



BUSINESS ENTERPRISE COMMITTEE MEETING

AGENDA

5 FEBRUARY 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 5 February 2014 commencing at 3:00pm for transaction of the enclosed business.

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

CHIEF EXECUTIVE OFFICER
28 January 2014

Next Meeting Date: 05.03.14

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
6.1	BUSINESS OUTSTANDING TABLE FOR BUSINESS ENTERPRISE COMMITTEE.....	2
7	PUBLIC FORUMS/DEPUTATIONS	5
	NIL	5
8	OFFICERS' REPORTS.....	6
	NIL	6
9	STRATEGIC REPORTS	7
9.1	ROCKHAMPTON REGIONAL WASTE AND RECYCLING ANNUAL PERFORMANCE PLAN AS AT 30 SEPTEMBER 2013	7
9.2	RRWR FINANCE AND STRATEGIC MATTERS REPORT - DECEMBER 2013.....	18
9.3	ROCKHAMPTON AIRPORT ANNUAL PERFORMANCE PLAN - AS AT 31 DECEMBER 2013	31
9.4	AIRPORT FINANCE AND STRATEGIC MATTERS REPORT DECEMBER 2013.....	42
10	NOTICES OF MOTION.....	53
	NIL	53
11	URGENT BUSINESS/QUESTIONS	54
12	CLOSED SESSION	55
13.1	ROCKHAMPTON AIRPORT PASSENGER SURVEY.....	55
13	CONFIDENTIAL REPORTS.....	56
13.1	ROCKHAMPTON AIRPORT PASSENGER SURVEY.....	56
14	CLOSURE OF MEETING	57

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

4 CONFIRMATION OF MINUTES

Minutes of the Business Enterprise Committee held 6 November 2013

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 BUSINESS OUTSTANDING

6.1 BUSINESS OUTSTANDING TABLE FOR BUSINESS ENTERPRISE COMMITTEE

File No: 10097

Attachments: 1. Business Outstanding Table for Business Enterprise Committee

Responsible Officer: Evan Pardon - Chief Executive Officer

Author: Evan Pardon - Chief Executive Officer

SUMMARY

The Business Outstanding table is used as a tool to monitor outstanding items resolved at previous Council or Committee Meetings. The current Business Outstanding table for the Business Enterprise Committee is presented for Councillors information.

OFFICER'S RECOMMENDATION

THAT the Business Outstanding Table for the Business Enterprise Committee be received.

BUSINESS OUTSTANDING TABLE FOR BUSINESS ENTERPRISE COMMITTEE

Business Outstanding Table for Business Enterprise Committee

Meeting Date: 5 February 2014

Attachment No: 1

Date	Report Title	Resolution	Responsible Officer	Due Date	Notes
06 March 2013	Waste Collection – Safety Issues – Reversing	THAT no further action be taken in relation to reversing until a further investigation has been conducted and a report is presented to the Business Enterprise Committee.	Craig Dungleison	20/03/2013	Still under review
03 July 2013	Waste Infrastructure Plan – Public Consultation	THAT the revised Community Consultation Plan as detailed in the report for the Waste Infrastructure Plan be approved.	Craig Dungleison	17/07/2013	still working on presentation for Council workshop
06 November 2013	Landfill investigation	THAT Council contact the site owner and thank them for their offer and to also inform them that the site is not suitable due to flooding of the access route.	Craig Dungleison	20/11/2013	No action, still waiting for Council resolution to be generated
06 November 2013	RRWR Finance and Strategic Matters Report - September 2013	<ol style="list-style-type: none"> 1. THAT the Rockhampton Regional Waste and Recycling's Finance and Strategic Matters Report as at 30 September 2013 be received. 2. That a communications plan be developed including a delivery timetable for the community of Gracemere to provide relevant information about the future of the waste disposal facility for the community. 3. That the second phase of the Waste infrastructure Plan Community Consultation Plan be delayed until February of 2014 and that the communities involved be communicated this information. 	Craig Dungleison	20/11/2013	no action
06 November 2013	Alternate Routes	That costed proposals from suitably qualified parties be obtained to establish the most appropriate strategy to assess and develop alternative routes for Rockhampton.	Ross Cheesman	20/11/2013	

7 PUBLIC FORUMS/DEPUTATIONS

Nil

8 OFFICERS' REPORTS

Nil

9 STRATEGIC REPORTS

9.1 ROCKHAMPTON REGIONAL WASTE AND RECYCLING ANNUAL PERFORMANCE PLAN AS AT 30 SEPTEMBER 2013

File No: 7927

Attachments:

1. Waste & Recycling Income Statement – September 2013
2. Waste and Recycling Capital Management Report 2013-14 - September 2013
3. Waste & Recycling Customer Service Standards - 30 September 2013

Responsible Officer: Robert Holmes - General Manager Regional Services

Author: Craig Dungleison - Manager Rockhampton Regional Waste & Recycling

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 September 2013, 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 September 2013 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 OVERVIEW

Preparing for the de-amalgamation of Rockhampton Regional Council commenced in earnest this quarter with work being undertaken in the following areas:

- Waste & Recycling Kerbside Collection – defining boundaries and collection routes. The future Livingstone Shire Council (LSC) has decided initially to under take Kerbside Waste Collection via the contractor JJ Richards as an expansion of the existing Kerbside Recycling Contract. Kerbside Recycling Collection will be undertaken by JJ Richards under the existing contract. There are some minor changes in the collections days for an area in future LSC but otherwise the community should see no change in the delivery of their waste services at the changeover. Waste facilities in the future LSC are operating as normal.
- The tender / contract for the Operation of the Yeppoon Landfill was developed, advertised and an in principle recommendation was made. But due to the size of the contract the final approval process was forwarded to the Transition Manager and it was decided not to go ahead with the tender at this stage and to reconsider its renewal after the new Council for the future LSC has had time to consider all options available.

Most capital projects advanced according to expectations:

- Lakes Creek Road Landfill Remediation – the construction of earth bunds to support waste placement continued on Stage 1 (Hill). A set of plans were developed showing the location of all Memorial Trees located along Lakes Creek Road. A review of the landfill gas production at the landfill has also commenced to consider safety and environmental impacts and the possibility of gas extraction.

- Lakes Creek Road Landfill Waste Transfer Station – Landfill gas issues were encountered when constructing the support structures for the weighbridge. This is the lowest part of the construction. The matter was assessed for safety and environmental impact and additional capping was placed which has reduced the issue to manageable levels. The construction of the station continued with placement of the concrete for the flooring and the erection of the shed's steel framework. The associated work of the sewer protection works was delayed due to rain but is advancing slowly. The required alterations to Lakes Creek Road / Dean Street intersection is currently obtaining the necessary approvals from the Main Roads Department and Q-Rail which is taking longer than expected. The completion of the project is currently proposed for April 2014. The project is currently inside its expected budget.
- Gracemere Landfill – A consultancy has been engaged to provide the final fill plan for the site including the required information to cap the site. They have also been asked to provide a concept plan for a waste transfer station to be provided on the site.
- Bajool Waste Transfer Station – The land for the site has been purchased and a consultancy has been engaged to develop a plan for the site for the structures of the waste transfer station. The Bajool Roadside bin station has been successfully moved from its old site off the highway just south of the Port Alma road intersection to a location to the southern end of High Street. There have been no negative comments about the new station.

The Community Consultation Plan for the western, south-western and southern rural areas of the Council areas was developed and implemented through the quarter. This plan included community consultation meetings and a survey. The Plan was well accepted and considerable community input was received. The received information is being considered. Due to the quantity of information received and workload issues the next round of community consultation will be delayed from December 2013 to February 2014.

The E-waste disposal program commenced in this quarter with drop off facilities being provided at Lakes Creek Road Landfill, Yeppoon Landfill and Gracemere Landfill.

Alternative and extended use of greenwaste projects have been considered this quarter with:-

- Council officers working with a CSIRO supported project for the conversion of greenwaste into bio-jet fuel. This project is on hold while Council officers assess the supplied documentation.
- Council officers working with a local company to consider the development of a composting process to manage greenwaste mulch and other organics. This project is facing difficulties in finding appropriate land.
- The receipt of enquiries from CQU about possible use of greenwaste mulch. This project has not been advanced due to workload issues.

A meeting was held with Gladstone Regional Council to discuss the feasibility of Gladstone Regional Council and Rockhampton Regional Council's waste management services working closer together. This may include the Benaraby Landfill accepting waste transported from the Lakes Creek Road Landfill. Only some very basic preliminary work has been undertaken by Gladstone Regional Council officers.

Registration with the Clean Energy Regulatory and Australian National Registry of Emission Units (ANREU) commenced this quarter.

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.

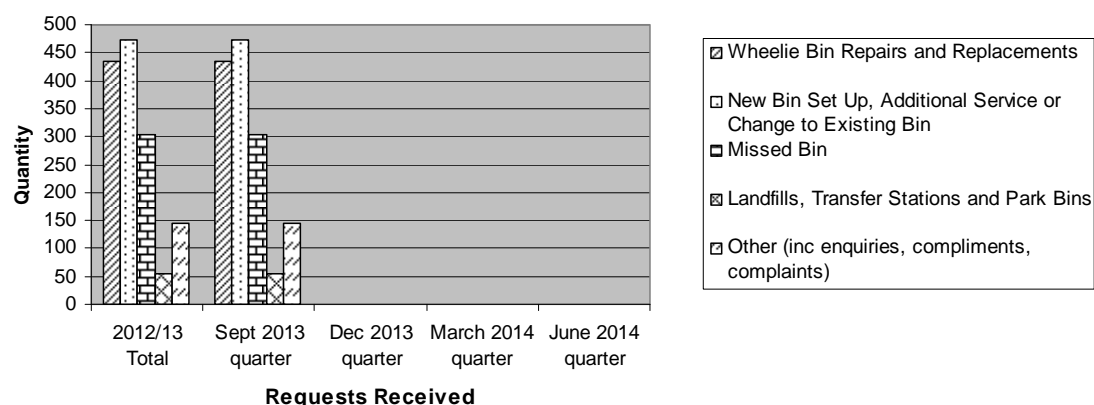
Table 1: Customer Contact

1st quarter – 1 July to 30 September

Customer Contact Type	1 st Quarter 2013/14	1 st Quarter 2012/13	Total 2013/14 Year	Total 2012/13 Year	Total 2011/12 Year
Wheelie Bin Repairs and Replacements	435	411	435	1750	2012
New Bin Set up, Additional Service or Change to Existing Bin	474	370	474	1626	2139
Missed Bin	302	375	302	1469	2629
Landfills, Transfer Stations and Park Bins	56	36	56	178	196
Other (incl. Enquiries, compliments, complaints)	145	134	145	535	460
Total Customer Contacts	1412	1326	1412	5558	7436

This data is based on a total of 549,089 waste bin collection lifts and 227,720 recycling bin collection lifts presented in the quarter within the designated collection area. It is evident from the statistics that the change in collection methodology is now settling down.

RRWR Customer Requests Received 2013/14



FINANCIAL PERFORMANCE

Attachment one depicts Rockhampton Regional Waste and Recycling (RRWR) Operating Statement. In summary operational revenue received is significantly ahead of target at 42%, this is primarily as a result of rates having being charged for the first half of the year.

RRWR operational expenditure however is below budget at 21%, with overhead allocation expenses just slightly above budget at 29%.

