

19.3 SOUTHERN MORETON BAY ISLAND (SMBI) PASSENGER FERRY TERMINAL UPGRADE

Objective Reference:**Authorising Officer:** Peter Best, General Manager Infrastructure & Operations**Responsible Officer:** Bradley Salton, Group Manager City Infrastructure**Report Author:** Rodney Powell, Senior Engineer Marine & Water Assets**Attachments:**

1. Queensland State Government Letter dated 28 March 2019
2. Queensland State Government Letter dated 9 May 2019

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) *contracts proposed to be made by it.*

PURPOSE

The purpose of this report is to recommend that Redland City Council (Council) resolve to:

- Accept the Queensland State Government (the State) SMBI passenger ferry terminal upgrade funding offer and future ownership proposal made by letter by the State Minister for Transport and Main Roads (TMR) to the Mayor of Redland City Council (RCC), on 28 March 2019 (Attachment One).
- Approve the Mayor and Council's Chief Executive Officer (CEO) to write to the Minister TMR and the Director General Department of Transport and Main Roads (DG DTMR) respectively, confirming Council's acceptance of the State's offer.
- Delegate authority to Council's CEO to negotiate, make and vary a Deed of Agreement (Deed) between TMR and Council for the upgrade of the SMBI passenger ferry terminals, which may include, but not be limited to, passenger ferry terminal upgrade funding arrangements, post upgrade ownership arrangements and post upgrade commercial and development opportunities.

BACKGROUND

At the Council General Meeting of 23 May 2018 (Item 14.3) Council resolved to:

1. *submit a business case to Translink which requests the State fully fund the upgrade, and following this upgrade assume ownership, of all ferry terminals on the Southern Moreton Bay Islands (SMBI); and*
2. *approve the Mayor and Council's Chief Executive Officer (CEO) to write to the relevant State Minister and the Director General Department of Transport and Main Roads (DTMR) respectively outlining this position.*

Following this meeting the Mayor and Council's CEO wrote to the State outlining Council's position in relation to the upgrade and ownership post upgrade, of the SMBI passenger ferry terminals.

On 31 July 2018 Council officers presented the SMBI passenger ferry terminal upgrade business case to the Translink Board, noting that this business case had been developed in conjunction with Translink.

Translink verbally accepted the overall business case, but not the funding and ownership arrangements proposed by Council, via the 23 May 2018 Council resolution.

On 18 December 2018 the Minister TMR wrote to the Mayor outlining the State's position in relation to funding of the SMBI passenger ferry terminal upgrade.

On 20 February 2019 the Mayor and on 6 March 2019 the CEO independently responded to the Minister's letter, requesting a formal response from the Translink Board relating to Council's business case funding and ownership proposition.

On 28 March 2019 the Minister TMR responded to Mayor with a revised offer (Attachment 1) and on 9 May 2019 DG DTMR responded to Council's CEO confirming the State's revised offer (Attachment 2).

The State's offer is detailed in the attachments to this report and is summarised as follows:

- The State will fully fund the upgrade of the State owned ferry infrastructure (jetty) on Russell Island.
- A 50/50 State/Council funding split for upgrade of the gangways/pontoons at all RCC owned SMBI passenger ferry terminals.
- A total State contribution of \$20.5 million for the passenger ferry terminal upgrades.
- Council will own and maintain all SMBI passenger ferry terminals following completion of the upgrades activities.
- TMR to lead and fund the passenger ferry terminal detailed design activity, using a \$2 million upfront contribution which is part of the State's overall \$20.5 million contribution. Council officers will participate in partnership with TMR in this design activity.
- An additional \$1.045 million will be provided by the State for demolition of the existing TMR owned Russell Island jetty and modification to the four existing pontoons at Russell, Macleay, Lamb and Karragarra passenger ferry terminals. This contribution by the State will extend the operational lives of these existing pontoons and make them suitable for recreational boating and fishing activities.
- A commitment from the State that should Council wish to consider supporting private and/or commercial development opportunities at the passenger ferry terminals in conjunction with the upgrades, TMR would be open to collaboration with Council during the detailed design phase, to potentially future proof the design of the ferry terminals, for such development.

