



BUSINESS ENTERPRISE COMMITTEE MEETING

AGENDA

2 JULY 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 2 July 2014 commencing at 9.00am 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
25 June 2014

Next Meeting Date: 06.08.14

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
	NIL	3
8	OFFICERS' REPORTS.....	4
	NIL	4
9	STRATEGIC REPORTS.....	5
9.1	RRWR FINANCE AND STRATEGIC MATTERS REPORT - MAY 2014	5
9.2	AIRPORT FINANCE AND STRATEGIC MATTERS REPORT MAY 2014	15
10	NOTICES OF MOTION.....	29
	NIL	29
11	URGENT BUSINESS/QUESTIONS	30
12	CLOSURE OF MEETING	31

1 OPENING

2 PRESENT

Members Present:

Councillor N K Fisher (Chairperson)
The Mayor, Councillor M F Strelow
Councillor C E Smith
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 Cherie Rutherford - Leave of Absence from 27 June 2014 to 17 July 2014
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 4 June 2014

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 BUSINESS OUTSTANDING

Nil

7 PUBLIC FORUMS/DEPUTATIONS

Nil

8 OFFICERS' REPORTS

Nil

9 STRATEGIC REPORTS

9.1 RRWR FINANCE AND STRATEGIC MATTERS REPORT - MAY 2014

File No: 7927

Attachments:

1. Operational Budget Report - May 2014
2. Capital Budget Report - May 2014

Authorising Officer: Robert Holmes - General Manager Regional Services

Author: Craig Dungleison - Manager RRWR

SUMMARY

This report details Rockhampton Regional Waste and Recycling's financial position and other significant operational matters as at 31 May 2014.

OFFICER'S RECOMMENDATION

THAT the Rockhampton Regional Waste and Recycling's Finance and Strategic Matters Report as at 31 May 2014 be received.

FINANCIAL

Percentage of year elapsed 91.67%

Adjusted percentage of year elapsed 93.11%

Operational

Net rates and utility charges revenue is 100% of budget as a result of rates notices for the second half of the year having been issued with discounts taken up.

Fees and charges revenue overall is slightly above the adjusted percentage of year elapsed at 93.66%, as a result of higher than anticipated waste quantities received for Bouldercombe Waste Transfer Station (110.72%), Lakes Creek (99.56%) and Mount Morgan (99.56%) YTD. These are all offset by lower than anticipated waste quantities at Gracemere (80.25%) landfill facilities YTD.

Grants and subsidies revenue is 105% of budget as a result of 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 adjusted percentage of year elapsed at 76.72% due to lower than anticipated commission revenue being received.

Contractors and consultant expenditure is greater than the adjusted percentage of year elapsed at 95.36% as a result of contractors other (98.85%), building construction (111.10%), temp/ relief (227.22%) and professional technical expenditure (124.34%) being higher than anticipated to date.

Materials and plant expenditure is also above the adjusted percentage of year elapsed at 95.55%. This is primarily as a result of higher than anticipated equipment and plant hire expenditure (94.92%) offset by low unleaded fuel expenditure 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 which is paid yearly in advance 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.

Capital

RRWR capital project expenditure for 2013-14 is below the percentage of year elapsed at 75%.

The majority of capital expenditure to date relates to the following: landfill capping (92%), Lakes Creek Waste Transfer Station (77%), regional waste infrastructure project (52%) and planning/ development approvals for the Bajool roadside bin station (16%).

There are no material exceptions to this report.

COMPLIANCE MATTERSAsbestos Management – Waste Facilities

Quotations are being sought for the collection, transportation and burial of the contaminated mulch.

Final arrangements are being made for the sorting and mulching of the onsite greenwaste at all facilities. Also a variation in the mulching and gatehouse contracts has commenced to have the contractor provide a “spotter” for the greenwaste and timber piles at the Lakes Creek Road Landfill and for all gatehouse staff at all other facilities to monitor the disposal of greenwaste and timber incoming loads.

Gracemere Landfill – Underground Water Quality

No additional information for this month, matter still with the Department of Environment Protection and Heritage.

OPERATIONAL MATTERSRRC – GRC Joint Waste Project

RRC owns and operates two landfill sites, which are nearing end-of-life: the largest site will close in 2016, and the smaller site will reach capacity within 4 years depending upon its usage. Despite efforts, RRC has so far been unable to identify a suitable site for development of a new landfill within Council boundaries. RRC will therefore face landfill capacity issues for disposal of its waste by 2016. RRC currently generates around 74,000 tonnes of municipal and commercial waste for disposal.

RRC and Gladstone Regional Council (GRC) have discussed the possibility of combining resources for a joint waste services solution that would provide benefits to both Councils. To further discussions, RRC and GRC have agreed to assess the feasibility of a joint waste services arrangement. For an arrangement to be deemed ‘feasible’, it must meet each Council’s specified criteria, namely:

GRC requires that a joint arrangement:

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:

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

The primary objective of the *Joint Refuse Disposal Feasibility Project* is to assess whether a 50-year (minimum) joint refuse disposal venture between GRC and RRC could meet each Council's criteria.

The first meeting between GRC and RRC was held in Gladstone on 1 May 2014. The Memorandum of Understanding between GRC and RRC was endorsed by the meeting. The two copies were endorsed by Evan Pardon and Stuart Randle. An initial draft of the Terms of Reference to engage a consultant was discussed. This was to be progressed and discussed at the next meeting.

The second meeting was held in Rockhampton on 5 June 2014 between GRC and RRC. Landfill Gas Industries were engaged to assist in the preparation of the Terms of Reference for the project consultant. A draft Terms of Reference was discussed, modified and agreed on. A joint press release was approved and sent to the media.

The Terms of Reference was emailed Monday 9 June 2014 to consultants to quote on. The quote closes on 4 July 2014. The next joint meeting will be held on 10 July 2014.