The second attachment is a detailed cost to date for RRWR's capital program. RRWR's capital expenditure to date is significantly below budget at 1% as many of the capital projects are yet to be carried out for the new financial year.

COMPLIANCE MATTERS

Council has been served an Environmental Evaluation Notice by the Department of Environment Heritage and Protection (EHP) in regards to fluid emissions from a closed landfill at Diggers Park entering the adjacent Yeppen Lagoon. RRWR staff and a local consultancy are working together to develop a response to the Notice.

VARIATIONS / CONCERNS

Yeppoon Landfill Operations Contract – a letter has been sent to the company managing the contract bringing to their attention some alleged failures in regards to their management of the contract. No response has been received to date.

SAFETY MANAGEMENT

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

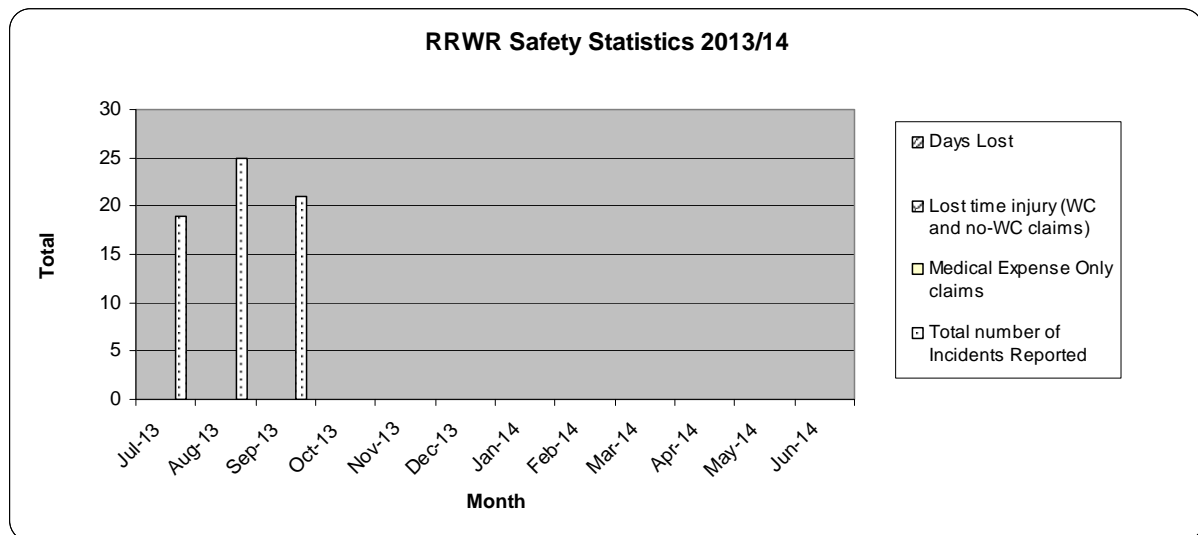
Table 2: Safety Statistics

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.

1st quarter – 1 July to 30 September

Lost Time Injury Statistics	1 st Quarter 2013/14	1 st Quarter 2012/13	Total 2013/14 Year
Days Lost	0	20	0
Lost Time Injury (Work Cover & Non-Work Cover Claims)	0	1	0
Medical Expense Only Claims	0	0	0
Total Number of Incidents Reported*	76	62	76

** 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.

**ROCKHAMPTON REGIONAL WASTE
AND RECYCLING ANNUAL
PERFORMANCE PLAN AS AT
30 SEPTEMBER 2013**

**Waste & Recycling Income Statement –
September 2013**

Meeting Date: 5 February 2014

Attachment No: 1



Income Statement
For Period July 2013 to September 2013
25% of Year Gone

	Adopted Budget \$	Adopted Budget both Cncls	YTD Actual \$	% of YTD Actuals (excl committals) to Total Budget
Revenues				
Net rates and utility charges	(14,270,118)	(16,320,990)	(8,177,810)	50%
Fees and Charges	(5,810,814)	(6,409,622)	(1,468,517)	23%
Grants Subsidies & Contributions	(35,000)	(40,000)	(40,000)	100%
Other income	(72,475)	(79,400)	(5,494)	7%
Total Revenues	(20,188,407)	(22,850,012)	(9,691,820)	42%
Expenses				
Employee costs	3,092,161	3,449,093	885,724	26%
Contractors & Consultants	4,787,716	6,244,980	878,741	14%
Materials & Plant	1,412,906	1,589,092	290,469	18%
Asset Operational	1,559,437	1,575,807	392,838	25%
Administrative expenses	119,727	134,602	29,021	22%
Depreciation	1,355,063	1,504,986	338,766	23%
Finance costs	2,312,465	2,769,419	644,913	23%
Other Expenses	175,000	200,000	186,753	93%
Accounting Adjustments	7,750	9,000	0	0%
Total Expenses	14,822,225	17,476,979	3,647,224	21%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	2,159,472	2,462,885	777,087	32%
OH Allocation	1,670,991	1,931,346	409,027	21%
Competitive Neutrality Adjustments	1,535,719	978,802	392,140	40%
Total Transfer / Overhead Allocation	5,366,182	5,373,033	1,578,254	29%
TOTAL OPERATING POSITION (SURPLUS) DEFICIT	0.00	0.00	-4,466,341.48	0.00

**ROCKHAMPTON REGIONAL WASTE
AND RECYCLING ANNUAL
PERFORMANCE PLAN AS AT
30 SEPTEMBER 2013**

**Waste and Recycling Capital
Management Report 2013-14 -
September 2013**

Meeting Date: 5 February 2014

Attachment No: 2



Percentage of Year Elapsed: 25.00%

		1314 Adopted Inc Carry Forward \$	YTD Actuals \$	Committals \$	Total YTD Actuals (Inc committals) \$	% of YTD Actuals (excl committals) to Total Budget %	RRC Adopted Inc Carry Forward	LSC Adopted Inc Carry Forward
CP620 CAPITAL CONTROL WASTE								
0943108	Closure of existing landfill sites and r	\$179,345	\$3,885	\$23,165	\$27,050	2%	\$126,438	\$52,907
0952753	Capital Overheads Control Waste	\$0	\$7,252	\$0	\$7,252	0%	\$0	\$0
0959202	LIP - Gracemere - Planning Incl Stage 2	\$150,000	\$0	\$0	\$0	0%	\$150,000	\$0
0959205	[N] Land Purchase & Planning and develop	\$650,000	\$0	\$0	\$0	0%	\$0	\$650,000
0959208	Removal of Recycling Drop Off Points in	\$38,970	\$0	\$0	\$0	0%	\$27,474	\$11,496
0983826	[R] Rubbish Bins - Rockhampton Regional	\$126,000	\$0	\$0	\$0	0%	\$126,000	\$0
0983996	[N] Planning and development approvals a	\$215,259	\$11,352	\$0	\$11,352	5%	\$215,259	\$0
0984012	[N] Regional Waste Infrastructure	\$1,955,000	\$9,674	\$65,029	\$74,703	0%	\$1,955,000	\$0
0984024	[N] Capping & Closure of Stage 1 & 2 -	\$100,000	\$0	\$0	\$0	0%	\$100,000	\$0
0987815	[R] Waste facilities fences gates securi	\$50,000	\$0	\$0	\$0	0%	\$50,000	\$0
1017187	[R] Rubbish Bins - Rockhampton Regional	\$54,000	\$0	\$0	\$0	0%	\$0	\$54,000
		3,518,574	32,162	88,194	120,356	1%	\$2,750,171	\$768,403
TOTAL CAPITAL EXPENDITURE		3,518,574	32,162	88,194	120,356	1%	\$2,750,171	\$768,403

**ROCKHAMPTON REGIONAL WASTE
AND RECYCLING ANNUAL
PERFORMANCE PLAN AS AT
30 SEPTEMBER 2013**

**Waste & Recycling Customer Service
Standards - 30 September 2013**

Meeting Date: 5 February 2014

Attachment No: 3

RRWR Performance Plan - Customer Service Standards Year to Date Reporting as at 30 September 2013

Non-Financial Performance Targets			Rockhampton		Gracemere		Capricorn Coast		Mount Morgan	
CSS Reference	Performance Indicator	Target	Qtr	Year to Date	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%	99.98	99.99	99.99	99.99	99.99	99.99	99.96	99.97
WCSS2	Weekly collection of commercial waste	95%	100	99.78	Included in WCSS1#	Included in WCSS1#	100	99.99	Included in WCSS1#	Included in WCSS1#
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.58	99.93	99.95	99.96	99.98	99.96	99.87	99.91
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.99	99.71	Included in WCSS3#	Included in WCSS3#	100	99.97	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	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	100	100
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	100	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	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	29th July 2013			
	Operating Budget Reporting Frequency: quarterly or when variations arise	Conduct all activities in accordance with required timelines and budget	30th September 2013			
	Annual Revenue Reporting Frequency: quarterly or when variations arise	Timely reporting of any significant variations to budget revenue and collection timing	30th September 2013			
	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			

9.2 RRWR FINANCE AND STRATEGIC MATTERS REPORT - DECEMBER 2013**File No:** 7927**Attachments:**

1. **Operational Budget Management Report - December 2013**
2. **Capital Budget Management Report - December 2013**

Responsible Officer: Robert Holmes - General Manager Regional Services**Author:** Craig Dungleison - Manager Rockhampton Regional Waste & Recycling

SUMMARY

This report details Rockhampton Regional Waste and Recycling's financial position and other significant operational matters as at 31 December 2013.

OFFICER'S RECOMMENDATION

1. THAT the Rockhampton Regional Waste and Recycling's Finance and Strategic Matters Report as at 31 December 2013 be received; and
2. That Council set the domestic waste collection frequency at once per week as it currently stands.

FINANCIAL**Operational**

Fees and charges revenue is slightly below the percentage of year elapsed at 46% as a result of lower than anticipated waste quantities received for Lakes Creek (43.17%), Alton Downs (6.23%), The Caves (39.53%), Cawarral (35.08%), Mount Morgan (45.76%) and Byfield (28.92%). This was offset by higher than anticipated waste quantities for Yeppoon (52.28%) and Gracemere (57.16%) year to date.

Grants and subsidies revenue is 103% of budget due to the annual community education recycling contract revenue now 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 percentage of year elapsed at 25% as a result of lower than anticipated revenue year to date.

Contractors and consultants expenditure is below budget at 37% as a result of invoice timing delays and lower than anticipated spend for legal fees (25.20%), surveyor (0%), professional technical (48.76%), building/construction (37.42%) and contractors other expenditure (35.68%) year to date. This was offset by higher than anticipated contractor temp/relief expenditure. It is anticipated that this underspend will be brought closer to budget as the year progresses.

Materials and plant expenditure is also below budget at 37% year to date due to lower than expected plant and equipment hire (34.48%), offset by slightly higher than anticipated construction / maintenance expenditure (55.21%) and fuel expenditure (82.33%) year to date.

Administrative expenses are slightly lower than budget at 42%. This is as a result of low stationery (33.33%), advertising/marketing/publication (22.80%) and licensing expenditure (34.59%), and is offset by higher than anticipated sundry (50.26%) and minor equipment expense (148.27%).

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

Other expenses category represents CQLGA annual membership fees which are paid yearly in advance.

Accounting adjustment expenditure represents the writing off of bad debt expenditure and expenditure of WIP in progress.

