend the Committee to present her findings from this survey.

8 OFFICERS' REPORTS

8.1 2014-15 ANNUAL PERFORMANCE PLAN FOR ROCKHAMPTON AIRPORT

File No: 8409
Attachments: 1. 2014-2015 Annual Performance Plan
Authorising Officer: Evan Pardon - Chief Executive Officer
Author: Ross Cheesman - General Manager Corporate Services

SUMMARY

General Manager Corporate Services representing 2014-15 Annual Performance Plan for the Rockhampton Airport for consideration.

OFFICER'S RECOMMENDATION

THAT pursuant to Section 175 (2) of the *Local Government Regulation 2012* the 2014-15 Annual Performance Plan for Rockhampton Airport as attached to the report be adopted.

COMMENTARY

At Council's Budget meeting it was resolved that the Rockhampton Airport be classified as a commercialised business activity (Type 2) under the provisions of the *Local Government Act*. There is a requirement pursuant to the *Local Government Regulation 2012* that an Annual Performance Plan be adopted for each of these businesses and that it be reported against quarterly.

Attached is a recommended Annual Performance Plan for consideration and adoption and is mostly in line with the previous year plan. Quarterly reviews will continue to the Business Enterprise Committee throughout the 2014-15 year.

CONCLUSION

It is recommended that the 2014-15 Annual Performance Plan for the Rockhampton Airport as attached be adopted.

2014-15 ANNUAL PERFORMANCE PLAN FOR ROCKHAMPTON AIRPORT

2014-2015 Annual Performance Plan

Meeting Date: 6 August 2014

Attachment No: 1



**Performance Plan
2014/15**

<u>1.</u>	<u>Introduction</u>	1
<u>2.</u>	<u>STRATEGIC DIRECTION</u>	1
	<u>2.1. Vision, Mission, Values, Objectives</u>	1
	<u>2.2. Objectives</u>	2
<u>3.</u>	<u>OPERATIONS</u>	3
	<u>3.1. Nature and Scope of Activities</u>	3
	<u>3.2. Legislative Framework</u>	3
	<u>3.3. Community Service Obligations</u>	3
<u>4.</u>	<u>COUNCIL SERVICE PROVIDER RIGHTS & RESPONSIBILITIES</u>	3
	<u>4.1. Provision of Services</u>	3
<u>5.</u>	<u>ROCKHAMPTON AIRPORT GENERAL RESPONSIBILITIES</u>	4
	<u>5.1. Levels of Service</u>	4
	<u>5.2. Customer Service</u>	4
	<u>5.3. Delegated Authorities</u>	4
<u>6.</u>	<u>BUSINESS ACTIVITIES</u>	5
	<u>6.1. Reporting to Council, Customers & Agencies</u>	5
	<u>6.2. Risk Management</u>	6
<u>7.</u>	<u>Capital Structure</u>	7
	<u>7.1. Funding Sources</u>	7
	<u>7.2. Operational Budget</u>	7
<u>8.</u>	<u>FINANCIAL POLICIES</u>	7
	<u>8.1. Treatment of Surpluses/Losses</u>	7
	<u>8.2. Borrowing Policy</u>	8
<u>9.</u>	<u>REVIEW OF PERFORMANCE PLAN</u>	8
	<u>Appendix 1: Community Service Obligations</u>	9
	<u>Appendix 2: Performance Targets for Quarterly Reporting</u>	10
	<u>Appendix 3: Rockhampton Airport Customer Service Charter</u>	11

1. INTRODUCTION

Rockhampton Regional Council, in its ongoing commitment to transparency and ensuring that its Airport is well placed to meet the demands, both in services and financial management, of its community, elected to prepare a Public Benefit Assessment that met the requirements set out in the *Act* and associated legislation.

The Public Benefit Assessment undertaken indicated that it would be in the interests of the community for the Rockhampton Airport to be corporatised; however, Council at its meeting on 28 June 2011 resolved that the airport services be commercialised and that the commercialised business unit be named Rockhampton Airport.

This Performance Plan is Rockhampton Airport's agreement with Rockhampton Regional Council to deliver those airport services. The plan describes Rockhampton Airport's objectives and functions in respect of:

- (i) Airport operations;
- (ii) Commercialisation;
- (iii) Community service obligations;
- (iv) Customer service;
- (v) Reporting requirements;
- (vi) Asset management objectives; and
- (vii) Financial policies.

This plan is required by Section 175 (2) of the *Local Government Regulation 2012 (the Regulation)* which states that:

1. there must be an annual performance plan for each commercial business unit;
2. a Local Government's operational plan must include the annual performance plan for each of its commercial business units; and
3. a performance plan may be amended at any time before the end of the financial year for which it is prepared.

Key financial and non-financial targets are detailed within this plan.

2. STRATEGIC DIRECTION

2.1. Vision, Mission, Values, Objectives

Vision

To be recognised as the most innovative and professionally operated airport in Australia.

Mission

To generate a commercial rate of return on our infrastructure while remaining the preferred airport for high volume Regular Public Transport (RPT) operations within Central Queensland.

Values Statement

Rockhampton Airport will provide a service which embraces the Rockhampton Regional Council corporate values.

Council Values

Consistency and Fairness - We will deal with all issues, including the management of change by achieving the fairest outcome possible and by being consistent in our decision making.

Results - We are results focussed on achieving results and in creating value for our customers.

Integrity and Honesty - We will operate with honesty and integrity, fostering transparency in whatever we do and promoting public trust and continued confidence.

Teamwork and Staff Development - We value collaborative effort by staff and are committed to encouraging professional development and learning as important across the organisation.

Inclusiveness and Fair Representation - We will listen to, respect the views of, strive to engage with and meet the reasonable expectations of our communities in a professional, compassionate and responsive manner.

Continuous Improvement and Innovation - We will achieve value for our communities by utilising more innovative, effective and efficient ways of producing results for our customers.

Accountability - In focussing on results and creating value for our customers, we own our successes and failures.

Leadership - We will demonstrate high standards of leadership in guiding the community to support and participate in achieving Council's vision and mission.

2.2. Objectives

The key objectives of the Rockhampton Airport are to safely deliver aeronautical and non-aeronautical services.

Core business includes the following activities:

Aeronautical activities

This includes all activities that are vital to airport activity and their removal would render the Airport unable to function in an aeronautical capacity. They include the runways, taxiways and aircraft parking apron areas. This is the core activity of the Airport.

Non-aeronautical activities

This includes all other activities undertaken by Rockhampton Airport and includes the operation of the terminal building, car park facilities, concessions and related leases and licences, etc. All of those activities are ancillary to the operation of a modern airport.

3. OPERATIONS

3.1. Nature and Scope of Activities

The Rockhampton Airport is responsible for the operation and maintenance of assets totalling approximately \$108.706M (replacement value).

Broadly, the scope of the Rockhampton Airport as at 30 June 2015 (unless otherwise stated) is as follows:

Estimated Operating Revenue	\$16.193M
Estimated Operating Expenditure	\$16.193M
Total Equity	\$78.615M
Number of staff	24
Annual Passenger Movements 12 months to 30 June 2014	670,750

3.2. Legislative Framework

In accordance with the *Local Government Act*, the Rockhampton Airport has a statutory objective to be commercially successful in carrying on its activities, and be efficient and effective in the provision of goods and delivery of its services including tasks carried out as community service obligations. The Rockhampton Airport has been established as a 'commercial business unit' to provide sustainable, quality and efficient airport services for the Region.

3.3. Community Service Obligations

The Local Government Regulation 2012 Chapter 3 Section 24 defines a community service obligation as:

"A **community service obligation** is an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do."

CSO's provided by the Rockhampton Airport are detailed in Appendix 1.

When additional CSOs are identified within the period of this Performance Plan the valuation of the CSO will be in accordance with Council resolution.

4. COUNCIL SERVICE PROVIDER RIGHTS & RESPONSIBILITIES

4.1. Provision of Services

Council as the owner of the Rockhampton Airport, will be responsible for approving the strategic direction and broad policies for the Business Unit.

Council will be responsible for providing a number of support services to the Airport including:

- Corporate governance support;
- Corporate business systems;
- Finance support services and systems;
- Human resource services and systems;
- Safety support services and systems;
- IT services support and systems;
- Procurement and tenders;
- Records management support and systems;
- Collection of revenue;
- Supply of fleet and plant;
- Project Management; and
- Other miscellaneous support services (payroll, etc).

The above support services will be provided via Council's internal service providers under a Service Level Agreement. The Rockhampton Airport is required to use internal support services over external service providers.

5. ROCKHAMPTON AIRPORT GENERAL RESPONSIBILITIES

5.1. Levels of Service

Council have set desired levels of service in line with overall funding considerations and implications on the long term financial plan. Rockhampton Airport operates to provide target levels of service as part of longer term plans and these are as outlined in Appendix 2.

5.2. Customer Service

Rockhampton Airport is responsible for the contact and commitment with customers in accordance with its Customer Service Charter as per Appendix 3. Commercial customers will also have a formal contract with Council but the service will be provided by Rockhampton Airport on behalf of Council.

5.3. Delegated Authorities

The Rockhampton Airport's overall delegated authorities are in accordance with *Section 260 of the Local Government Act*. Delegated authorities for specific Rockhampton Airport staff are included in Council's Register of Delegations.

To protect its assets and to ensure that it can meet its performance agreement with Council, the Rockhampton Airport is responsible for managing and controlling the operations and development of its assets in accordance with Council's adopted policies.

6. BUSINESS ACTIVITIES

6.1. Reporting to Council, Customers & Agencies

Reporting to Council

Rockhampton Airport will report to Council through whatever forum the Council decides from time to time but such will be funded by CSO funding should it exceed commercial requirements.

The Rockhampton Airport will prepare a quarterly report to the Council on its operations in accordance with the agreed format within one month after the end of each financial quarter or other time as agreed with Council.

The quarterly report will generally include the following:

- Director's overview;
- Performance against the adopted Customer Service Standards;
- Financial Performance against budget;
- Major Project update;
- Risk management;
- Compliance matters; and
- Safety management.

Annual Reporting

The Rockhampton Airport will prepare an annual report, pursuant to s190 (1c) of the Local Government Regulation 2012, to form part of Council's Annual report.

The Rockhampton Airport Annual Report will include the following in its annual report.

Item
Operating surplus ratio
Interest coverage ratio
Asset consumption ratio
Gross revenue
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)
Competitive neutrality ratio (% of gross revenue)
Depreciation ratio
Total written down asset value
Return on assets

Commentary

Operating surplus ratio is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. A positive result indicates that surplus revenue is available to support the funding of capital expenditure, offset past or future operating deficits or used to reduce current debt levels. This positive result shows that the Airport is raising enough revenue to meet its operating expenditure.

Interest coverage ratio is an indicator of the extent to which operating revenues are committed to funding interest expense on current loan borrowings and leases. The Airport currently does not have any loan borrowings and this ratio does not apply.

Asset consumption ratio is an indicator of the 'as new' value remaining in the assets. This ratio seeks to highlight the aged condition of the stock of physical assets. The DLGP financial management guideline indicates that the target should be between 40% and 80%. A low ratio indicates an aged stock of assets. A low indicator need not be a cause for concern as long as the assets are being maintained and replaced in accordance with an asset management plan and the business is operating sustainably. The Airport has 70.5% of 'as new' value remaining in its assets.

EBITDA is a measure of profitability used as comparison within and across industry and is net income with interest, taxes, depreciation and amortisation added back to it. It eliminates the effects of financing and accounting decisions. It is a useful measure of profitability for business with large amounts of assets and/or debt. This shows the funds the Airport has available to fund interest payments and principle repayments on loans and can be used to acquire debt leverage.

Competitive neutrality ratio measures the extent to which operating revenues are committed to competitive neutrality adjustments such as tax equivalents and return to Council.

Depreciation ratio indicates the extent to which operating revenues are committed to funding depreciation.

Return on assets is an indicator of how profitable a business is relative to its total assets. ROA tells you what earnings were generated from invested capital (assets). It gives investors an idea of how effectively the company is converting the money it has to invest into net income. The higher the ROA number, the better, because the company is earning more money on less investment. The Airport return on assets indicates that it is not generating large earnings from its investment in capital.