Budget Preparations

Work was undertaken during the month for budget preparation.

Gracemere Landfill – Burglary

The Gracemere Landfill was broken into on Sunday 4 May. The front gates of the facility were smashed open by a vehicle being driven through them. The gatehouse office door was forced open and the safe was forced off its floor mounts and removed.

The whole incident was captured on the CCTV camera present and this information has been passed on to the Police who have identified the person.

VARIATIONS / CONCERNS

Orora (Amcor) – Material Recycling Facility Contract

A recent informal meeting was held with new management from Orora with a view to commencing to work collaboratively through the issues and a more formal process in the regard will commence by the end of July.

CAPITAL PROJECTS

Lakes Creek Road Landfill – Remediation

The construction of the bunds at the south eastern end of the "Hill" is ongoing with the associated waste filling immediately behind these bunds. This is the most effective method of constructing the final cover layers.

Lakes Creek Road Landfill Waste Transfer Station

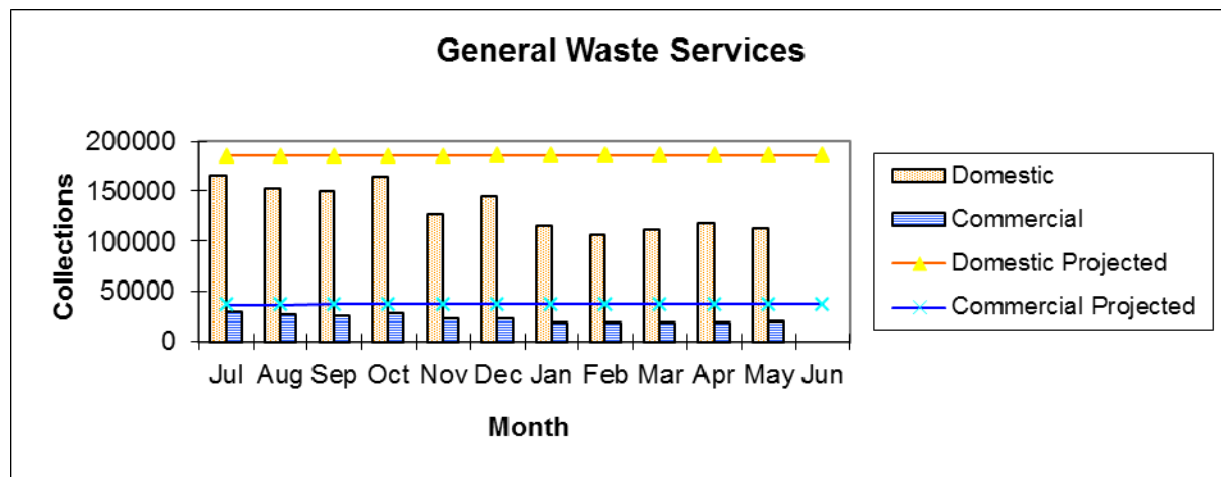
The construction of the Waste Transfer Station (WTS) continued with the erection of the steel work and wall cladding, the building is 85% complete. Work is continuing on the exterior earthworks and road / ramp embankments.

The embankment for the internal road has commenced.

