



# Office of Mayor and CEO

Monthly Review

Period - December 2016

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## OVERVIEW

This report is for the Office of the Mayor and CEO for December 2016.

Significant items in this period include:

- There were no lost time injuries across council for November. A draft three year safety and wellbeing strategy has been developed and will be adopted in early 2017.
- Greater Whitsunday Alliance (GW3) has now appointed a Chair elect (John Glanville) with a new CEO and Board Director roles to be finalised by end December 2016.
- The new Dudley Denny City Library remains on track to open in mid-December with final works and fitout taking place. There only remains a small number of critical works to be completed. The City Library in the Gordon Street precinct closed on Friday 2 December and the associated new staff accommodation works is running to plan.
- Council received the draft \$10M Federal Funding Agreement for the Mackay Sports precinct in late October and the draft CQU lease for the 12 hectares of land. A review of both documents is currently taking place.
- The review of the Procurement policy and Corporate Plan are now well advanced and will be finalised by February 2017.

I would like to thank all councillors and staff for their support and efforts in 2016 and wish them and all of our valued residents a very Merry Christmas and a safe and prosperous 2017.



**Chief Executive Officer**

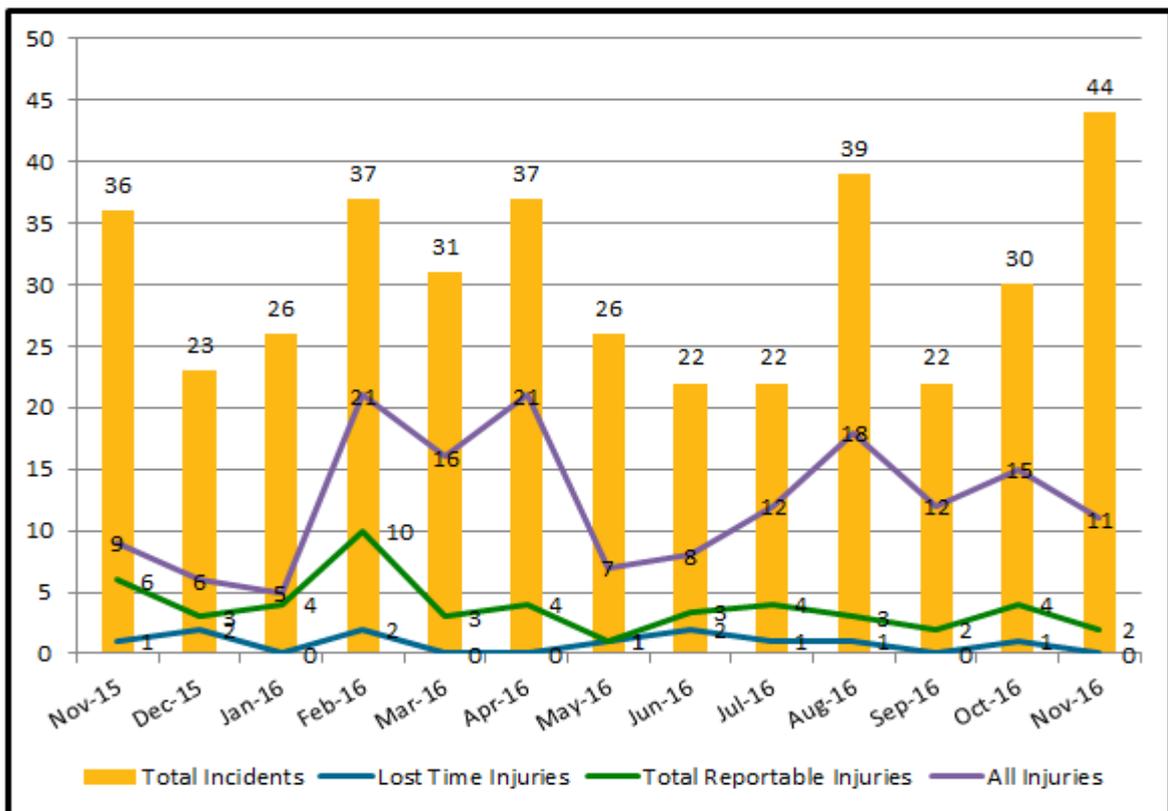
# SAFETY

## 1.1. Summary

Forty-four incidents were reported during November, eleven of which involved an injury. There were no lost time injuries for November.

For 2016-17 year to date, there have been three lost time injuries recorded, with a total of six days lost.

## 1.2. Incidents and Injuries



This graph shows the total number of safety-related incidents and injuries recorded across all of council.

Of the 44 incidents reported, 11 involved an injury, including:

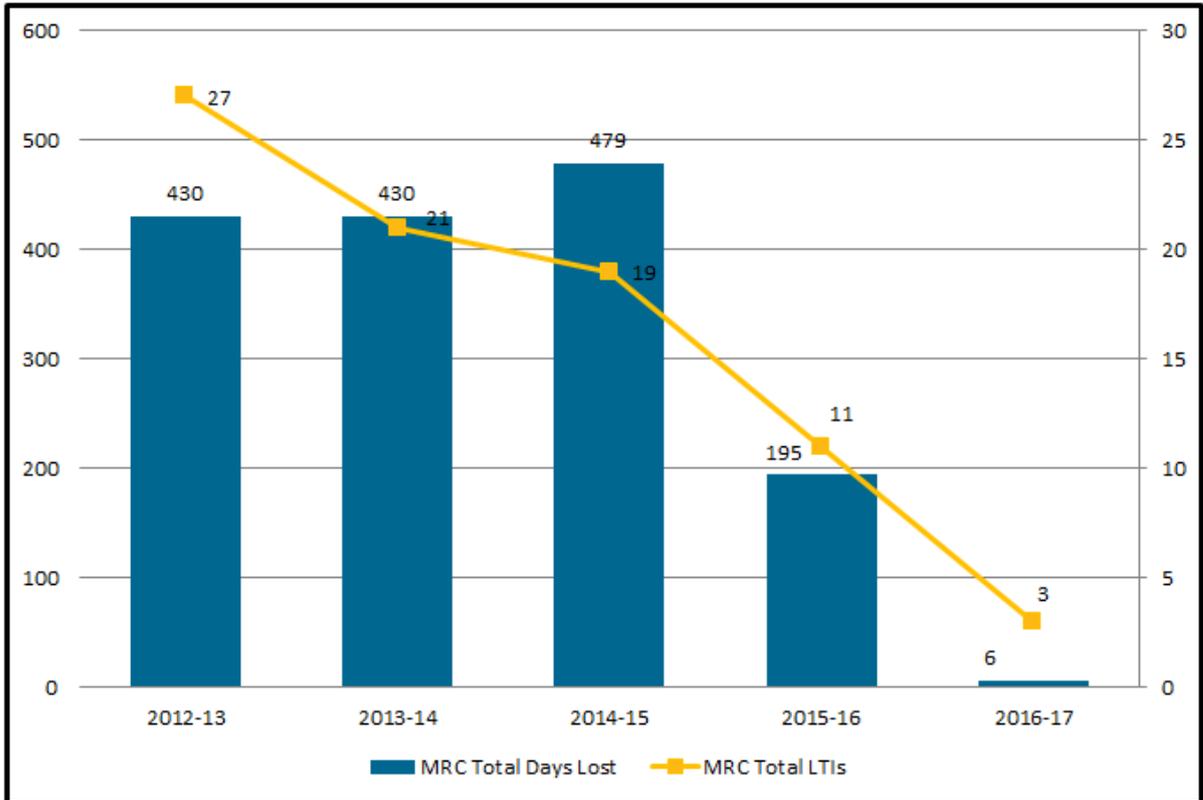
- An officer received a small hand injury from a dog which jumped up whilst its kennel was being cleaned.
- A library volunteer grazed their fingers while placing books onto shelves.
- A worker suffered strains and sprains after they tripped on an uneven pathway.
- A worker was stung on the hand by a wasp.
- A worker experienced muscle pain in lower back after a day of labouring activities.
- While using a pole saw, a worker a sharp pain in their shoulder.
- Minor eye irritation after a bug got caught between the safety glasses and eye.
- A worker received multiple wasp stings after brushing against a tree.
- A shoulder injury after a worker, walking through bush, tripped over.
- A worker suffered a minor back injury when they bent over to collect something off the ground.

- A contractor injured their shoulder after the quick cut saw blade they were using to cut a concrete pipe grabbed.

Near misses included vehicle incidents and minor property damage, and reflect a continued positive reporting culture.

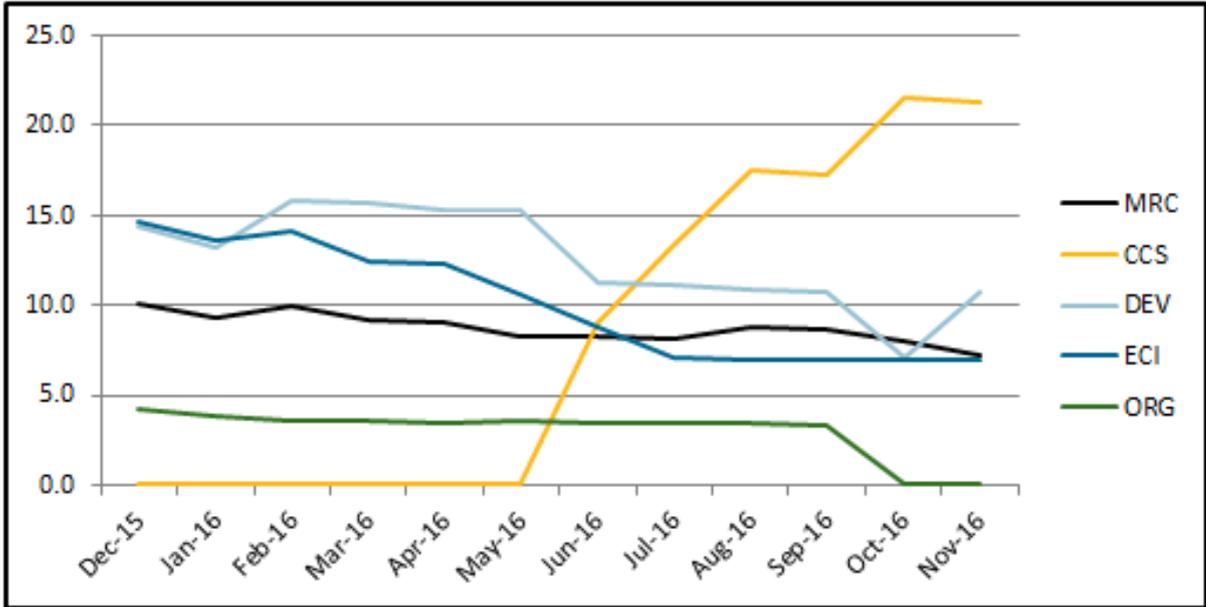
Each incident is investigated and appropriate corrective measures implemented, to reduce future risks.

**Lost Time Injuries and Days Lost**



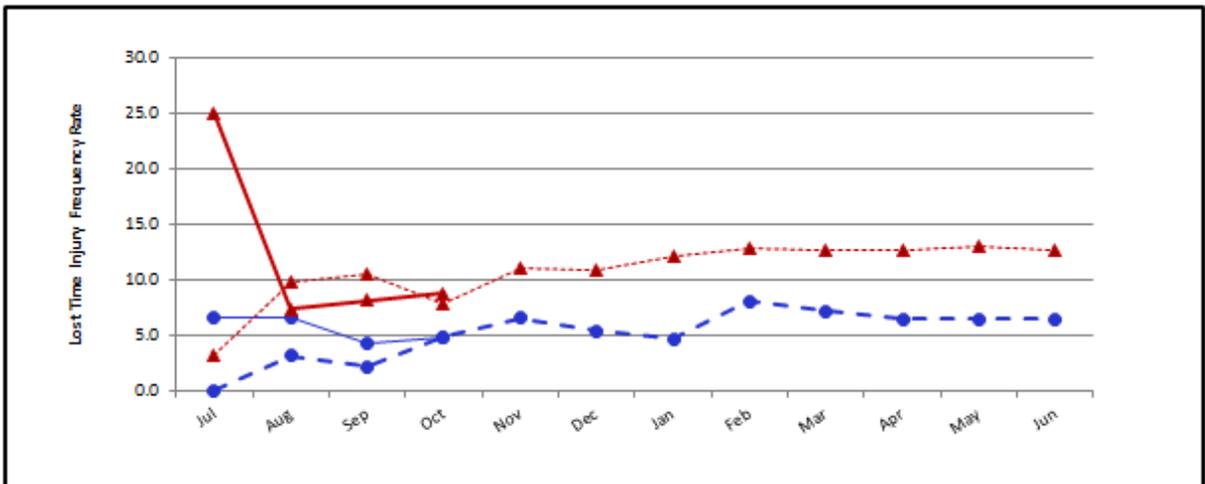
| Department                              | 2012-13   |            | 2013-14   |            | 2014-15   |            | 2015-16   |            | 2016-17  |           |
|---|-----------|------------|-----------|------------|-----------|------------|-----------|------------|----------|-----------|
|   | LTI       | Days Lost  | LTI      | Days Lost |
| Community & Client Services             | 3         | 15         | 5         | 155        | 1         | 11         | 2         | 4          | 3        | 6         |
| Organisational Services                 | 3         | 24         | 1         | 4          |           |            | 1         | 4          |          |           |
| Development Services                    | 9         | 130        | 7         | 201        | 4         | 164        | 3         | 29         |          |           |
| Engineering & Commercial Infrastructure | 12        | 261        | 8         | 70         | 14        | 304        | 5         | 158        |          |           |
| <b>Mackay Regional Council</b>          | <b>27</b> | <b>430</b> | <b>21</b> | <b>430</b> | <b>19</b> | <b>479</b> | <b>11</b> | <b>195</b> | <b>3</b> | <b>6</b>  |

**Injury Frequency Rates 12 month rolling average**



The rise in the Community & Client Services average frequency rate reflects the five LTIs recorded in June, July, August & October.

**Lost Time Injury Frequency Rate Comparison**



**Legend**

|     |           |  |
|-----|-----------|--|
| MRC | This year |  |
|     | Last year |  |

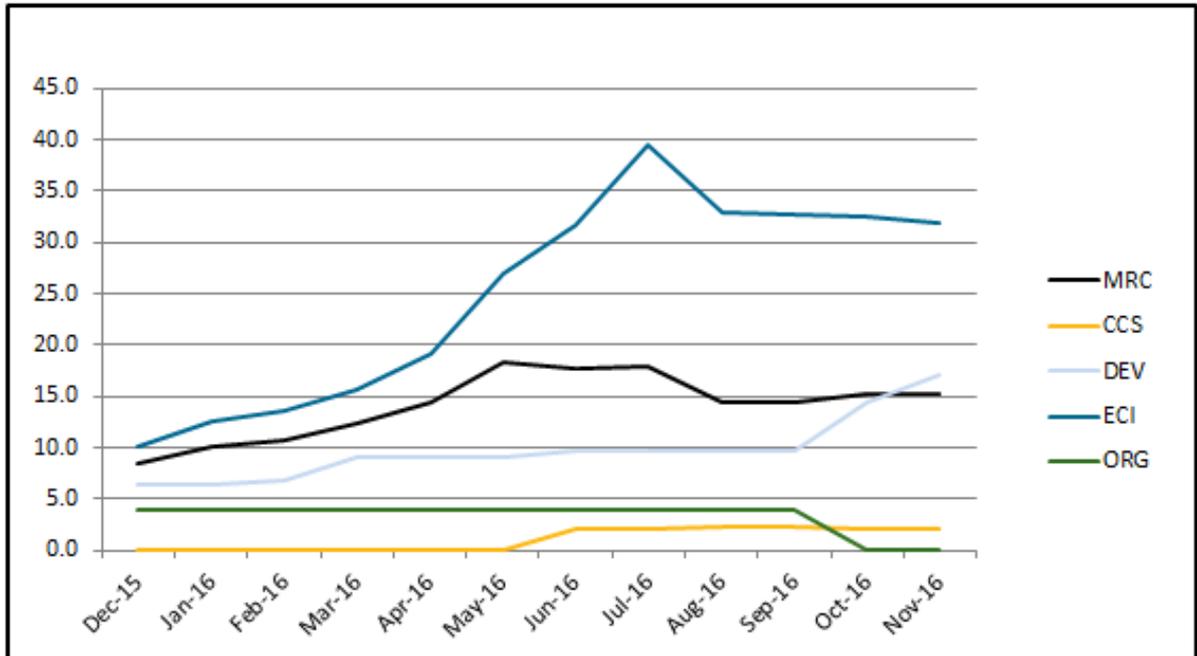
|                      |           |  |
|----------------------|-----------|--|
| All Group E Councils | This year |  |
|                      | Last year |  |

This data is provided by MRC's workers compensation insurer LGW, and depicts the cumulative LTI frequency rate over the course of the current financial year compared to comparable councils (Group E councils).