6.2. Risk Management

The Rockhampton Airport will identify, assess and manage risks in relation to business risk, major asset failure and interruption to supply or delivery in accordance with the Rockhampton Regional Council Risk Management Framework.

7. CAPITAL STRUCTURE

The Rockhampton Airport will continue to develop long term financial planning models which upon adoption, will be incorporated into Council's overall financial strategy.

7.1. Funding Sources

The following are the funding sources for the Rockhampton Airport capital expenditure program:

Revenue

- Loan borrowings, with repayments made from revenue;
- Depreciation funding;
- CSOs provided by Council;
- Government grants and subsidies; and
- Retained earnings/investment revenue

Loans

Current liability (forecast closing as at 30 June 2014)	\$0M
2014/15 (proposed new loans)	\$479k

Capital Expenditure for 2014/15 is approximately \$3.1M

7.2. Operational Budget

The operational budget as detailed in Council's financial strategic plan is as follows:

Operating revenue for 2014/15 is estimated to be \$16.193M.

Operating expenditure for 2014/15 is estimated to be \$16.193M.

8. FINANCIAL POLICIES

8.1. Treatment of Surpluses/Losses

In accordance with Council resolution, after the required Return on Assets and Income Tax Equivalents have been forwarded to Council each year, any remaining surplus/loss will be held in a Rockhampton Airport Capital Reserve. The Capital Reserve will be solely used for capital works expenditure to maintain services at appropriate levels and improve the commerciality of the Airport. The amounts to be transferred to each reserve will be detailed at the time of the transfer to the applicable reserve.

8.2. Borrowing Policy

Rockhampton Airport's Strategic Asset Management Plan Financial Strategy identifies new capital expenditure for projects over the 20 year planning horizon providing the basis for future borrowings.

The following principles underlie Rockhampton Airport's Borrowing Policy:

- loans will only be used for capital expenditure;
- consideration of the commercial return to the business and hence the Council; and
- long term capital works and borrowing strategies will be reviewed on a yearly basis and any necessary adjustments made, but any changes will be inline with the financial plan adopted by Council.

Where Rockhampton Airport requires debt financing, Council will raise funds for Rockhampton Airport. Council will make explicit the terms and conditions of all funds raised for Rockhampton Airport, having due regard to Council's determination on Rockhampton Airport's capital structure. Rockhampton Airport will be responsible for managing this debt and use Council's services where necessary to assist in this regard.

9. REVIEW OF PERFORMANCE PLAN

The *Local Government Regulation 2012*, allows a performance plan to be amended at any time before the end of the financial year for which it is prepared.

This Plan is to be reviewed and amendments made where necessary on a quarterly basis. Such a review or amendment of the plan should be as a result of the following:

- Reviewing Rockhampton Airport's actual performance and the reasonableness of the performance targets or standards set as part of the plan;
- Resolution of any of the matters referred to in the plan as being unresolved; and
- Any new direction of Council in relation to the overall strategic direction of the Rockhampton Airport.

APPENDIX 1: COMMUNITY SERVICE OBLIGATIONS

Community Service Obligations (CSO) are the activities required by the Council that are not in the Rockhampton Airport's commercial interests to perform and do not arise because of an accountability for performance, or competitive neutrality.

CSOs have been identified and adopted by Council for 2014/15 in the following areas. These CSOs will be funded by a contribution from Council to Rockhampton Airport.

Description	Amount
Royal Flying Doctors Service & Capricorn Rescue Helicopter Service	\$ 42,000
Total	Nil

There are currently no CSOs identified for 2014/15. CSOs as identified and adopted by Council will be funded by a contribution from Council to the Rockhampton Airport. This section of the Performance Plan will be updated as required to reflect any CSOs adopted.

It should be noted however that the Rockhampton Airport makes an annual donation of landing fees and lease costs to the Royal Flying Doctors Service and the Capricorn Helicopter Rescue Service. This donation is in the form of waiving associated costs.

APPENDIX 2: PERFORMANCE TARGETS FOR QUARTERLY REPORTING***Non-Financial Performance Targets***

Performance Indicator	Target
Passenger Numbers	+1%
Aircraft Movements	+1%
Bird Strikes *	10 per qtr
Lost Time Days – workplace injuries	0
Reported Public Injuries on Airport Precinct	0
Customer Requests Actioned	100%
Airline Engagement Meetings	Quarterly
Military Exercise Briefings Attended	100%

Financial Performance Targets

Indicator	Target	Reporting Frequency
Operating Budget	Conduct all activities in accordance with required timelines and budget	Quarterly or when variations arise
Annual Revenue	Timely reporting of any significant variations to budget revenue and collection timing	Quarterly or when variations arise
Capital Works	Completion of capital program in accordance with adopted timeframe and budget (within 5%)	Quarterly or when variations arise

APPENDIX 3: ROCKHAMPTON AIRPORT CUSTOMER SERVICE CHARTER

Rockhampton Airport is owned and operated by Rockhampton Regional Council (RRC). A key strategic objective for the Airport is for customers to expect and receive a high level of customer service throughout their travel experience.

Rockhampton Airport leverages its relationship with RRC to provide guidance and direction in relation to the service of its customers.

Rockhampton Regional Council is committed to service excellence and monitors its service to ensure that it meets the standards set out in this Service Charter.

Rockhampton Airport has several groups of customers, each with their specific needs and expectations. Some examples of customers include but are not limited to:

- The General Public
 - travellers (airline, bus, taxi and pedestrian);
 - people meeting or assisting travellers; and
 - people attending the airport for other reasons.

- Business Partners
 - airlines, their staff, contractors and representatives;
 - lessees, licencees and concessionaires, their staff, contractors and representatives;
 - service agents and associated facilities maintenance personnel; and
 - sales representatives.

- Regional Partners
 - government agencies and their personnel;
 - local, regional and state development organisations;
 - significant businesses; and
 - visiting business people.

WHAT CUSTOMERS CAN EXPECT:

Where possible we will resolve your enquiry at the first point of contact. We will aim for seven out of ten enquiries to be resolved by our Customer Service Officers.

Customer requests for service will be entered into Council's Request Management System on the same day that they are received.

WE ASK OUR CUSTOMERS TO:

- provide complete and accurate information;
- keep us informed of any changes to personal details;
- offer suggestions on service improvements; and
- seek appointments for complex enquiries.

FRONTLINE CUSTOMER SERVICE:

- You will be greeted in a friendly, professional manner.
- Wherever possible, a one stop service will be provided at the first point of contact.
- All enquiries will be processed accurately and efficiently by the Customer Service Officers.
- You will be afforded respect and courtesy.

ON THE TELEPHONE:

- Your call will be answered promptly.
- Staff will introduce themselves.
- Wherever possible, a one stop service will be provided at the first point of contact.
- We are conscious your time may be precious and we actively work to reduce call waiting times. Please note that in peak periods, delays are inevitable.

Please note:

Our Call Centre system does allow you to either leave a contact telephone number or voice mail message. Both of these options are presented to you after 45 seconds. If you choose to take these options your place in the queue is retained and you will receive a call from a Customer Service Officer when your call would have reached the head of the queue.

IN WRITING:

- We will forward a letter, email or facsimile of reply within 10 working days of receiving your correspondence.
- We will forward an interim letter advising progress of correspondence if there is a delay in answering your enquiry.

RESPECT FOR YOUR PRIVACY:

We will respect and protect your personal information through our policies created under Right to Information and Privacy Legislation.

YOUR FEEDBACK:

We welcome and encourage feedback or suggestions and will take these into account to continually improve our levels of service on our path to customer service excellence.

RESPONSE & RESOLUTION TARGETS:

The following provides a summary of our target response and resolution times to your enquiries.

GENERAL PUBLIC		
SERVICE ENQUIRY	TARGET RESPONSE (Working Days)	TARGET RESOLUTION (Working Hrs/ Days)
Carparking		
Disabled Access	Immediate	2 Hours
Refunds / Equipment Failures	Immediate	5 Days
General Enquiries	3 Days	10 Days
Operations		
Security Incidents	Immediate	4 Days
Safety Incidents	Immediate	4 Days
General Enquiries	3 Days	10 Days
Facilities		
Service Failures	Immediate	3 Hours
General Enquiries	3 Days	10 Days
Commercial		
General Enquiries	3 Days	10 Days

BUSINESS PARTNERS		
SERVICE ENQUIRY	TARGET RESPONSE (Working Days)	TARGET RESOLUTION (Working Hrs/Days)
Operations		
Security Incidents	Immediate	4 Days
Safety Incidents	Immediate	4 Days
Operationally Sensitive Enquiries	Immediate	4 Days
General Enquiries	3 Days	10 Days
Facilities		
Service Failures	Immediate	3 Hours
Development Requests	3 Days	30 Days
General Enquiries	3 Days	10 Days
Commercial		
Operationally Sensitive Enquiries	Immediate	3 Hours
Lease / Licence Enquiries	3 Days	10 Days
Development Proposals	3 Days	30 Days
General Enquiries	3 Days	10 Days

REGIONAL PARTNERS		
SERVICE ENQUIRY	TARGET RESPONSE (Working Days)	TARGET RESOLUTION (Working Days)
VIP Activities	Immediate	3 Hours
Media / Time Critical Enquiries	Immediate	3 Hours
General Information Requests	3 Days	5 Days

CUSTOMER FACILITIES:

Rockhampton Airport's carpark, access points and general terminal layout has been designed to provide a safe and efficient passenger experience for all airport customers.

Rockhampton Airport has published a Disability Access Facilitation Plan that explains the services and facilities available to assist customers with limited mobility or specialised requirements.

We will continue to participate and invest in the Queensland University of Technology's Airports of the Future international collaborative research project (<http://www.airportsofthefuture.qut.edu.au/>) to ensure that passenger facilitation continues to improve in line with contemporary customer service practices.

OPERATIONAL INFORMATION:

We will endeavour to communicate changes to our operations and our daily flight schedule via our web site (www.rockhamptonairport.com.au) and Council's social network sites (Twitter and Facebook).

In emergencies all external communication must be channelled through the Chair of the Local Disaster Management Group. In most instances, this will be the Mayor of Rockhampton Regional Council

8.2 LANDFILL OPERATING HOURS

File No: 7927
Attachments: Nil
Authorising Officer: Robert Holmes - General Manager Regional Services
Author: Nigel Tuckwood - Coordinator Waste Operations

SUMMARY

In a strategy to improve staff efficiencies and save on operational costs within facilities and to add consistency, it is proposed to align the operating hours of the Gracemere Landfill with those at the Lakes Creek Road Landfill.

OFFICER'S RECOMMENDATION

THAT the hours of operation of the Gracemere Landfill are aligned with the operating hours of the Lakes Creek Road Landfill and that the Gracemere landfill closes for a half hour period for lunch 12.00 to 12.30pm.

COMMENTARY

Current operational hours are as follows

Facility	Open	Close	Days
Lakes Creek Road			
<i>All year</i>	<i>7.00am</i>	<i>5pm</i>	<i>Daily</i>
Gracemere			
<i>May – August</i>	<i>8.30am</i>	<i>5.15pm</i>	<i>Monday to Friday</i>
	<i>7.30am</i>	<i>5.45pm</i>	<i>Saturday and Sunday</i>
<i>September – April</i>	<i>7.30am</i>	<i>5.45pm</i>	<i>Monday to Friday</i>
	<i>6.30am</i>	<i>6.30pm</i>	<i>Saturday and Sunday</i>

When compared there is great disparity between sites and varied seasonal times for Gracemere.

To reduce operational cost of facilities overall a review was conducted during the budgetary process and it was decided to operate Gracemere landfill with staff from Lakes Creek Road Landfill instead of temporary staff which had replaced the previous contractor.

A requirement to close for lunch (half an hour) is also requested to allow staff to take a break without having to send a replacement person from Lakes Creek Road Landfill to stand in for this period. Morning tea will be taken between customers.