Capital

RRWR capital project expenditure for 2013-14 is significantly below the percentage of year elapsed at 5% due to many capital projects yet to be undertaken.

During December it is expected that works will continue on the whole of region waste infrastructure project and the Gracemere planning project including stage two.

There are no material exceptions to this report.

COMPLIANCE MATTERS

Rugby Park – Environmental Evaluation Notice (EEN)

The collection of data for the report and response to the EEN from the Department of Environmental Heritage and Protection (EHP) was completed in December and forwarded to the Department. No formal response has been received from the Department in this reporting period.

OPERATIONAL MATTERS

Cancer Fund Christmas Parade

Preparations for the parade were undertaken with final arrangements being made for the decoration of the vehicles and the availability and commitment of volunteers / Councillors and staff to attend on the day.

The parade was highly successful with RRWR receiving praise for the decoration of the vehicles and handouts provided at the parade. I am sure that the profile of the Council's waste services was raised in a positive fashion.

Composting / Greenwaste / Organics Projects

Four separate projects are running in this area at present:

- Trial project to compost greenwaste mulch;
- Discussions with local composting operation and mulching contractor;
- Review of greenwaste mulch and organics to bio-fuel;
- Review of proposed project from CQU.

An investigation was undertaken into the possible use of land near the Lion Creek Sewerage Treatment Plant, off Dargel Road. The investigation revealed that composting was not possible on this land due to its closeness to the airport and nearby water catchments.

A consultancy has been engaged to investigate the feasibility of placing a composting facility at the Lakes Creek Road Landfill. It is important for Council to investigate the feasibility of a composting facility if the region's waste is transported to another landfill as recent waste audited has consistently shown that around 60% of the contents of the average 240L MGB is compostable. To compost this product will incur more costs than current landfill costs but will be at a lower cost than the cost to transport and dispose of this waste into other landfills.

Gracemere Landfill

Work continues to tidy the site including litter collection and planting of visual barriers.

Landfill Gas Projects

With the detection of high levels of landfill gas at the construction site for the Waste Transfer Station at Lakes Creek Road Landfill there has been an increased focus on the review of landfill gas management. The following projects are underway:

- Lakes Creek Road Landfill – review of landfill gas management – a follow on from the landfill gas management issues at the Waste Transfer Station.

- Lakes Creek Road Landfill - review of landfill gas extraction – viability - a follow on from the landfill gas management issues at the Waste Transfer Station and increased activity by the Commonwealth Government in greenhouse gas management.
- Yeppoon Landfill – review of landfill gas management – a timely review based upon concerns raised at the Lakes Creek Road Landfill.
- Apex Park Cordingley Street Yeppoon – regular testing has revealed high levels in the gas monitoring bores. Further testing has revealed that the high levels are only in the bore wells themselves and not anywhere else on the Park.

Katrik Venkatraman – Thesis – “Phytocapping of Municipal Landfills: Evaluating the Performance of 21 Tree Species and 2 Soil Depths”

Mr Venkatraman undertook this research at the Lakes Creek Road Landfill in 2005. This research helped validate the feasibility of phytocapping in Central Queensland. He was awarded his Doctorate at a CQU ceremony in October. This research was used to advance the approval process for the use of phytocapping at the Lakes Creek Road Landfill and generally. Phytocapping at Lakes Creek Road Landfill was not advanced as by the time the process was near approval the most appropriate areas had been capped. Resources available have not permitted any further work in this area.

De-amalgamation Processes

Two of the three officers from RRWR being transferred to Livingstone Shire Council (LSC) after 31 December commenced full time duties at the Cordingley Street Depot as of 1 November. These officers will commence the full time management of all waste management functions (possible and practical) in the future LSC area but will still be supervised by RRWR staff and supplied with all necessary support. The period of time between their commencement date at Cordingley Street Depot and the 31 December will be used to trial processes for that office and permit the staff to develop their own processes for their future waste management service.

Work was also been undertaken to split the current licensable EHP activities, i.e. Environmentally Relevant Activities - Landfills from Rockhampton Regional Council in Continuing RRC and future LSC and to establish a Service Level Agreement between the two Councils in regards to the provision of weighbridge data for a maximum period of six months, as it has proven too difficult to split the current software licence. LSC will be sent a monthly account to address the costs incurred by RRC to undertake this work.

Waste Infrastructure – Community Consultation Plan

Work commenced on the presentation of data from the community consultation process in August and September. A workshop will be held with the Council to review the outcomes and to consider possible options to take back to the community. This is currently planned for February 2014.

Part of the process of considering options included an inspection of land at Stanwell for the placement of a Waste Transfer Station.

Carbon Credits for Landfilling Activities

Council has registered with the Carbon Energy Regulatory (CER) and with the Australian National Registry Emission Units (ANREU). Council should not have to make any payments this financial year as under the guidelines it has been declared that waste deposited into a landfill does not emit any carbon dioxide until it has been in the landfill for twelve months. However it is important for Council to collect the required funds as Council will have to purchase Carbon Permits after the landfill is closed and income has ceased being generated at the site.

Regional Waste Strategy – Local Waste Management Plan

Work has commenced with members of the Central Queensland Waste Group to develop a Regional Waste Strategy. A Waste Management Strategy is compulsory under the Waste

Reduction and Recycling Act 2011. The Strategy will also have compulsory targets like waste diverted from landfill and increases in recycling collected.

It is proposed that the Region will develop the waste strategy so if any synergies arise they can be taken advantage of, but the individual Councils will develop their own Local Waste Management Plan (and actions – based upon their own timeline and budgetary capabilities) to compliment the Strategy.

VARIATIONS / CONCERNS

Gracemere Gatehouse Contract

Due to a customer complaint an investigation was made into the operation of the gatehouse operations at the Gracemere Landfill. The outcome of the investigation resulted in RRWR terminating the contract with the current operator.

Temporary staff have been placed at the gatehouse until the method of operation for the gatehouse can be determined.

Timber and Greenwaste Mulch – Low Level Contamination

In December as a result of a newspaper article in the Gladstone area which alleged that asbestos containing material (ACM) was found in mulch that allegedly originated from the Lakes Creek Road Landfill (this cannot be substantiated) the Department of Workplace Health and Safety Queensland (WHSQ) undertook an inspection of the timber and greenwaste mulch at the landfill. A very small piece of ACM was found in a pile of timber mulch. Resulting from this WHSQ has issued notices upon Council to cease the storage of contaminated mulch and to cease the supply of contaminated mulch.

In response to the notices all mulch piles were barricaded off and the distribution was ceased immediately from all waste facilities. An extensive sampling program has been undertaken of all mulch stored on site. The results indicated minute levels of contamination of ACM in 3% of the 209 samples taken. Council is working with a local consultancy to develop procedures to manage this contamination. To develop and implement the required procedures will take several weeks and for this period no mulch will be available.

Amcor Parkhurst MRF Contract

Amcor have approached RRWR and have requested negotiation with Council in regards to the contract governing the operation of the Parkhurst Material Recycling Facility (MRF) as Amcor are concerned with the financial aspect of the operation. RRWR has also been notified that Amcor are also holding similar discussions with other Councils who supply product to the MRF.

The negotiations are ongoing.

Laurel Bank Roadside Bin Station – Fire

There was a small fire at the Laurel Bank Roadside Bin Station this period. The fire was quickly extinguished by the local Rural Fire Brigade with prompt assistance from Council's Infrastructure Unit.

Amendment – Environmental Protection (Waste Management) Regulation 2000

The Environmental Protection (Waste Management) Regulation 2000 was amended late last year. There are several important amendments and a report is being developed for Council. The most significant amendment for Council is the removal from the State legislation of the requirement for Local Government to provide a weekly domestic waste collection service. The amended legislation states that the Local Government can set the frequency of the collection. The setting of the frequency must be undertaken by a resolution of Council.

To this end it is recommended that Council set the collection frequency for the immediate future at once per week as it is currently. Council should consider possible options at a later stage.

CAPITAL PROJECTSLakes Creek Road Landfill – Remediation

The construction of bunds is still focused around the eastern end of the Stage 1 (Hill). All filling is occurring in this area also.

Lakes Creek Road Landfill Waste Transfer Station

The construction of the Waste Transfer Station (WTS) continued with the erection of the steel work and the pouring of the concrete for some of the flooring and pit. Work is also progressing on the exterior earthworks and road / ramp embankments.

Council officers are meeting with Councillor Fisher to review the landscaping of the surrounds of the WTS.

The sewer protection works project has been delayed due to the rain early in the project. Completion date is mid-November. The entrance road and intersection project has been delayed as negotiations continue between Main Roads and Council (consultancy) over the conditions attached to the project.

A review of the budget for the WTS shows that the budget is in line with predictions and there are no known over expenditures.

Gracemere Landfill Capping

There has been no advance with this project this month. We are still awaiting a report from the selected consultancy.

Gracemere Landfill Closure Plan

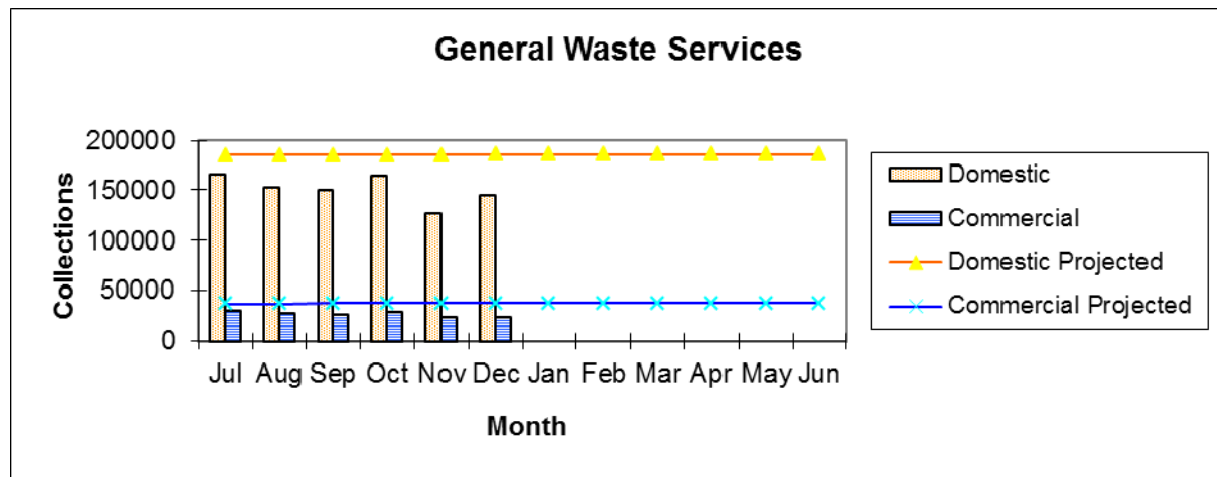
A consultancy is currently developing the final landform shape for the site. This will include no additional height to the existing landform and no expansion into the quarry to the north of the site, although some filling will occur on the northern side of the existing landform inside the current property boundaries to permit cap construction. Also this plan will include the concept plan for a Waste Transfer Station (WTS) to be located on the site.

When complete it will be presented to Council for consideration as the provision of WTS will require the exclusion of dump and waste collection trucks and skip bins utilising the site.