At the time of producing this report, November data was not available. As at 30 November, MRC had recorded three LTIs.

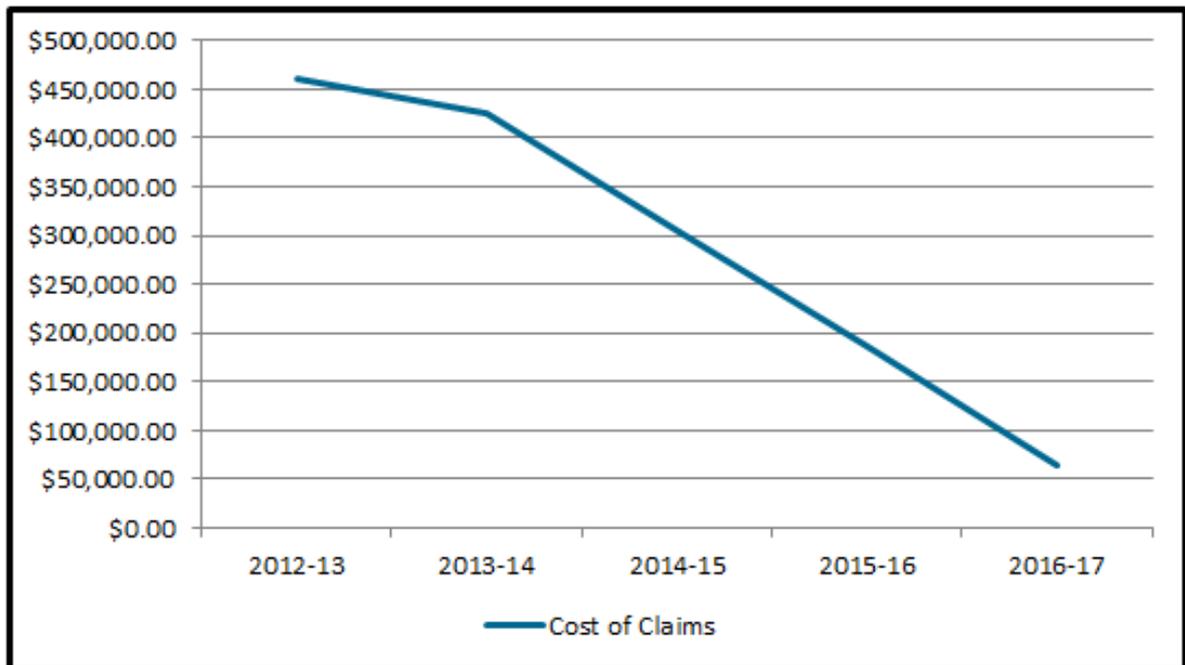
Where applicable, this data includes 'journey claims' ie injuries sustained while travelling to and from work, as these are included in the *All Group E Councils* data.

**Duration Rates 12 months rolling average**



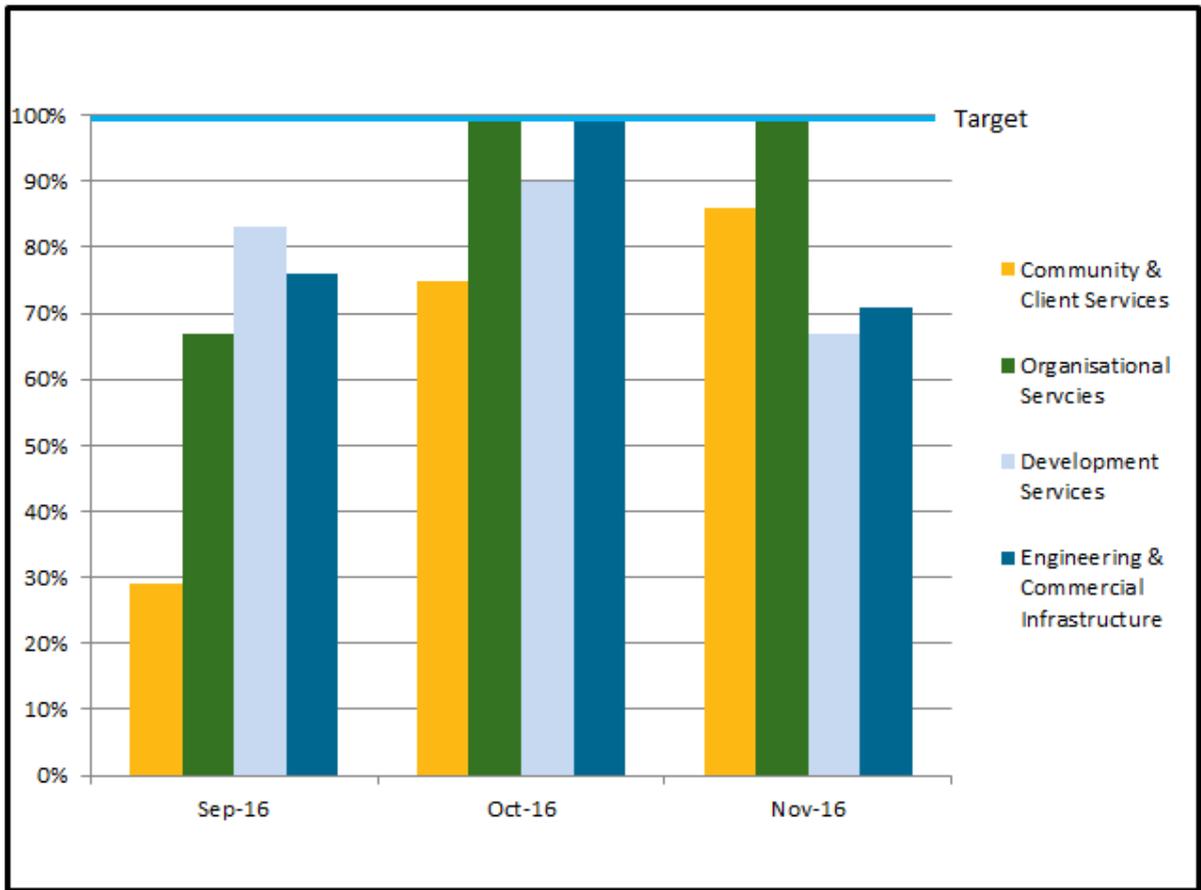
This graph shows the average severity of injuries calculated on 12-month rolling average.

**Workers Compensation Claims Costs**



Reduced workers compensations costs are an indicator of improved safety outcomes and will result in lower insurance premiums over time.

### Hazard Inspection Checklists

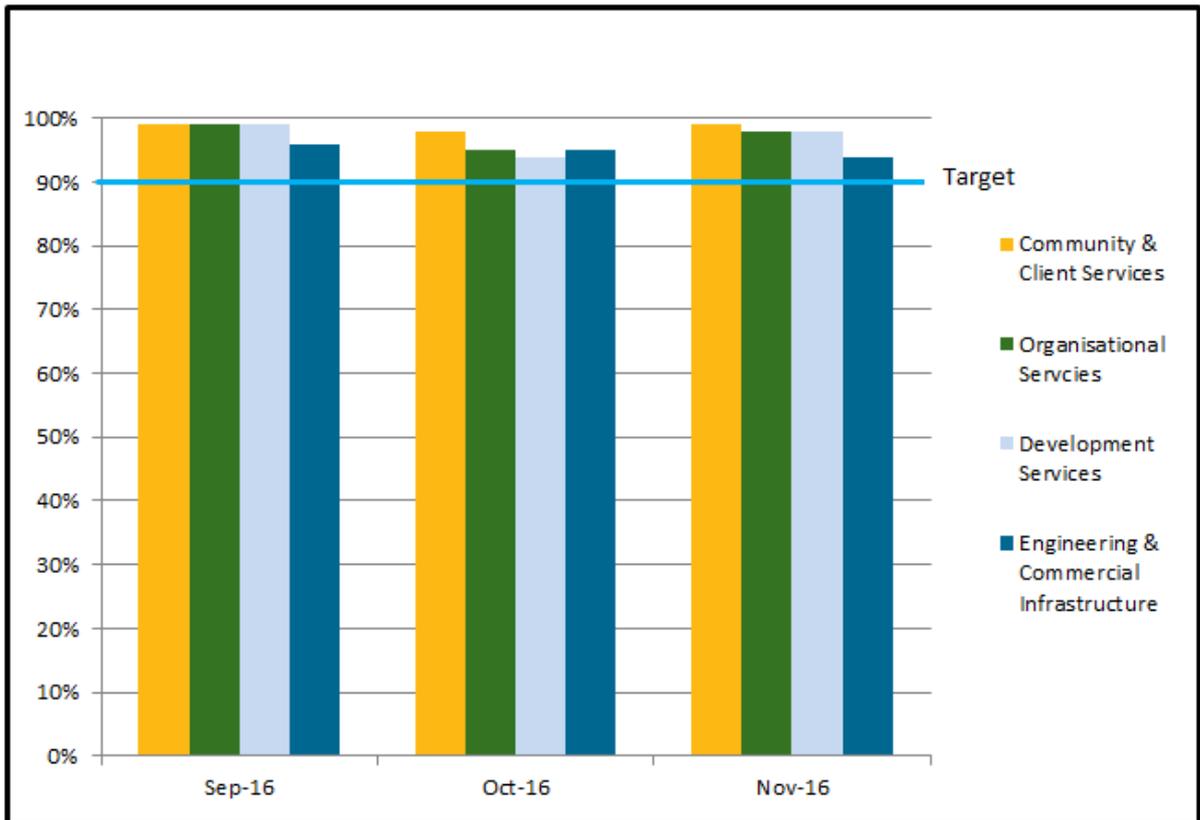


A hazard inspection is a planned activity in which the workplace is inspected, following a checklist, to identify and report potential hazards to be eliminated or controlled. Hazard inspections are an important element of MRCs safety system and help to prevent work-related injury and illnesses.

A target of 100% has been set for the completion of scheduled hazard inspections. Data is shown as recorded at the end of the month. Further actions have been completed in subsequent months.

Note: data for this report was compiled before the due date for completed hazard inspections. Future reports will include final data.

**Monthly Action Plans**



Monthly Action Plans (MAP) are planned safety-related actions allocated to work groups over a 12-month schedule and are developed in response to identified risks.

A target of 90% has been set for the completion of MAP items. Data is shown as recorded at the end of the month. Further actions have been completed in subsequent months.

**Glossary**

|   |   |
|---|---|
| Group E                                   | Councils with wages greater than \$50 million   |
| Incident                                  | Any unplanned event resulting in, or having a potential for injury or ill health.   |
| Lost Time Injury (LTI)                    | Incidents that resulted in a fatality, permanent disability or time lost from work of one day / part of a day or more   |
| Lost time incident frequency rate (LTIFR) | The number of lost-time injuries per million hours worked.<br>Calculated as follows:<br>$\frac{\text{No of LTI} \times 1,000,000}{\text{total hours worked during period}}$ |
| Duration rate                             | $\frac{\text{Days Lost}}{\text{\# of LTIs}}$  |
| Reportable Injuries (RI)                  | Incidents that result in a Lost Time Injury (LTI), Suitable Duties Injury (SDI) and Medical Treatment Injury (MTI)  |

## KEY INITIATIVES

This section provides a summary of key initiatives linked directly to the Office of the Mayor and CEO. Many of these initiatives utilise staff and resources from key areas of the business however are not necessarily reported through Standing Committee reports.

### 2.1. Summary of key projects and initiatives

| Strategy  | Action   | Measure  | Start Date | Est Complete Date | Status  | Comments  |
|---|--|--|------------|-------------------|---|---|
| Diversify Mackay's Economy                      | Facilitate the creation of an economic development body for the region, which reflects Council's role in regional economic development [NCP]                                   | Economic development body formed   | May -16    | Sep-16            |    | GW3 is now a formal entity as at Friday 28 October. Recruitment of the Chair (elect) is now complete with John Glanville now appointed. CEO interviews will occur in mid-December with appointment expected before Christmas. Interviews for Board Directors will also occur prior to Christmas. A commercial agreement has been now been completed for GW3 to lease an office at the Ground Floor of the Dome building in Mackay City Heart. They plan to move to the premises prior to end December 2016.   |
| Co-investment for development                   | Identify opportunities to attract co-investment in regional priorities and strategies from State and Federal Governments and the private sector through strategic partnerships | Identify shovel ready projects and initiatives and develop business cases for these. | June 16    | Ongoing           |  | The new economic body formation (GW3 as explained above) will allow a unified regional focus with key funding applications and canvassing support from the State and Federal government. The formation of GW3 will also realise a seat on the Northern Australia Alliance initiative effective from October 2016. Other Mackay specific projects will be progressed through MRC staff.<br><br>A priority list of shovel ready projects has now been developed with business cases to be initiated within the next 6 months on the key projects identified by Councillors. |
| Residential showcase developments               | Assist Economic Development Queensland (EDQ) to undertake Woodlands residential 'showcase' developments  | Completion of Stages 7 & 8 infrastructure civil works                                | June 16    | Feb 17            |  | Contract for civil works for these stages have been now issued to Vassallo Constructions by EDQ. Progress is to plan and expected to be completed in December. Extra park related works will occur in early 2017.   |
| Promotion of local suppliers and local stimulus | Undertake standard review of the Procurement/Local Buy policy  | Complete Review with endorsement by Council  | July 16    | Dec 16            |  | Review completed with briefing to Council taking place on 23 November with final policy to be submitted to Council for review by February 2017.   |

| Strategy  | Action  | Measure   | Start Date | Est           | Status  | Comments  |
|---|---|---|------------|---------------|---|---|
|   |   |   |            | Complete Date |   |   |
| Corporate Strategy Alignment                    | Review of Councils 2015-2020 Corporate Plan   | Plan reviewed and updated for 2016 – 2021 and endorsed by Council | June 16    | Sept 16       |    | Numerous meetings held with final plan to be completed by January 2017.   |
| Advocacy for the Mackay Ring Road               | Support the State Government progress Stage 1 of the Mackay Ring Road   | Ring Road Stage 1 is progressed                                   | 2015       | 2018          |    | Stage 1 of the Ring Road is now fully funded and due for commencement of works in 2017.   |
|   | Advocate for State and Federal Government support for Stage 2   | Number of advocacy activities undertaken                          | Jul 16     | June 17       |    | Limited advocacy and work undertaken on Stage 2 in this period.   |
| Advocacy for Mackay to Bowen Basin Service Link | Seek funding for the construction of the Mackay to Bowen Basin Service Link<br>Number of advocacy activities undertaken   | Funding commitment  | July 16    | Ongoing       |    | Discussions held with Transport Minister and Director General (DG) in October at Cabinet in Community at Proserpine.<br><br>Further discussion on timing and funding will occur between CEO's Office and the DG's Office.   |
| Mackay Regional Sports Precinct                 | Advocate for, and help facilitate the construction of the CQ University Mackay Campus Sports Precinct master plan         | Construction activities commenced, subject to funding approval    | July 16    | Jun 17        |    | Project costs for Stage 1 of \$20M. Confirmation received from Federal Government in September on intention to provide \$10M funding for this project. Remaining \$10M funding will be from MRC.<br><br>Draft Funding Agreement received 28 November. Draft lease for 12 hectares of land at CQU received end November. Aiming for execution of both the funding agreement and lease as soon as practical (after document review) with works to commence on project in January 2017 once agreement executed by Federal government.<br><br>Discussion with State Ministers on possible additional funding for lighting at athletics track etc has also taken place with funding opportunities to be identified.<br><br>See more detail on this project later in this report. |
| Northern Australia Services                     | Undertake a review of the Northern Australia Services Transition and Transformation process on completion of 1 year [NCP] | Review completed and recommendations implemented.                 | June 16    | Sep 16        |  | Review complete.  |
| People and Culture                              | Review and revise the performance planning and review process for managers and directors [NCP]                            | New process implemented   | July 16    | Dec 16        |  | Limited work undertaken in the period on this initiative.<br><br>A strategy session with the full Management Team took place on 10 <sup>th</sup> /11 <sup>th</sup> November.  |
| Governance and Performance                      | Create cost savings and efficiencies through the delivery of in-house legal   | Increased percentage of legal services provided in-               | July 16    | Jun 17        |  | Active legal cases are reducing as we clear up some legacy issues. New Internal Legal   |

