

**CAIRNS ENTERTAINMENT PRECINCT COMMITTEE****15 FEBRUARY 2012****1**

## REPORT FROM THE PROJECT CONTROL GROUP

Linda Cardew : 26/7/18-04: #3480616

**RECOMMENDATION:****That Council notes this report.****INTRODUCTION:**

To report on the status of the Cairns Entertainment Precinct (CEP) project under the approved project management and reporting framework adopted by Council on 28 July 2010.

The progress of the CEP project was last reported to Council at its Ordinary meeting of 25 January 2012. This report covers the period 26 January to 8 February 2012.

**BACKGROUND:**

The Project Control Group (PCG) was established in 2010 to provide oversight of the management of the project on a day to day basis. The PCG comprises Council's Executive Team (with Chief Executive Officer as Chair), the Project Manager, Manager Marketing and Communications, and advisory consultants as required (design/construction manager, architect, cost planner). The PCG reports monthly to the Entertainment Precinct Committee, or more frequently to Council as required. All PCG reports to Council are available on Council's website.

**COMMENT:**

The PCG (as the Executive team) met on 30 January and 6 February 2012 and noted the following:

**1. Project status**

Over the past two weeks the consultant team has continued to finalise development applications for the project (Phase 2) and the tender documentation for the Managing Contractor tender (Phase 3). The Developed Design phase (Phase 4) has now commenced.

## 2. Program

Work is proceeding in accordance with the approved program and the milestones detailed in the State Funding Deed and as negotiated with the Commonwealth Government.

## 3. Design

Design workshops involving all consultants continue on a fortnightly basis. Architectural plans issued on 12 December 2012 have been available on the project website ([www.cairnsep.com.au](http://www.cairnsep.com.au)) over the Christmas/New Year period and are currently being updated as part of the development application. CA Cox Rayner architects presented the latest architectural plans as a separate agenda item at Council's Ordinary meeting on 25 January 2012.

## 4. Development applications

On 25 January 2012 a report on the CEP development applications and a presentation by CA Cox Rayner architects were considered by Council and resolved as follows:

1. **to note the preparation of the development applications as detailed in this report and in the presentation of architectural plans by CA Cox Rayner.**
2. **that development applications in relation to Applications 1, 2 and 3 be presented to Council prior to lodgement with Ports North.**
3. **to delegate to the Chief Executive Officer the authority to execute and lodge all other development applications as required.**

Application 1 is the Tidal Works application. Application 2 is the whole-of-precinct development application (the preliminary application). Application 3 is the performing arts centre development application. CEP funding milestone payments negotiated with the Commonwealth Government propose a payment of \$6 million on lodgement of the performing arts centre development application.

The PCG is to review the draft development applications prior to a further report to be brought to Council.

## 5. Car parking update

The project will meet all carparking requirements of the Precinct; both on and off-site opportunities are being examined. A further report will be presented to Council in the coming weeks.

## 6. Ports North legal agreements

In December 2011 Ports North advised that it would give landowner's consent to the lodgement of the development applications. This follows the lodgement of the design guidelines earlier in the year together with the responses to Ports North's 'overriding objectives' document. Solicitors for both Ports North and Council have finalised the 99

year lease securing Council's tenure of the site as required by both the State government and Commonwealth government. The lease has been approved by the Ports North Board and on 8 February 2012 Ports North advised that the Minister had given approval to enter into the lease.

#### **7. Funding update – Commonwealth Government**

As previously advised to Council, in December 2012 the Department of Infrastructure had confirmed that the balance of funds under the Infrastructure Employment Program not expended in 2011/2012 will be moved into the 2013/2014 year. On 3 February 2012 the Department of Infrastructure further advised that the Minister had formally approved funding of \$40 million from the Jobs Fund – Infrastructure Employment Program.

The Department of Infrastructure is in the process of preparing the necessary documentation formalising the funding agreement. Payment milestones have been negotiated between Council, the Department of infrastructure, and Arts Queensland, together with reporting requirements to the Commonwealth.

The Commonwealth draft funding agreement was received on 8 February 2012.

#### **8. Funding update – State Government**

The State Government Funding Agreement was executed by the Minister for Finance, Natural Resources and The Arts on 24 January 2012.

#### **9. Expressions of Interest #2342 CEP Managing Contractor**

Following the call for expressions of interest advertised in the Cairns Post, the Brisbane Courier Mail, and The Australian newspapers on 7 January 2012, and again in the following week, a mandatory project briefing for intending tenderers was conducted in the Cruise Terminal, Cairns, on 23 January 2012. Fifteen interested contractor companies and others attended. Key members of the design team provided information about significant aspects of the project and the design. Expressions of Interest closed on 31 January 2012, with 10 submissions received. Submissions are currently being assessed and a number of interviews to seek clarification on specific aspects of some EOIs were held on 7 February 2012. An expert panel, including a State government representative, has been established for the assessment process. Tenders will be invited from a shortlist in February 2012.

Council's probity adviser, BDO (North Qld), has been briefed on the procurement processes proposed and will review Council's management of the selection process in accordance with the approved Probity Plan for the Selection and Appointment of Tenderers.

#### **10. Tender # 2351 –White's Shed investigative works**

Council has been advised previously that due to the heritage status of White's Shed, the design and documentation needs to be completed to a considerably more detailed level to satisfy the statutory heritage requirements, than would normally be required for a development application. The condition of some of the aspects of White's Shed remains to be determined, including the structural timbers currently inaccessible due to concrete flooring.