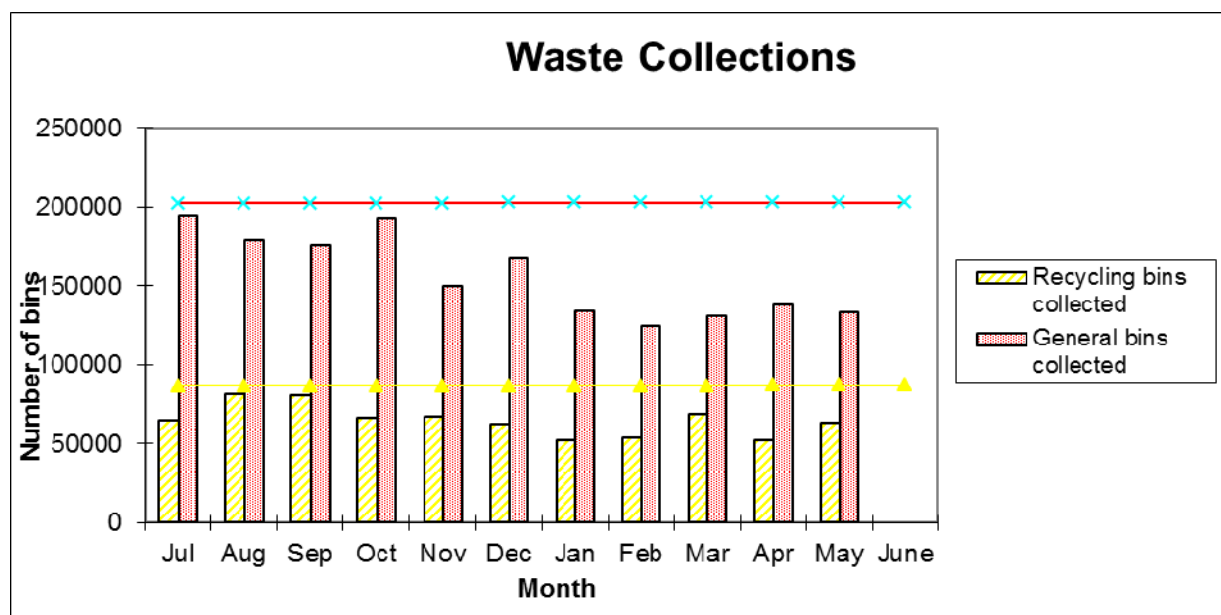
PERFORMANCE STATISTICS

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

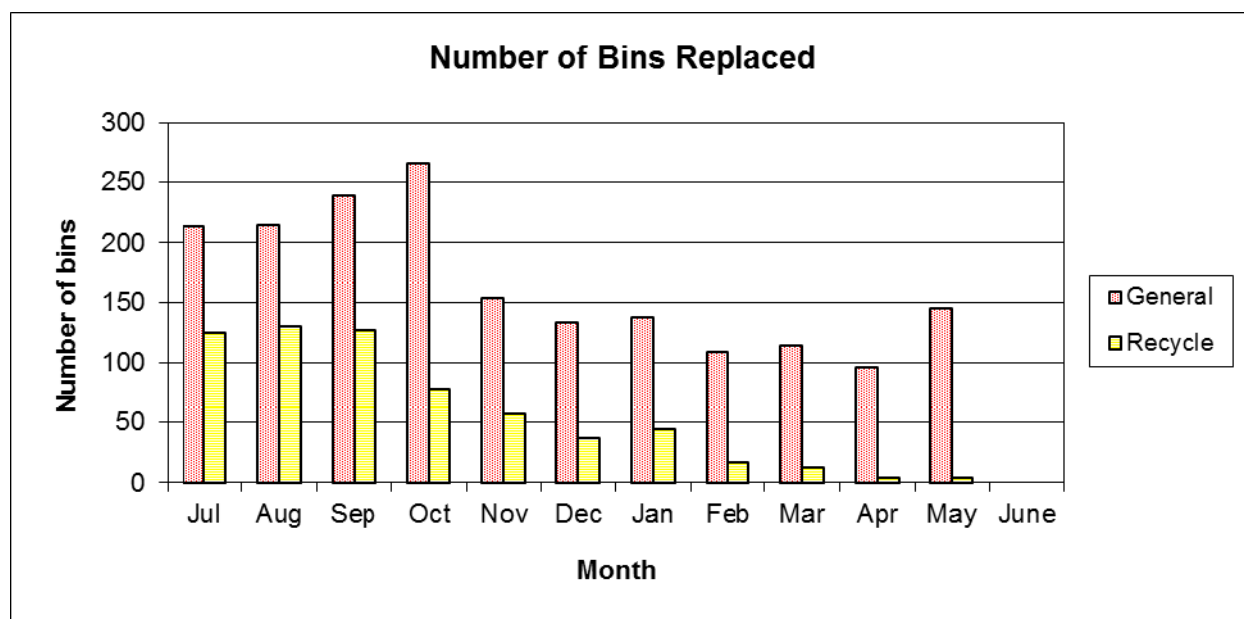
The following graph shows the number of general waste collections per month for the current financial year.



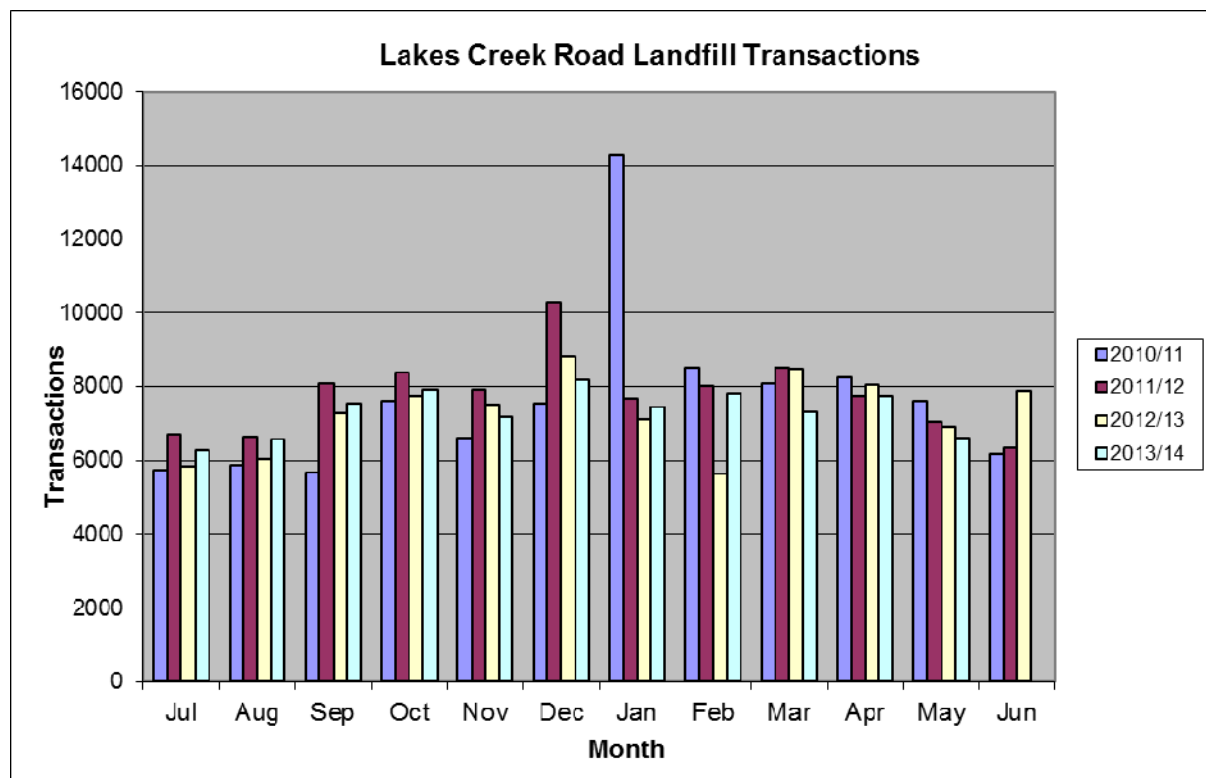
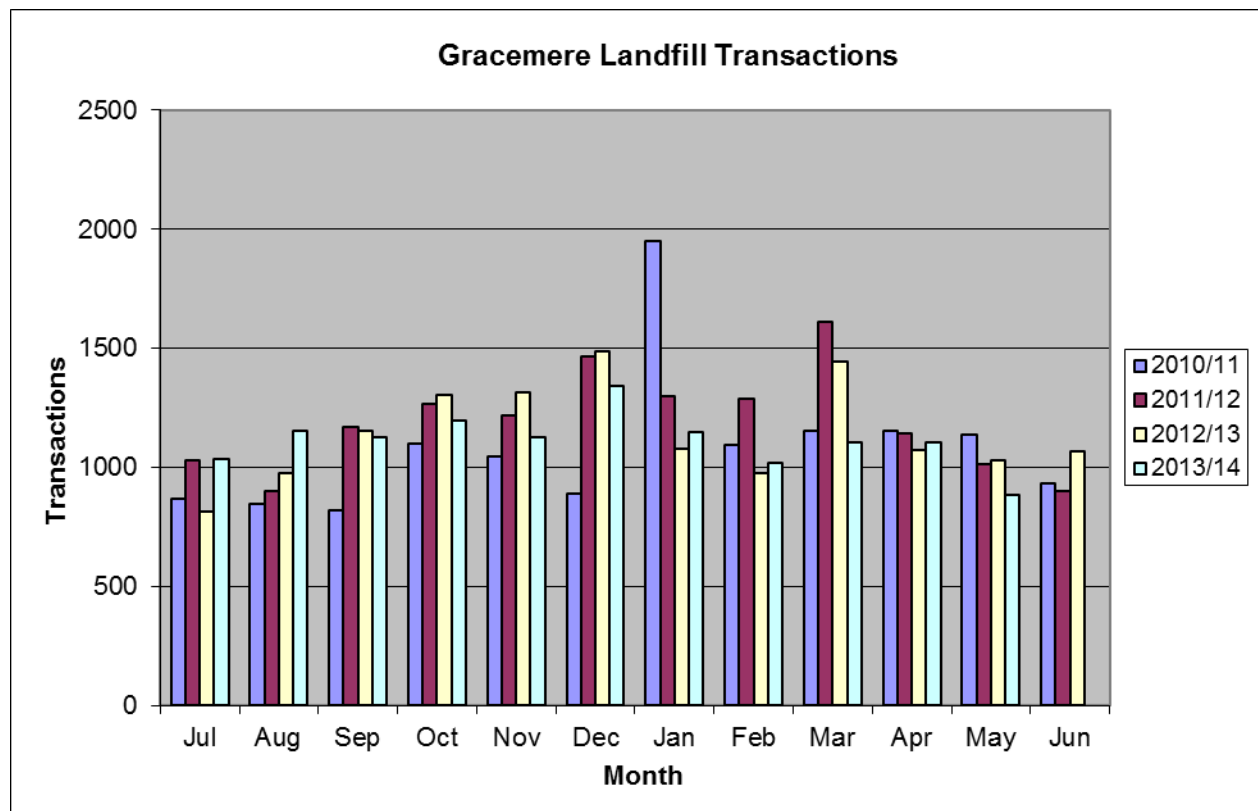
The graph below shows the number of General Waste and Recycling bins serviced during the current financial year on a monthly basis.