| Strategy                | Action  | Measure   | Start Date | Est Complete Date | Status  | Comments  |
|-------------------------|---|---|------------|-------------------|---|---|
|                         | services  | house.  |            |                   |   | advisor commenced in late August.<br>On track to reduce legal costs from 2015/16.   |
|                         |   | Savings in overall legal costs compared to 2015/16                            |            |                   |   |   |
| Best value service      | Undertake a 'first principles' review of Council's activities and services [NCP]        | Review completed and recommendations presented to Council                     | July 16    | Apr 17            |    | Progress on plan with update provided to councillors in early November. More detail provided in separate report below.  |
| Industrial Relations    | To commence negotiations for 2016 EA with workforce.                                    | Complete new EA   | July 16    | Feb 17            |    | The legal process has now been finalised between the State, Unions and LGAQ.<br><br>There have now been two meetings on the new EA with unions with logs of claims received and being discussed. Next meeting planned for February 2017.  |
| Stimulate Local Economy | Identify opportunities to attract people to Mackay to live and visit                    | Finalise and implement initiatives that result in increased population growth | July 16    | June 17           |  | An initiative to attract permanent migration from Southern States (in particular Sydney/Melbourne) to move to Mackay and live. A visit of seven journalists from key publications focused on semi-retired/retired audience occurred on 21 <sup>st</sup> /22 <sup>nd</sup> September and included; <ul style="list-style-type: none"> <li>• The Senior Newspaper</li> <li>• Australian Over 50's Guide</li> <li>• Australian Caravan &amp; RV Magazine</li> <li>• Probus South Pacific</li> <li>• RACQ Road Ahead Magazine</li> <li>• Daily Mercury</li> <li>• Cruising Helmsman</li> </ul> There have now been four stories published from the visit and all have been very positive about the Mackay region. |
| Improved Efficiency     | Identify initiatives to improve cost management and improve ratepayer service delivery. | Achieve 2016/17 budget and aim for reduction in deficit for 2016/17 by > \$2m | July 16    | June 17           |  | A review of the management of cash reserves and borrowings took place with QTC in August. Opportunities to reduce borrowings by paying out loans are limited due to market movements against original loan terms.<br><br>Opportunity to utilise cash reserves more efficiently is being investigated with QTC.<br><br>A number of initiatives are being   |

| Strategy                  | Action   | Measure                                    | Start Date | Est Complete Date | Status  | Comments  |
|---------------------------|--|--|------------|-------------------|---|---|
|                           |  |  |            |                   |   | investigated into reducing Council's >\$6m annual electricity costs. An Expression of Interest (EOI) process was released on 30 November with much interest received, This EOI closes in mid-January. |
| Mackay Region Fuel Prices | Investigate Mackay region fuel pricing and comparison with other regions | Track terminal price and retail price data | Oct 16     | Ongoing           |  | Data has continued to be collected and is provided later in this report. A meeting is planned for 5 December between Mayor, CEO and RACQ on this matter.  |

 On Track     Potential Issues     Definite Issue

## Major Project Updates

### 3.1. Dudley Denny City Library Report

#### 3.1.1 Project details

|                             |   |
|-----------------------------|---|
| <b>Client Department</b>    | Community & Client Services   |
| <b>Delivery Department</b>  | Engineering & Commercial Infrastructure   |
| <b>Project Name:</b>        | Dudley Denny City Library, 134 Victoria Street, The Dome  |
| <b>Project description:</b> | Construction of a new city library in the Mackay City Centre, in an existing two storey building gifted to Council by David Denny |
| <b>Project Manager:</b>     | Project Manager – City Centre Projects, Jim Carless   |
| <b>Project Budget</b>       | \$8,248,741   |

The Project Control Group (PCG) for this project meets monthly and more frequently as required. The project group consists of:

- Jim Carless - Project Manager
- Craig Doyle - Chief Executive Officer
- Jason Devitt - Director Engineering & Infrastructure
- Bridget Mather - Director Community & Client Services
- David McKendry - Executive Officer

#### Project status summary

#### 3.1.2. Activities for period

##### Major project activities

| <i>Outline of recent and planned activities on site;</i> |  |
|--|--|
| <b>Recent activities (past month)</b>                    | <ul style="list-style-type: none"> <li>• Complete building works</li> <li>• Commence landscape and play area to north terrace</li> <li>• Commence car park works</li> <li>• Commence RFID and equipment installation</li> <li>• Complete shelving install</li> <li>• Commence IT install</li> <li>• Commence loose furniture install</li> <li>• Commence commissioning work</li> </ul> |
| <b>Scheduled activities (next month)</b>                 | <ul style="list-style-type: none"> <li>• Complete all building works</li> <li>• Complete car park works</li> <li>• Complete technology and RFID install and commission</li> <li>• Complete loose furniture install</li> <li>• Complete building commission and handover</li> </ul>   |

| <b>Outline of recent and planned activities on site;</b> |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Open to public</li> <li>• Commence work on building defects/omissions</li> </ul> |

### 3.1.3. Budget & Scope

See below summary of financials as at 15<sup>th</sup> November 2016.

| Description   | Actuals & commitments | Budget          | Remaining Expenditure |
|---|-----------------------|-----------------|-----------------------|
| Design & Planning   | \$780,229.28          | \$744,589.00    | -\$35,640.28          |
| Project Management  | \$356,908.56          | \$296,461.00    | -\$60,447.56          |
| Demolition  | \$176,848.44          | \$180,000.00    | \$3,151.56            |
| Main Construction Activities  | \$5,660,120.00        | \$5,660,120.00  | \$0.00                |
| Other Construction Activities (car park, landscape, furniture, playgrounds etc) | *\$1,072,440.31       | *\$1,303,407.00 | *\$231,029.69         |
| Project Contingency   | \$340,484.36          | \$284,101.00    | -\$56,383.36          |
|   | \$8,387,030.95        | \$8,468,741.00  | \$81,710.05           |

\* The total estimated spend for the project is \$8.58million, which is approximately \$111,000 (which comprises the \$56,383.36 overspend on contingency outlined above and another \$55,000 projected overspend in Variations) over the original project budget.

### 3.1.4. Schedule

The completion and handover date from contractors to MRC is planned for 14th December 2016 due to delay in achieving authority inspections. The soft opening date is now expected to be in the period of 15<sup>th</sup> or 16th December, depending on outcome of authority inspections on the 14<sup>th</sup> December. Actual opening details to be confirmed after inspections.

Official opening is planned for 3<sup>rd</sup> February 2017.

### Progress photos



*Building facade*



*Install of carpet tiles around Quiet Rooms*



*Book shelving installation in Collection Area*



*Installation (progress) of feature lantern glazing*



*Completion of feature lantern glazing*



*Progress of the Northern Terrace modular decking and planting*

## **3.2. Staff Accommodation Project**

### **3.2.1. Introduction**

The Staff Accommodation Project scope of works is decreasing with work now concentrating on the bottom floor of the Sir Albert Abbott Administration Building (SAAAB) and Stage 2 of the project being City Library Building (CLB) refit.

### **3.2.2. Project Delivery**

Work on the first floor (Asset Management area) of the SAAAB is nearing completion with only data point upgrading to be undertaken when similar work is being carried out on the ground floor.

Ground floor works are currently underway in the office space previously occupied by sections of the Community & Client Services Department with this work to be completed during the week ending 9<sup>th</sup> December 2016.

The Property Services Program will temporally be relocated on the ground floor to facilitate the final stage of the office refurbishments in the SAAAB to be completed prior to the Christmas close down period.

### **3.2.3. Project Cost**

Two preliminary quotes received from contractors on Council's preferred supplier's list have been reviewed to ensure compliance with the project scope of works to refit the CLB providing an indication of final project cost. Property Services are now working with Plant and Procurement to fast track a full tendered process to allow construction work to commence in the New Year.

Following rehousing of current CLB occupants internal demolition will be undertaken simultaneously with the refurbishment tender process.

### **3.2.4. Summary**

Project work for Stage 1 of the project is progressing in line with timeframes and budget with preparation work for Stage 2 progressing to facilitate refitting work on the CLB commencing as soon as the DDCL project is completed.

Dependant on final tender price for CLB works additional funding may be required to complete the project.

### 3.3. Mackay Regional Sports Precinct Project

#### Project Status Report as at 15 November 2016

The Mackay Regional Sports Precinct is a partnership proposal between Mackay Regional Council, Central Queensland University and sporting associations in Mackay. The overall vision is to jointly develop a multi-facility Precinct which caters for the future growth of Mackay and meets the clearly identified future planning needs for sport and recreation in the region.

#### 3.3.2 Project outcomes for Stage 1

The outputs of Stage 1 (1a and 1b) of the Precinct will include the following deliverables:

Stage 1a - Athletics Facility including synthetic surface running track, and field event facilities. The associated clubhouse building will include spectator stands, general lighting (excluding field lighting), roads/drop-off areas, path links within site and landscaped surrounds.

Stage 1b – Aquatic Centre includes a 50 metre outdoor pool, heated pool and program pool, as well as reception and amenities buildings.

Car parking facilities, security lighting/CCTV cameras and site infrastructure will also be delivered which comprises the services required to the overall site. These include sewerage, water supply, electricity, communications services and minor stormwater.

Items including athletics equipment and clubhouse/kitchen 'loose' items such as furniture and equipment are not part of the project as they are not eligible for funding. Work will be undertaken with the ultimate facilities users over equipment including existing items held as well as other potential funding opportunities.

#### 3.3.3 Project budgets

|                        |              |
|------------------------|--------------|
| Total stage 1 budget   | \$19,996,196 |
| NSRF funding requested | \$9,996,196  |

Cost Plan below as developed by AECOM:

| Mackay Regional Sports Precinct – Cost Plan |           |                  |
|---|-----------|------------------|
| Description                                 | Sub Total | Total            |
| <b>STAGE 1A</b>                             |           |                  |
| TOTAL Entry Road and Drop-off               | 795,365   |                  |
| TOTAL Athletics Field                       | 1,865,630 |                  |
| TOTAL Athletics Building                    | 700,000   |                  |
| TOTAL Path Link to TAFE                     | 89,390    |                  |
| TOTAL Field Events Facilities               | 25,000    |                  |
| TOTAL Athletics Parking                     | 202,317   |                  |
| TOTAL Site Works                            | 1,080,980 |                  |
| Contingencies, design and management costs  | 1,652,318 |                  |
| <b>TOTAL Stage 1A</b>                       |           | <b>6,411,000</b> |
| <b>STAGE 1B</b>                             |           |                  |
| TOTAL Aquatic Centre                        | 9,746,150 |                  |

|   |                   |                   |
|---|-------------------|-------------------|
| TOTAL Aquatic Centre Car parking              | 697,024           |                   |
| TOTAL Site Works                              | 511,586           |                   |
| TOTAL ESD Initiatives Applicable to Stage 1b  | 25,000            |                   |
| Contingencies, design and management costs 1b | 2,556,240         |                   |
|   |                   |                   |
| <b>TOTAL Stage 1B</b>                         | <b>13,536,000</b> | <b>13,536,000</b> |
| <b>Total Stage 1</b>                          | <b>\$</b>         | <b>19,947,000</b> |

### 3.3.4 Key project dates (Stage 1)

Key dates estimated below based on funding agreement being signed in November 2016;

|  |                                   |
|--|-----------------------------------|
| Signed funding agreement (estimated)           | Dec 2016                          |
| Commence preliminary design stage (3-4 months) | Jan 2017                          |
| Design package review (4 weeks)                | May 2017                          |
| Commence Tender Period - priced (2 months)     | July 2017                         |
| Tender Assessment (1 month)                    | Sept 2017                         |
| Award main D&C contract                        | Oct 2017                          |
| Commence site works (15 months construction)   | Oct/Nov 2017                      |
| Construction of Stage 1                        | Nov 2017-through<br>2018-Feb 2019 |
| Practical Completion                           | Feb 2019                          |

### 3.3.5 Project status summary

Funding Agreement received on 28 November. A review of the agreement is currently underway. Hopeful agreement can be signed by MRC prior to end December however is contingent on lease with CQU also being finalised and agreed.

### 3.3.6 Project Governance

The project is currently guided by a Project Control Group chaired by the Chief Executive Officer, Craig Doyle.

#### Project Control Group

The Project Control Group currently consists of the following membership;

- MRC Chief Executive Officer, Craig Doyle (Chair)
- MRC ECI Director, Jason Devitt
- MRC Director Community & Client Services, Bridget Mather
- MRC Executive Officer, David McKendry
- MRC Project Manager, Jim Carless
- CQU, Pierre Viljoen
- CQU Facilities Project Manager, Wayne Milsom
- CQU Campus Coordinator, Leanne Williams

The Project Control Group meets monthly.

A separate internal MRC sub-group of the above Project Control Group members meets monthly.

### **3.3.7 Track Relocation Update**

The project team will continue to consider all options with regards the synthetic running track, including a new Mondo (pre-fabricated) surface, new applied synthetic surface, and the possibility of using the recycled, repurposed commonwealth games track. Recent advice from various sources suggests that a recycled Mondo surface may not be the desired outcome for the Mackay Regional Sports Precinct.

### **3.3.8 Financial summary**

Total spend to date on the project is \$ 52,703.91.

### **3.3.9 Major Recent Project Activities**

- Draft funding agreement received by Council for review and execution.
- Project Engineer Karlee Hayden has joined the team full time and is working on investigations, service co-ordination and project integration issues. We are also reviewing the required project team with a view to increasing resources dedicated to the project in 2017.
- Meeting with Athletics Mackay to update them on the status of the project.
- Review of detailed project program.
- Prepare brief for Geotechnical report.
- Preparation of draft terms of reference for lead consultant for concept design and specifications. This design and specification would then be used to form the basis of the brief for tendering a design and construct package.

Prepare Expression of Interest documents for principal contractor.

### **3.3.10 Planned project activities**

- Review and execute funding agreement and lease.
- Increase resources for team in 2017.
- Review Expression of Interest documents for principal contractor.
- Issue request for price for lead consultant for concept design and specifications package.
- Continue to engage with key stakeholders.

### **3.4. First Principles Review Summary Report**

#### **3.4.1. Background**

A key initiative in the 2016/17 financial year is a First Principles Review of Mackay Regional Councils activities, service delivery, charges and policies. The review is being led by the Chief Executive Officer.

The initial project team includes members of the Finance Team, Executive Officer and Chief Executive Officer. This will expand to others within Council as we move through the process.

The key review areas will be completed by April 2017 so that any findings, opportunities and/or changes can be discussed as part of the 2017/18 budget.

The initial phase of the project involving identification of possible areas of focus has been completed.

#### **3.4.2. Project Deliverables**

The key deliverables of the First Principles Review are:

##### **Initial Phase – July 2016 to November 2016**

- A key costing summary with consistent application of assumptions for all Council services and activities has been developed. Summary of relevant costs have been broken down to per ratepayer, per resident and per user.
- Council's fees and charges costing methodology and basis for charging has been reviewed where available.
- Key category spend profiles have been identified.
- A workshop session has been presented to Council including data analysis and identification of key focus areas.

##### **Intermediate Phase – November 2016 to February 2017**

- From data analysis an agreed twenty-one (21) key focus areas have been identified for further review.
- Focus groups for key areas, including key employees, have been established to identify opportunities.
- The next step is commencing workshops around the focus groups to identify suggested options and undertake sensitivity analysis for review as part of pending 2016/17 Budget deliberations.

##### **Final Phase – March 2017 to June 2017**

- Finalise reports on key areas options and recommendations.
- Include in 2017/18 Budget.

The work and data analysis and collection for this review will be setup so that it can be used as a management tool to assess costs, options and analysis for improved future decision making.