The services of a building contractor and necessary subcontractors are being sought to undertake these investigative works. A project briefing and site inspection was held for contractors who registered to attend, on 17 January 2012.

Tenders closed on 2 February 2012 with eight tenders received. These are currently being assessed with tender interviews to be held shortly.

### **11. Local Industry Employment Policy**

The project team recognises and is committed to the creation of local employment as a result of the Entertainment Precinct project and a weighting has been allocated in the assessment process to local contractors, and contractors who demonstrate a commitment to engaging local subcontractors and tradespeople. Council's Project Manager is working with State representatives to develop a detailed Local Industry Employment Policy specifically for the CEP project.

On Monday 6 February 2012 the Project Manager met with the Director Program Delivery, Indigenous Communities Works Group, Department of Public Works (QBuild) to identify opportunities for training and employment for Indigenous contractors. Discussions are to progress with the involvement of DEEWR.

### **12. Legal**

Council's solicitors are currently engaged to assist with the finalisation of the Commonwealth Funding Deed, and the relationship of the Deed with the draft Managing Contractor contract.

### **13. Consultants' contracts**

Advice regarding the execution of Phase 4 contracts was provided by the Chief Executive Officer to Council on 25 January 2012.

### **14. Communications report**

Marketing and Communications Branch will provide an updated report on project communications during the month to the Ordinary meeting on 22 February 2012.

### **15. Other business**

The PCG has noted that Cr Cooper presented Council with a petition entitled "Save our Ports – Cairns Entertainment Precinct" at the Ordinary meeting on 25 January 2012.

In accordance with Council's Policy 1:02:58 - Standing Orders for Council meetings, Council noted the petition.

## 16. Councillors' workshop

A workshop for Councillors will be held on Monday 20 February covering the draft development applications, carparking and CEP sustainable design.

### CONSIDERATIONS:

#### Corporate and Operational Plans:

Council's Corporate Plan 2009-2014 lists the establishment of a Regional Performing Arts Centre and Regional Museum advocacy as Corporate Projects.

Council's Cultural Plan 2009-2014 identifies the building of a Regional Performing Arts Centre and the provision of support for the State Government in establishing a Regional Museum as Outcomes Strategy 1 for cultural facilities.

#### Statutory:

The processes outlined in this report are in accordance with the provisions of the *Local Government Act 2009*.

#### Policy:

The Terms of Reference for the Cairns Entertainment Precinct Committee are listed in Policy No 1:05:08.

#### Financial and Risk:

No financial decisions are required from this report.  
This status report is for information only.

#### Sustainability:

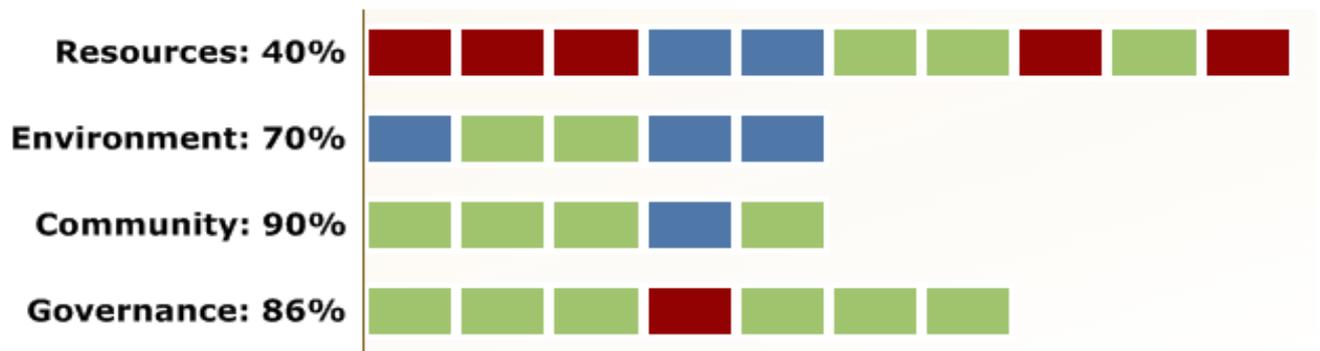
Council's sustainability scorecard has been completed for this report and the following comments are provided regarding the graphical representation below:

**Resources:** as the CEP project is developing an unused site the development will generate an increased level of GHG emissions, and travel-related GHG emissions. This cannot be avoided as it relates to activity on site where previously there was minimal activity on site. Waste to landfill will be actively managed and while water consumption on site will increase, it will be actively managed.

**Environment:** stormwater will be managed and will have no detrimental effect on habitat.

**Community:** There are clear benefits for the community across all categories of the scorecard, with increased facilities, amenity, open space and programs.

**Governance:** There are clear benefits across all categories, with generation of employment, use of local materials, improved learning and amenity for staff. The negative outcome reflected relates to increased operational costs.



### **CONSULTATION:**

The PCG (as the Executive Team) was consulted in the preparation of this report.

### **OPTIONS:**

No decisions are required from this report. The CEP Committee may choose to note the report or not to note the report.

### **CONCLUSION:**

The purpose of this report is to ensure continuity of reporting on all issues arising in the course of the project and in accordance with the governance structure approved by Council. As in the past, the PCG will report to each meeting.

### **ATTACHMENTS:**

NIL

Linda Cardew  
**Project Manager – Cairns Entertainment Precinct**

Lyn Russell *PSM*  
**Chief Executive Officer**