Gracemere Landfill is currently operated as a domestic site only with all commercial loads directed to Lakes Creek Road Landfill, traffic flow is low (25 to 50 transactions per day) and a traffic survey taken from the landfill management system Mandalay has shown minimal or no traffic activity outside of the hours requested. Only three vehicles have used the site after 5pm in the last month.

BUDGET IMPLICATIONS

Saving on temporary staff wages in the region of \$130,000 to \$150,000. It is also proposed to fill the vacant supervisor's position at Lakes Creek Road Landfill with a Waste Facility Officer (WFO) / plant operator resulting in further savings.

STAFFING IMPLICATIONS

If changes are implemented as per the recommendation there will be no staff implications as they will be able to start and finish at Lakes Creek Road Landfill within the current certified agreement.

CONCLUSION

In order to operate efficiently and in a cost effective manner, the facilities hours need to be aligned as outlined in this report and the Committee's endorsement is sought.

9 STRATEGIC REPORTS

9.1 AIRPORT FINANCE AND STRATEGIC MATTERS REPORT JUNE 2014

File No:	7927
Attachments:	<ol style="list-style-type: none">1. Airport Income Statement Report 13/14 - June 20142. Airport Capital Management Report 13/14 - June 20143. Customer Service Statistics - June 2014
Authorising Officer:	Ross Cheesman - General Manager Corporate Services
Author:	Trevor Heard - Manager Rockhampton Airport

SUMMARY

The report details the financial position and other strategic matters for Rockhampton Airport.

OFFICER'S RECOMMENDATION

THAT the Airport and Strategic Matters Report for June 2014 be "received".

COMMENTARY

Operational

Revenue for the full year is at 100% and expenses 98% which provides a surplus of \$288k. It is anticipated that this will reduce after the end of year accruals and accounting adjustments.

Capital

Overall Airport's capital expenditure is below the percentage of year elapsed at 60%.

The majority of the Airport's capital expenditure underspend is related to the major Airport lighting project stage 2 – Pit & Duct Works (\$2m) which did not commence until late in the year.

OPERATIONAL BUDGET PROJECTS

Drainage and Local Flood Study for Future Developments

This study will be finalised by late July.

Runway 04/22 Master Plan Options

The options and stakeholder work has been completed. This included in a public meeting targeted at the Aviation community on 21 July. Public submissions close in late August.

Enhancement of Terminal Regional Graphics

It is proposed that the graphics will be in place to coincide with the launch of the new Rockhampton region branding on 14th August 2014

Terminal Redevelopment

It is anticipated that the Quantity Survey estimate of this work and the business case will be completed by the end of July. A full report and business case to underpin the capital works will be presented at a later Council meeting.

Audit and Compliance

On 24 June the Office of Transport Security completed a systems test of the passenger screening point and an audit of the Visitor Identity Card issuing processes. The audit and test did not identify any non-compliance matters.

Military Exercises

A site reconnaissance for the military training exercise Talisman Sabre 2015 was completed on 3 June. Members of the Australian Defence Force and the United States Department of Defence visited the airport for the site review and also to initiate planning for the exercise.

The Initial Planning Conference (IPC) for the exercise was held the following week in Townsville. Due to the current preliminary level of planning the Airport was not represented at the IPC.

Passenger Numbers

Domestic passenger numbers for June 2014 were 54,631 compared with 56,044 for June 2013. Full year passenger numbers were 670,750 compared with 706,605 in 2013/14.

Despite the loss of passenger numbers the financial result for the year should be on budget target.

Customer Service Statistics

The table and graph attached, document the telephone enquiries received by RRC Customer Service ('Enquiries'), the calls referred to the Airport Management for action ('Airport Referrals') and any resulting Pathway requests.

General Aviation Precinct

A Chip seal has been completed on the worst section of Aviation Drive adjacent to the PIQ entry in preparation for the 2014 Singapore Army exercise.

PROJECTS – Airport Facilities

Project	Commentary	Status
959150 – Runway Lighting System Replacement	<p>Strategy has been developed to complete this project over the next four years.</p> <ul style="list-style-type: none"> Year 1 – ALER – PC issued 24th April 2014. Year 2 – Revised to Complete Pit & Duct System. Commenced construction 19th May 2014, expected duration of 16 weeks. Year 3 – Aeronautical Ground Lighting (AGL) System for Main Runway & Taxiways. Year 4 – Cross Runway & Taxiways (excluded). 	<p>ALER – List of final defects being repaired and monitored.</p> <p>Pit & Duct – Work is proceeding to programme, several issues with runway and taxiway pavement above under bore sites, one runway under bore removed from program as a result, 6 variations have been submitted to date, estimate Practical Completion Date 07 October 2014, and refer Project Manager Monthly Report.</p> <p>AGL System – Technical Specification in first draft, Design Drawings being reviewed.</p>
987680 – Enhance the functionality of the Airport Building Management System software	<p>Scope of Works developed in conjunction with IT Projects and Service Provider.</p> <p>Business case to be resubmitted to ISSG.</p>	<p>New version of the BMS Software has been installed on the RRC server, Launcher program is being tested by RRC IT, Graphical diagrams are being developed and installed.</p>

987692 – Install Backup Air-conditioning in the ground floor Communications Rooms	Installation of an additional Split System in the Ground Floor Communications Room.	Completed
987693 – Improve Terminal Access for People with Disabilities.	Recurring annual project. Activities identified for this Financial Year: 1. Handrails and kick plate for car park pedestrian bridge. 2. Improved ease of usability of heavy disabled toilet doors.	Item 1 Kick plate installed. Item 2 Terminal Concourse and Departure Lounge Auto-Toilet Doors installed. Evaluating next priority items for this project.
987710 – Replace Corrective Services air conditioning unit		Deferred.
959133 – RPT Apron Lighting	Project to be scoped, lighting levels to be measured to determine requirements.	Final concept accepted. RPT apron light poles (7 off) switchgear and control equipment upgrade: Light poles 3, 4 & 5 complete, poles 1, 2 & 7 - determining requirements.
959135 – GA Apron Lighting	Project to be scoped, lighting levels to be measured to determine requirements.	Final concept accepted. Development of the technical specification for modifications to the GA Apron Lighting to accommodate the new RFDS Leased Area is progressing. Drawings of existing electrical infrastructure are nearing completion. Hazardous Area Assessment conducted due to locality of lights in relation to fuel bowzers. Design Requirements being finalised.
959156 – Covered areas for long Term car park equipment		Work being planned for scheduled construction in July/August 2014.
983748 – Resurface the Bitumen Area of the Short-Term Car Park		Deferred.
987681 – Refurbish General Aviation Toilets	Finalising procurement details.	Completed.
987682 – Replace various Airport IT Systems Software and Hardware	Recurring annual project.	Deferred

987684 – Replace Stormwater Infrastructure	Recurring annual project.	Deferred
987710 – Replace Corrective Services air conditioning unit		Deferred.
1020125 - Airport Screening equipment	To provide business essential equipment to screened passengers and “carry-on” baggage. There was an unplanned need for this procurement due to the intention of the owner of the current equipment to withdraw from provision of services at the airport. Project not previously required or budgeted for.	Project completed, in defect liability period.
1033137 – Paid Covered Car Parking Equipment	Installation of paid car parking equipment in the previous staff car parking facility.	Detailed project planning has commenced, paid parking equipment has been ordered, and preparatory work has been identified and commenced.
943123 – GA Apron Code B Parking Areas	Provision of parking for larger GA aircraft. Two turbo-prop or jet propelled corporate or freight aircraft may be accommodated. Also assists with an overflow parking for the RFDS aircraft.	No further works to be completed under this project.
959127– General Security Access Upgrades	Funds to upgrade security equipment. Includes the replacement of the locking system for gates at the GA Apron and military deployment areas.	Two wireless electronic locking systems were evaluated for external gates. A product that provides a wireless extension of the existing “Cardax” system has been selected. Initial installation of equipment has been completed but could not be finalised due to withdrawal from sale of the electronic padlocks. Supply of the padlocks has resumed allowing this project to be finalised. Electronic padlocks for Gate 1 and 1A have been installed. This will provide enhanced access control for emergency services and defence force deployments. A “Hotspot” reader is to be installed at the GA Apron to allow tenants to use padlocks installed in that area. Suitable software is being sourced for a records database.

959142 – Ongoing Extension of All Weather Trafficable Perimeter Road	To improve access for daily fence inspections during wet weather. Annual funds allocated with the aim of providing a continuous perimeter road. Recycled pavement materials are utilised when available.	Deferred
959155 – GA Apron Environmental Control for Stormwater into Lion Creek	To address the risk of a fuel spill on the GA Apron by preventing flow into Lion Creek and the Fitzroy Barrage storage. Also addresses the ongoing containment of engine oils and other contaminants from the apron area.	Deferred.
987704 – Improve Airside Stormwater Management	To ensure high value aircraft movement area pavements are not compromised by ingress of groundwater. Aging subsoil drains present an erosion risk under the runway shoulders. Assess and complete repairs as required.	Camera inspection completed in an area of concern. Further assessment required. Ground penetrating radar investigation works completed for subsoil drains along the shoulders of the original portion of Runway 15/33. Report received from contractor. Further investigations required to determine the scope of remedial works.
987685 – Renewal of aviation security Infrastructure	Recurring annual provision.	Deferred
959145 – Repairs to Defence deployment area	Annual restoration of pavement pre military exercises	Repairs to pavement and seal completed prior to the deployment for Exercise Wallaby 2013. Further repairs required prior to Wallaby 2014. The reseal of 2000 sq. metres is scheduled for completion following trench excavations for the airfield lighting project.

Covered Car Park

Additional costs due to civil works have been identified including realignment of the road entry to the new car park by the public, all weather cover for the entry and exit stations. Early estimates of this work are \$20,000.

Airport Lighting

The total capital budget allocated for the Rockhampton Airport AGL project is approximately \$7,066,607. The project budget has been cash flowed over three concurrent financial years with the following proportioned allocations.

Financial Year Capital Budget Allocation

Project	Year	Budget	Actual	% Complete
Design & Preliminaries	2013-14		\$ 972,696	91%
Stage 1 ALER		\$3,581,582		
Stage 2 Pit & Duct Works	2013-14		\$ 1,275,119	64%
	2014-15	\$1,985,025		
Stage 3 Light & Control Systems	2014-15			
	2015-16	\$1,500,000		
Total		\$7,066,607	\$2,247,815	

The Pit & Duct work will occur over 2013/14 and 2014/15 years with the major expenditure paid in 2014/15.

Similarly the Installation of the new Lights / Fittings & Control systems will occur over the 2014/15 and 2015/16 years so there is one continuous contractor for that stage of the project.

Appropriate budget checks against design documents will be carried out to ensure the scope will be delivered within budget allocations.