### 3.4.3. Current Project Status

Works completed to date are:

- Summary of key services and costs/revenue completed.
- Workshop briefing held with Council
- An agreed twenty-one(21) key focus areas have been identified for further review
- Focus groups have been identified and will start meeting for workshop sessions

### 3.5. Investigation into Mackay Region Fuel Pricing

#### Project Status Report as at 7 December 2016

#### 3.5.1 Reported Data

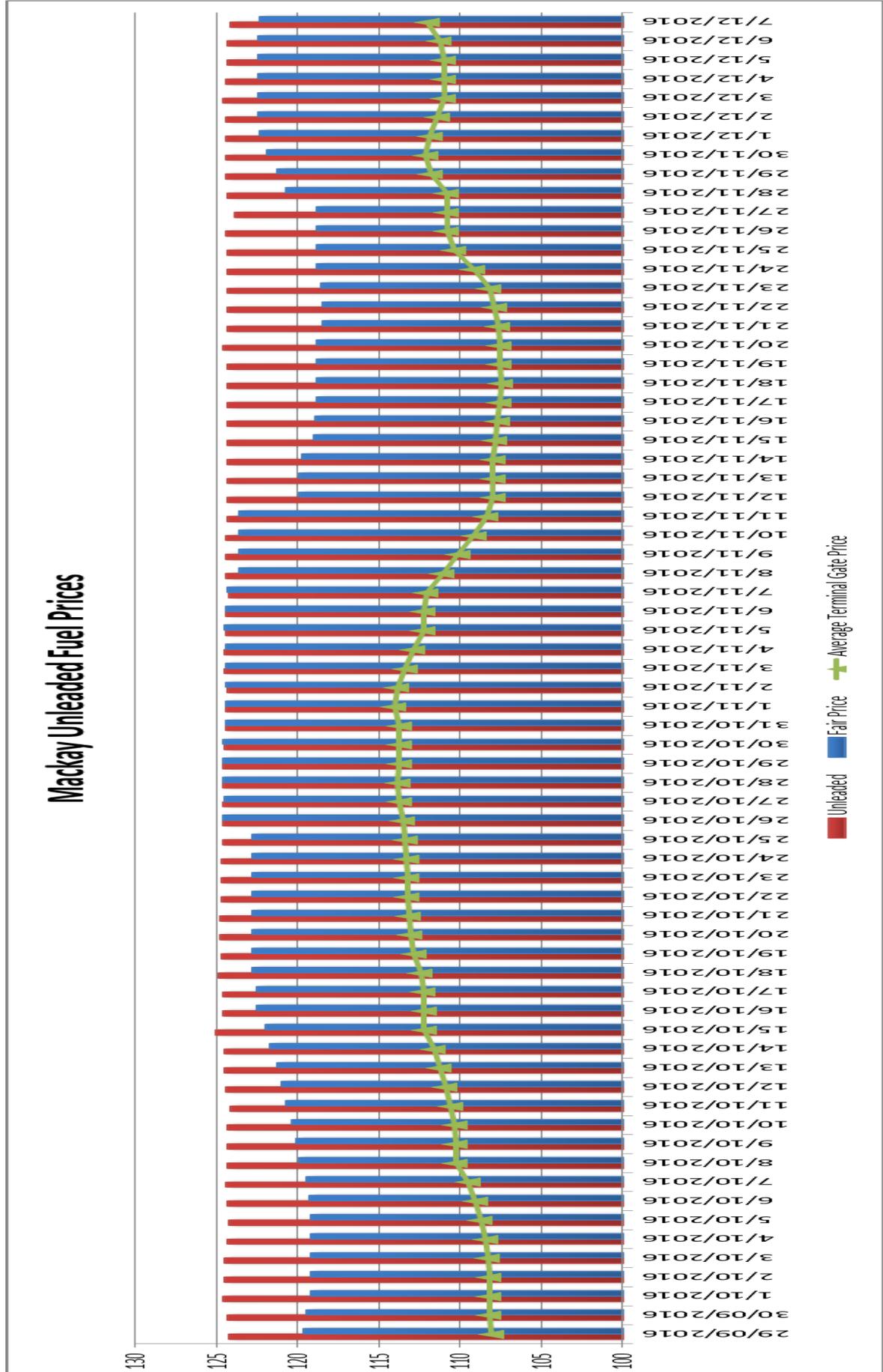
New graphs have been included in the December report showing a comparison between Mackay/Cairns and Mackay/Brisbane following a discussion with RACQ.

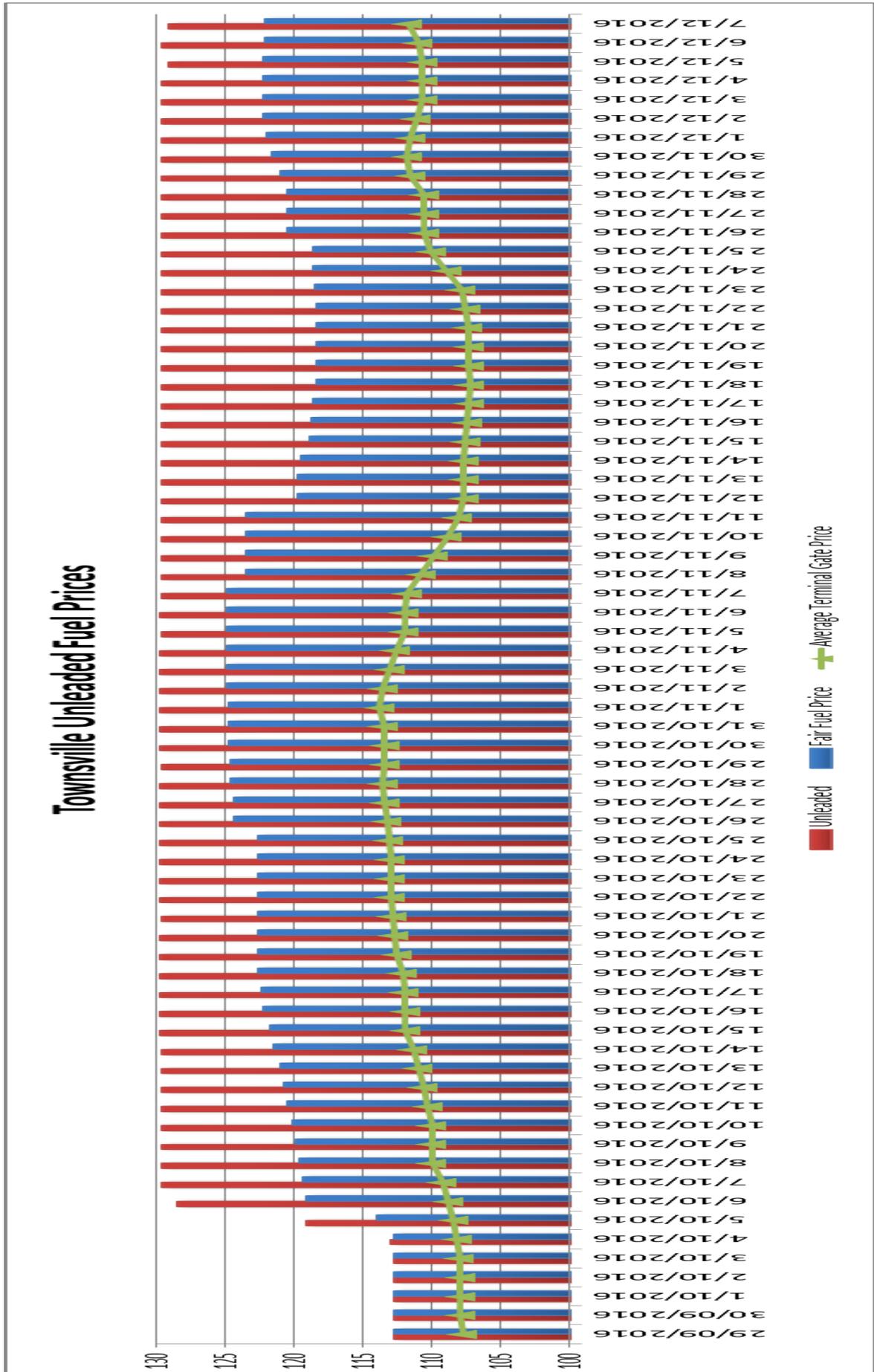
Also included is a graph with a comparison between the 'MRC Expected Retail Price' and the actual retail price. The 'MRC Expected Retail Price' was calculated by adding 10c/L (8c/L fair mark-up + 2c/L freight) to the Terminal Gate Price (TGP). The line of RACQ fair fuel prices has been provided for comparison.

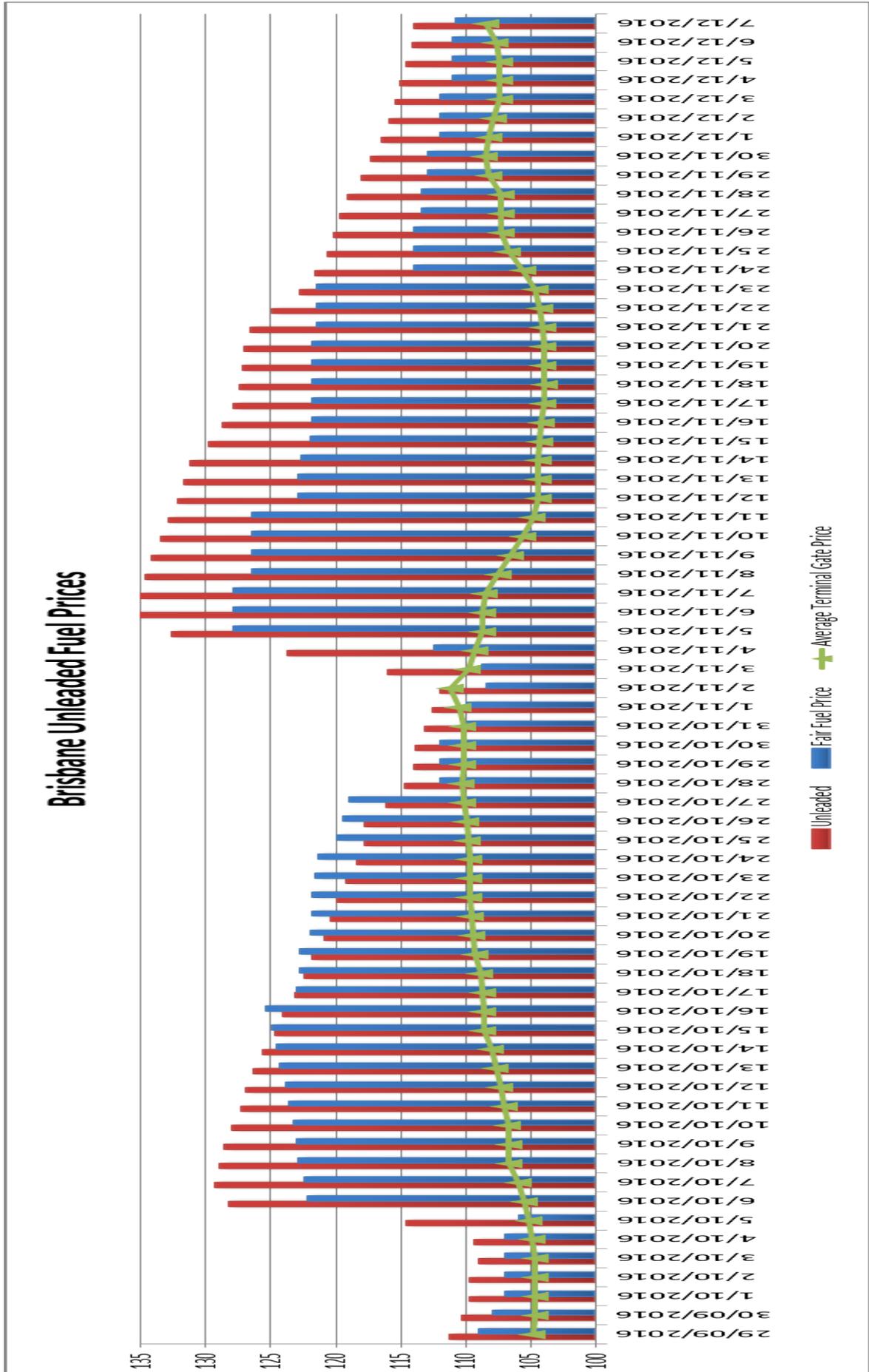
A further comparison has been made between the figures RACQ provided and the data Council have been collecting. Some of the differences, particularly between the GIRDs (difference between retail & TG prices) are quite substantial and may be another reason for the difference between RACQ's fair fuel price and the 'MRC Expected Retail Price'. This data has been added for reference after a teleconference with RACQ.

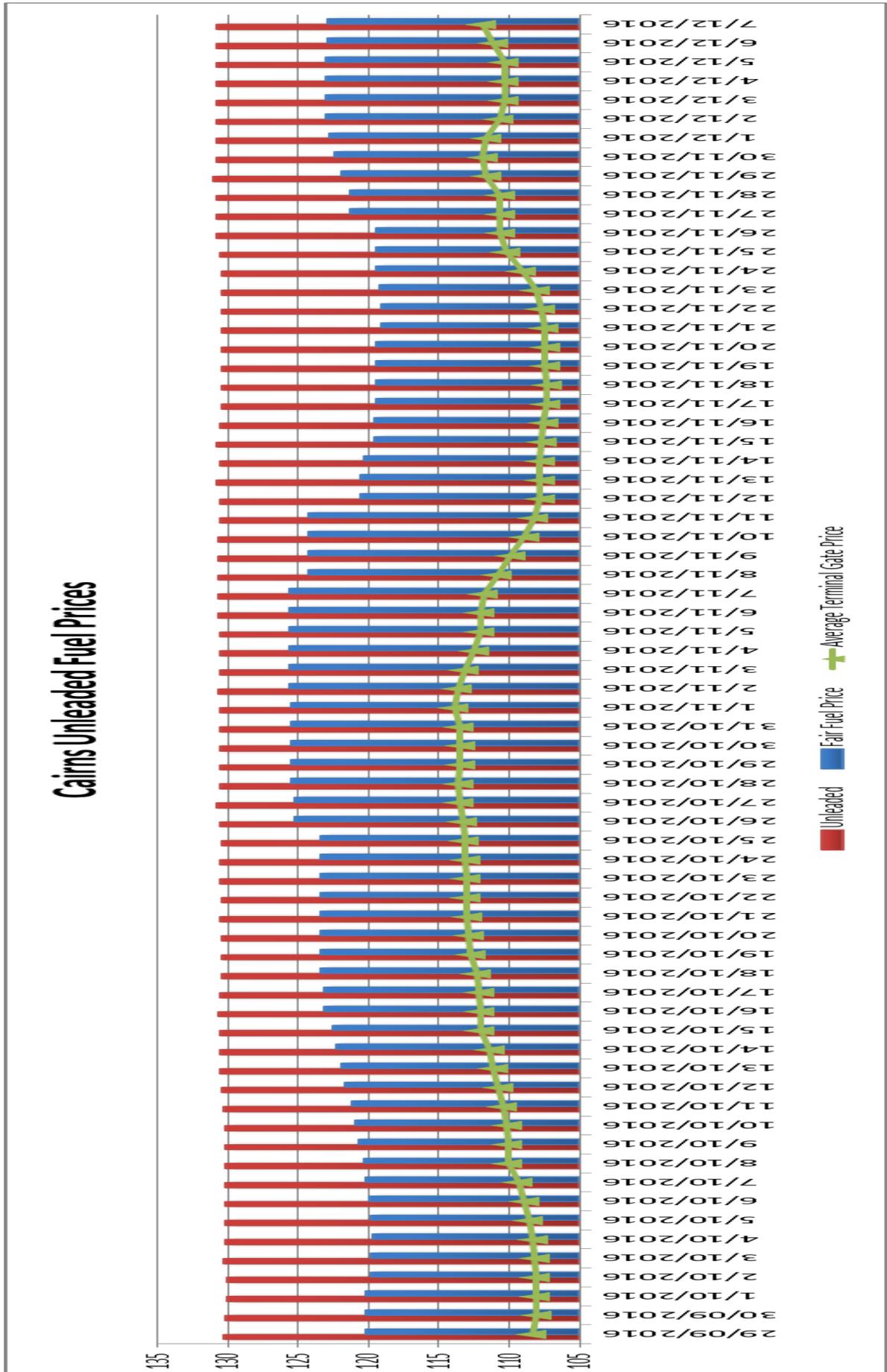
Unleaded; diesel and the additional graphs are shown on the following pages.