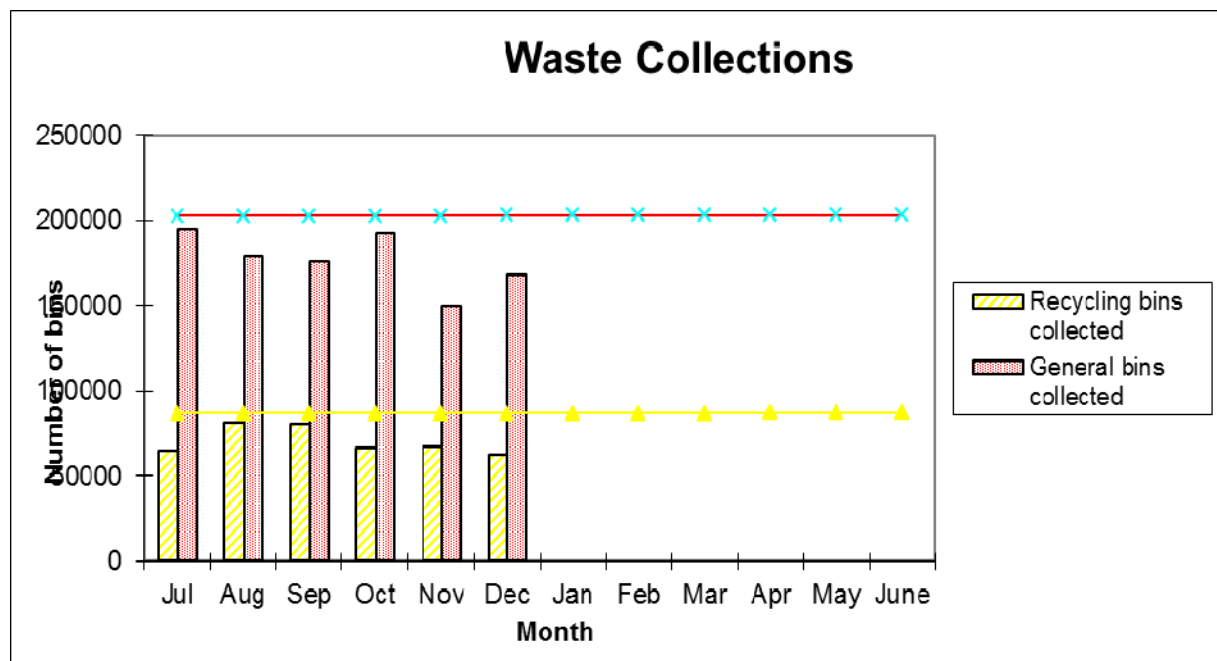
PERFORMANCE STATISTICS

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

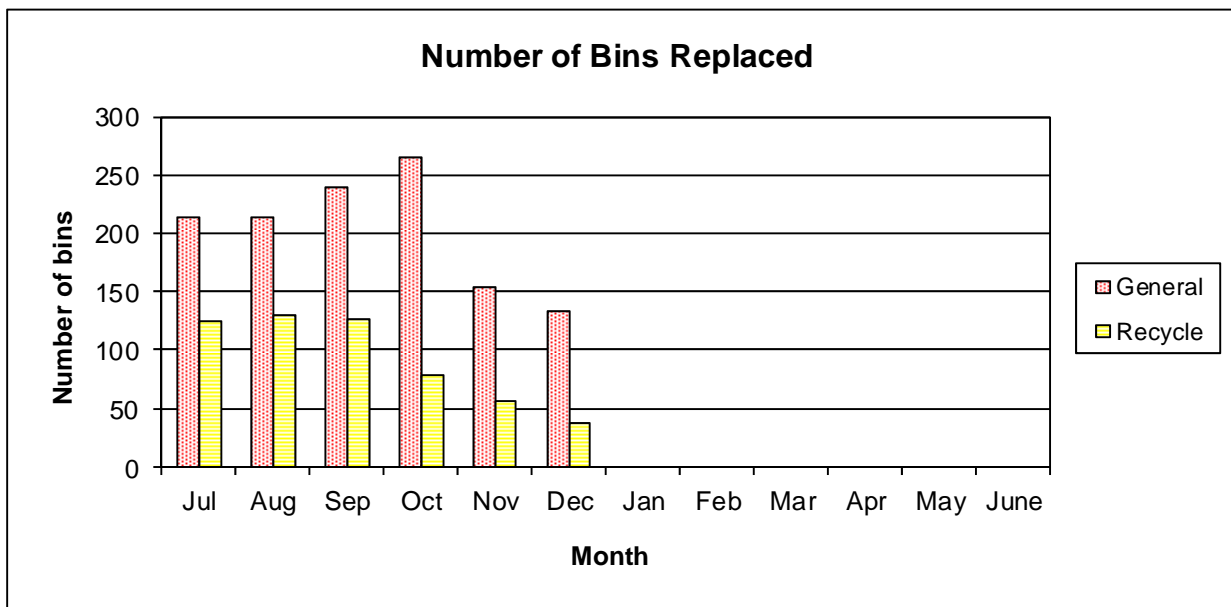
The following graph shows the number of general waste collections per month for the current financial year.



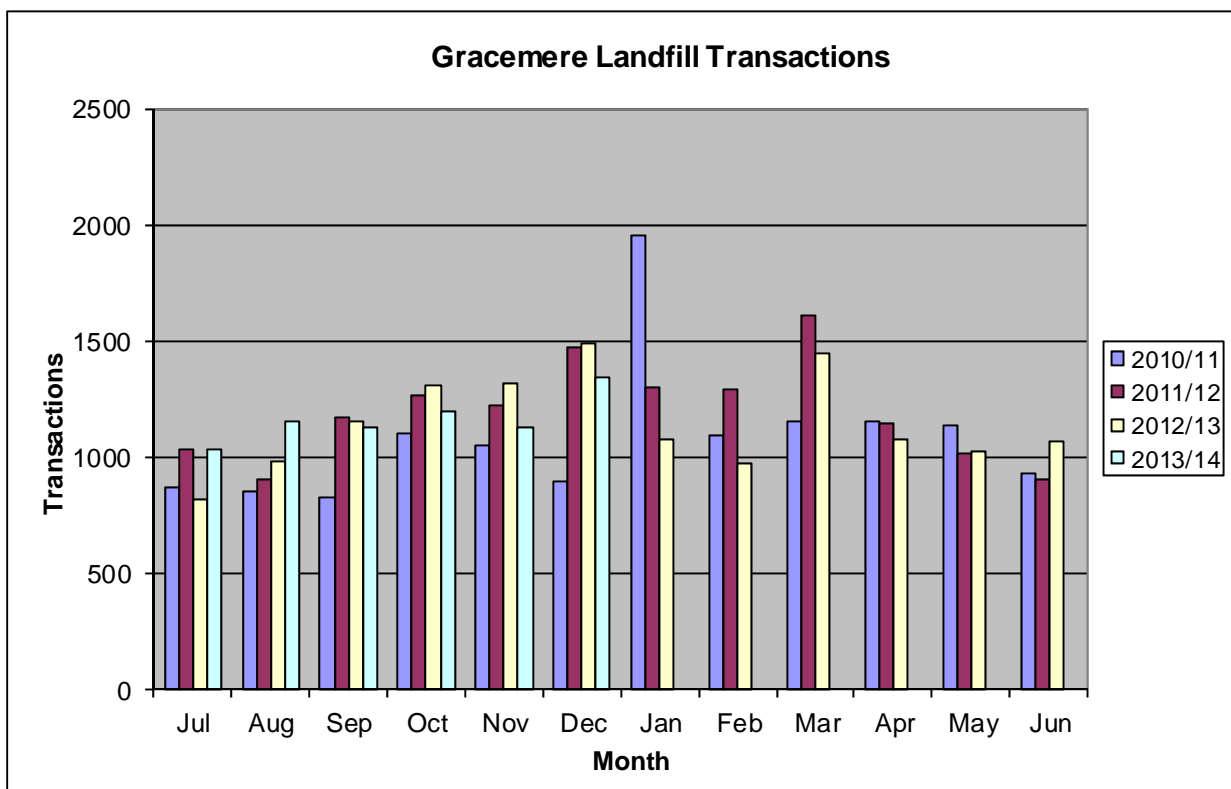
The graph below shows the number of General Waste and Recycling bins serviced during the current financial year on a monthly basis.