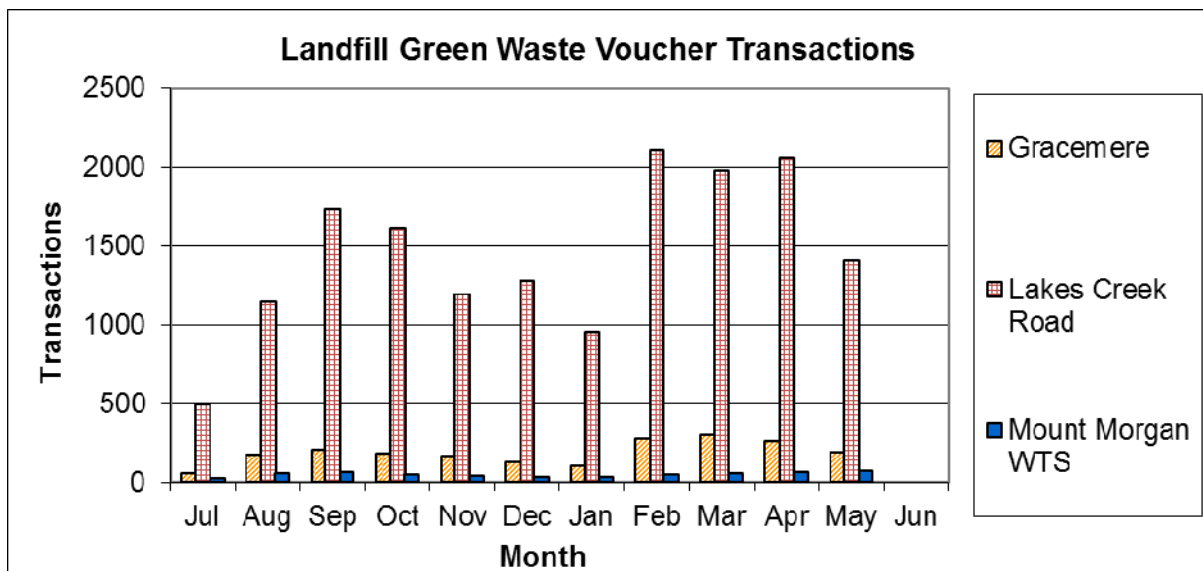
The following graph shows the number of general waste and recycling mobile bins replaced per month for the current financial year.