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT JUNE 2014

Airport Income Statement Report 13/14 - June 2014

Meeting Date: 6 August 2014

Attachment No: 1



**Income Statement
For Airport
For the Period July 2013 to June 2014**

Percentage of the year elapsed: 100.0%

	Adopted Budget \$	Revised Budget \$	YTD Actuals \$	% of YTD Actuals (excl commkals) to Total Budget
Revenues				
Fees and Charges	(10,120,406)	(10,122,322)	(10,108,964)	99.9%
Rent/Lease Revenue	(1,711,959)	(1,996,407)	(1,999,440)	100.2%
Grants Subsidies & Contributions	0	0	(55,461)	0.0%
Interest revenue	(150,000)	(150,000)	(131,196)	87.5%
Proceeds from Asset Sales	0	0	(2,182)	0.0%
Other income	(1,948,309)	(1,804,604)	(1,778,490)	98.6%
Res. received below fair value	0	(750)	(750)	100.0%
Total Revenues	(13,930,674)	(14,074,083)	(14,076,504)	100.0%
Expenses				
Employee costs	2,665,480	2,579,644	2,440,329	94.6%
Contractors & Consultants	1,405,903	1,407,999	1,118,066	79.4%
Materials & Plant	249,391	182,170	158,996	87.3%
Asset Operational	1,390,326	1,821,243	1,759,392	96.6%
Administrative expenses	331,466	237,405	179,322	75.5%
Depreciation	2,283,234	2,601,357	2,601,247	100.0%
Other Expenses	4,000	0	0	0.0%
Accounting Adjustments	0	0	291,011	0.0%
Total Expenses	8,329,800	8,829,816	8,548,363	96.8%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	268,909	230,424	226,193	98.2%
OH Allocation	794,836	794,836	794,836	100.0%
Competitive Neutrality Adjustments	4,537,129	4,219,007	4,219,007	100.0%
Total Transfer / Overhead Allocation	5,600,874	5,244,267	5,240,036	99.9%
TOTAL OPERATING POSITION (SURPLUS) / DEFICIT	(0)	0	(288,104)	0.0%

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT JUNE 2014

Airport Capital Management Report 13/14 - June 2014

Meeting Date: 6 August 2014

Attachment No: 2



End of Month Management Report -
Airport Capital Projects for June 2014

Percentage of Year Elapsed: 100.00%

	Feb Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget
	\$	\$	\$	\$	%
CP640 CAPITAL CONTROL AERO					
0943123	0943123 GA Apron Code B Parking Areas	0	0	0	0%
0959093	0959093 CASA / OTS Compliance Database / IT Syst	0	28,390	0	28,390
0959095	0959095 Crescent Lagoon Area Storm Water Managem	63,787	40,743	0	40,743
0959127	0959127 [N] Security Upgrades to General Aviatio	99,694	(5,530)	0	(5,530)
0959133	0959133 [U] RPT Apron Lighting	100,650	20,548	0	20,548
0959135	0959135 [N] GA Apron Lighting	92,550	41,723	0	41,723
0959137	0959137 [N] Movement Area Guidance Signs (MAGS)	0	0	0	0%
0959140	0959140 [R] Relocation of RWY 15 Windsock	0	0	0	0%
0959142	0959142 [U] Ongoing extension of all weather tra	0	0	0	0%
0959150	0959150 [R] Runway Lighting Power Distribution a	3,581,582	2,247,815	0	2,247,815
0959154	0959154 [N] Bay 6 Apron Lighting Upgrade	0	4,687	0	4,687
0959155	0959155 [N] GA Apron Environmental Control for S	0	0	0	0%
0959158	0959158 [R] Terminal Building Airside Water Main	0	(496)	0	(496)
0983708	0983708 [R] Movement Area Guidance Signs (MAGS)	0	0	0	0%
0987689	0987689 [R] Renew runway windsocks	0	0	0	0%
0987704	0987704 [U] Improve Airside Stormwater Managemen	133,125	0	0	0%
0987712	0987712 [R] Replace General Aviation Power Switc	0	0	0	0%
0987925	0987925 [R] Reconstruction of RPT Apron segment	0	0	0	0%
0989189	0989189 [R] Cooling Tower Water Chemical Control	30,000	19,667	0	19,667
	TOTAL CP640 CAPITAL CONTROL AERO	4,101,388	2,397,546	0	2,397,546
CP650 CAPITAL CONTROL NON AERO					
0580951	0580951 Rockhampton Airport Terminal redevelopme	24,754	15,071	0	15,071
0959120	0959120 [N] Covered walkway electrical	36,135	36,135	0	36,135
0959141	0959141 Rental Car Parking Expansion (Stage 2)	0	0	0	0%
0959145	0959145 [R] Repairs to Defence Deployment Areas	25,000	22,559	0	22,559
0959149	0959149 Hunter Street stormwater drainage (Long	0	0	0	0%
0983748	0983748 [R] Resurface the Bitumen Area of the Sh	0	0	0	0%
0987680	0987680 [R] Enhance the Functionality of the Air	84,894	40,378	0	40,378
0987681	0987681 [R] Refurbish General Aviation Precinct	13,032	29,712	0	29,712
0987682	0987682 [R] Replace various Airport IT Systems S	30,650	0	0	0%
0987684	0987684 [R] Replace Stormwater Infrastructure	0	0	0	0%
0987685	0987685 [R] Renewal of aviation security infrastr	61,300	611	0	611
0987686	0987686 [N] Redundant HV Supply for Airport Prec	0	42,416	0	42,416
0987691	0987691 [R] Replace Roofs of Various Airport Bui	43,383	25,360	0	25,360
0987692	0987692 [N] Install Backup Airconditioning in th	6,000	14,643	0	14,643
0987693	0987693 [U] Improve Terminal Access for People w	61,423	21,861	0	21,861
0987694	0987694 [R] Refurbish Terminal Toilets	50,000	0	0	0%
0987695	0987695 [R] Replace Terminal Floor coverings	0	0	0	0%

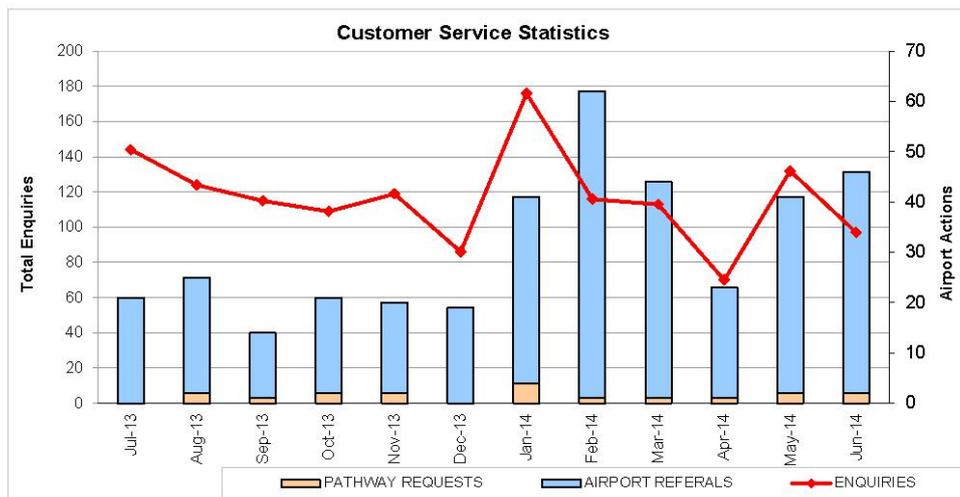
		Feb Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget
		\$	\$	\$	\$	%
0987701	0987701 [R] Improve Landside Stormwater Managem	0	0	0	0	0%
0987703	0987703 [R] Resurface Tower Crescent Road	0	0	0	0	0%
0987705	0987705 [N] Construct Staff Access Road off Apro	20,000	21,408	0	21,408	107%
0987706	0987706 [R] Replace and Relocate Telecommunicati	73,189	72,981	0	72,981	100%
0987708	0987708 [R] Refurbish Terminal Main Concourse Ai	15,000	0	0	0	0%
0987709	0987709 [R] Refurbish Air Handling Unit AC9	0	0	0	0	0%
0987710	0987710 [R] Replace Corrective Services Aircondi	0	0	0	0	0%
0987715	0987715 [R] Replace Mesh on Perimeter Security F	0	0	0	0	0%
0987721	0987721 [R] Replace Depature Lounge Air Handling	0	0	0	0	0%
0987723	0987723 [R] Replace Airconditioning System Chill	19,667	(19,667)	0	(19,667)	-100%
1017282	1017282 [N] Covered areas for paid parking equip	25,000	0	0	0	0%
1020125	1020125 [N] Passenger Security Screening Equipme	250,000	245,465	0	245,465	98%
1023540	1023540 [U] Europay MasterCard Visa - Compliance	60,000	0	0	0	0%
1026224	1026224 [N] Water Main Installation Short Term C	0	44,236	0	44,236	0%
	TOTAL CP660 CAPITAL CONTROL NON AERO	899,427	613,170	0	613,170	68%
	TOTAL CAPITAL EXPENDITURE	5,000,816	3,010,716	0	3,010,716	60%

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT JUNE 2014

Customer Service Statistics - June 2014

Meeting Date: 6 August 2014

Attachment No: 3



MONTH	ENQUIRIES	AIRPORT REFERALS	% REFERED	PATHWAY REQUESTS	NOTES
Jul-13	144	21	14.6%	0	
Aug-13	124	23	18.5%	2	
Sep-13	115	13	11.3%	1	
Oct-13	109	19	17.4%	2	
Nov-13	119	18	15.1%	2	
Dec-13	86	19	22.1%	0	
Jan-14	176	37	21.0%	4	
Feb-14	116	61	52.6%	1	
Mar-14	113	43	38.1%	1	
Apr-14	70	22	31.4%	1	
May-14	132	39	29.5%	2	
Jun-14	97	44	45.4%	2	
Totals	3305	514	15.6%	55	

9.2 RRWR FINANCE AND STRATEGIC MATTERS REPORT - JUNE 2014

File No: 7927

Attachments:

1. **Operational Budget Report - June 2014**
2. **Capital Budget Report - June 2014**

Authorising Officer: Robert Holmes - General Manager Regional Services

Author: Craig Dunglison - Manager RRWR

SUMMARY

This report details Rockhampton Regional Waste and Recycling's financial position and other significant operational matters as at 30 June 2014.

OFFICER'S RECOMMENDATION

THAT the Rockhampton Regional Waste and Recycling's Finance and Strategic Matters Report as at 30 June 2014 be received.

FINANCIAL

Percentage of year elapsed 100%

Adjusted percentage of year elapsed 100%

Operational

Grants and subsidies revenue is also significantly above budget at 193% as a result of the QRA flood funding and the annual community education recycling contract revenue having been received.

Other income category is income received relating to contract payments for recycling and landfill scavenging services which is significantly lower than the adjusted percentage of year elapsed at 88% due to lower than anticipated commission revenue being received.

Administrative expenses at 87% of the adjusted percentage of year elapsed are also lower than anticipated as a result of low minor equipment (64.63%), advertising/ marketing/ publication (62.67%) and licensing expenditure (85.62%) YTD.

Finance costs represent interest charged on loans which is lower than budget due to low capital expenditure YTD.

Other expenses category represents Waste's CQLGA annual membership fee and RRC's landfill restoration expenditure for Lakes Creek and Gracemere as at 31 December.

Accounting adjustment expenditure represents the writing off of bad debts, provision for doubtful debts, expenditure of WIP in progress and stocktake adjustment expenditure.

Transfer/ overhead allocations is slightly higher than budget at 104% as a result of higher than anticipated income tax (121.44%) and payroll tax (105.49%) YTD.

Capital

RRWR capital project expenditure for 2013-14 is below the percentage of year elapsed at 79%.

The majority of capital expenditure to date relates to the following: Landfill Capping (92%), LCR Waste Transfer Station (82%), regional waste infrastructure project (56%) and rubbish bins replacement (56%).

There are no material exceptions to this report.

COMPLIANCE MATTERSAsbestos Management – Waste Facilities

The final version of the Asbestos Management Plan for all Waste Facilities is complete. The mulching contract has commenced undertaking the initial sorting of the greenwaste for asbestos. The work has commenced at Lakes Creek Road Landfill and will commence soon at Gracemere Landfill.

“Mulch contaminated with asbestos” will be added to the RRWR Risk Register.

Waste Facilities – Licence review and Piggyback Construction Options Project

A meeting was held with local officers of the Department of Environment and Heritage Protection (EHP) in regards to reviewing and modernising the EHP licences governing waste facilities that Council operates. Many of the licences are fairly old and in some cases refer to matters no longer current – i.e. permitted to operate pit burner at the Gracemere Landfill.

Also the concept of using a piggyback type construction at the Lakes Creek Road Landfill was discussed and the officer present was welcoming of this approach and requested further information. This is being developed.

Proactive Compliance Inspection – EHP – Mount Morgan and Alton Downs Operationally Closed Landfills

The EHP notified RRWR that they would undertake a Compliance Inspection of these landfills:

- Mount Morgan Landfill adjacent to the Mount Morgan WTS
- Mount Morgan Landfill adjacent to the Showgrounds (sanitary nightsoil/ septic waste depot)
- Alton Downs Landfill – same location as the WTS

These landfills have been operationally closed for many years, i.e. no waste is accepted but have not been formally closed, i.e. submitted a closure plan and the undertaking of closure works i.e. possible capping.