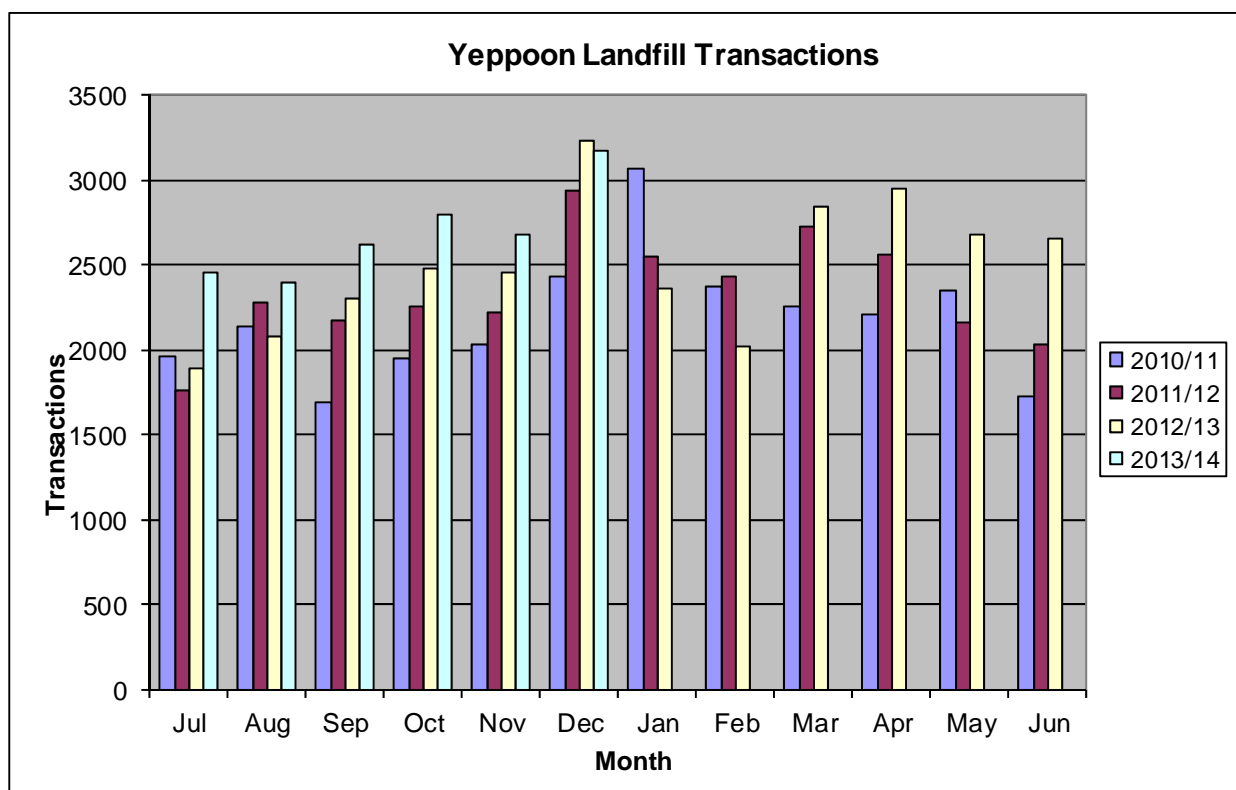
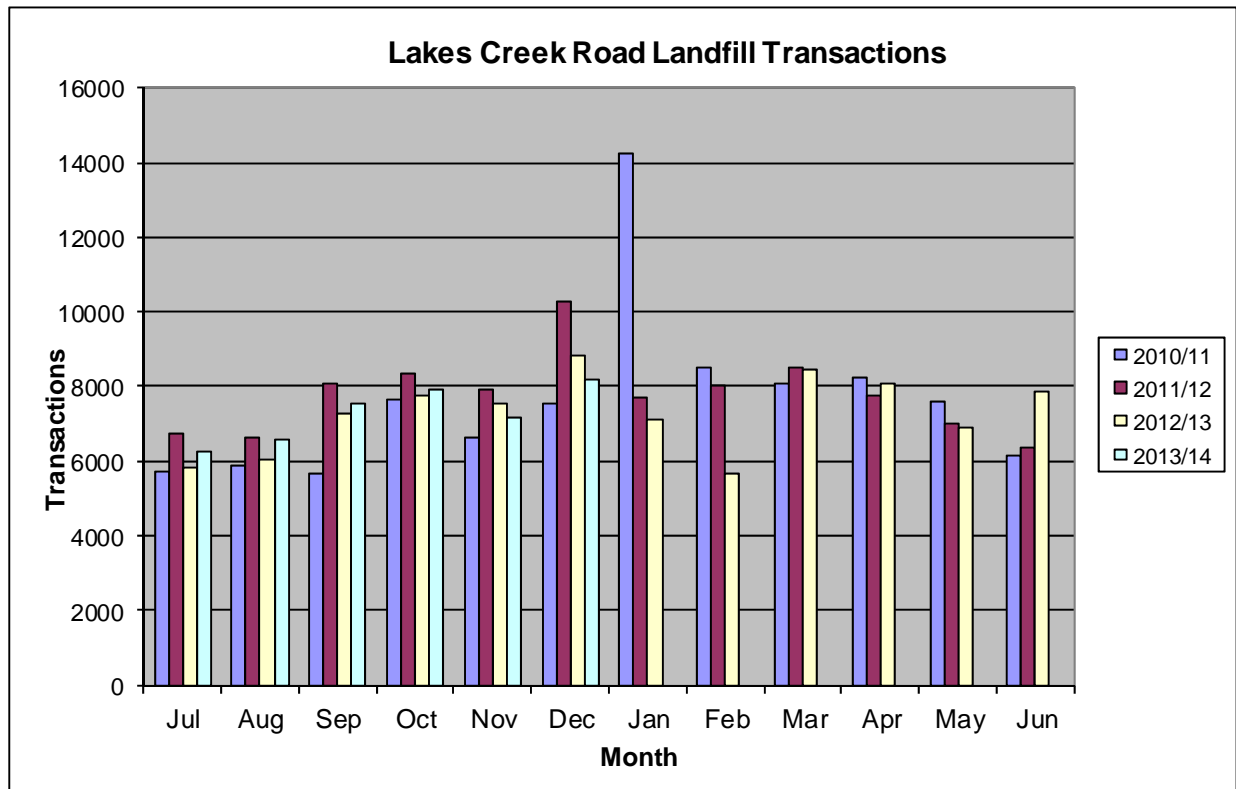


The following graph shows the number of general waste and recycling mobile bins replaced per month for the current financial year.

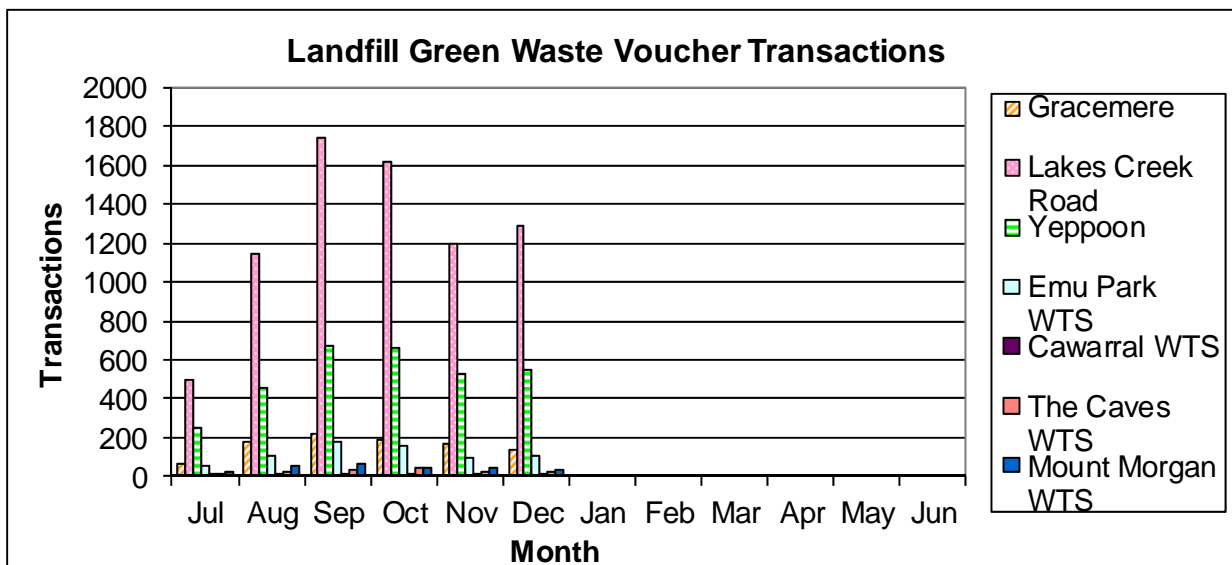


The following graphs show the number of landfill transactions per month for the current financial year.

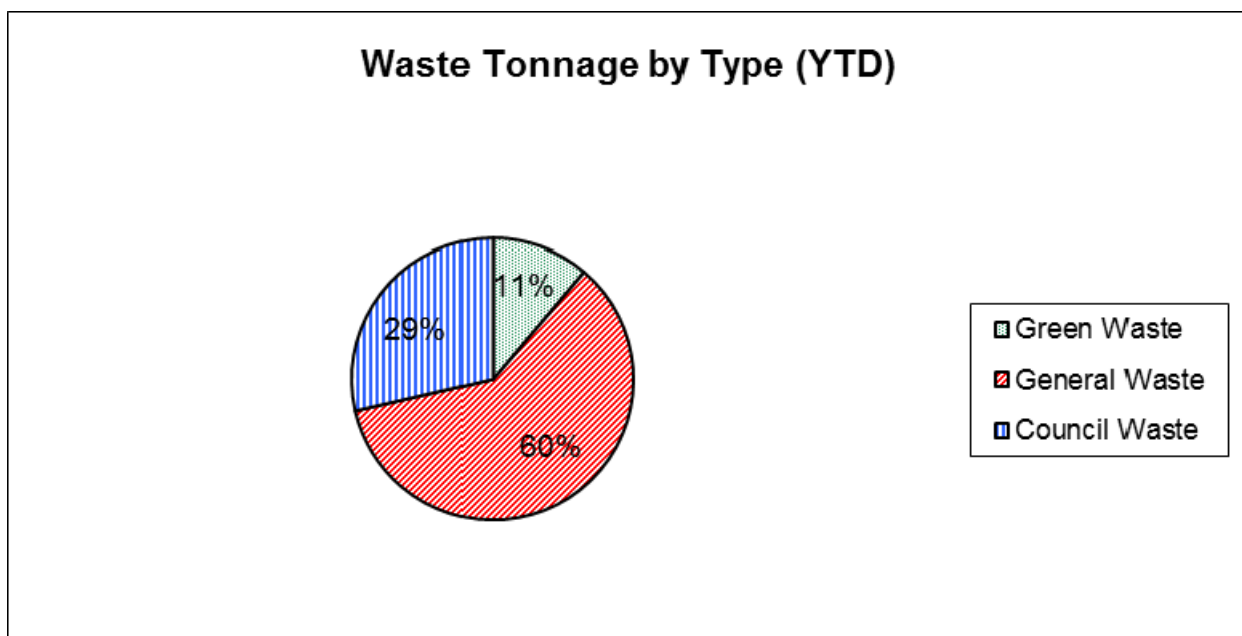




The following graph shows the number of green waste voucher transactions per month for the current financial year.



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



RRWR FINANCE AND STRATEGIC MATTERS REPORT - DECEMBER 2013

Operational Budget Management Report - December 2013

Meeting Date: 5 February 2014

Attachment No: 1



Income Statement
For Period July 2013 to December 2013
50% of Year Gone

	Adopted Budget \$	Adopted Budget both Cncls	YTD Actual \$	% of YTD Actuals (excl commitals) to Total Budget
Revenues				
Net rates and utility charges	(14,270,118)	(16,320,990)	(8,212,712)	50%
Fees and Charges	(5,810,814)	(6,409,622)	(2,944,680)	46%
Grants Subsidies & Contributions	(35,000)	(40,000)	(41,364)	103%
Other income	(72,475)	(79,400)	(19,911)	25%
Total Revenues	(20,188,407)	(22,850,012)	(11,218,667)	49%
Expenses				
Employee costs	3,092,161	3,449,093	1,726,619	50%
Contractors & Consultants	4,787,716	6,244,980	2,302,817	37%
Materials & Plant	1,412,906	1,589,092	594,752	37%
Asset Operational	1,559,437	1,575,807	781,783	50%
Administrative expenses	119,727	134,602	56,877	42%
Depreciation	1,355,063	1,504,986	674,917	45%
Finance costs	2,312,465	2,769,419	1,281,752	46%
Other Expenses	175,000	200,000	186,753	93%
Accounting Adjustments	7,750	9,000	15,239	169%
Total Expenses	14,822,225	17,476,979	7,621,509	44%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	2,159,472	2,462,885	1,205,363	49%
OH Allocation	1,670,991	1,931,346	822,273	43%
Competitive Neutrality Adjustments	1,535,719	978,802	783,901	80%
Total Transfer / Overhead Allocation	5,366,182	5,373,033	2,811,538	52%
TOTAL OPERATING POSITION (SURPLUS)/DEFICIT	-0.42	0.00	-785,620.23	0.00

RRWR FINANCE AND STRATEGIC MATTERS REPORT - DECEMBER 2013

Capital Budget Management Report - December 2013

Meeting Date: 5 February 2014

Attachment No: 2



End of Month Management Report

Percentage of Year Elapsed: 50.00%

	1314 Adopted inc Carry Forward	Dec Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget	
	\$		\$	\$	\$	%	
CP620 CAPITAL CONTROL WASTE							
0943108	Closure of existing landfill sites and r	\$179,345	\$0	\$6,300	\$0	\$6,300	0%
0952753	Capital Overheads Control Waste	\$0	\$0	\$5,057	\$0	\$5,057	0%
0959202	LIP - Gracemere - Planning incl Stage 2	\$150,000	\$0	\$17,403	\$0	\$17,403	0%
0959205	[N] Land Purchase & Planning and develop	\$650,000	\$0	\$0	\$0	\$0	0%
0959208	Removal of Recycling Drop Off Points in	\$38,970	\$0	\$0	\$0	\$0	0%
0983826	[R] Rubbish Bins - Rockhampton Regional	\$126,000	\$0	\$35,347	\$0	\$35,347	0%
0983996	[N] Planning and development approvals a	\$215,259	\$0	\$32,620	\$27,405	\$60,025	0%
0984012	[N] Regional Waste Infrastructure	\$1,955,000	\$0	\$71,934	\$83,595	\$155,330	0%
0984024	[N] Capping & Closure of Stage 1 & 2 -	\$100,000	\$0	\$0	\$0	\$0	0%
0987815	[R] Waste facilities fences gates securi	\$50,000	\$0	\$0	\$0	\$0	0%
1017187	[R] Rubbish Bins - Rockhampton Regional	\$54,000	\$0	\$23,565	\$0	\$23,565	0%
		3,518,574	0	192,227	110,600	303,027	5%
TOTAL CAPITAL EXPENDITURE							
		3,518,574	0	192,227	110,600	303,027	5%

9.3 ROCKHAMPTON AIRPORT ANNUAL PERFORMANCE PLAN - AS AT 31 DECEMBER 2013

File No: 1392

Attachments:

1. Airport Capital Management Report - December 2013
2. Airport Income Statement - December 2013
3. Airline Routes 31 October 2013
4. Customer Service Statistics

Responsible Officer: Ross Cheesman - General Manager Corporate Services

Author: Trevor Heard - Director Airport

SUMMARY

Rockhampton Airport's performance is reported to Council on a quarterly basis in accordance with the adopted 2013/14 Performance Plan. This report, as at 31 December 2013, is presented for the Committee's information.