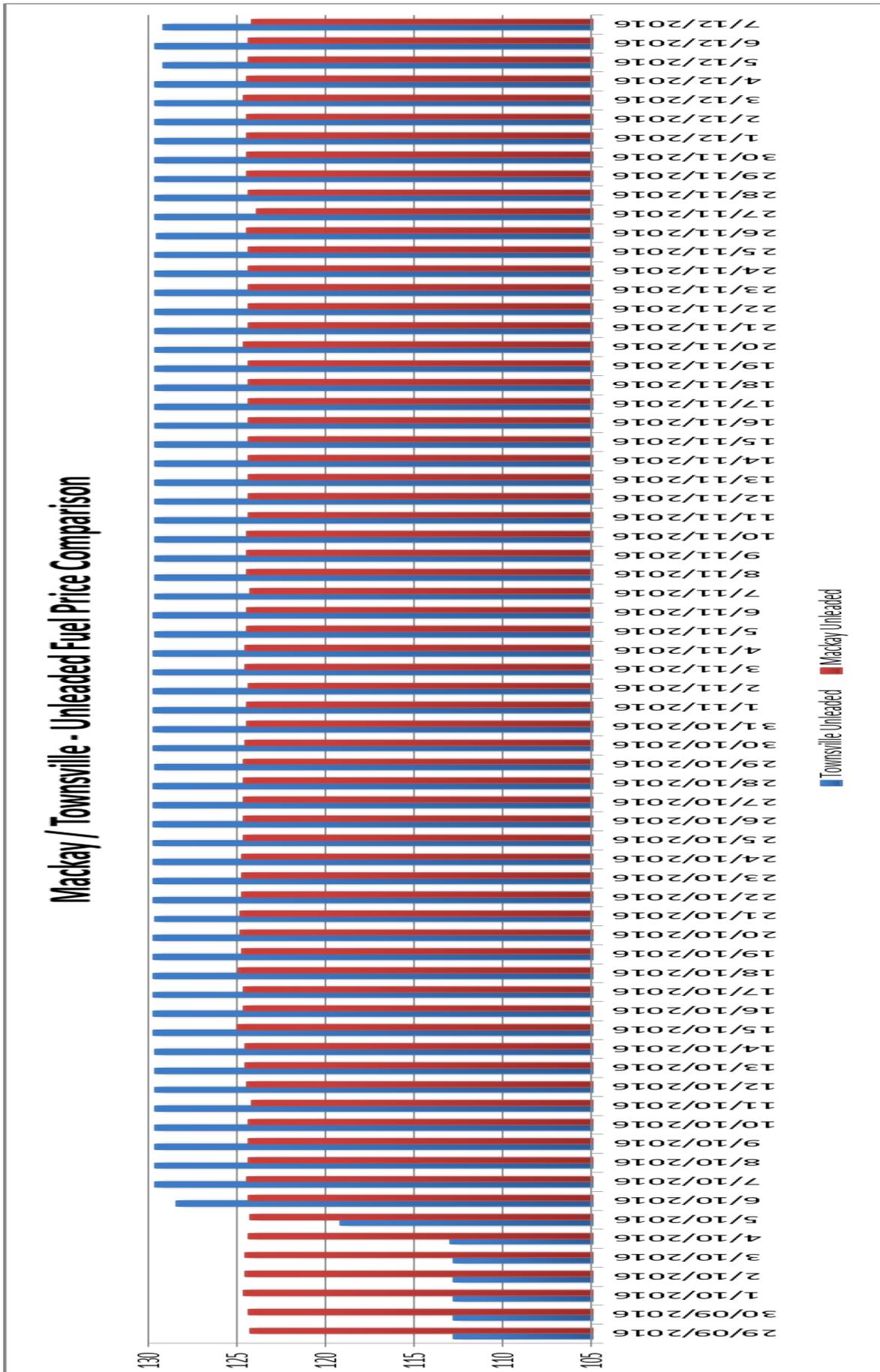
Unleaded fuel

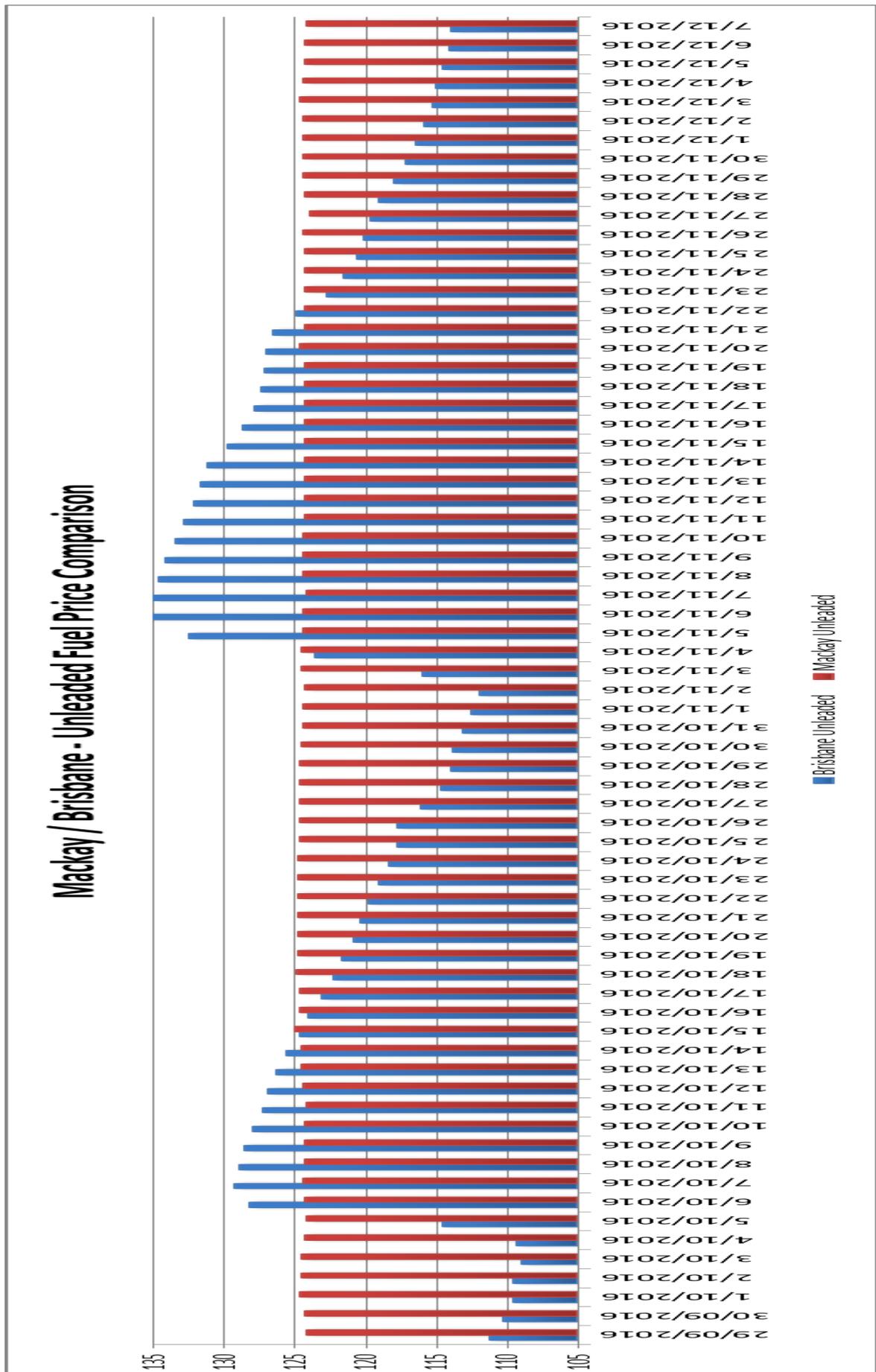


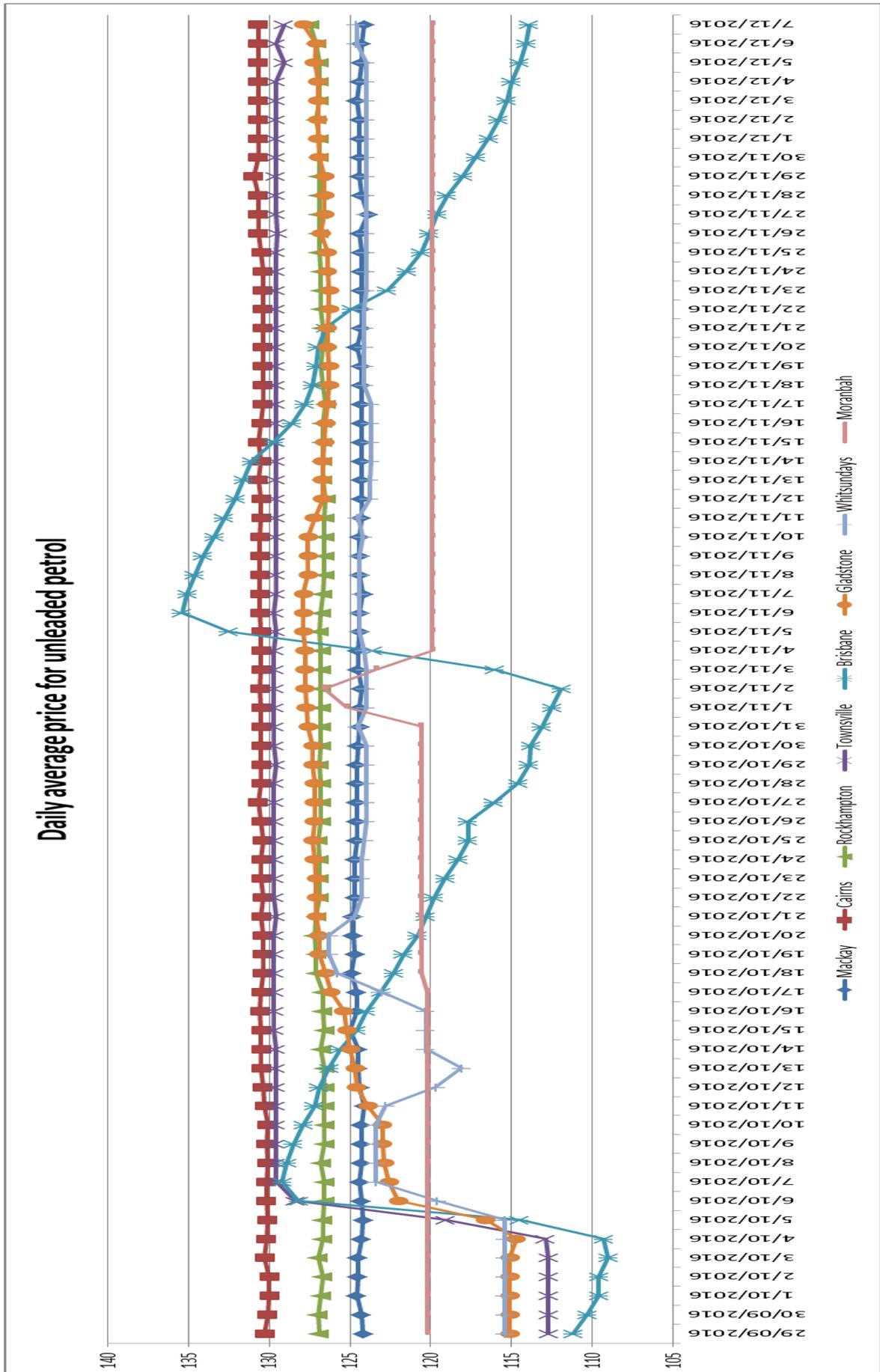


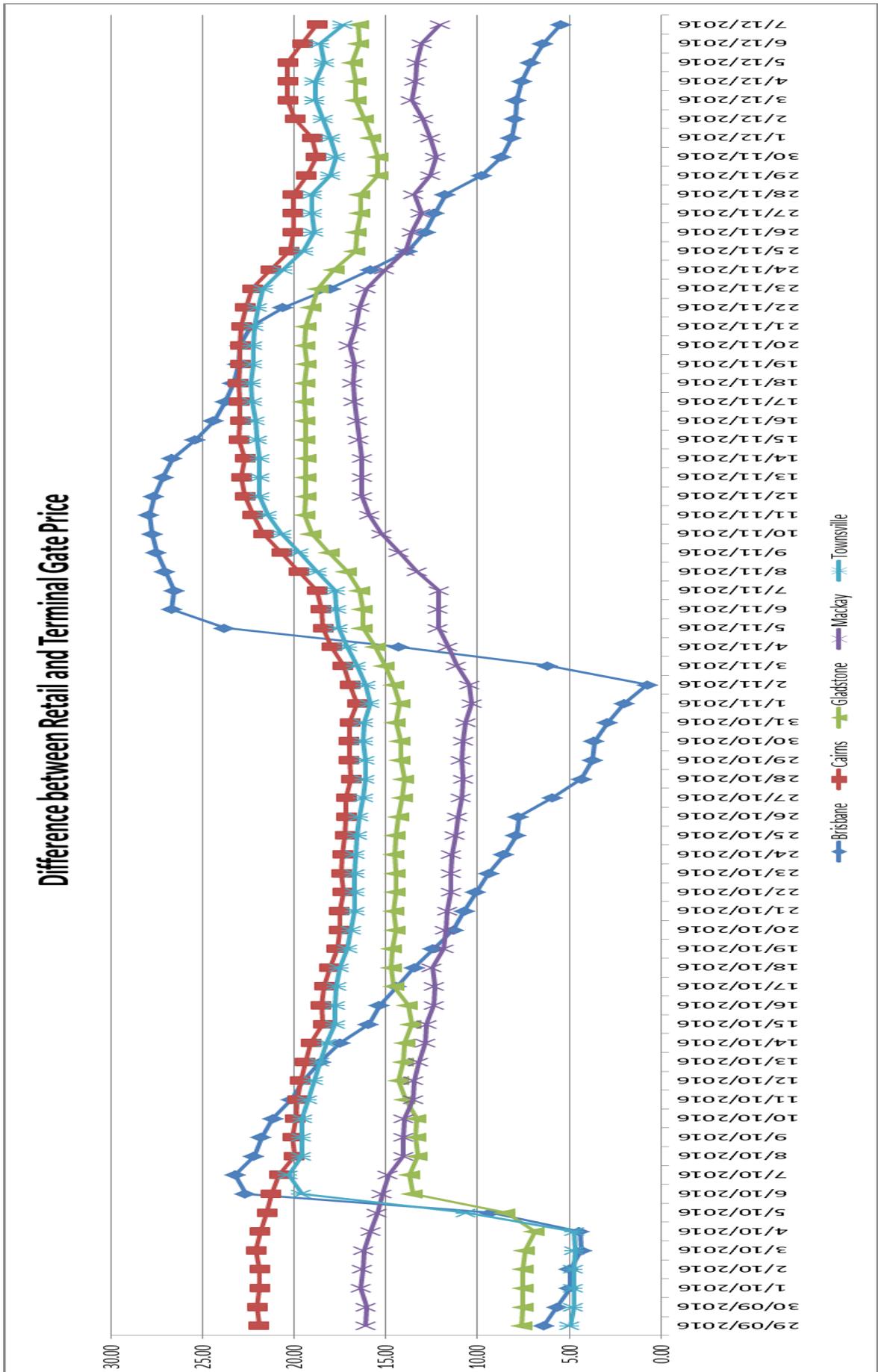


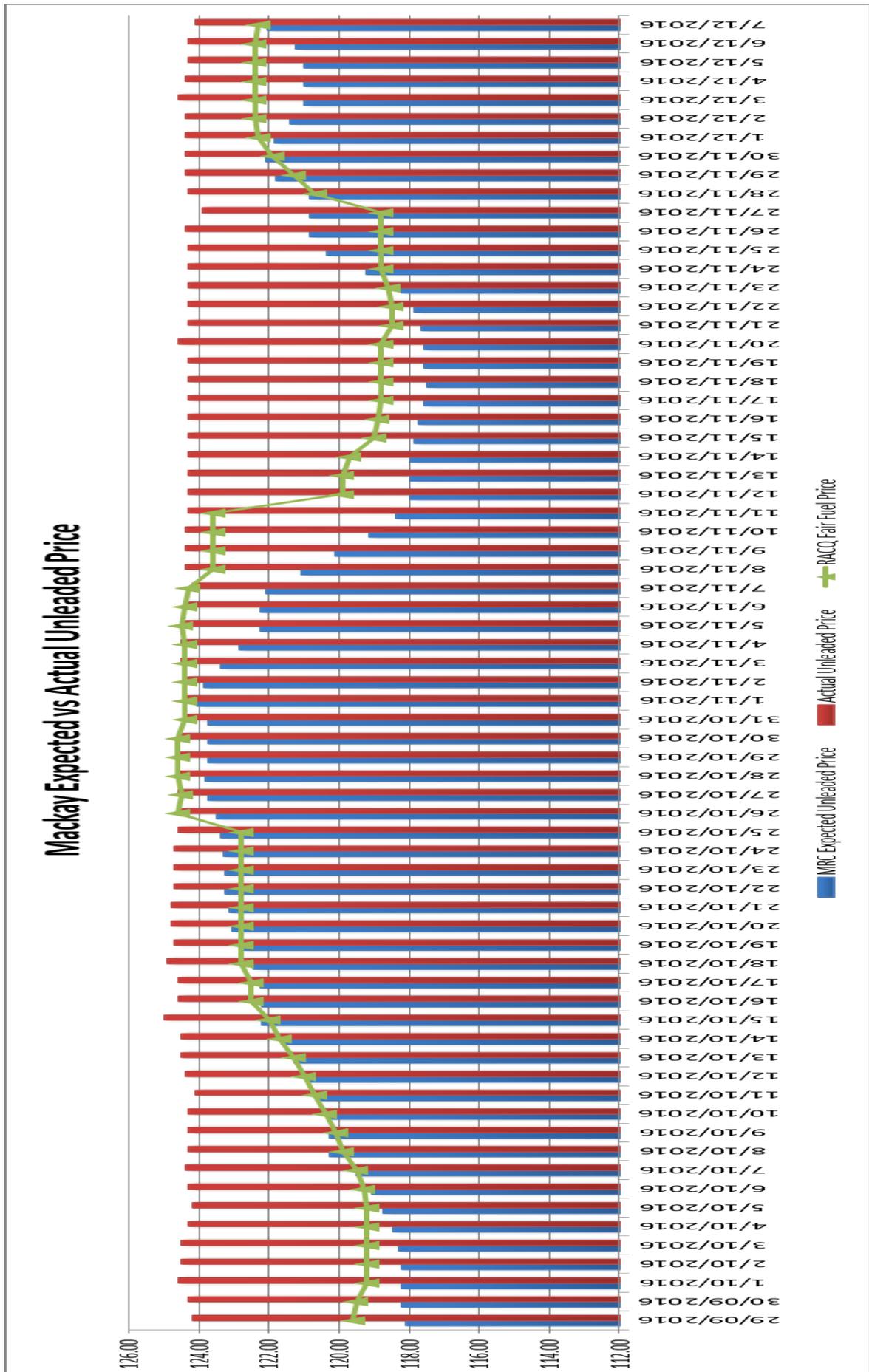




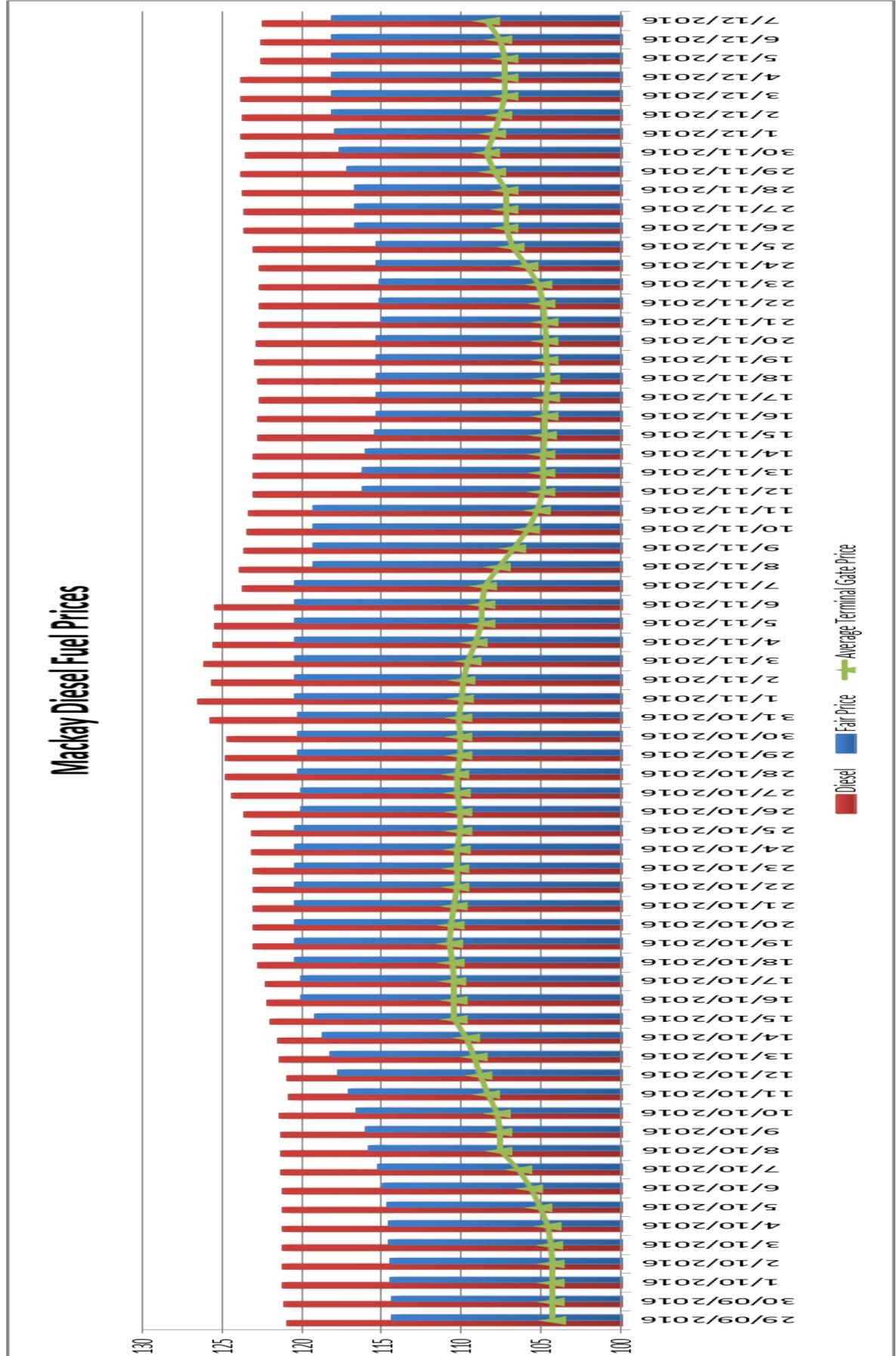


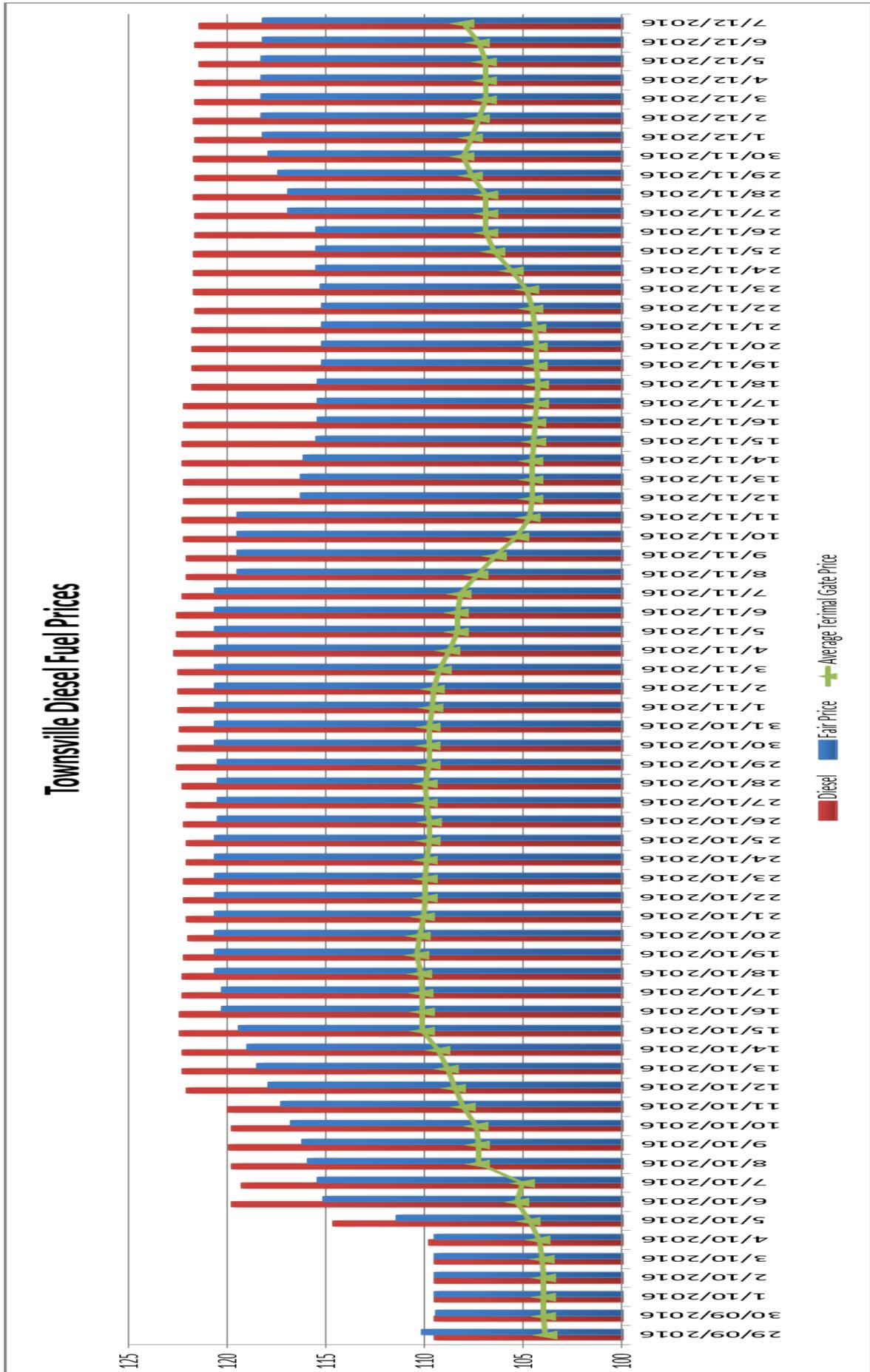


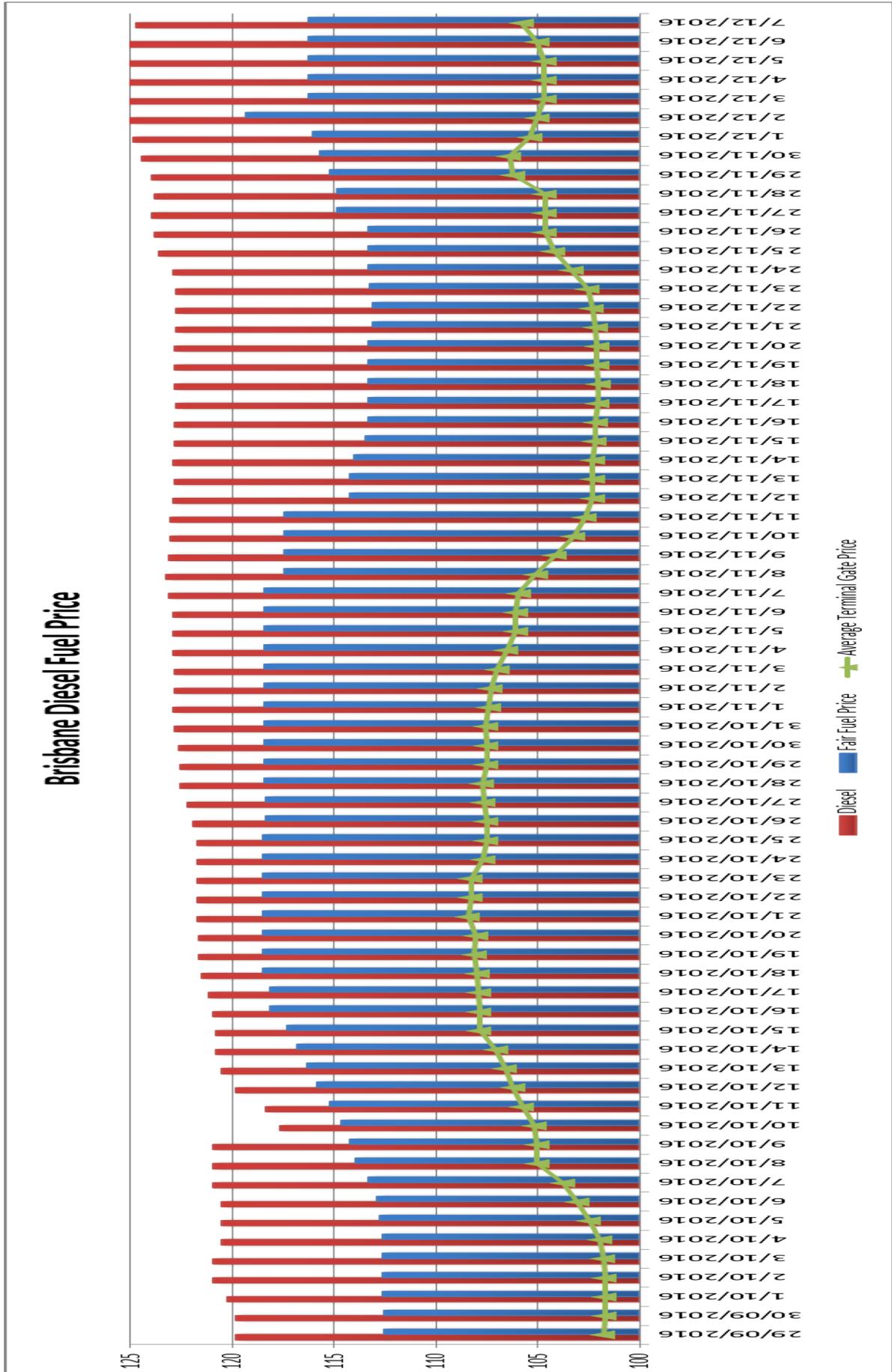


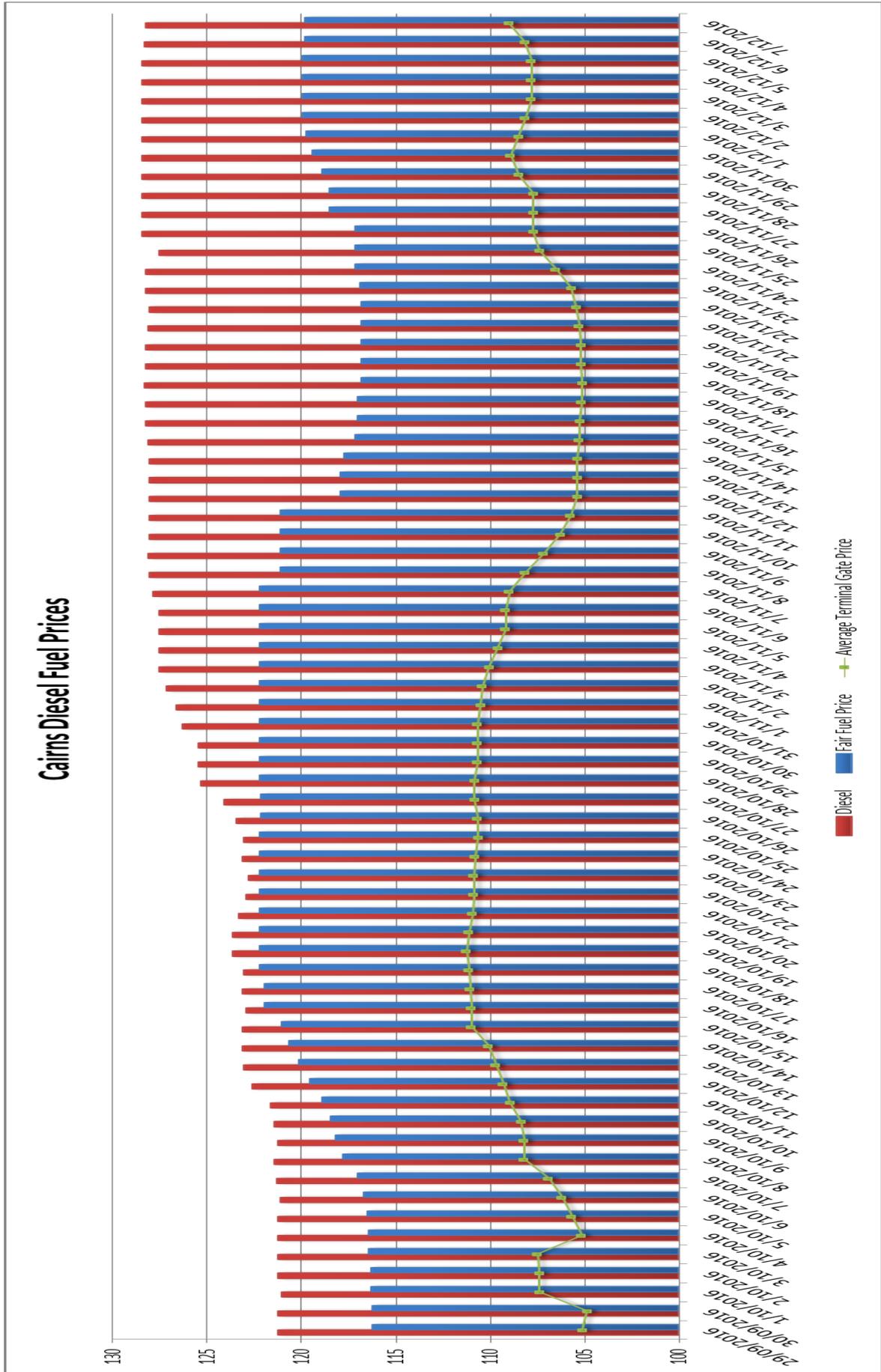


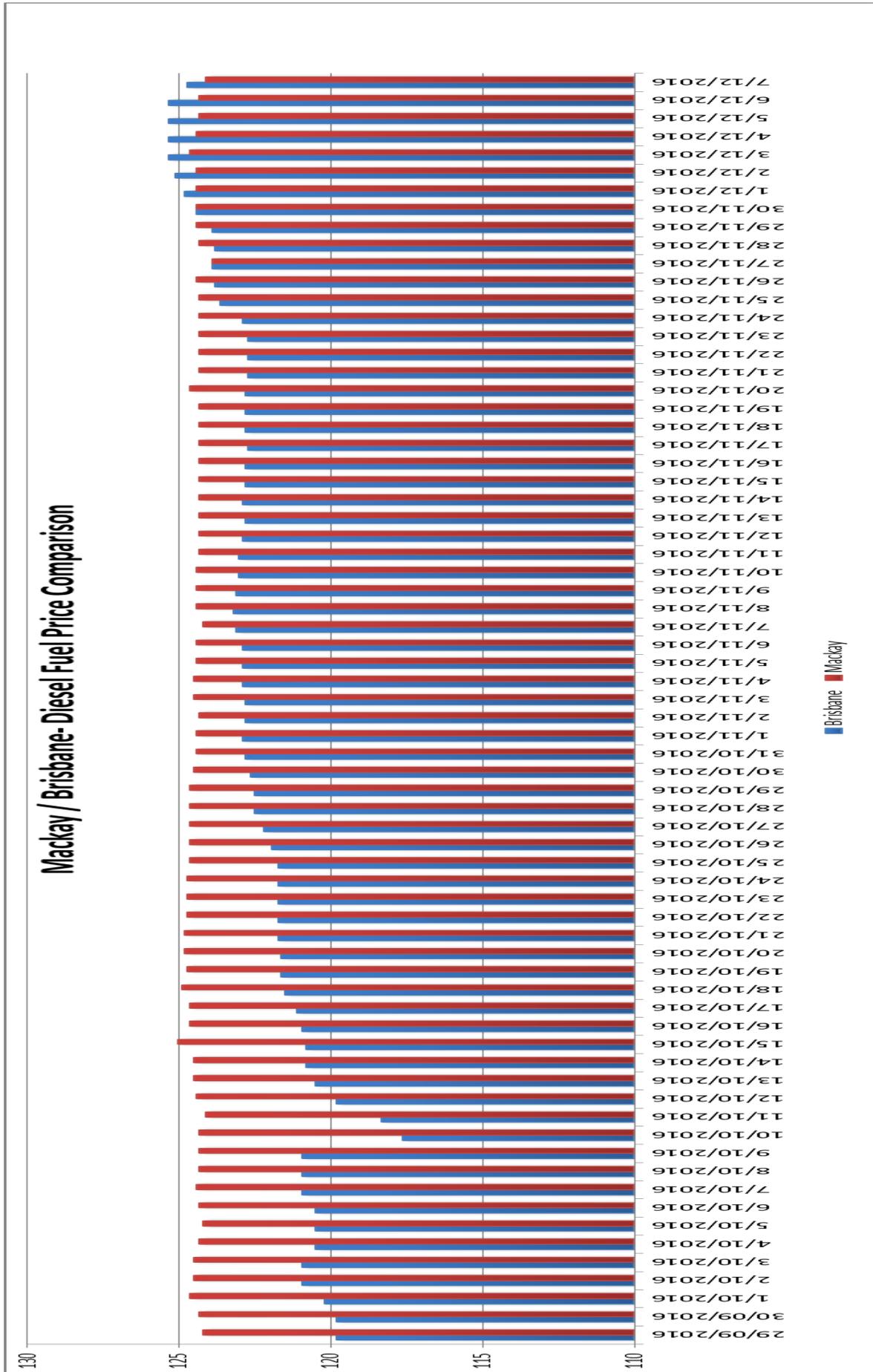
Diesel Fuel

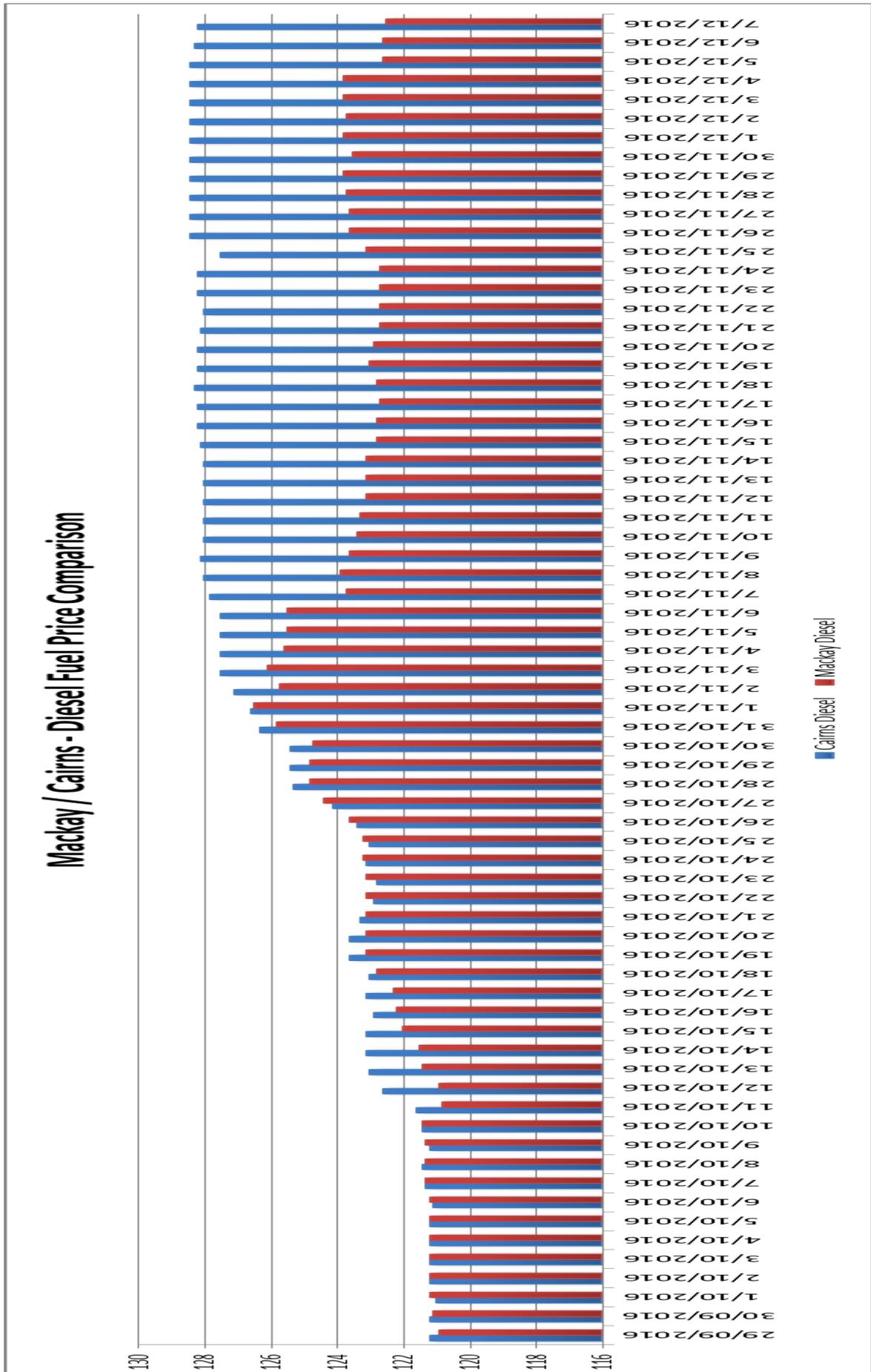


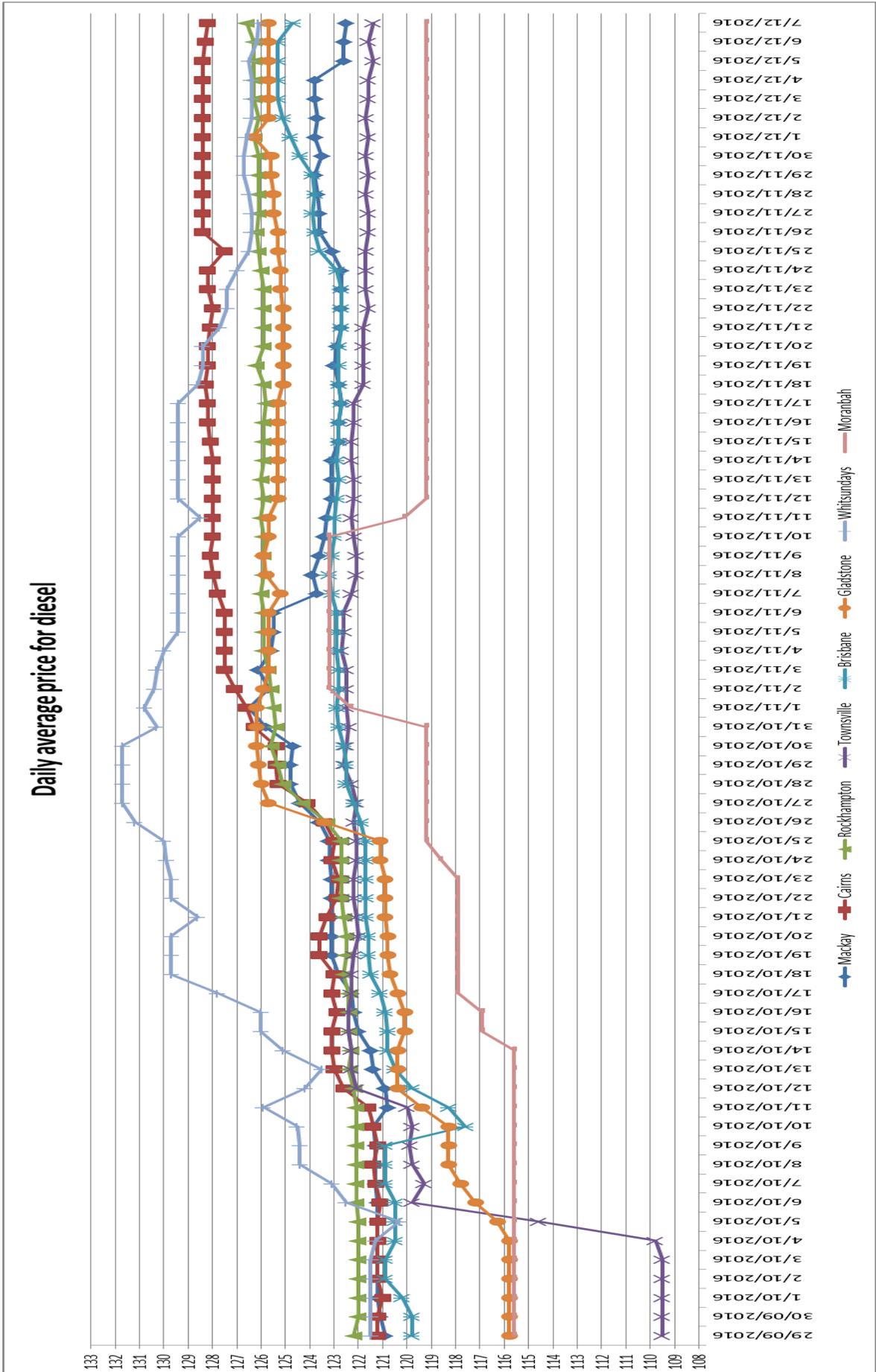


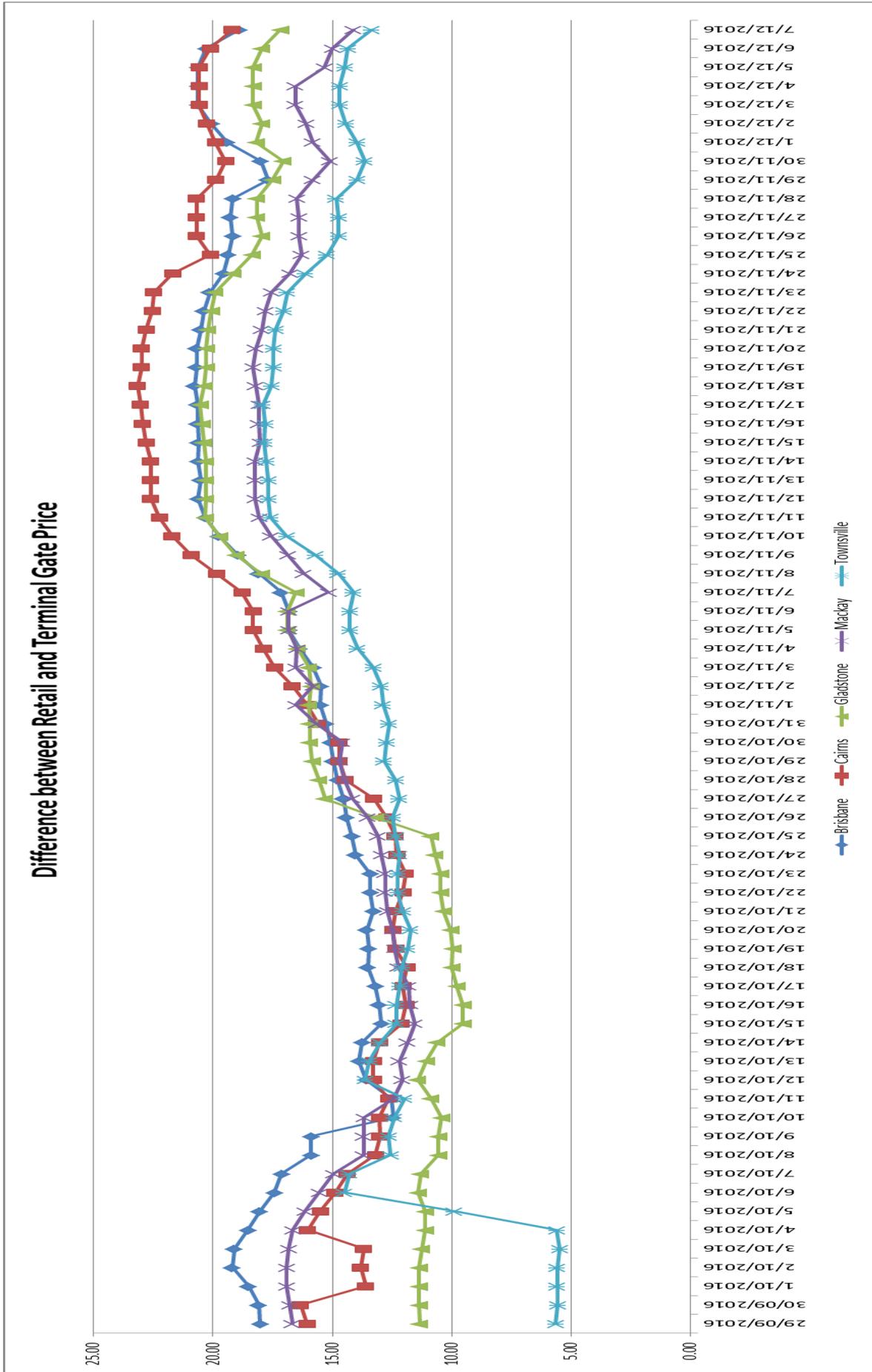


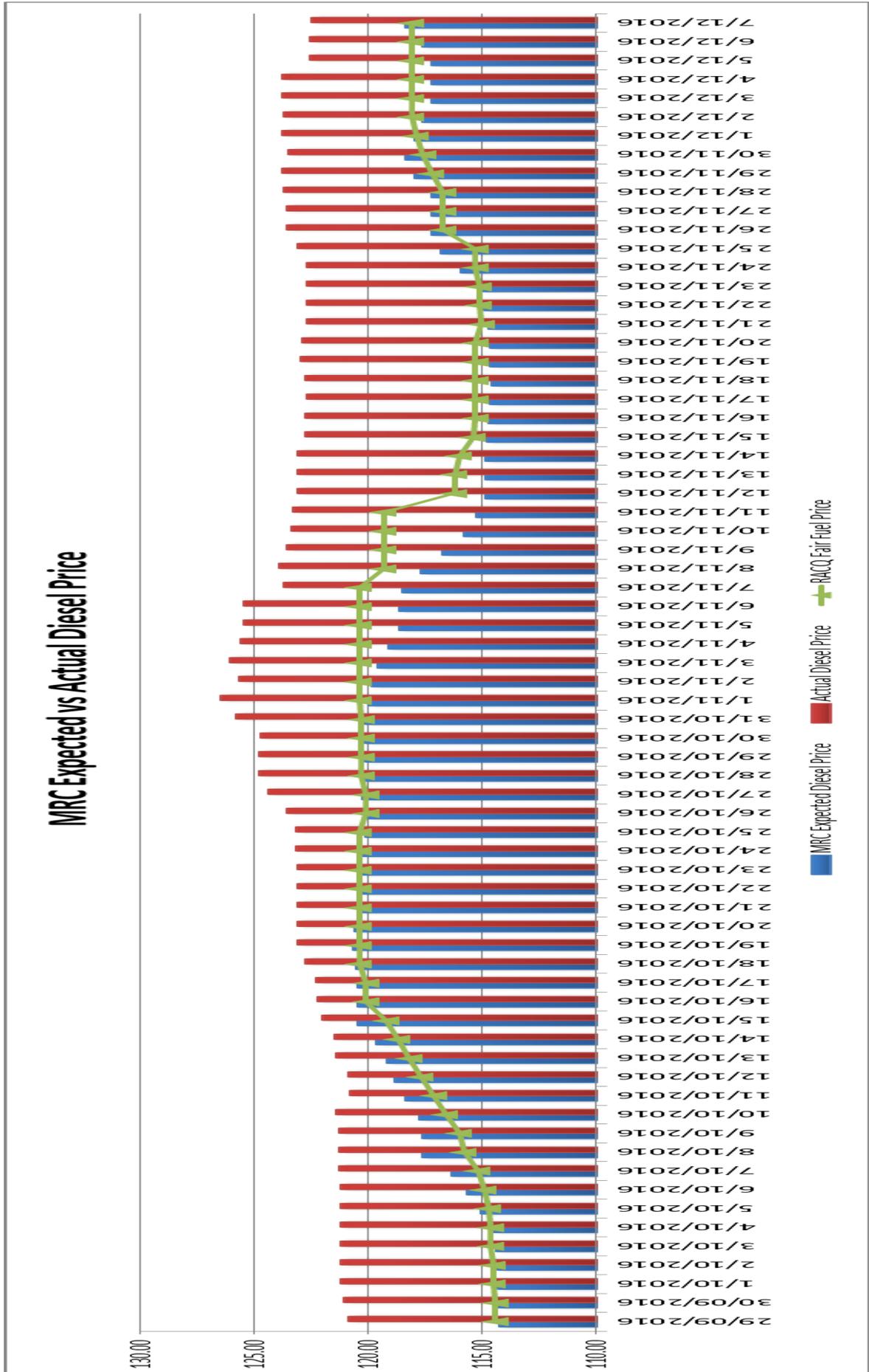






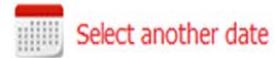






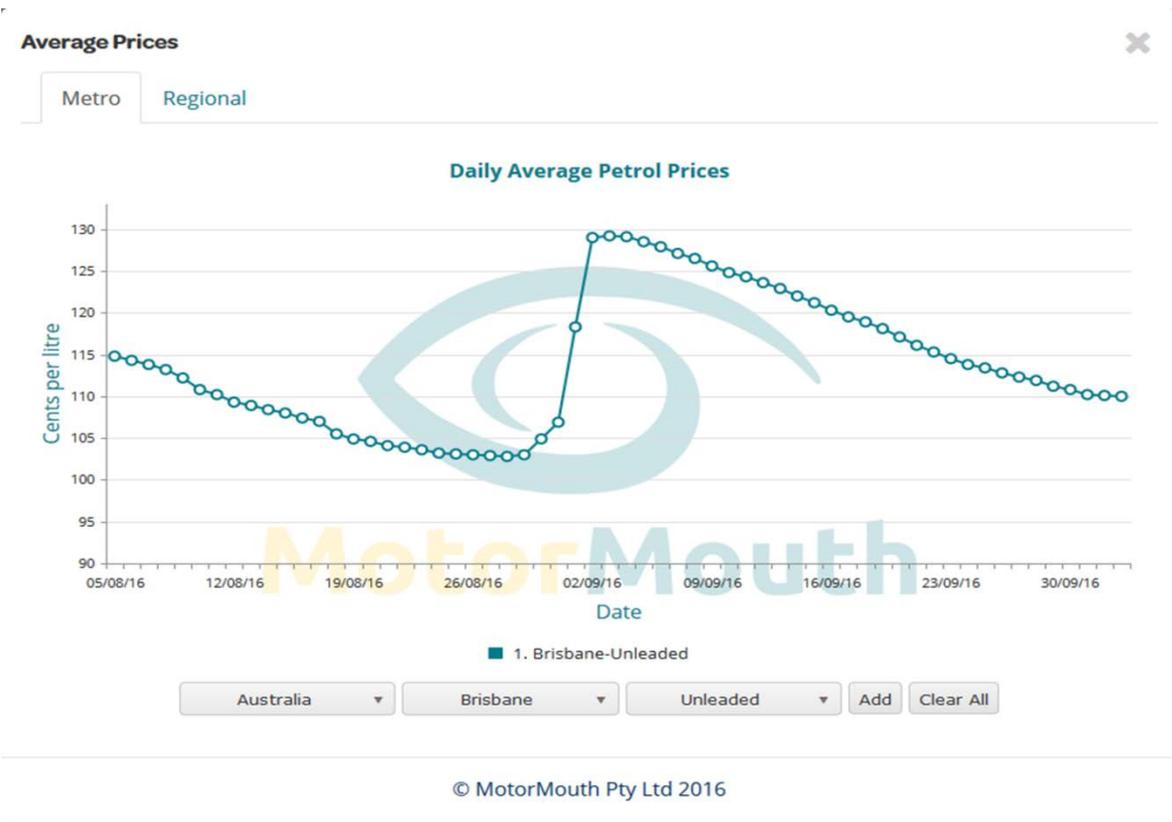
Terminal Gate Pricing

# TERMINAL GATE PRICE



Home » For Business » Terminal Gate Price

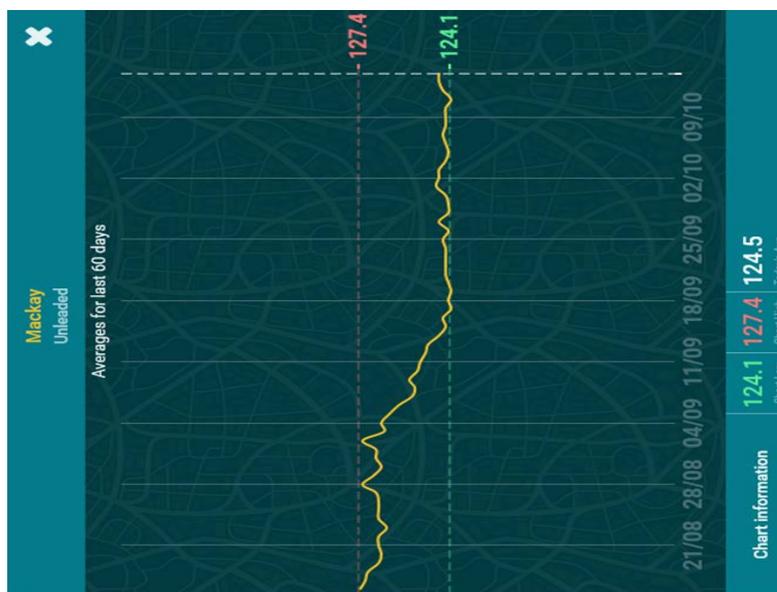
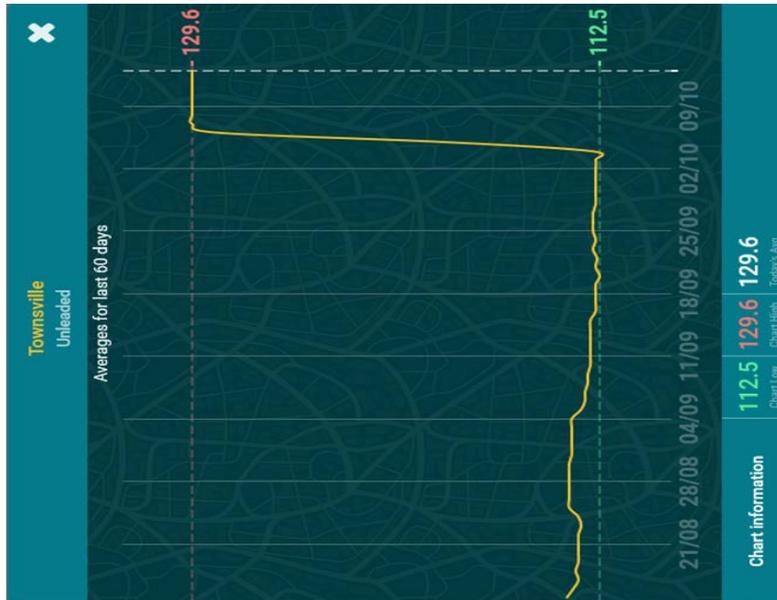
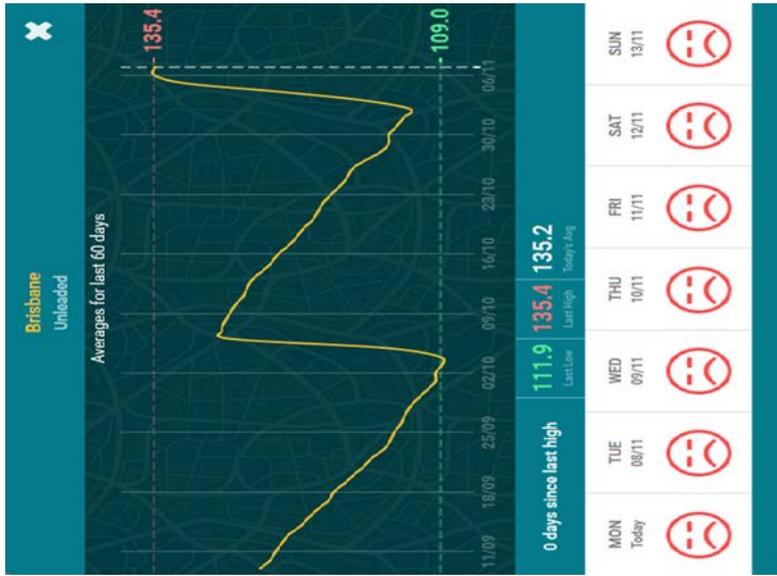
Terminal Gate Pricing (TGP) refers to loads picked up from our seaboard terminals on a spot basis of 35,000 litres or more.