However the inspection of the closed Mount Morgan landfill, adjacent to the WTS, and preliminary information from former officers has provided strong evidence that this site was capped as per the licence requirements.

The Mount Morgan landfill adjacent to the Mount Morgan Showgrounds is not a landfill and there is no evidence that the site was ever used as one. From evidence obtained this site has only be used as either a sanitary depot (nightsoil disposal) or as a site for the disposal of waste/ effluent from septic tanks or the possible burial of sludge from the Mount Morgan Sewerage Treatment Plant. However, if STP sludge has been buried at this site, then technically it could be classed as a landfill, this will need further clarification. The EHP licence for this site has this site listed as a closed landfill which it may not be. As mentioned previously in this report, RRWR is working with EHP to review the status of Council licences with EHP in regards to waste facilities. This discrepancy is one of the matters under consideration.

The EHP offices conducted their inspections accompanied by the staff from RRWR. The EHP officers did not supply any comments on the day concerning their likely recommendation(s). They informed RRWR that they would consider the information collected and would send a written report to Council.

OPERATIONAL MATTERSRRC – GRC Joint Waste Project

This is a joint project of the Gladstone and Rockhampton Regional Councils to determine if the two Councils can work cooperatively to the benefit of both Councils in the area of waste management with a 50 year horizon.

The working group met on 10 July and developed the specification for the quotation to undertake the investigation to determine if the proposed goals of the project were feasible. The quotation details were developed and it was agreed to release the quotation documents seeking submissions.

Parks – Waste Collection Services

Parks and RRWR have been assessing whether it is feasible/ beneficial for the current waste collections undertaken by Parks to be undertaken by RRWR. Parks and RRWR management have reviewed the waste collections undertaken, and RRWR is of the opinion that the services could be performed more efficiently by utilising both rear and side loading waste collection vehicles rather than utilising a rear loader solely.

There are still some details to work through but the transfer of the Parks waste collection service will be transferred to RRWR as soon as practical. There will be no alteration in staffing levels. This change in service provision should have no impact upon the current service level.

Waste Infrastructure Plan

During this reporting period a meeting was held with the Mayor to discuss the workshop presented to Council in regards to the Waste Infrastructure Plan dealing with the Council's proposed treatment of the Roadside Bin Stations to the south (Midgee, Bajool and Marmor), south-west (Bushley, Westwood and Gogango) and west of Rockhampton (Laurel Bank, Ridgeland and Dalma).

At the workshop several options were put forward to replace the existing system. The outcome of the workshop was that the Manager RRWR should meet with the Mayor to review the presentation.

At the meeting with the Mayor the workshop was discussed and the Manager RRWR put forward an additional option of:

- Removal of the Midgee Roadside Bin Station;
- Replacement of all other Roadside Bin Stations except Laurel Bank Station; with a Bank of Bins which will be located close to the community that will use the bank. That this replacement process be undertaken as a graduated trial to measure the effectiveness of each change.
- That the Laurel Bank Roadside Bin Station will be replaced with an appropriately sized concrete slab with low walls that the community could deposit its waste into. One of the walls would be removable to permit the enclosure to be cleaned by a bobcat.
- That appropriate sized Waste Transfer Stations be constructed at Alton Downs, Bajool and Stanwell over an appropriate timeframe.
- The above concept is proposed to work in that the community can use the Bank of Bins to dispose of their "weekly waste" and that larger items would be taken to a WTS for a charge. Initially there would be no charge for the use of the Bank of Bins.
- That this option is presented to Council. This report is under development.

Piggyback Construction Options

This option has been discussed and is being expedited.

Waste Transfer Station – Lakes Creek Road Landfill

The Rail Crossing and Dean Street Intersection Projects as part of the overall WTS project are currently being reviewed.

GRC-RRC Joint Refuse Project

This project was discussed.

Presentation to Women’s Over 50 Group – Landfill Construction

During this reporting period a presentation was given to the above group. The presentation details the high costs involved in the provision of a modern landfill like Lakes Creek Road. The presentation was well accepted and RRWR has received a letter of thanks from the organisation.

VARIATIONS / CONCERNS

Orora (Amcors) – MRF Contract

The matter is ongoing.

CAPITAL PROJECTS

Lakes Creek Road Landfill – Remediation

The construction of the required bund on the eastern side of the hill is taking place. This bund (a wall) provides the outside layer of the hill and waste is placed on the inside to form the hill.

Lakes Creek Road Landfill Waste Transfer Station

The Waste Transfer Station building is 85% complete with work centring on the construction of the office and facilities spaces, external cladding, roller doors and weighbridge installation.

The work on the internal entry road continues with the placing of embankment fill. This embankment will also act as a preloading mechanism that has to be in place for six months.

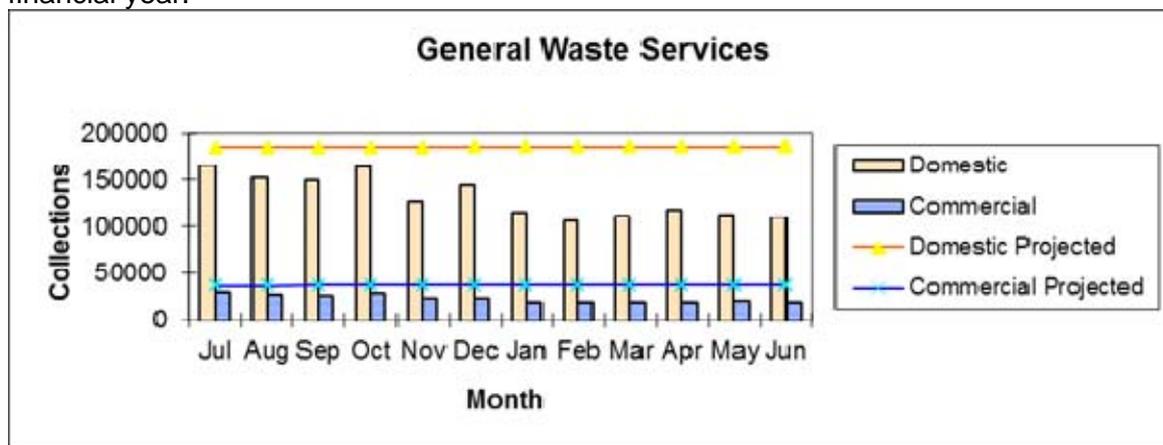
The Rail Crossing and Dean Street Intersection projects are being reviewed in regard to their timing.

Overall the project is within budget except for the purchase of the additional gravel which was required to be purchased as the sewer projection works project encountered unforeseen difficulties due to the geology of the site (excessive clay and water) and was impacted upon by two significant weather events – i.e. flooding and stormy weather.

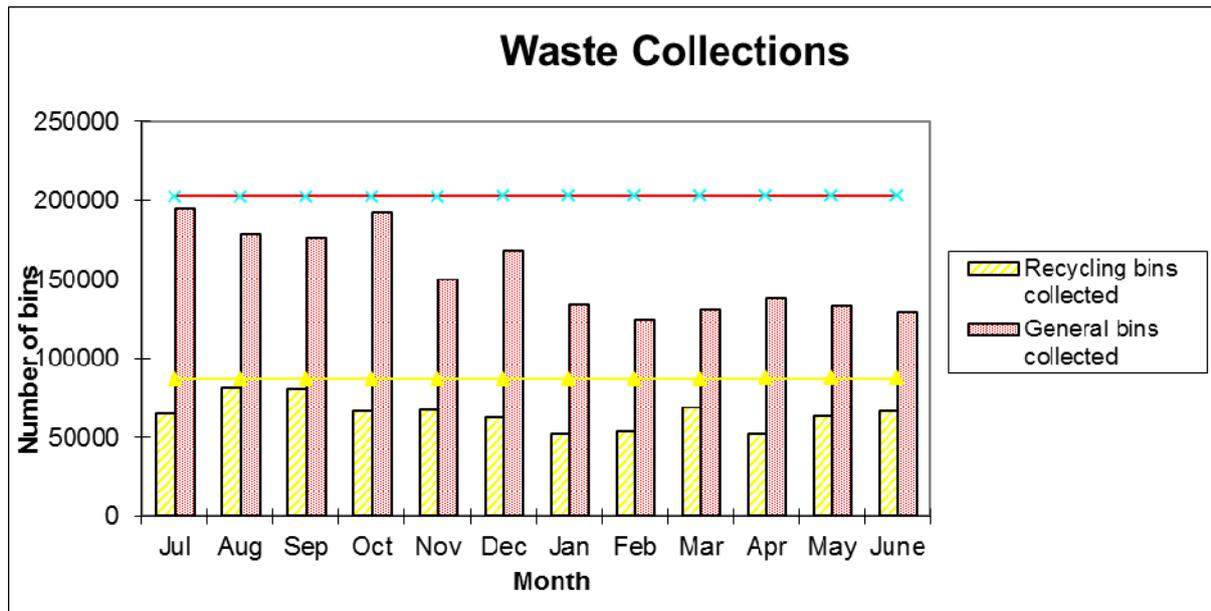
PERFORMANCE STATISTICS

NOTE: Data from and including 23 December 2013 does not include the new LSC.

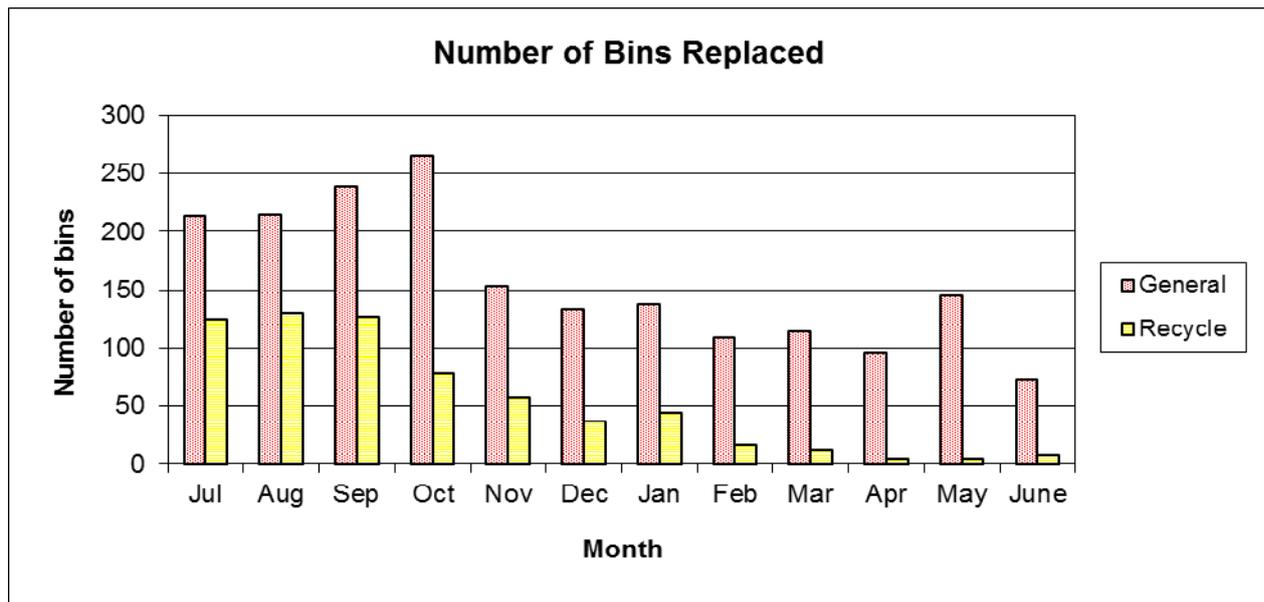
The following graph shows the number of general waste collections per month for the current financial year.