OFFICER'S RECOMMENDATION

THAT the Rockhampton Airport's Annual Performance Plan quarterly report as at 31 December 2013 be 'received'.

BACKGROUND

Rockhampton Airport 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.

AIRPORT MANAGER'S OVERVIEW

Passenger Numbers

Passenger numbers, including Domestic and International charters for the 2nd Quarter were:

	2nd Quarter	YTD
2012/13	188,758	383,422
2013/14	181,971	365,284
Variance	-3.6%	-4.7%

The likely factors that have led to this downturn are:-

- General economic conditions; and
- Severe cuts to corporate and government travel budgets; and
- Increased competition since Virgin Australia and Qantaslink increased seat capacity to Gladstone, Emerald and Moranbah airports and are now offering lower fares than previously; and
- Uncertainty of job security with recent job cuts in mining, energy resources investment and other sectors.

The most recent available data from Bureau of Infrastructure, Transport and Regional Economics is for the annual period to 31/10/2013. Attached is the table comparing major competitive regional routes, with 29 of the 50 routes showing a decrease for the year, whilst Gladstone, Emerald and Moranbah airports show significant increases.

This indicates other airports are also experiencing a downturn in passenger numbers.

It is interesting to note that for the month of October:-

- Load factors on many of the Brisbane routes decreased, Rockhampton to 70.5%, Mackay to 66.6%, Gladstone to 64.5%, Emerald to 56.9% and Moranbah to 50.5%.

- Passenger numbers on the Brisbane - Mackay route decreased by 1.0%, Brisbane - Emerald increased by 3.2%, Rockhampton 11.5% and Gladstone 18.1%. The Rockhampton increase was due to the transfer of previous direct Sydney passengers now travelling via Brisbane.

Capital Project Update

The Capital Program is progressing a little behind schedule on a pro-rata basis. With planning and design completed on the largest project this should now progress. Attached is an expenditure statement.

CUSTOMER SERVICE PERFORMANCE

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.

FINANCIAL PERFORMANCE – TARGET

Operational

The 2nd Quarter result of Airport's overall estimate of net profit after Council's dividend and Tax equivalent payments is showing a small surplus.

Capital

Overall Airport's capital expenditure including committals is quite low as many projects are at the design stage. A monthly status review was attached to the December monthly Strategic matters Report for information.

COMPLIANCE MATTERS

There have been no non-compliance notices issued by CASA or The Office of Transport Security during this period.

The Airport is bound by Council's corporate policies and procedures.

SAFETY MANAGEMENT

The Airport Safety Management System (**SMS**) consists of reported incidents and hazards and they are addressed at the fortnightly airport management meetings.

Airport management has commenced the process of reviewing and developing revised Work Instructions, Work Procedures and SOP's for airports specific functions and activities.

<u>Lost time days per Section</u>	2nd Quarter 2013/2014	YTD 2013/2014
Airport	0	1

<u>Incident breakdown – Airport</u>	2nd Quarter 2013/2014	YTD 2013/2014
Accident Only / Equipment Damage	3	6

ANY AMMENDMENTS PROPOSED TO THIS PLAN

No amendments are proposed to be made to this plan.

RISK MANAGEMENT

Quarterly risk reviews and reporting requirements have been undertaken during this quarter and presented to the Risk Management Coordinating Committee. A complete review of the Airport risk register has been completed. The insurance coverage under the Airport's Owner Operator Liability insurance has been increased from \$150m to \$250m.

NON-FINANCIAL PERFORMANCE TARGETS & REQUIRED OUTCOMES

Target	Result
Increase passenger numbers by minimum of 1% in 2013/14	-4.7%

Required Outcomes compared for the same period in 2012/13

	<u>Target</u> <u>2nd QTR</u>	<u>Result</u> <u>2nd QTR / Full Year</u>
Passenger Numbers	+1%	-3.6%
Aircraft Movements	+1%	6.8%
Bird Strikes	10 per qtr	11
Lost Time Days – workplace injuries	0	0
Reported Public Injuries on Airport Precinct	0	0
Customer Requests Actioned	100%	100%
Airline Engagement Meetings	Quarterly	Yes
Military Exercise Briefings Attended	100%	Yes

**ROCKHAMPTON AIRPORT ANNUAL
PERFORMANCE PLAN - AS AT
31 DECEMBER 2013**

**Airport Capital Management Report -
December 2013**

Meeting Date: 5 February 2014

Attachment No: 1



End of Month Management Report - Airport Capital Projects for December 2013

Percentage of Year Elapsed: 50.00%

		12 Month Adopted Budget	1314 Adopted Inc Carry Forward	YTD Actuals	Committals	Total YTD Actuals (Inc committals)
		\$		\$	\$	\$
CP640 CAPITAL CONTROL AERO						
0943123	0943123 GA Apron Code B Parking Areas	0	5,000	0	0	0
0959095	0959095 Crescent Lagoon Area Storm Water Managem	0	3,787	27,210	0	27,210
0959127	0959127 [N] Security Upgrades to General Aviatio	50,000	99,694	30,680	2,865	33,545
0959133	0959133 [U] RPT Apron Lighting	60,000	100,650	14,821	6,852	21,673
0959135	0959135 [N] GA Apron Lighting	0	92,550	9,605	3,543	13,148
0959137	0959137 [N] Movement Area Guidance Signs (MAGS)	0	61,950	0	0	0
0959140	0959140 [R] Relocation of RWY 15 Windsock	0	28,284	0	0	0
0959142	0959142 [R] Ongoing extension of all weather tra	40,000	71,785	0	0	0
0959150	0959150 [R] Runway Lighting Power Distribution a	3,100,000	3,581,582	176,410	778,373	954,783
0959154	0959154 [N] Bay 6 Apron Lighting Upgrade	0	8,078	0	0	0
0959155	0959155 [N] GA Apron Environmental Control for S	40,000	40,000	0	0	0
0959158	0959158 [R] Terminal Building Airside Water Main	0	2,548	(496)	0	(496)
0983708	0983708 [R] Movement Area Guidance Signs (MAGS)	9,999	52,599	0	0	0
0987689	0987689 [R] Renew runway windsocks	60,000	60,000	0	0	0
0987704	0987704 [R] Improve Airside Stormwater Managemen	0	133,125	0	0	0
0987712	0987712 [R] Replace General Aviation Power Swltc	30,000	30,000	0	0	0
0987925	0987925 [R] Reconstruction of RPT Apron segment	0	9,750	0	0	0
TOTAL CP640 CAPITAL CONTROL AERO		3,389,999	4,381,382	258,230	791,633	1,049,863
CP650 CAPITAL CONTROL NON AERO						
0580951	0580951 Rockhampton Airport Terminal redevelopme	0	24,473	14,931	9,823	24,754
0959120	0959120 [N] Covered walkway electrical	0	36,135	36,135	0	36,135
0959141	0959141 Rental Car Parking Expansion (Stage 2)	0	545	0	0	0
0959145	0959145 [R] Repairs to Defence Deployment Areas	25,000	25,000	21,754	0	21,754
0959149	0959149 Hunter Street stormwater drainage (Long	0	10,000	0	0	0
0983748	0983748 [R] Resurface the Bitumen Area of the Sh	0	65,000	0	0	0
0987680	0987680 [N] Enhance the Functionality of the Air	5,000	84,894	17,280	32,900	50,180
0987681	0987681 [R] Refurbish General Aviation Precinct	0	10,650	21,828	0	21,828
0987682	0987682 [R] Replace various Airport IT Systems S	20,000	30,650	0	0	0
0987684	0987684 [R] Replace Stormwater Infrastructure	20,000	20,000	0	0	0
0987685	0987685 [R] Renewal of aviation security Infrastr	20,000	41,300	611	6,524	7,135
0987686	0987686 [N] Redundant HV Supply for Airport Prec	120,000	137,461	12,931	0	12,931
0987691	0987691 [R] Replace Roofs of Various Airport Bul	40,000	58,383	33,244	1,232	34,476
0987692	0987692 [N] Install Backup Airconditioning In th	6,000	6,000	0	0	0
0987693	0987693 [U] Improve Terminal Access for People w	23,474	61,423	330	1,943	2,273
0987694	0987694 [R] Refurbish Terminal Toilets	50,000	50,000	0	0	0
0987695	0987695 [R] Replace Terminal Floor coverings	40,000	40,000	0	0	0
0987701	0987701 [R] Improve Landside Stormwater Manageme	50,000	50,000	0	0	0
0987703	0987703 [R] Resurface Tower Crescent Road	200,000	200,000	0	0	0
0987705	0987705 [N] Construct Staff Access Road off Apro	0	0	21,408	2,177	23,586
0987706	0987706 [R] Replace and Relocate Telecommunicati	0	73,189	72,981	0	72,981
0987708	0987708 [R] Refurbish Terminal Main Concourse Al	5,000	5,000	10,200	0	10,200
0987709	0987709 [R] Refurbish Air Handling Unit AC9	5,000	5,000	0	0	0
0987710	0987710 [R] Replace Corrective Services Aircondi	5,000	5,000	0	0	0
0987715	0987715 [R] Replace Mesh on Perimeter Security F	50,000	50,000	0	0	0
0987721	0987721 [R] Replace Departure Lounge Air Handling	200,000	200,000	0	0	0
0987723	0987723 [R] Replace Airconditioning System Chill	200,000	219,667	0	0	0
1017282	1017282 [N] Covered areas for paid parking equip	25,000	25,000	0	0	0
1020125	1020125 [N] Passenger Security Screening Equipme	0	0	943	238,850	239,793
1026224	1026224 [N] Water Main Installation Short Term C	0	0	44,236	0	44,236
TOTAL CP650 CAPITAL CONTROL NON AERO		1,109,474	1,534,770	308,813	293,449	602,262
TOTAL CAPITAL EXPENDITURE		4,499,473	5,916,152	567,043	1,085,081	1,652,125