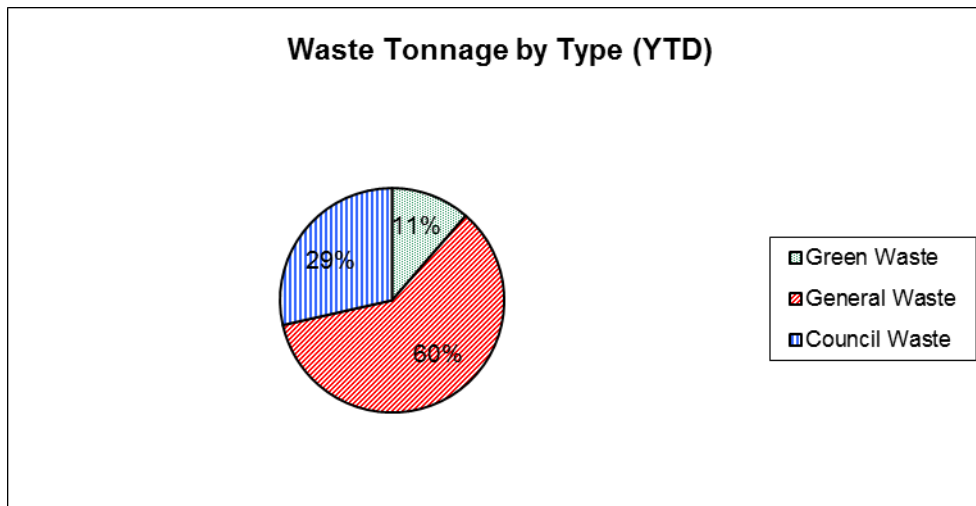
The following graphs show the number of landfill transactions per month for the current financial year.



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 - MAY 2014

Operational Budget Report - May 2014

Meeting Date: 2 July 2014

Attachment No: 1



Income Statement
For Period July 2013 to May 2014
91.67% 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)	(14,404,018)	93.11%	100.01%
Fees and Charges	(5,810,814)	(5,332,414)	(4,994,442)	93.11%	93.66%
Private and recoverable works	0	(636)	(1,369)	93.11%	215.16%
Grants Subsidies & Contributions	(35,000)	(41,364)	(43,636)	93.11%	105.49%
Other income	(72,475)	(59,000)	(45,265)	93.11%	76.72%
Total Revenues	(20,188,407)	(19,835,641)	(19,488,730)	93.11%	98.25%
Expenses					
Employee costs	3,092,161	3,210,329	2,953,981	93.11%	92.01%
Contractors & Consultants	4,787,716	4,561,263	4,349,706	93.11%	95.36%
Materials & Plant	1,412,906	991,148	947,086	93.11%	95.55%
Asset Operational	1,559,437	1,534,163	1,415,635	93.11%	92.27%
Administrative expenses	119,727	127,241	91,868	93.11%	72.20%
Depreciation	1,355,063	1,232,311	1,129,618	93.11%	91.67%
Finance costs	2,312,465	2,312,465	1,693,557	93.11%	73.24%
Other Expenses	175,000	186,753	282,714	93.11%	151.38%
Accounting Adjustments	7,750	19,456	398,672	93.11%	2049.10%
Total Expenses	14,822,225	14,175,128	13,262,838	93.11%	93.56%
Transfer / Overhead Allocation					
Transfer/Overhead Allocation	2,159,472	2,555,004	2,498,771	93.11%	97.80%
OH Allocation	1,670,991	1,676,049	1,358,904	93.11%	81.08%
Competitive Neutrality Adjustments	1,535,719	(529,307)	(227,626)	93.11%	43.00%
Total Transfer / Overhead Allocation	5,366,182	3,701,746	3,630,049	93.11%	98.06%

RRWR FINANCE AND STRATEGIC MATTERS REPORT - MAY 2014

Capital Budget Report - May 2014

Meeting Date: 2 July 2014

Attachment No: 2



End of Month Management Report

Percentage of Year Elapsed: 91.67%

		1314 Adopted inc Carry Forward	Oct Revised Budget	Feb Revised Budget	YTD Actuals	Commitals	Total YTD Actuals (inc commitals)	% of YTD Actuals (excl commitals) 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	\$25,000	\$1,968,931	92%
0580972	[N] WTS & Stage 3 development - Lakes Cr	\$15,857,457	\$13,238,420	\$13,238,420	\$10,184,294	\$4,465,748	\$14,650,043	77%
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	-\$8,624	\$0	-\$8,624	-6%
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	\$650,000	\$325,000	\$0	\$0	\$0	\$0	0%
0959208	Removal of Recycling Drop Off Points in	\$38,970	\$5,748	\$5,748	-\$256	\$0	-\$256	-4%
0983826	[R] Rubbish Bins - Rockhampton Regional	\$126,000	\$126,000	\$126,000	\$98,711	\$0	\$98,711	78%
0983996	[N] Planning and development approvals a	\$215,259	\$215,259	\$215,259	\$33,916	\$2,275	\$36,191	16%
0984012	[N] Regional Waste Infrastructure	\$1,955,000	\$1,955,000	\$530,000	\$273,798	\$36,770	\$310,568	52%
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	12,571,009	4,529,793	17,100,802	75%
TOTAL CAPITAL EXPENDITURE								
		21,492,223	18,461,511	16,709,198	12,571,009	4,529,793	17,100,802	75%

9.2 AIRPORT FINANCE AND STRATEGIC MATTERS REPORT MAY 2014**File No:** 7927**Attachments:**

1. Airport Income Statement Report 13/14 - May 2014
2. Airport Capital Management Report 13/14 - May 2014
3. Customer Service Statistics - May 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 May 2014 be "received".

COMMENTARY**AIRPORT FINANCIAL*****Operational***

Revenue at 90.4% is slightly lower than the percentage of year elapsed (91.7%)

This has been offset by lower expenses before committals at 86.3% which has a net result of an operational surplus at this stage.

Capital

Overall Airport's capital expenditure is below the percentage of year elapsed at 39%. The majority of the Airport's capital expenditure budget relates to the Airport lighting project budget of \$3.5m of which only \$1.2 m has been spend YTD.

Due to the additional time required to carefully consider all possible cost saving options for the Airport Lighting project there will be a large carry over for this budget item. This will mean the airport will not incur loan borrowings this financial year.