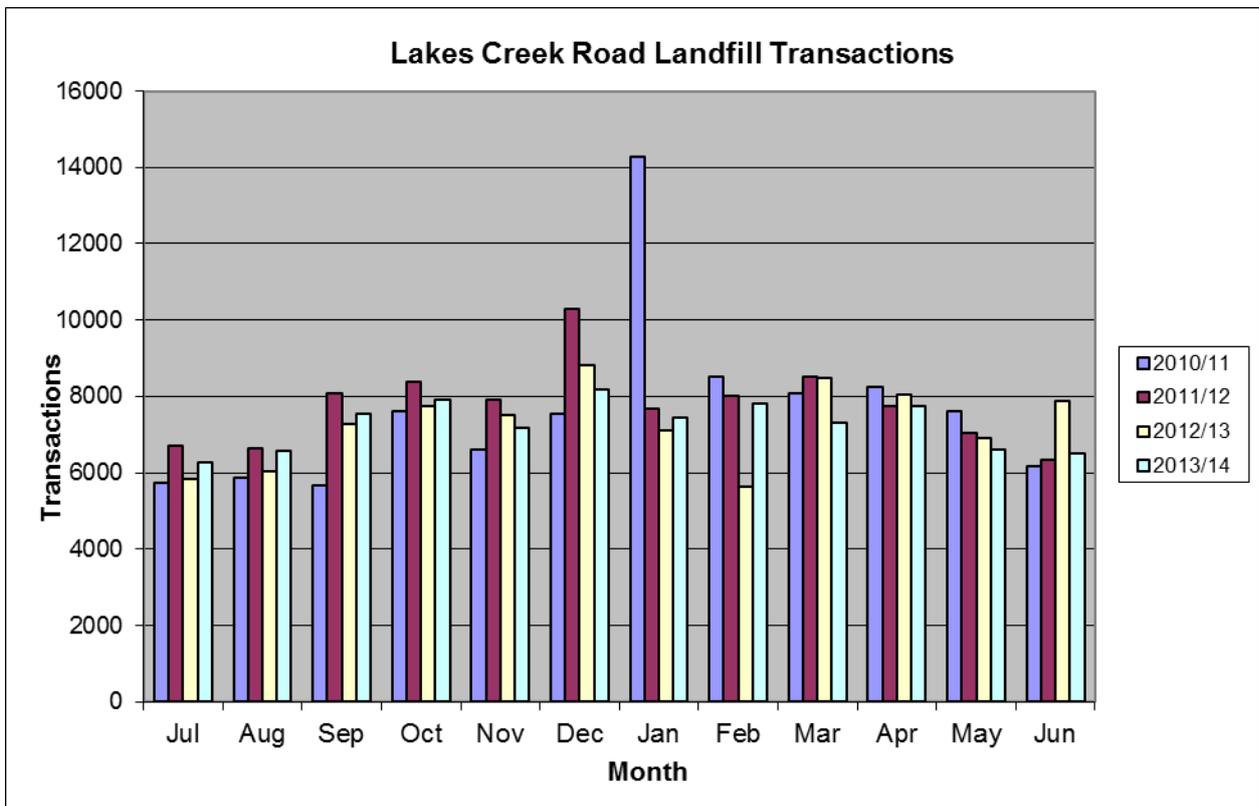
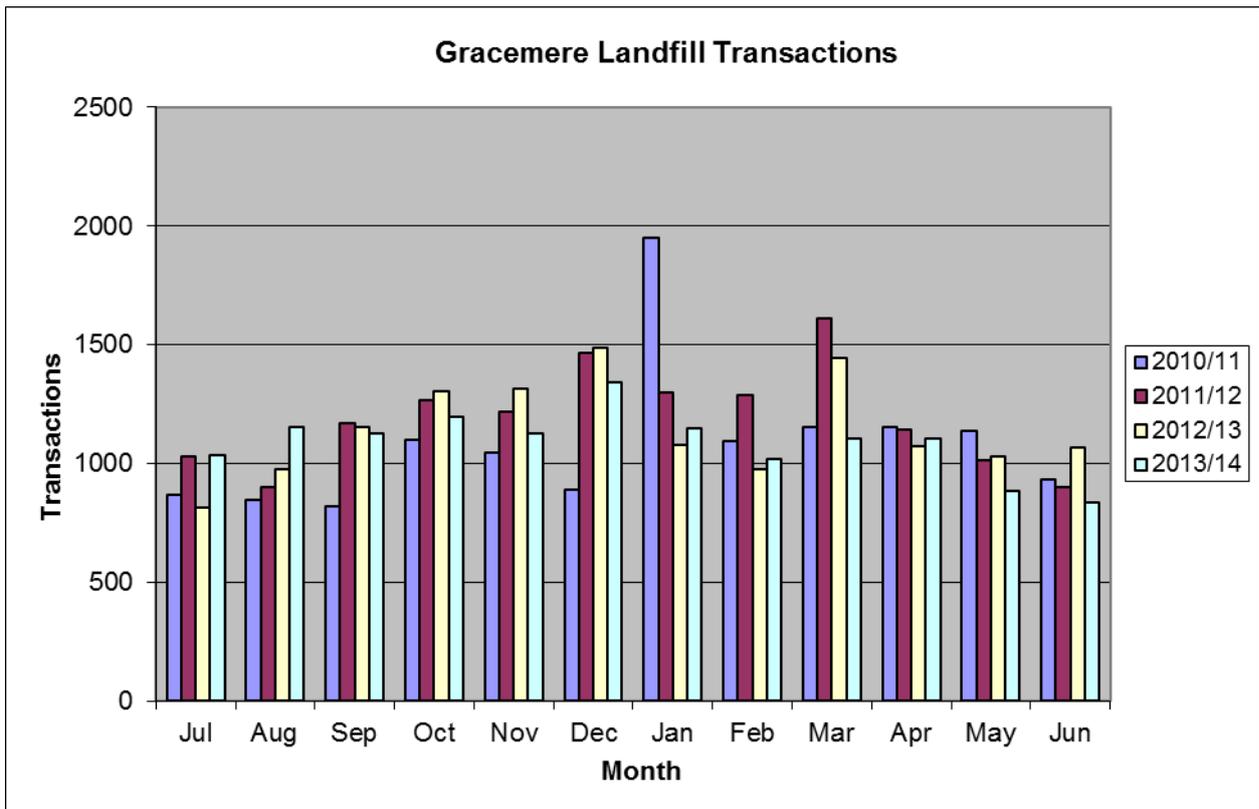
The graph below shows the number of General Waste and Recycling bins serviced during the current financial year on a monthly basis.



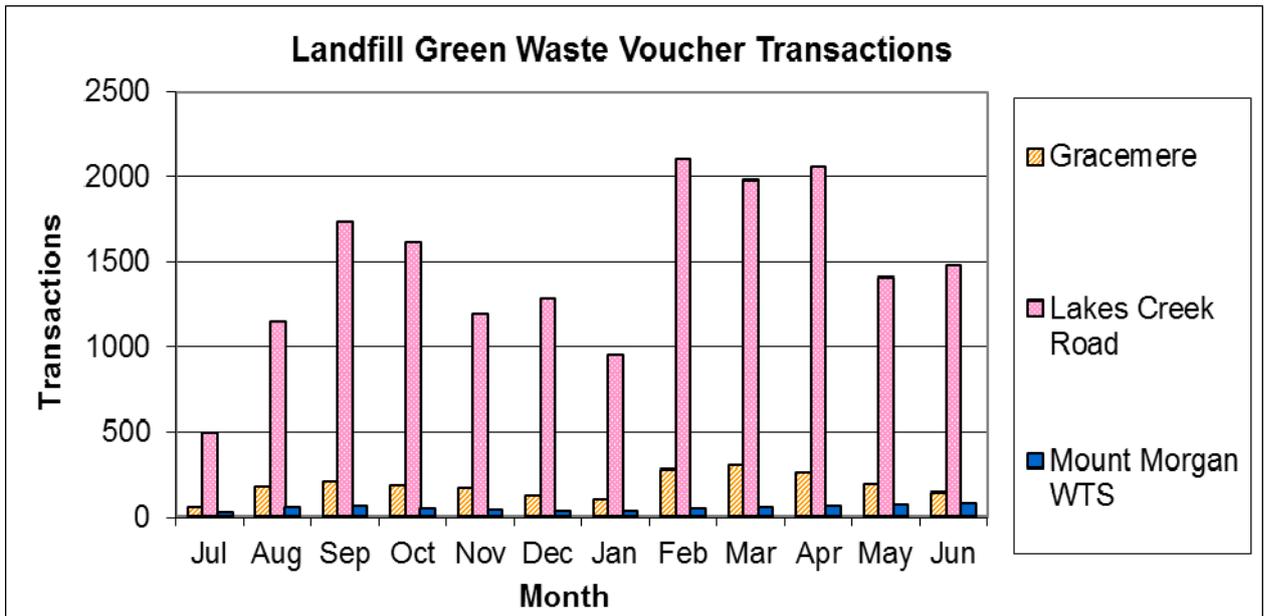
The following graph shows the number of general waste and recycling mobile bins replaced per month for the current financial year.



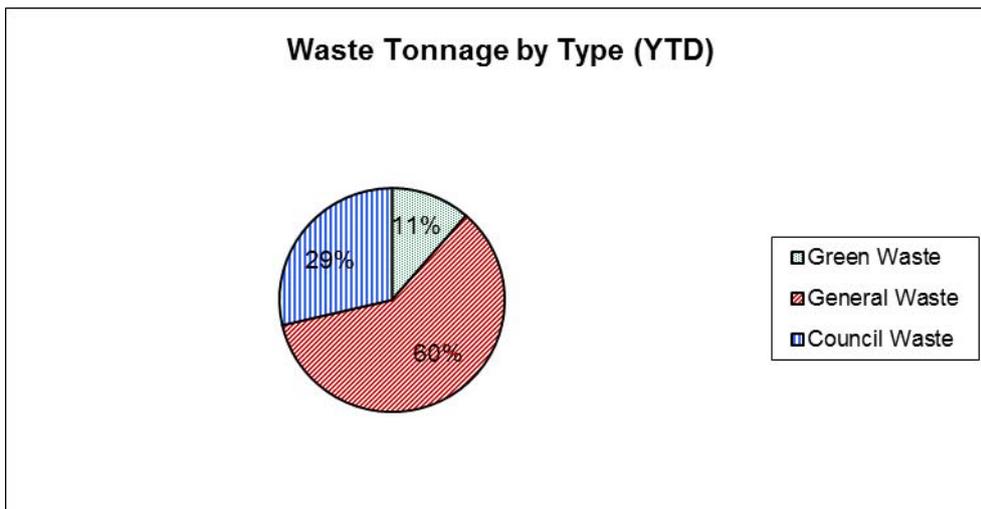
The following graphs show the number of landfill transactions per month for the current financial year.



The following graph shows the number of green waste voucher transactions per month for the current financial year.



The following graph shows the waste tonnage by type for the current financial year.