**ROCKHAMPTON AIRPORT ANNUAL
PERFORMANCE PLAN - AS AT
31 DECEMBER 2013**

**Airport Income Statement -
December 2013**

Meeting Date: 5 February 2014

Attachment No: 2



Income Statement
For Airport
For the Period July 2013 to December 2013

Percentage of the year elapsed: 50.0%

	Adopted Budget \$	Revised Budget \$	YTD Actuals \$	% of YTD Actuals (excl commitals) to Total Budget
Revenues				
Fees and Charges	(10,120,406)	(10,120,406)	(5,065,535)	50.1%
Rent/Lease Revenue	(1,711,959)	(1,711,959)	(933,747)	54.5%
Interest revenue	(150,000)	(150,000)	(75,950)	50.6%
Other income	(1,948,309)	(1,948,309)	(906,059)	46.5%
Res. received below fair value	0	0	(750)	0.0%
Total Revenues	(13,930,674)	(13,930,674)	(6,982,041)	50.1%
Expenses				
Employee costs	2,665,480	2,665,480	1,220,361	45.8%
Contractors & Consultants	1,405,903	1,405,903	486,114	34.6%
Materials & Plant	249,391	249,391	112,169	45.0%
Asset Operational	1,390,326	1,390,326	627,680	45.1%
Administrative expenses	331,466	331,466	62,023	18.7%
Depreciation	2,283,234	2,283,234	1,141,617	50.0%
Other Expenses	4,000	4,000	0	0.0%
Total Expenses	8,329,800	8,329,800	3,649,964	43.8%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	268,909	268,909	91,528	34.0%
OH Allocation	794,836	794,836	397,418	50.0%
Competitive Neutrality Adjustments	4,537,129	4,537,129	2,268,565	50.0%
Total Transfer / Overhead Allocation	5,600,874	5,600,874	2,757,511	49.2%
TOTAL OPERATING POSITION (SURPLUS) / DEFICIT	(0)	0	(574,566)	0.0%

ROCKHAMPTON AIRPORT ANNUAL PERFORMANCE PLAN - AS AT 31 DECEMBER 2013

Airline Routes 31 October 2013

Meeting Date: 5 February 2014

Attachment No: 3

Top fifty regional airports

Table 11: Top fifty regional airports (000s) — passenger movements, annual

	Airport	YE Oct 2012	YE Oct 2013	% Change
1	Cairns	3 614.4	3 784.8	4.7
2	Hobart	1 855.5	2 089.6	12.6
3	Darwin	1 813.9	1 808.8	-0.3
4	Townsville	1 681.8	1 631.7	-3.0
5	Launceston	1 150.3	1 253.8	9.0
6	Williamstown	1 203.0	1 212.9	0.8
7	Mackay	1 190.2	1 162.6	-2.3
8	Karratha	818.0	788.5	-3.6
9	Rockhampton	786.7	733.2	-6.8
10	Alice Springs	579.9	640.7	10.5
11	Gladstone	416.9	500.1	19.9
12	Port Hedland	532.0	491.7	-7.6
13	Hamilton Island	441.3	458.8	4.0
14	Newman	355.0	453.5	27.7
15	Broome	442.8	441.7	-0.2
16	Coffs Harbour	339.6	377.8	11.2
17	Ballina	339.2	374.0	10.3
18	Emerald	268.3	288.9	7.7
19	Mount Isa	265.4	273.1	2.9
20	Albury	281.0	262.5	-6.6
21	Kalgoorlie	269.4	244.0	-9.4
22	Mildura	215.5	243.6	13.0
23	Paraburdoo	305.8	242.6	-20.7
24	Ayers Rock	291.6	237.6	-18.5
25	Proserpine	226.2	234.3	3.6
26	Port Macquarie	232.3	228.2	-1.8
27	Roma	127.4	213.7	67.8
28	Wagga Wagga	209.6	208.5	-0.5
29	Port Lincoln	194.6	192.3	-1.2
30	Dubbo	186.4	192.3	3.2
31	Moranbah	132.0	167.3	26.7
32	Tamworth	160.5	155.7	-3.0
33	Hervey Bay	150.4	151.4	0.7
34	Bundaberg	124.8	147.4	18.1
35	Geraldton	150.9	136.0	-9.9
36	Devonport	138.2	127.2	-8.0
37	Kununurra	118.8	116.8	-1.7
38	Gove	114.6	114.5	-0.1
39	Armidale	107.1	108.2	1.0
40	Thursday Island	96.4	93.1	-3.4
41	Learmonth	94.7	91.4	-3.5
42	Mount Gambier	88.4	80.5	-9.0
43	Olympic Dam	92.9	79.3	-14.7
44	Weipa	72.2	69.3	-4.0
45	Whyalla	72.9	68.7	-5.9
46	Burnie	69.2	68.2	-1.4
47	Griffith	69.5	65.0	-6.5
48	Broken Hill	66.3	62.7	-5.5
49	Albany	59.1	58.9	-0.3
50	Narrandera	58.7	58.7	0.2
Total regional airports		24 239.2	24 784.5	2.2
Total domestic network		112 031.2	114 976.5	2.6

Note: Airport passenger movement numbers are the sum of passenger arrivals and departures at each airport.

ROCKHAMPTON AIRPORT ANNUAL PERFORMANCE PLAN - AS AT 31 DECEMBER 2013

Customer Service Statistics

Meeting Date: 5 February 2014

Attachment No: 4



MONTH	ENQUIRIES	AIRPORT REFERRALS	% REFERED	PATHWAY REQUESTS	NOTES
Oct-13	109	19	17.4%	2	
Nov-13	119	18	15.1%	2	
Dec-13	86	19	22.1%	0	
Totals	786	106	13.5%	22	

9.4 AIRPORT FINANCE AND STRATEGIC MATTERS REPORT DECEMBER 2013**File No:** 7927**Attachments:**

1. Airport Income Statement 13/14 - December 2013
2. Airport Capital Management Report 13/14 - December 2013
3. Customer Service Statistics - December 2013

Responsible Officer: Ross Cheesman - General Manager Corporate Services**Author:** Trevor Heard - Director Airport

SUMMARY

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

OFFICER'S RECOMMENDATION

THAT the Airport Finance and Strategic Matters report for December 2013 be "received".

COMMENTARY***Operational***

Despite a slight drop in passenger numbers total revenue is tracking on budget at 50.1%. Operational expenses are below budget at 43.8% before committals.

Capital

Overall Airport's capital expenditure is below the percentage of year elapsed at 10% due to many capital projects yet to be carried out.

The major project being the Airport Lighting Replacement, has stage one underway and the contractor appointed to construct the new lighting room building. Other projects are detailed later in this report and are mostly in completion of design stage or out to tender.

Including committals capital expenditure against budget is 28%.

AIRPORT OPERATIONS***Audit and Compliance***

An independent audit and technical inspection commenced and will be finalised in January. This activity is a legislated civil aviation safety requirement. No concerns were raised by the consultant during the audit.

The Airport Emergency Planning Sub-Committee met on 17 December. The purpose of the meeting was to review potential amendments to the plan and establish a timeframe to plan and conduct an emergency exercise in 2014. A full on site response is required for this exercise.

Friction testing scheduled for Runway 15/33 could not be conducted prior to the end of the month due to equipment failure. The service provider is expected to complete this activity in January following delivery of specialist parts. Surface friction testing is a mandated requirement for runways accepting international flights.

Military Exercises

Exercise Wallaby 2013, the annual Singapore defence exercise concluded this month and all defence equipment was removed from the airport by 5th December. Heavy transport Antinov aircraft were chartered from Polet Airlines to transport two loads of helicopters back to Singapore.

The active period of this exercise was nine weeks for 2013.

AIRPORT COMMERCIAL***Passenger Numbers***

Passenger numbers for December are only 0.9% below December 2012. However forward loadings indicate further reduced passengers for January.

Property

A new lease was finalised with the Australian Defense Force for the Optech building and Military Apron.

AIRPORT DIRECTORATE***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.

AIRPORT FACILITIES***Car Parks and Road Networks***

The upgrade of the paid parking credit card readers was planned to occur by 1 January 2014, as initiated by Europay, Master Card and Visa. The Commonwealth Bank of Australia have been successful in gaining an extension of the implementation date to April 2014 based on the development, certification and installation of the necessary equipment.

Removal of the receipting facility from taxi Pay Station 149 is scheduled for 29 January 2014 and Rocky Cabs has been notified.

Heat protection barriers have been installed on the Short Term Car Park pay station enclosure.

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. • Year 2 – Revised to Complete Pit & Duct System. • Year 3 – Main Runway & Taxiways. • Year 4 – Cross Runway & Taxiways. 	<p>ALER – Second draft preliminary design drawings have been reviewed. 2 x major variations have been submitted.</p> <ul style="list-style-type: none"> • Building to be built-in underneath. • Change portable generator platform to be at ground level. • Redirect earth stormwater drain to outside the footprint of the building. <p>Construction – Foundations have been installed and all airside trenching completed.</p> <p>Expected completion date extended to 14 March 2014.</p> <p>Pit and duct system design is nearing completion.</p> <p>Technical specification is in final review stage.</p> <p>The tender is scheduled to be advertised 18 January 2014.</p>

Project	Commentary	Status
959095 – Crescent Lagoon Area Stormwater Management	Valving has been procured. Design of valving system is being finalised. Additional pumping equipment will be procured after valving arrangement has been installed so a realistic assessment can be made.	Design of valve access platform and drainage grate is complete. ITQ to manufacture, construct and install is to be issued January 2014 with an estimated budget price of \$18 000. Pumping solution: A tractor drive pump arrangement has been considered. Further investigating a diesel drive pump arrangement. Additional funds will be required to complete this project and are yet to be determined.
987680 – Enhance the Functionality of the Airport Building Management System software	Scope of Works developed in conjunction with IT Projects and Service Provider. Business Case submitted to ISSG.	A service provider engaged. A major element of the project has been delayed until January 2014. Preliminary testing of minor software elements are being scheduled.
987692 – Install Backup Air-conditioning in the ground floor Communications Rooms	Installation of an additional Split System in the Ground Floor Communications Room.	Service provider proposal is \$16 000 which is \$10 000 over budget. Additional funds will be sourced at next budget review.
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 ITQ has been issued, a successful tenderer has been selected and the work is due to commence February 2014.
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 being compiled. RPT apron light pole (7) switchgear and control equipment upgrade: Light poles 1, 2 & 7 - determining requirements.
959135 – GA Apron Lighting	Project to be scoped, lighting levels to be measured to determine requirements.	Final concept being compiled.

Project	Commentary	Status
959156 – Covered areas for long Term car park equipment		ITQ to be let in early 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.	Progressing
987684 – Replace Stormwater Infrastructure	Recurring annual project.	Progressing
987694 – Refurbish Terminal Toilets		Planning details of refurbishment requirements.
987691 – Replace Rooves of various Terminal Buildings		Completed
987701 – Improve Landside Stormwater Management		No progress at this stage.
987686 – Redundant HV Supply	Total project estimated at \$600 000. Federal Government Royalties Funding of \$480 000. RRC approved funding for remaining \$120 000.	Project cancelled due to insufficient funding and minimal benefit to the Airport.