AIRPORT OPERATIONS***Audit and Compliance***

The annual test of the Airport's Emergency Plan (AEP) was completed on May 21. This year's test was conducted in full on site response format. Testing the AEP is a mandated requirement for maintaining the AEP. The exercise outcomes were positive for the Airport and the local emergency services were able to complete training for the needs of their respective organisations.

The Rockhampton Hospital conducted a table top exercise concurrently with the on-site AEP test to evaluate their mass casualty response preparation.

The AEP committee also met on May 1.

General Activities

The primary emergency access and staging area for the Airport was relocated to Gate 1 near the Fire Station. The relocation was completed to move the primary emergency access away from the passenger terminal and car park area. The implementation of an electronic padlock system enhanced the function of this access point for responses that occur after normal operating hours.

Projects

Site works commenced on the “Pit and Duct” stage of the airfield lighting replacement project. Significant operational planning was completed to allow these works to be conducted safely in and around the aircraft movement area. The works will be completed without interruption to services and minimal impediment for operators.

Passenger Numbers

Passenger numbers for April were 54,965 compared with 56,247 in May 2013.

Increased Commercial revenue from property leases and lower expenses has offset the lower aeronautical revenue to a large degree.

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.

Asset Management Consultancy (in partnership with RRC Asset Management Team)

Airport Facilities are continuing to gather asset data ready for entry into Conquest. The remaining Asset Groups are progressing.

The Conquest work management process for management of Compliance Inspections has been developed and presented to Airport Management. Fire Hydrants, Thermostatic Valves and Elevator Inspections have been entered into Conquest as a trial to establish in-house requirements.

HV Supply

The Airport HV Supply Condition Assessment is progressing, first draft report has been reviewed and feedback provided, revised report expected early June. The initial findings suggest our present HV supply has limited remaining capacity which must be considered in line with our future growth plans

Terminal Precinct

New road signs erected for Emergency Access to the Airport during emergency responses.

CAPITAL PROJECTS

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. 	<p>ALER – List of final defects being repaired and monitored.</p> <p>Pit & Duct – Preliminary Meeting has been conducted. Aeronautical Method of Work Plan (MOWP) has been developed. Contractor, ATS Infrastructure, has commenced work and proceeding to programme, 4 variations have been submitted to date, refer Project Manager Monthly Report.</p> <p>AGL System – Technical Specification in first draft, Design Drawings being developed.</p>

Project	Commentary	Status
	<ul style="list-style-type: none"> Year 4 – Cross Runway & Taxiways (excluded). 	
959095 – Crescent Lagoon Area Stormwater Management	<p>Valving has been installed.</p> <p>Valve platform and grate have been installed.</p> <p>Pumping solution to be procured and site set-up.</p>	<p>Pumping solution - Tender advertised, 11 quotes received, 3 with varying options. Tenders being evaluated. Agreed to relocate pump site to airside, for ease of operation. FRW revising site establishment requirements.</p> <p>Additional funds have been allocated in the March Capital Budget Review.</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>	A service provider has been engaged. RRC IT are progressing this project.
987692 – Install Backup Air-conditioning in the ground floor Communications Rooms	Installation of an additional Split System in the Ground Floor Communications Room.	Air-conditioner has been installed and is operational. BMS controls being programmed.
987693 – Improve Terminal Access for People with Disabilities.	<p>Recurring annual project.</p> <p>Activities identified for this Financial Year:</p> <ol style="list-style-type: none"> 1. Handrails and kick plate for car park pedestrian bridge. 2. Improved ease of usability of heavy disabled toilet doors. 	<p>Item 1</p> <p>Kick plate installed.</p> <p>Item 2</p> <p>Terminal Concourse and Departure Lounge Auto-Toilet Doors installed.</p>
959133 – RPT Apron Lighting	Project to be scoped, lighting levels to be measured to determine requirements.	<p>Final concept accepted.</p> <p>RPT apron light poles (7 off) switchgear and control equipment upgrade:</p> <p>Light poles 3, 4 & 5 complete, poles 1, 2 & 7 - determining requirements.</p>
959135 – GA Apron Lighting	Project to be scoped, lighting levels to be measured to determine requirements.	<p>Final concept accepted.</p> <p>Development of the technical specification for modifications to the GA Apron Lighting to accommodate the new RFDS</p>

Project	Commentary	Status
		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 June.
987681 – Refurbish General Aviation Toilets	Finalising procurement details.	Completed.
987682 – Replace various Airport IT Systems Software and Hardware	Recurring annual project.	
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.

Project	Commentary	Status
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.	Installation completed in time to allow for screening responsibilities to be transferred to RRC on 1 April.
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.
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. Estimates acquired to reseal 2000 sq. metres of deployment area. Reseal to be completed following trench excavations for airfield lighting project.
Paid Covered Car Parking Equipment	Installation of paid car parking equipment in the previous staff car parking facility	Implementation of the equipment will depend on the lead time for the delivery of the equipment. At this stage it is 8 -12 weeks as it is supplied ex Germany.

MAJOR PROJECTS**Airport Lighting**

The driving forces behind the need for this project is the need for a replacement of the present 40 year old high maintenance, high energy, inefficient tungsten filament type direct buried system and analogue interface with the control tower with a low maintenance, low energy efficient, digital interface airport lighting system, in conduits that meets the CASA standards for runway edge and taxiway lighting in MOS139, the manual of standards for aerodrome operations.

We are presently operating under Grandfathering provisions approved by CASA on the basis that there is a planned upgrade of the lighting system to meet the new standards.

The tender for the second stage of the project being the AGL Pit & Duct installation has been awarded to ATS Infrastructure. The first component of the work, the under boring of taxiways and runways has commenced and good progress is being made.

Work is continuing on the design of the final stage, lights and control systems. Final Design is anticipated late June, early July 2014.

Budget Statement

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. Carryover budget allocations will be important to ensure sufficient project funds are available to complete the project.