RRWR FINANCE AND STRATEGIC MATTERS REPORT - JUNE 2014

Operational Budget Report - June 2014

Meeting Date: 6 August 2014

Attachment No: 1



Income Statement
For Period July 2013 to June 2014
100% of Year Gone

	Adopted Budget	Revised Budget	YTD Actual	Skewed Comparative benchmark figures	% of YTD Actuals (excl commitals) to Total Budget
	\$	\$	\$		
Revenues					
Net rates and utility charges	(14,270,118)	(14,402,227)	(14,412,335)	100.00%	100%
Fees and Charges	(5,810,814)	(5,332,414)	(5,311,776)	100.00%	100%
Private and recoverable works	0	(636)	(1,369)	100.00%	215%
Grants Subsidies & Contributions	(35,000)	(41,364)	(79,745)	100.00%	193%
Other income	(72,475)	(59,000)	(51,636)	100.00%	88%
Total Revenues	(20,188,407)	(19,835,641)	(19,856,860)	100.00%	100%
Expenses					
Employee costs	3,092,161	3,210,329	3,182,745	100.00%	99%
Contractors & Consultants	4,787,716	4,561,263	4,590,229	100.00%	101%
Materials & Plant	1,412,906	991,148	990,843	100.00%	100%
Asset Operational	1,559,437	1,534,163	1,331,662	100.00%	87%
Administrative expenses	119,727	127,241	110,622	100.00%	87%
Depreciation	1,355,063	1,232,311	1,228,768	100.00%	100%
Finance costs	2,312,465	2,312,465	2,097,754	100.00%	91%
Other Expenses	175,000	186,753	282,714	100.00%	151%
Accounting Adjustments	7,750	19,456	12,559	100.00%	65%
Total Expenses	14,822,225	14,175,128	13,827,898	100.00%	98%
Transfer / Overhead Allocation					
Transfer/Overhead Allocation	2,159,472	2,555,004	2,589,346	100.00%	101%
OH Allocation	1,670,991	1,676,049	1,495,406	100.00%	89%
Competitive Neutrality Adjustments	1,535,719	(529,307)	(227,458)	100.00%	43%
Total Transfer / Overhead Allocation	5,366,182	3,701,746	3,857,294	100.00%	104%

RRWR FINANCE AND STRATEGIC MATTERS REPORT - JUNE 2014

Capital Budget Report - June 2014

Meeting Date: 6 August 2014

Attachment No: 2

End of Month Management Report



Percentage of Year Elapsed: 100.00%

	1314 Adopted inc Carry Forward	Oct Revised Budget	Feb Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget	
	\$	\$	\$	\$	\$	\$	%	
CP620 CAPITAL CONTROL WASTE								
0580971	[N] Lakes Creek Rd Landfill - Capping Tr	\$2,116,193	\$2,116,193	\$2,116,193	\$1,943,931	\$0	\$1,943,931	92%
0580972	[N] WTS & Stage 3 development - Lakes Cr	\$15,857,457	\$13,238,420	\$13,238,420	\$10,789,876	\$0	\$10,789,876	82%
0580976	New Landfill Development - Environmental	\$0	\$0	\$0	\$31	\$0	\$31	0%
0943107	Landfill Investigations New Regional Cou	\$0	\$0	\$0	-\$596	\$0	-\$596	0%
0943108	Closure of existing landfill sites and r	\$179,345	\$152,891	\$152,891	\$2,524	\$0	\$2,524	2%
0959202	LIP - Gracemere - Planning incl Stage 2	\$150,000	\$150,000	\$150,000	\$17,403	\$0	\$17,403	12%
0959205	[N] Land Purchase & Planning and develop	\$850,000	\$325,000	\$0	\$0	\$0	\$0	0%
0959208	Removal of Recycling Drop Off Points in	\$38,970	\$5,748	\$5,748	\$0	\$0	\$0	0%
0983826	[R] Rubbish Bins - Rockhampton Regional	\$126,000	\$126,000	\$126,000	\$99,611	\$0	\$99,611	79%
0983996	[N] Planning and development approvals a	\$215,259	\$215,259	\$215,259	\$40,741	\$0	\$40,741	19%
0984012	[N] Regional Waste Infrastructure	\$1,955,000	\$1,955,000	\$530,000	\$298,079	\$0	\$298,079	56%
0984024	[N] Capping & Closure of Stage 1 & 2 -	\$100,000	\$100,000	\$100,000	\$3,715	\$0	\$3,715	4%
0987815	[R] Waste facilities fences gates securi	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	0%
1017187	[R] Rubbish Bins - Rockhampton Regional	\$54,000	\$27,000	\$24,687	\$24,687	\$0	\$24,687	100%
		21,492,223	18,461,511	16,709,198	13,220,002	0	13,220,002	79%
	TOTAL CAPITAL EXPENDITURE	21,492,223	18,461,511	16,709,198	13,220,002	0	13,220,002	79%

9.3 RRWR ANNUAL PERFORMANCE PLAN QUARTERLY REPORT AS AT 30 JUNE 2014**File No:** 7927**Attachments:**

1. Rockhampton Regional Waste and Recycling (RRWR) Operating Statement
2. RRWR capital program
3. Customer Service Standards as at 30 June 2014

Authorising Officer: Robert Holmes - General Manager Regional Services**Author:** Craig Dunglison - Manager RRWR

SUMMARY

Rockhampton Regional Waste and Recycling's performance is reported to Council on a quarterly basis in accordance with the adopted 2013/14 Performance Plan. This report, as at 30 June 2014, is presented for the Committee's information.

OFFICER'S RECOMMENDATION

THAT the Rockhampton Regional Waste and Recycling Annual Performance Plan quarterly report as at 30 June 2014 be received.

BACKGROUND

Rockhampton Regional Waste and Recycling (RRWR) is required to provide a quarterly report on its performance against non-financial performance targets as adopted in the Annual Performance Plan for 2013/14.

MANAGER'S OVERVIEWGladstone Regional Council – Rockhampton Regional Council – Joint Reuse Project

In association with Councillor Fisher, the Chief Executive Officer and General Manager Regional Services; the Manager RRWR and the RRWR Project Officer have attended three meetings that have been held with Councillors, and senior officers including the Chief Executive Officer of the Gladstone Regional Council with the aim of initially investigating the feasibility of both the Rockhampton and Gladstone Regional Councils working cooperatively in the area of waste management with the following criteria:

GRC requires that a joint arrangement that:

1. Maintains or reduces costs for GRC ratepayers (based on current projections);
2. Provides a minimum 50 year solution for waste for the region;
3. Increases resource recovery and reduction in waste to landfill;
4. Enhances the development of viable (because of volume) waste to energy and waste to fuel solutions.

RRC requires that a joint arrangement that:

1. Provides RRC with a cost effective service that supports its Corporate goals and waste management plan;
2. Provides a minimum of 50 year solution for waste of the region and enhances regional self-sufficiency;
3. Increases resource recovery and reduction of waste to landfill and enhances the proximity principle;
4. Enhances the development of viable (because of tonnages) alternative waste technology including waste to energy and waste to fuel solutions.

A quotation has been released and the business, Sustainability Queensland has been appointed by the joint working party to undertake the feasibility study for the project. This phase of the project should be completed prior to November.

Waste Infrastructure Plan – Meeting with Mayor

As an outcome of the workshop held with Council during this period concerning the Council's provision, present and future, of the waste facilities provided to the south-western and western communities, it was requested that the Manager RRWR meet with the Mayor to further discuss the workshop.

Between the workshop and the meeting with the Mayor, the RRWR team developed an additional option of providing alternative waste facilities for these communities. This option was further developed at the meeting. The Mayor requested that a report go back to the Council (via the Business Enterprise Committee) for consideration by Council. The option was briefly put to the Committee in June with a statement that a full report be brought back to Council as soon as possible.

Interim Waste Strategy

Council has found itself facing a possible shortage of landfill airspace and to address this issue in part RRWR developed a brief Interim Waste Strategy to provide direction to Council primarily in regard to the provision of landfill airspace, but also to consider other matters arising in regards to waste management. This Strategy has been enacted.

Parks – Waste Collection Services

The Manager of Parks and the Manager RRWR are working through the necessary arrangements to determine if it is feasible and practical for the waste collection service currently operating in the Parks area to be transferred to RRWR. This is ongoing at the time of the writing of this report.

Lakes Creek Road Landfill Capital Works Projects

Re-mediation Work

The placement of the earthen perimeter bunds on the slope of the hill at the landfill was the major work undertaken during this period. The eastern portion of the hill was substantially lower than the western portion this is being raised by the placement of the incoming waste from the larger collection vehicles.

Waste Transfer Station

The work on the Waste Transfer Station building is advancing to completion. At the end of this period the building was approximately 80% complete. The internal roadworks are well advanced with this road sitting on an embankment which is being placed now. This embankment requires pre-loading and this will need to be in place for 6 months. The rail crossing and the Dean Street intersection works have been placed on hold while options for future landfill space are further investigated.

CUSTOMER SERVICE PERFORMANCE

RRWR has an internal service level agreement with Finance & Business for the provision of customer service related functions including:

1. Face to Face Customer Support
2. 24 Hour Telephone Contact Service
3. Acceptance of Payment

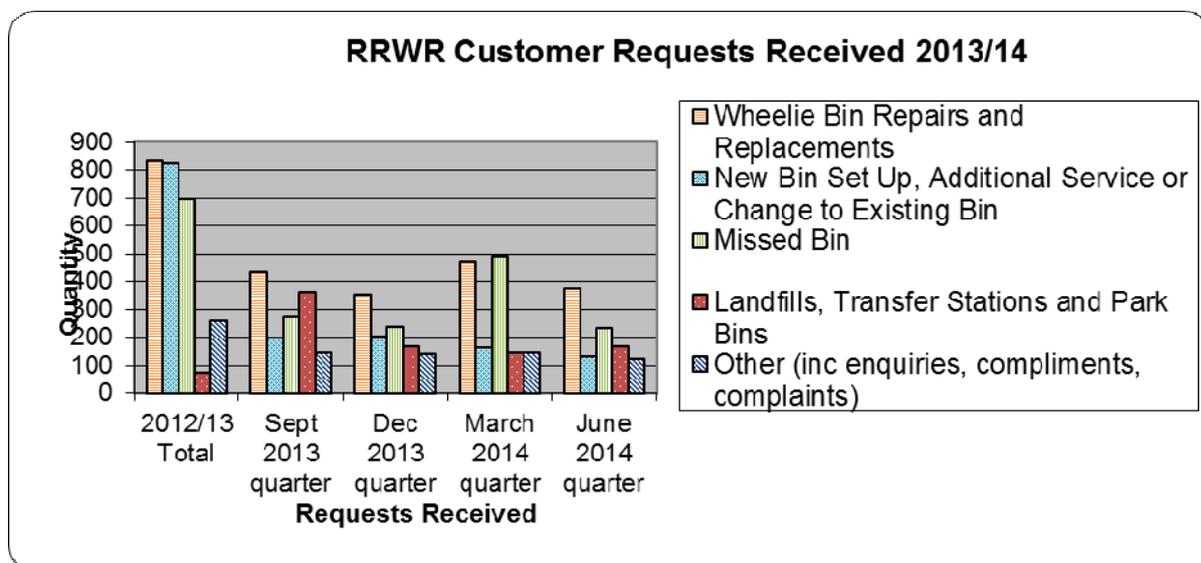
The following Table 1 summarises customer contact made via the telephone and face to face by Council's Customer Service Centre. These customer contacts are then addressed by RRWR.

Table 1: Customer Contact

4th quarter – 1 April to 30 June 2014

Customer Contact Type	4th Quarter 2013/14	4th Quarter 2012/13	Total 2013/14 Year	Total 2012/13 Year	Total 2011/12 Year
Wheelie Bin Repairs and Replacements	374	542	1632	1750	2012
New Bin Set up, Additional Service or Change to Existing Bin	130	398	691	1626	2139
Missed Bin	232	447	1231	1469	2629
Landfills, Transfer Stations and Park Bins	168	57	838	178	196
Other (incl. Enquiries, compliments, complaints)	122	147	553	535	460
Total Customer Contacts	1026	1591	4945	5558	2684

This data is based on a total of 400,783 waste bin collection lifts and 182,392 recycling bin collection lifts presented in the quarter within the designated collection area.



FINANCIAL PERFORMANCE

Attachment 1 depicts Rockhampton Regional Waste and Recycling (RRWR) Operating Statement. In summary operational revenue received is on target at 100%. RRWR operational expenditure however is slightly below budget at 98%, with overhead allocation expenses just slightly above budget at 104%.

The second attachment is a detailed cost to date for RRWR's capital program. RRWR's capital expenditure to date is below budget at 79% primarily as a result of Gracemere stage one and two yet to be started and regional infrastructure project spend at 56% to date.

COMPLIANCE MATTERS

Asbestos – Waste Facilities

Work continues on the preparation work for the management of the mulch containing some asbestos fragments. Work Place Instructions for the following activities have been developed:

- The finding of asbestos at the main tip face.
- The finding of asbestos at the gatehouse via random and suspect load inspections.
- The sorting of greenwaste prior to mulching where the greenwaste had not gone through the inspection process.
- The mulching of greenwaste that had not gone through the inspection process.
- The process to undertake when burying mulch containing asbestos fragments.