On 6 June 2019 the Mayor responded to the Minister TMR acknowledging the State's proposition and advising that Council will formally consider the State's proposition at a future Council General Meeting, following which the State will be advised of Council's decision in relation to this matter.

ISSUES

The negotiated Deed must clearly identify State and Council responsibilities and accountabilities for design development and contracting, project upgrade funding, funding expenditure (cash flows), upgrade sequencing and schedule and delivery responsibilities, post upgrade passenger ferry terminal ownership and management, and permit and enable private and/or commercial development opportunities, at and in the vicinity of the upgraded passenger ferry terminals.

STRATEGIC IMPLICATIONS

Legislative Requirements

Disability Discrimination Act 1992 (DDA) compliance

Under this Act, all public transport waiting points and associated infrastructure must establish minimum accessibility requirements by December 2022. This means that existing public transport infrastructure across the bus, rail and ferry networks in the Redlands will require various levels of upgrade by December 2022.

The SMBI ferry terminals require upgrade to meet DDA compliance.

Risk Management

Upgrade of the SMBI passenger ferry terminals will mitigate current SMBI ferry terminal risks and issues, in particular structural integrity, DDA compliance, public use, and congestion associated with future SMBI community and visitation growth.

Financial

Details of the State's funding proposition and the indicative funding expenditure spread are summarised in the following table.

If Council accepts the State's proposition, officers will forecast and seek CAPEX funding in forward financial years, to meet Council's negotiated project Deed commitments.

Financial Year	Description	TMR Contribution	RCC Contribution
2019/20	Detailed Design (4 Terminal Sites)	\$2.0M	Nil
2020/21	Russell Island	\$9.7M	\$3.5M
2021/22	Macleay Island	\$3.3M	\$3.7M
2022/23	Lamb and Karragarra Islands	\$5.5M	\$6.4M
TOTAL		\$20.5M	\$13.6M

The State will also fund an additional \$1.045m for demolition of the existing TMR owned Russell Island jetty and modification of the four existing pontoons at Russell Island, Macleay Island, Lamb Island and Karragarra Island, for future recreational public use.

People

Upgrade of the SMBI passenger ferry terminals will enhance commuter safety and amenity.

Council officers will work with the State to develop and execute the SMBI passenger ferry terminal upgrade project activity.

Environmental

All environmental requirements and approvals will be obtained as part of the SMBI passenger ferry terminal upgrade project design, planning and delivery activities.

Social

Upgrade of the SMBI ferry terminals will:

- Provide amenities in accordance with the Public Transport Infrastructure Manual (PTIM);
- Address terminal overcrowding on some existing services and congestion for community terminal access;
- Accommodate future passenger growth by providing increased vessel berthing capacity and increased passenger waiting and circulation areas; and
- Ensure all ferry terminals comply with the requirements of the (DDA) and meet the Disability Standards for Accessible Public Transport 2002 targets (DSAPT).

Alignment with Council's Policy and Plans

The SMBI ferry terminal upgrade project is consistent with Council's Corporate, Operational and Redlands 2030 Community Plans.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Translink	Ongoing	Ongoing consultation since July 2017. Regular project meetings including the development of the Business Case.
DTMR	Ongoing	Ongoing consultation since July 2017. Regular project meetings including the development of the Business Case.
Councillors	4/06/2019	Briefing/Workshop Presentation
Chief Executive Officer	4/06/2019	Briefing/Workshop Presentation documents provided
General Manager Infrastructure and Operations	4/06/2019	Briefing/Workshop Presentation
Group Manager City Infrastructure	4/06/2019	Briefing/Workshop Presentation
General Council	4/06/2019	Briefing/Workshop Presentation
Service Manager Legal Services	7/06/2019	Reviewed report
Council Financial Services Group	4/06/2019	Briefing/Workshop presentation
City Infrastructure Group Marine Team Lead	4/06/2019	Lead the Councillor Briefing/Workshop

OPTIONS**Option One**

That Council resolves as follows:

1. To accept the Queensland State Government's (the State's) Southern Moreton Bay Island passenger ferry terminal upgrade funding offer and future ownership proposal, made by letter dated 28 March 2019, the State Minister for Transport and Main Roads to the Mayor of Redland City Council.
2. To request the Mayor and Chief Executive Officer to write to the State Minister for Transport and Main Roads and the Director General Department of Transport and Main Roads respectively, confirming Council's acceptance of the State's offer.
3. To delegate authority to the Chief Executive Officer to negotiate, make, vary and discharge a Deed of Agreement between the Department of Transport and Main Roads and Council, for the upgrade of the Southern Moreton Bay Island passenger ferry terminals, which may include, but not be limited to, passenger ferry terminal upgrade funding arrangements, post upgrade ownership arrangements and post upgrade commercial and development opportunities.
4. That this report and attachments remain confidential until a Deed of Agreement for the upgrade of the Southern Moreton Bay Island passenger ferry terminals between the State and Council has been executed, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves as follows:

1. To reject the State's offer and proposal of 28 March 2019 relating to the Southern Moreton Bay Island passenger ferry terminal upgrade .
2. To request the Mayor and Chief Executive Officer write to the Minister Transport Main Roads and the Director General Department of Transport and Main Roads respectively, outlining Council's position.

3. That this report and attachments remain confidential, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. **To accept the Queensland State Government's (the State's) Southern Moreton Bay Island passenger ferry terminal upgrade funding offer and future ownership proposal, made by letter dated 28 March 2019, by the State Minister for Transport and Main Roads to the Mayor of Redland City Council.**
2. **To request the Mayor and Chief Executive Officer to write to the State Minister for Transport and Main Roads and the Director General Department of Transport and Main Roads respectively, confirming Council's acceptance of the State's offer.**
3. **To delegate authority to the Chief Executive Officer to negotiate, make, vary and discharge a Deed of Agreement between the Department of Transport and Main Roads and Council, for the upgrade of the Southern Moreton Bay Island passenger ferry terminals, which may include, but not be limited to, passenger ferry terminal upgrade funding arrangements, post upgrade ownership arrangements and post upgrade commercial and development opportunities.**
4. **That this report and attachments remain confidential until a Deed of Agreement for the upgrade of the Southern Moreton Bay Island passenger ferry terminals between the State and Council has been executed, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.**



Minister for Transport and Main Roads

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Website www.tmr.qld.gov.au

Our ref: MC105423

28 MAR 2019

Councillor Karen Williams
Mayor
Redland City Council
PO Box 21
CLEVELAND QLD 4163

Dear Councillor ^{Karen,} Williams

Further to my letter of 18 December 2018, I write to provide more information about the contribution from the Department of Transport and Main Roads (TMR) towards the upgrade of the Southern Moreton Bay Islands (SMBI) passenger ferry terminals.

As previously advised, the Palaszczuk Government will provide full funding for the upgrade of the existing state-owned ferry infrastructure at Russell Island, and 50 per cent funding towards the upgrade of the Redland City Council (RCC) owned ferry infrastructure at Russell, Macleay, Lamb and Karragarra terminals. This will represent a total contribution of \$20.5 million, funded through TMR's Passenger Transport Infrastructure Investment Program.

TMR will lead and fund the detailed design for all four passenger ferry terminals, with the \$2 million required for this phase provided upfront as part of TMR's overall \$20.5 million contribution. This approach will enable design to commence as soon as possible, while providing RCC time to secure the remaining \$13.6 million towards the upgrades. As part of the design phase, the construction staging will be confirmed noting that the Russell Island terminal is a priority, given its condition.

The Palaszczuk Government will also contribute an additional \$1.045 million for demolition of the existing TMR-owned Russell Island jetty and modification of the four existing pontoons at Russell, Macleay, Lamb and Karragarra terminals. These works will extend the lives of these pontoons and will make them suitable for recreational boating and fishing activities once the new ferry terminals are constructed.

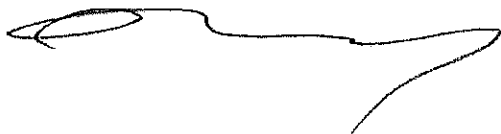
The terms of the funding arrangement are proposed to be formalised through a Deed of Agreement between TMR and RCC, and the commitment will also be published in the upcoming *Queensland Transport and Roads Investment Program (QTRIP) 2019–20 to 2022–23*.