Financial Year Capital Budget Allocation

Project	Year	Budget	Actual	% Complete
Design & Preliminaries Stage 1 ALER	2013-14	\$3,581,582	\$ 972,696	91%
Stage 2 Pit & Duct Works	2013-14 2014-15	\$1,985,025	\$ 221,366	5%
Stage 3 Light & Control Systems	2014-15 2015-16	\$1,500,000		
Total		\$7,066,607	\$1,194,062	

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 2014/15 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.

OPERATIONAL BUDGET PROJECTS**Drainage Study for Future Developments**

This study is to determine the best options for a new road off Hunter Street to open up land for development and effects of the footprint of any new developments on the floodplain and how these can be mitigated in order for the developments to proceed. The study is progressing with input from flood modelling initially, of a local flood event.

Runway 04/22 Master Plan Options

This study is to determine the best future length of the secondary runway given present and future usage of light aircraft, in particular the RFDS and Training and charter aircraft.

The present length of 1645m is already reduced for each year during military exercises to 1200m.

A permanent reduction in length to 1200m or shorter would enable development of new hangars, apron parking and freight facilities.

Passenger and Business Survey

Preliminary results of the survey indicate industry normal satisfaction ratings by passengers of the airport facilities.

The demand for direct services was in the main for the return of direct services to Sydney, Melbourne and Townsville. A meeting in June will determine which route has the best prospects of sustainability and this will be the target of the business plan that will be developed to present to the airlines. It is planned that the detail of this body of work will be presented to the August Business Enterprise Committee by Airbiz.

Enhancement of Terminal Regional Graphics

The project of enhancing the terminal and displaying the history of Rockhampton as well as the diversified industries and attractions of the region is being progressed by Brand & Marketing.

The purpose is to showcase the region and better demonstrate what Rockhampton has to offer visitors arriving and departing the airport.

It is intended that our Airport Advertising Concessionaire will assist in the funding of the displays.

Plane Spotters Facility

An area has been identified to provide car parking for plane spotter enthusiasts and signage has been ordered for "Authorized Vehicles Only". A system is yet to be developed which will involve spotters obtaining authorization stickers showing their registration number and displayed on their dashboard.

Rockhampton Sign on Airport Walkway

A new style sign over existing lettering is being investigated by Brand & Marketing to better highlight Rockhampton airport for arriving or transiting passengers.

Terminal Redevelopment

Since last report the architect has provided an interim solution to increase the size of the security departure lounge incorporating more toilets and the retail concessions, which will provide better passenger flow through the terminal and a better safety solution for passengers with the establishment of one central pedestrian crossing to the terminal.

A retail specialist will also be performing an audit on the current Food & Beverage and News & Gifts concessions. He will also provide advice on the possible establishment of a specialty retail store for Apparel and Accessories. This along with benchmarking other airports will form a basis for a business case to fund the redevelopment the terminal.

Design and Estimates for Runway, Taxiways and Apron Overlays

Special Projects has prepared a draft scope of works for the major overlays of the airport pavements scheduled to commence in 2016/17.

This tender will also include an updated estimate of the capital costs of these works so our future capital program can be adjusted if need be.

Airport Gardens Maintenance Plan

The progressive replacement of high maintenance and risk related tall coconut trees is being progressed by Park and Open Spaces in accordance with the plan outlined in the April report.

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT MAY 2014

Airport Income Statement Report 13/14 - May 2014

Meeting Date: 2 July 2014

Attachment No: 1



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

Percentage of the year elapsed: **91.7%**

	Adopted Budget \$	Revised Budget \$	YTD Actuals \$	% of YTD Actuals (excl. commitments) to Total Budget
Revenues				
Fees and Charges	(10,120,406)	(10,122,322)	(9,081,812)	89.7%
Rent/Lease Revenue	(1,711,959)	(1,996,407)	(1,824,295)	91.4%
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)	(1,622,708)	89.9%
Res. received below fair value	0	(750)	(750)	100.0%
Total Revenues	(13,930,674)	(14,074,083)	(12,718,403)	90.4%
Expenses				
Employee costs	2,665,480	2,579,644	2,251,461	87.3%
Contractors & Consultants	1,405,903	1,407,999	989,848	70.3%
Materials & Plant	249,391	182,170	157,878	86.7%
Asset Operational	1,390,326	1,821,243	1,405,510	77.2%
Administrative expenses	331,466	237,405	168,933	71.2%
Depreciation	2,283,234	2,601,357	2,384,577	91.7%
Other Expenses	4,000	0	0	0.0%
Accounting Adjustments	0	0	266,245	0.0%
Total Expenses	8,329,800	8,829,816	7,824,450	86.3%
Transfer / Overhead Allocation				
Transfer/Overhead Allocation	268,909	230,424	214,060	92.9%
OH Allocation	794,836	794,836	728,600	91.7%
Competitive Neutrality Adjustments	4,537,129	4,219,007	3,867,423	91.7%
Total Transfer / Overhead Allocation	5,600,874	5,244,267	4,810,083	91.7%
TOTAL OPERATING POSITION (SURPLUS) / DEFICIT	(0)	0	(283,870)	