PROJECTS – Airport Operations

Project	Commentary	Status
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 cannot be finalised due to withdrawal from sale of the electronic padlocks.

		<p>Installation of additional CCTV cameras continues.</p> <p>Suitable software being sourced for records database.</p>
1020125 - Airport Screening equipment	<p>To provide business essential equipment to screen passengers and "carry-on" baggage. There is 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.</p> <p>Project not previously required or budgeted for.</p>	<p>Investigation and evaluation of available and compliant equipment currently underway.</p> <p>Procurement selection processes completed and equipment has been ordered.</p>
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.	Potential for deferral of this project.
959155 - GA Apron Environmental Control for Stormwater into Lion Creek	To mitigate the risk of a fuel spill on the GA Apron from flowing into Lion Creek and the Fitzroy Barrage storage. Also addresses the ongoing containment of engine oils and other contaminants from the apron area.	Potential for deferral of this project.
987704 - Improve Airside Stormwater Management	<p>To ensure high value aircraft movement area pavements are not compromised by ingress of groundwater.</p> <p>Aging subsoil drains present an erosion risk under the runway shoulders. Assess and complete repairs as required.</p>	<p>Camera inspection completed in an area of concern. Further assessment required.</p> <p>Service provider for ground penetrating radar to be sourced in 2014 by ITQ.</p>
987685 - Renewal of aviation security Infrastructure	Recurring annual provision.	
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.

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT DECEMBER 2013

Airport Income Statement 13/14 - December 2013

Meeting Date: 5 February 2014

Attachment No: 1



Income Statement
For Airport
For the Period July 2013 to December 2013

Percentage of the year elapsed: 50.0%

	Adopted Budget \$	Revised Budget \$	YTD Actuals \$	% of YTD Actuals (excl commitments) to Total Budget
Revenues				
Fees and Charges	(10,120,406)	(10,120,406)	(5,065,535)	50.1%
Rent/Lease Revenue	(1,711,959)	(1,711,959)	(933,747)	54.5%
Interest revenue	(150,000)	(150,000)	(75,950)	50.6%
Other income	(1,948,309)	(1,948,309)	(906,059)	46.5%
Res.received below fair value	0	0	(750)	0.0%
Total Revenues	(13,930,674)	(13,930,674)	(6,982,041)	50.1%
Expenses				
Employee costs	2,665,480	2,665,480	1,220,361	45.8%
Contractors & Consultants	1,405,903	1,405,903	486,114	34.6%
Materials & Plant	249,391	249,391	112,169	45.0%
Asset Operational	1,390,326	1,390,326	627,680	45.1%
Administrative expenses	331,466	331,466	62,023	18.7%
Depreciation	2,283,234	2,283,234	1,141,617	50.0%
Other Expenses	4,000	4,000	0	0.0%
Total Expenses	8,329,800	8,329,800	3,649,964	43.8%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	268,909	268,909	91,528	34.0%
OH Allocation	794,836	794,836	397,418	50.0%
Competitive Neutrality Adjustments	4,537,129	4,537,129	2,268,565	50.0%
Total Transfer / Overhead Allocation	5,600,874	5,600,874	2,757,511	49.2%
TOTAL OPERATING POSITION (SURPLUS) / DEFICIT	(0)	0	(574,566)	0.0%

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT DECEMBER 2013

Airport Capital Management Report 13/14 - December 2013

Meeting Date: 5 February 2014

Attachment No: 2



End of Month Management Report - Airport Capital Projects for December 2013

Percentage of Year Elapsed: 50.00%

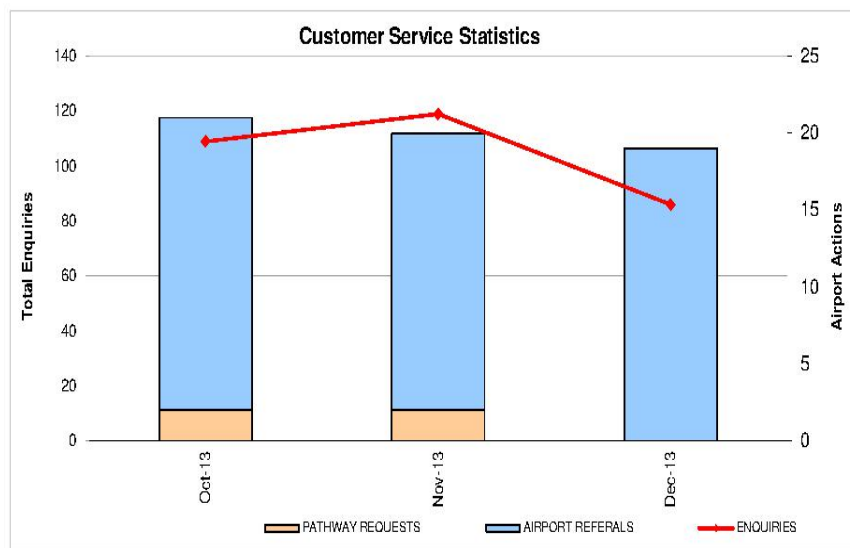
		12 Month Adopted Budget	1314 Adopted Inc Carry Forward	YTD Actuals	Committals	Total YTD Actuals (Inc committals)
		\$		\$	\$	\$
CP640 CAPITAL CONTROL AERO						
0943123	0943123 GA Apron Code B Parking Areas	0	5,000	0	0	0
0959095	0959095 Crescent Lagoon Area Storm Water Managem	0	3,787	27,210	0	27,210
0959127	0959127 [N] Security Upgrades to General Aviatio	50,000	99,694	30,680	2,865	33,545
0959133	0959133 [U] RPT Apron Lighting	60,000	100,650	14,821	6,852	21,673
0959135	0959135 [N] GA Apron Lighting	0	92,550	9,605	3,543	13,148
0959137	0959137 [N] Movement Area Guidance Signs (MAGS)	0	61,950	0	0	0
0959140	0959140 [R] Relocation of RWY 15 Windsock	0	28,284	0	0	0
0959142	0959142 [R] Ongoing extension of all weather tra	40,000	71,785	0	0	0
0959150	0959150 [R] Runway Lighting Power Distribution a	3,100,000	3,581,582	176,410	778,373	954,783
0959154	0959154 [N] Bay 6 Apron Lighting Upgrade	0	8,078	0	0	0
0959155	0959155 [N] GA Apron Environmental Control for S	40,000	40,000	0	0	0
0959158	0959158 [R] Terminal Building Airside Water Main	0	2,548	(496)	0	(496)
0983708	0983708 [R] Movement Area Guidance Signs (MAGS)	9,999	52,599	0	0	0
0987689	0987689 [R] Renew runway windsocks	60,000	60,000	0	0	0
0987704	0987704 [R] Improve Airside Stormwater Managemen	0	133,125	0	0	0
0987712	0987712 [R] Replace General Aviation Power Swltc	30,000	30,000	0	0	0
0987925	0987925 [R] Reconstruction of RPT Apron segment	0	9,750	0	0	0
TOTAL CP640 CAPITAL CONTROL AERO		3,389,999	4,381,382	258,230	791,633	1,049,863
CP650 CAPITAL CONTROL NON AERO						
0580951	0580951 Rockhampton Airport Terminal redevelopme	0	24,473	14,931	9,823	24,754
0959120	0959120 [N] Covered walkway electrical	0	36,135	36,135	0	36,135
0959141	0959141 Rental Car Parking Expansion (Stage 2)	0	545	0	0	0
0959145	0959145 [R] Repairs to Defence Deployment Areas	25,000	25,000	21,754	0	21,754
0959149	0959149 Hunter Street stormwater drainage (Long	0	10,000	0	0	0
0983748	0983748 [R] Resurface the Bitumen Area of the Sh	0	65,000	0	0	0
0987680	0987680 [N] Enhance the Functionality of the Air	5,000	84,894	17,280	32,900	50,180
0987681	0987681 [R] Refurbish General Aviation Precinct	0	10,650	21,828	0	21,828
0987682	0987682 [R] Replace various Airport IT Systems S	20,000	30,650	0	0	0
0987684	0987684 [R] Replace Stormwater Infrastructure	20,000	20,000	0	0	0
0987685	0987685 [R] Renewal of aviation security Infrastr	20,000	41,300	611	6,524	7,135
0987686	0987686 [N] Redundant HV Supply for Airport Prec	120,000	137,461	12,931	0	12,931
0987691	0987691 [R] Replace Roofs of Various Airport Bul	40,000	58,383	33,244	1,232	34,476
0987692	0987692 [N] Install Backup Airconditioning In th	6,000	6,000	0	0	0
0987693	0987693 [U] Improve Terminal Access for People w	23,474	61,423	330	1,943	2,273
0987694	0987694 [R] Refurbish Terminal Toilets	50,000	50,000	0	0	0
0987695	0987695 [R] Replace Terminal Floor coverings	40,000	40,000	0	0	0
0987701	0987701 [R] Improve Landside Stormwater Manageme	50,000	50,000	0	0	0
0987703	0987703 [R] Resurface Tower Crescent Road	200,000	200,000	0	0	0
0987705	0987705 [N] Construct Staff Access Road off Apro	0	0	21,408	2,177	23,586
0987706	0987706 [R] Replace and Relocate Telecommunicati	0	73,189	72,981	0	72,981
0987708	0987708 [R] Refurbish Terminal Main Concourse Ai	5,000	5,000	10,200	0	10,200
0987709	0987709 [R] Refurbish Air Handling Unit AC9	5,000	5,000	0	0	0
0987710	0987710 [R] Replace Corrective Services Aircondi	5,000	5,000	0	0	0
0987715	0987715 [R] Replace Mesh on Perimeter Security F	50,000	50,000	0	0	0
0987721	0987721 [R] Replace Departure Lounge Air Handling	200,000	200,000	0	0	0
0987723	0987723 [R] Replace Airconditioning System Chilli	200,000	219,667	0	0	0
1017282	1017282 [N] Covered areas for paid parking equip	25,000	25,000	0	0	0
1020125	1020125 [N] Passenger Security Screening Equipme	0	0	943	238,850	239,793
1026224	1026224 [N] Water Main Installation Short Term C	0	0	44,236	0	44,236
TOTAL CP650 CAPITAL CONTROL NON AERO		1,109,474	1,534,770	308,813	293,449	602,262
TOTAL CAPITAL EXPENDITURE		4,499,473	5,916,152	567,043	1,085,081	1,652,125

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT DECEMBER 2013

Customer Service Statistics - December 2013

Meeting Date: 5 February 2014

Attachment No: 3



MONTH	ENQUIRIES	AIRPORT REFERRALS	% REFERED	PATHWAY REQUESTS	NOTES
Oct-13	109	19	17.4%	2	
Nov-13	119	18	15.1%	2	
Dec-13	86	19	22.1%	0	
Totals	786	106	13.5%	22	

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.

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 Rockhampton Airport Passenger Survey

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by it.

13 CONFIDENTIAL REPORTS

13.1 ROCKHAMPTON AIRPORT PASSENGER SURVEY

File No: 10987

Attachments: Nil

Responsible Officer: Ross Cheesman - General Manager Corporate Services

Author: Trevor Heard - Director Airport

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by it.

SUMMARY

This document sets out the results of adjudicating and recommending the awarding of Quote Number 10987 – Rockhampton Airport Passenger, Business Survey and Airport Business Development.

14 CLOSURE OF MEETING