## Why are all the retailers in a city charging more than the Fair Fuel Price?

Some cities are more expensive when benchmarked against similar local cities. A clear example is Cairns, where fuel is more expensive than Townsville. This is due to retailers charging a higher retail margin in Cairns. In turn, this may be due to higher site costs (rent), higher wages, or other factors. Alternatively, it could be that retailers are simply making more profit.

Extracted from RACQ's Fair Fuel Prices Fact Sheet



| RACQ Monthly Fuel Price Average | Oct-16 | Sept-16 | Aug-16 | July-16 | June-16 | May-16 | Apr-16 | Mar-16 | Feb-16 | Jan-16 | Dec-15 | Nov-15 | Oct-15 |
|---------------------------------|--------|---------|--------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| Mackay - Unleaded               | 124.5  | 125     | 127.7  | 129.1   | 127.9   | 116.9  | 104.5  | 102.4  | 108    | 115.1  | 121.3  | 131.9  | 136.6  |
| Mackay - Diesel                 | 122.7  | 121.5   | 124.1  | 125.9   | 126.8   | 115.2  | 103.2  | 101.5  | 108.9  | 116.3  | 123    | 128.9  | 131.4  |

### 3.6. Mackay Showground Redevelopment

#### Project Summary

The project involves the following aspects:

- Construction of undercover Equestrian arena
- Construction of new Grandstand
- Kitchen install (500 Pavilion & Big Shed)
- Water main relocation

The total project cost is \$4.61M, with contributions from –

- |                               |         |
|-------------------------------|---------|
| • Queensland State Government | \$2.3M  |
| • Mackay Show Association     | \$1.26M |
| • Mackay Regional Council     | \$1.05M |

Council's contribution is made up of \$700,000 for relocation of the water main, and \$350,000 from the Better Community Building Fund.

#### Recent Announcements

Dr Anthony Lynham, Minister State Development and Minister for Natural Resources and Mines, visited Mackay on 17 November 2016 and announced confirmation of funding for the project under the State's Building Our Regions program.

#### Latest Developments

The process proposed is similar to previous funded projects with the Mackay Show Association being that they will be taking the lead on project management and procurement, however will be guided by Council. The Show Association has engaged a Project Manager to oversee the project. Contracts etc will be entered into directly by the Mackay Show Association, with associated costs claimed through Council.

A Project Control Group (PCG) has been established consisting of –

- Jason Devitt – Director Engineering and Commercial Infrastructure
- David McKendry – Executive Officer
- Steve Gavioli – Manager Mackay Show Association
- Project Manager

#### Concept Plans

Further work has been undertaken by the Show Association in development of concept plans for the Equestrian facility, and the Grandstand.

**Equestrian Centre:**



**VIEW FROM NORTH WEST**  
1:1



**VIEW FROM SOUTH WEST**  
1:1



**Grandstand:**



**Next Stages**

A formal funding agreement is yet to be entered into, however the official announcement confirming funding has been made by the Minister.

The Showgrounds Association intends calling Expressions of Interest (EOI) to commence the process of identification of potential major contractors, and so as to be ready to call subsequent tenders from shortlisted EOI proponents.