Most of the work to date has focused on Lakes Creek Road Landfill as the Waste Facilities when inspections revealed that asbestos was not located at the other facilities. Of the 3 Notices served on Council last year, one has been cleared. The other 2 refer to the burial process for the existing mulch containing asbestos fragments. This process is ongoing with the specification for the quotation undergoing further refinement to assist the possible submitters, so as to reduce the cost.

Gracemere – Groundwater

The Department of Environment and Heritage Protection (EHP), after receiving an enquiry from a member of the public, requested from Council its records of the sampling undertaken around the Gracemere Landfill. These results, with the interpretation, have been forwarded to the EHP for consideration. There has been no response from EHP to date.

Proactive Compliance Inspection – Landfills

The EHP undertook inspections of the landfills at Mount Morgan and Alton Downs. The officers will complete their report and forward to Council the results as soon as practical.

VARIATIONS / CONCERNS

Gracemere – Boundary Matter

The Manager RRWR attended a meeting with an adjoining property owner in regards to a dispute over boundary matters. Both parties had legal representatives. The matter was resolved at the meeting with a requirement that the Manager RRWR meet the resident on site to finalise the matter. At this meeting the resident disputed the outcome of the meeting and requested further support from Council. The Manager of RRWR has taken no further action to date.

SAFETY MANAGEMENT

The safety statistics shown in Table 2 indicate incidents are occurring in the workplace.

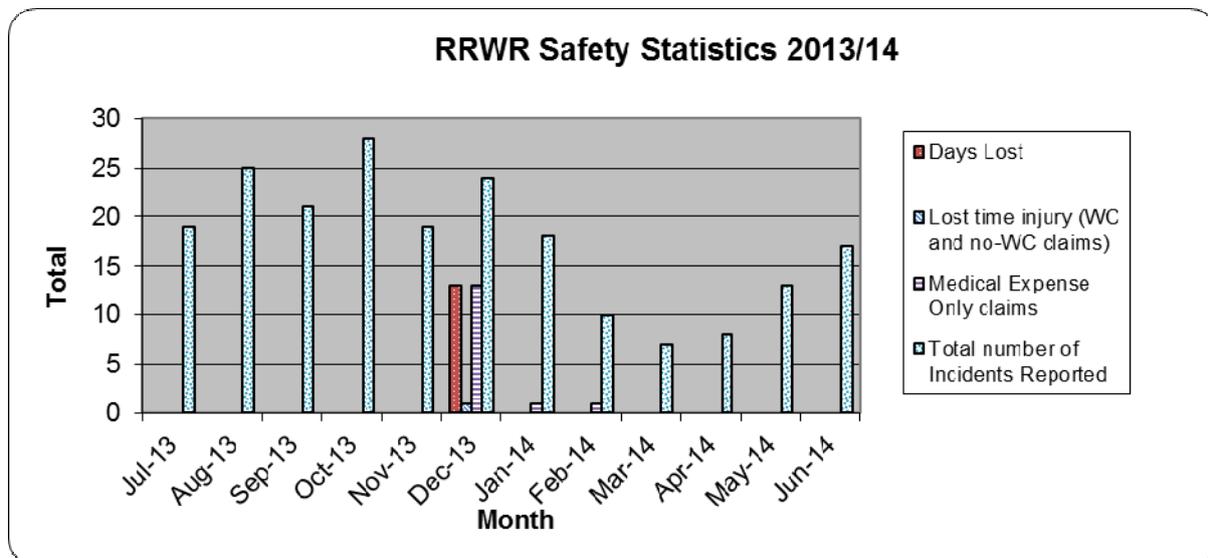
Table 2: Safety Statistics

Please be advised that the data recorded in this report is accurate at the time of compilation. As this information is sourced from a live database, changes will occur as required when amendments or upgrades are made to injury severities including lost and rehabilitation days.

4th quarter – 1 April to 30 June 2014

Lost Time Injury Statistics	4 th Quarter 2013/14	4 th Quarter 2012/13	Total 2013/14 Year
Days Lost	0	0	13
Lost Time Injury (Work Cover & Non-Work Cover Claims)	0	0	1
Medical Expense Only Claims	0	1	13
Total Number of Incidents Reported*	38	39	209

* These figures represent all incidents associated with RRWR operations including near misses and motor vehicle incidents.



RISK MANAGEMENT

Quarterly risk reviews and reporting requirements have been undertaken during this quarter and presented to the Risk Management Coordinating Committee.

CONCLUSION

Business performance is as expected for this quarter and this report serves two purposes – keeping the Council informed and meeting the legislative obligation of reporting on progress against the RRW&R Performance Plan.

**RRWR ANNUAL PERFORMANCE PLAN
QUARTERLY REPORT
AS AT 30 JUNE 2014**

**Rockhampton Regional Waste and
Recycling (RRWR) Operating
Statement**

Meeting Date: 6 August 2014

Attachment No: 1



Income Statement
For Period July 2013 to June 2014
100% of Year Gone

	Adopted Budget	Revised Budget	YTD Actual	Skewed Comparative benchmark figures	% of YTD Actuals (excl commitals) to Total Budget
	\$	\$	\$		
Revenues					
Net rates and utility charges	(14,270,118)	(14,402,227)	(14,412,335)	100.00%	100%
Fees and Charges	(5,810,814)	(5,332,414)	(5,311,776)	100.00%	100%
Private and recoverable works	0	(636)	(1,369)	100.00%	215%
Grants Subsidies & Contributions	(35,000)	(41,364)	(79,745)	100.00%	193%
Other income	(72,475)	(59,000)	(51,636)	100.00%	88%
Total Revenues	(20,188,407)	(19,835,641)	(19,856,860)	100.00%	100%
Expenses					
Employee costs	3,092,161	3,210,329	3,182,745	100.00%	99%
Contractors & Consultants	4,787,716	4,561,263	4,590,229	100.00%	101%
Materials & Plant	1,412,906	991,148	990,843	100.00%	100%
Asset Operational	1,559,437	1,534,163	1,331,662	100.00%	87%
Administrative expenses	119,727	127,241	110,622	100.00%	87%
Depreciation	1,355,063	1,232,311	1,228,768	100.00%	100%
Finance costs	2,312,465	2,312,465	2,097,754	100.00%	91%
Other Expenses	175,000	186,753	282,714	100.00%	151%
Accounting Adjustments	7,750	19,456	12,559	100.00%	65%
Total Expenses	14,822,225	14,175,128	13,827,898	100.00%	98%
Transfer / Overhead Allocation					
Transfer/Overhead Allocation	2,159,472	2,555,004	2,589,346	100.00%	101%
OH Allocation	1,670,991	1,676,049	1,495,406	100.00%	89%
Competitive Neutrality Adjustments	1,535,719	(529,307)	(227,458)	100.00%	43%
Total Transfer / Overhead Allocation	5,366,182	3,701,746	3,857,294	100.00%	104%

**RRWR ANNUAL PERFORMANCE PLAN
QUARTERLY REPORT
AS AT 30 JUNE 2014**

RRWR capital program

Meeting Date: 6 August 2014

Attachment No: 2

End of Month Management Report



Percentage of Year Elapsed: 100.00%

	1314 Adopted inc Carry Forward	Oct Revised Budget	Feb Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget	
	\$	\$	\$	\$	\$	\$	%	
CP620 CAPITAL CONTROL WASTE								
0580971	[N] Lakes Creek Rd Landfill - Capping Tr	\$2,116,193	\$2,116,193	\$2,116,193	\$1,943,931	\$0	\$1,943,931	92%
0580972	[N] WTS & Stage 3 development - Lakes Cr	\$15,857,457	\$13,238,420	\$13,238,420	\$10,789,876	\$0	\$10,789,876	82%
0580976	New Landfill Development - Environmental	\$0	\$0	\$0	\$31	\$0	\$31	0%
0943107	Landfill Investigations New Regional Cou	\$0	\$0	\$0	-\$596	\$0	-\$596	0%
0943108	Closure of existing landfill sites and r	\$179,345	\$152,891	\$152,891	\$2,524	\$0	\$2,524	2%
0959202	LIP - Gracemere - Planning incl Stage 2	\$150,000	\$150,000	\$150,000	\$17,403	\$0	\$17,403	12%
0959205	[N] Land Purchase & Planning and develop	\$850,000	\$325,000	\$0	\$0	\$0	\$0	0%
0959208	Removal of Recycling Drop Off Points in	\$38,970	\$5,748	\$5,748	\$0	\$0	\$0	0%
0983826	[R] Rubbish Bins - Rockhampton Regional	\$126,000	\$126,000	\$126,000	\$99,611	\$0	\$99,611	79%
0983996	[N] Planning and development approvals a	\$215,259	\$215,259	\$215,259	\$40,741	\$0	\$40,741	19%
0984012	[N] Regional Waste Infrastructure	\$1,955,000	\$1,955,000	\$530,000	\$298,079	\$0	\$298,079	56%
0984024	[N] Capping & Closure of Stage 1 & 2 -	\$100,000	\$100,000	\$100,000	\$3,715	\$0	\$3,715	4%
0987815	[R] Waste facilities fences gates securi	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	0%
1017187	[R] Rubbish Bins - Rockhampton Regional	\$54,000	\$27,000	\$24,687	\$24,687	\$0	\$24,687	100%
		21,492,223	18,461,511	16,709,198	13,220,002	0	13,220,002	79%
	TOTAL CAPITAL EXPENDITURE	21,492,223	18,461,511	16,709,198	13,220,002	0	13,220,002	79%

**RRWR ANNUAL PERFORMANCE PLAN
QUARTERLY REPORT
AS AT 30 JUNE 2014**

**Customer Service Standards
as at 30 June 2014**

Meeting Date: 6 August 2014

Attachment No: 3

RRWR Performance Plan - Customer Service Standards Year to Date Reporting as at 30 June 2014

Non-Financial Performance Targets			Rockhampton		Gracemere		Mount Morgan	
CSS Reference	Performance Indicator	Target	Qtr	Year to Date	Qtr	Year to Date	Qtr	Year to Date
WCSS1	Weekly collection of domestic waste on the same day every week	98%	99.81	99.97	99.98	99.80	99.98	99.82
WCSS2	Weekly collection of commercial waste	95%	99.97	99.98	Included in WCSS1#	Included in WCSS1#	Included in WCSS1#	Included in WCSS1#
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.93	99.65	99.94	99.95	99.95	99.94
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.94	99.95	Included in WCSS3#	Included in WCSS3#	Included in WCSS3#	Included in WCSS3#
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%	100	100	100	100	100	100
WCSS6	Collection services will be made available within four working days upon application by the owner	98%	100	100	100	100	100	100
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	100	100	100	100	100	100
WCSS8	Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification	100%	100	100	100	100	100	100

Financial Performance Targets

Table Reference	Performance indicator	Target	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported
Table 2	RRC Operational Plan Reporting Frequency: quarterly	Initiatives successfully completed by year end	30th September 2013	31st December 2013	31st March 2014	30th June 2014
	Operating Budget Reporting Frequency: quarterly or when variations arise	Conduct all activities in accordance with required timelines and budget	30th September 2013	31st December 2013	31st March 2014	30th June 2014
	Annual Revenue Reporting Frequency: quarterly or when variations arise	Timely reporting of any significant variations to budget revenue and collection timing	30th September 2013	31st December 2013	31st March 2014	30th June 2014
	Capital Works Reporting Frequency: quarterly or when variations arise	Completion of capital program in accordance with adopted timeframe and budget (within 3%)	30th September 2013	31st December 2013	31st March 2014	30th June 2014

10 NOTICES OF MOTION

Nil

11 URGENT BUSINESS/QUESTIONS

Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting

12 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

13.1 Landfill Accounts

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

13 CONFIDENTIAL REPORTS

13.1 LANDFILL ACCOUNTS

File No: 7927

Attachments: Nil

Authorising Officer: Robert Holmes - Acting Chief Executive Officer

Author: Craig Dunglison - Manager RRWR

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

SUMMARY

As reported to Council previously at the January 2013 Business Enterprise Council Meeting an investigation into a landfill accounts has been undertaken.

14 CLOSURE OF MEETING