It remains the government's position that following these upgrades, RCC will own and maintain all SMBI passenger ferry terminals, which is consistent with other ferry infrastructure ownership and management arrangements with local governments across the state. TMR will demolish the existing jetty at Russell Island once the new passenger ferry terminal is operational.

I look forward to continuing to work collaboratively with RCC towards the upgrade of the four passenger ferry terminals at Lamb, Karragarra, Macleay and Russell Islands to ensure that they are safe and accessible to all.

I would appreciate your confirmation of these arrangements to ensure that the constituents of Redlands get the marine infrastructure they deserve. Upon confirmation, I look forward to undertaking a combined media announcement. In the meantime, I have instructed TMR to advance design of the works to avoid any unnecessary delays.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MARK BAILEY', with a long, sweeping underline that extends to the right and then curves downwards.

MARK BAILEY MP
Minister for Transport and Main Roads



Queensland
Government

Office of the
Director-General

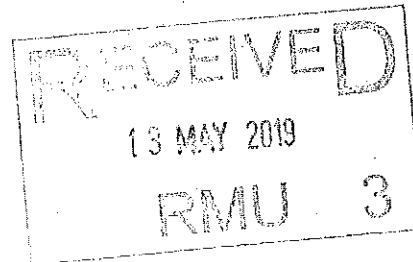
Department of
Transport and Main Roads

Our ref: DG36527

Your ref: A3645080

09 MAY 2019

Mr Andrew Chesterman
Chief Executive Officer
Redland City Council
PO Box 21
CLEVELAND QLD 4163



Dear Mr Chesterman *Andrew*

Thank you for your letter of 6 March 2019 about the Southern Moreton Bay Islands (SMBI) passenger ferry terminal upgrades.

As recently advised by the Honourable Mark Bailey MP, Minister for Transport and Main Roads (TMR) to Councillor Karen Williams, the Mayor of Redland City Council (RCC), I am pleased to confirm that the Queensland Government will provide full funding for the upgrade of the existing state-owned ferry infrastructure at Russell Island, and 50 per cent funding towards the upgrade of the RCC-owned ferry infrastructure at Russell, Macleay, Lamb and Karragarra terminals. This will represent a total contribution of \$20.5 million, funded through TMR's Passenger Transport Infrastructure Investment Program.

TMR will lead and fund the detailed design for all four passenger ferry terminals, with the \$2 million required for this phase provided upfront as part of TMR's overall \$20.5 million contribution. This approach will enable design to commence as soon as possible, while providing RCC time to secure the remaining \$13.6 million towards the upgrades. As part of the design phase, the construction staging will be confirmed, noting that the Russell Island terminal is a priority, given its condition.

Should RCC wish to consider supporting private or commercial development opportunities at the passenger ferry terminals in conjunction with the upgrades, TMR would be open to collaborating with RCC during the detailed design phase to potentially future proof the design of the ferry terminals for such development. Any detailed design and construction of potential development opportunities have not been included as part of TMR's funding contribution.

The Queensland Government will also contribute an additional \$1.045 million for demolition of the existing TMR-owned Russell Island jetty and modification of the four existing pontoons at Russell, Macleay, Lamb and Karragarra terminals. These works will extend the lives of these pontoons and will make them suitable for recreational boating and fishing activities once the new ferry terminals are constructed.

The terms of the funding arrangement will be formalised through a Deed of Agreement between TMR and RCC, and the commitment will also be published in the upcoming *Queensland Transport and Roads Investment Program (QTRIP) 2019–20 to 2022–23*.

It remains the government's position that following these upgrades, RCC will own and maintain all the SMBI passenger ferry terminals, which is consistent with other ferry infrastructure ownership and management arrangements with local governments across the state. TMR will demolish the existing jetty at Russell Island once the new passenger ferry terminal is operational.

I look forward to our continued cooperation in delivering these passenger transport upgrades for the SMBI residents and visitors.

Yours sincerely



Neil Scales
Director-General
Department of Transport and Main Roads

Ps. Happy to discuss