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT MAY 2014

Airport Capital Management Report 13/14 - May 2014

Meeting Date: 2 July 2014

Attachment No: 2



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

Percentage of Year Elapsed: 91.67%

		Feb Revised Budget \$	YTD Actuals \$	Committals \$	Total YTD Actuals (inc committals) \$	% of YTD Actuals (excl committals) to Total Budget %
CP640 CAPITAL CONTROL AERO						
0943120	0943120 Security Systems Improvements	0	6,393	0	6,393	0%
0943123	0943123 GA Apron Code B Parking Areas	0	0	0	0	0%
0959095	0959095 Crescent Lagoon Area Storm Water Managem	63,787	40,743	0	40,743	64%
0959127	0959127 [N] Security Upgrades to General Aviatio	99,694	30,680	2,865	33,545	31%
0959133	0959133 [U] RPT Apron Lighting	100,650	20,548	215	20,763	20%
0959135	0959135 [N] GA Apron Lighting	92,550	22,746	23,810	46,556	25%
0959137	0959137 [N] Movement Area Guidance Signs (MAGS)	0	0	0	0	0%
0959140	0959140 [R] Relocation of RWY 15 Windsock	0	0	0	0	0%
0959142	0959142 [R] Ongoing extension of all weather tra	0	0	0	0	0%
0959150	0959150 [R] Runway Lighting Power Distribution a	3,581,582	1,190,452	1,813,264	3,003,716	33%
0959154	0959154 [N] Bay 6 Apron Lighting Upgrade	0	4,687	0	4,687	0%
0959155	0959155 [N] GA Apron Environmental Control for S	0	0	0	0	0%
0959158	0959158 [R] Terminal Building Airside Water Main	0	(496)	0	(496)	0%
0983708	0983708 [R] Movement Area Guidance Signs (MAGS)	0	0	0	0	0%
0987689	0987689 [R] Renew runway windsocks	0	0	0	0	0%
0987704	0987704 [R] Improve Airside Stormwater Managemen	133,125	0	0	0	0%
0987712	0987712 [R] Replace General Aviation Power Switc	0	0	0	0	0%
0987925	0987925 [R] Reconstruction of RPT Apron segment	0	0	0	0	0%
0989189	0989189 [R] Cooling Tower Water Chemical Control	30,000	19,667	0	19,667	66%
	TOTAL CP640 CAPITAL CONTROL AERO	4,101,388	1,335,418	1,840,154	3,175,572	33%
CP650 CAPITAL CONTROL NON AERO						
0580951	0580951 Rockhampton Airport Terminal redevelo	24,754	15,071	18,182	33,253	61%
0959120	0959120 [N] Covered walkway electrical	36,135	36,135	0	36,135	100%
0959141	0959141 Rental Car Parking Expansion (Stage 2)	0	0	0	0	0%
0959145	0959145 [R] Repairs to Defence Deployment Areas	25,000	22,559	0	22,559	90%
0959149	0959149 Hunter Street stormwater drainage (Long	0	0	0	0	0%
0983748	0983748 [R] Resurface the Bitumen Area of the Sh	0	0	0	0	0%
0987680	0987680 [N] Enhance the Functionality of the Air	84,894	40,378	9,802	50,180	48%
0987681	0987681 [R] Refurbish General Aviation Precinct	13,032	29,712	0	29,712	228%
0987682	0987682 [R] Replace various Airport IT Systems S	30,650	0	0	0	0%
0987684	0987684 [R] Replace Stormwater Infrastructure	0	0	0	0	0%
0987685	0987685 [R] Renewal of aviation security infrast	61,300	611	12,185	12,796	1%
0987686	0987686 [N] Redundant HV Supply for Airport Prec	0	42,416	0	42,416	0%
0987691	0987691 [R] Replace Roofs of Various Airport Bui	43,383	25,360	0	25,360	58%
0987692	0987692 [N] Install Backup Airconditioning in th	6,000	0	14,643	14,643	0%
0987693	0987693 [U] Improve Terminal Access for People w	61,423	21,861	293	22,154	36%
0987694	0987694 [R] Refurbish Terminal Toilets	50,000	0	0	0	0%

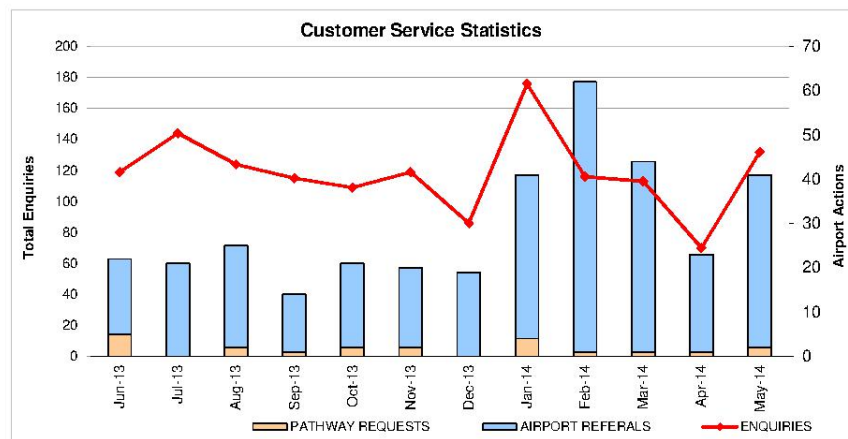
		Feb Revised Budget	YTD Actuals	Committals	Total YTD Actuals (inc committals)	% of YTD Actuals (excl committals) to Total Budget
		\$	\$	\$	\$	%
0987695	0987695 [R] Replace Terminal Floor coverings	0	0	0	0	0%
0987701	0987701 [R] Improve Landside Stormwater Manageme	0	0	0	0	0%
0987703	0987703 [R] Resurface 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	20,400	20,400	0%
1020125	1020125 [N] Passenger Security Screening Equipme	250,000	240,482	0	240,482	96%
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 CP650 CAPITAL CONTROL NON AERO	899,427	593,544	75,505	669,049	66%
	TOTAL CAPITAL EXPENDITURE	5,000,816	1,928,962	1,915,659	3,844,621	39%

AIRPORT FINANCE AND STRATEGIC MATTERS REPORT MAY 2014

Customer Service Statistics - May 2014

Meeting Date: 2 July 2014

Attachment No: 3



MONTH	ENQUIRIES	AIRPORT REFERRALS	% REFERED	PATHWAY REQUESTS	NOTES
Jun-13	119	17	14.3%	5	
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	
Totals	3208	470	14.7%	53	

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 CLOSURE OF MEETING