ORDINARY MEETING 25 NOVEMBER 2026	5.7

EARLY WORKS – DEMOLITION OF AERATION HALL PORTSMITH

CIA | 86/4/1 | #7971172

RECOMMENDATION:

That Council

1. **Endorse the commencement of early demolition works for the Aeration Hall Upgrade at the Portsmith Transfer Station under the executed Design and Construct Contract No. 3006, as part of Project 601258 Capital Improvements to Existing Aeration Hall, at an estimated cost of $1,293,828 (excluding GST).**

2. **Delegates authority to the CEO in accordance with the *Local Government Act* to finalise and negotiate any and all matters associated with or in relation to this project and contract subject to normal procurement practices and policies.**

INTERESTED PARTIES:

REMONDIS Australia Pty Ltd
FGF Developments No 1 Pty Ltd
Keir QLD Pty Ltd

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

Contract No. 3006 replaces the Bedminster residual waste arrangement through coordinated operations and maintenance (waste handling, bulk haulage and disposal) and D&C agreements with the REMONDIS Australia Pty Ltd and FGF Developments No 1 Pty Ltd joint venture. The Aeration Hall upgrade provides an interim Portsmith transfer facility pending longer-term infrastructure planning.

The D&C contract comprises:

- Separable Portion 1 – Interim facility design development
- Separable Portion 2 – Interim facility construction
- Separable Portion 3 – Future permanent facility design

This report seeks endorsement to bring forward Separable Portion 2 demolition and make-safe works alongside design, potentially shortening delivery, improving the transition to construction and reducing temporary hardstand operations. Endorsement is limited to early works and excludes the remaining Separable Portion 2 works and construction of a future permanent facility.

Separable Portion 1 (Design) is underway, with completion forecast for February 2027. Early demolition will use the adopted 2026/27 budget for Project 601258 Capital Improvements, at an estimated cost of $1,293,828.00. Demolition offered the best value for money after options to retain the hall were investigated.

A further report will be submitted to Council seeking approval for the remaining works, including Project Launch Approval (PLA).

BACKGROUND:

Council operates the Portsmith Resource Recovery precinct, which accommodates waste receival, transfer and resource recovery activities supporting the region's waste management services. The precinct includes the Portsmith Transfer Station and the former Bedminster processing facility. Residual waste from kerbside collections, Council transfer stations and other Council activities requires an ongoing receival and bulk-haulage arrangement to maintain continuity of this essential service.

Planning for replacement of the Bedminster waste management arrangement commenced before the recent fire damage, reflecting the facility's condition and the approaching expiry of Contract No. 1396 on 14 August 2026. On 16 October 2024, Council endorsed inviting Expressions of Interest for a replacement residual waste solution. A major fire at the Bedminster facility on 23 January 2025 subsequently disrupted the existing processing arrangement and changed the operational context for the procurement. Council therefore needed to secure continuity of residual waste handling while retaining flexibility to plan its longer-term infrastructure requirements.

The procurement progressed through Expressions of Interest, Early Tenderer Involvement and a select tender process, with tenders closing on 7 November 2025. On-site and off-site solutions were considered, together with use of the existing Aeration Hall as an interim transfer facility. The Aeration Hall approach provided a pathway to retain waste handling at Portsmith while allowing further planning for a future facility. This is the origin of the Aeration Hall upgrade project now being progressed under Contract No. 3006.

At Council's Ordinary Meeting on 25 March 2026, Contract 3006 for residual waste arrangement was awarded to the joint venture of REMONDIS Australia Pty Ltd and FGF Developments Pty Ltd and includes operations and maintenance services, with associated facility works administered through the D&C contract. The present report concerns the sequencing of early demolition under the executed D&C contract.

COMMENT:

Contract No. 3006 provides Council's replacement residual waste management arrangement following the end of the Bedminster contract. The arrangement with the joint venture of REMONDIS Australia Pty Ltd and FGF Developments No 1 Pty Ltd comprises separate but coordinated agreements: an operations and maintenance contract for waste handling, bulk haulage and disposal, and a D&C contract for the associated facility works.

The Aeration Hall project provides an interim waste transfer facility at Portsmith while Council plans its longer-term infrastructure requirements. The D&C contract is structured into three separable portions:

- Separable Portion 1 – Interim facility design development
- Separable Portion 2 – Interim facility construction
- Separable Portion 3 – Future permanent facility design

The proposed early demolition would bring forward demolition and make-safe activities associated with Separable Portion 2, at an estimated cost of $1,293,828. Endorsement sought through this report is limited to those early works and does not authorise the remaining construction works under Separable Portion 2 or construction of a future permanent facility. A further report will be submitted to Council seeking approval for the remaining works, including PLA.

When reviewing residual waste options for the site, two structural options were initially considered, however further discussions between Council and the Joint Venture (JV) identified operational impacts and associated costs. A final structural option, comprising demolition of the existing Aeration Hall and construction of a new structure, was subsequently investigated and costed as it demonstrated the best Value for Money.

The JV has proposed undertaking demolition concurrently with Separable Portion 1 (Design). This approach provides an opportunity to bring forward an enabling activity and reduce the time required to transition into construction. Before demolition is authorised, the scope, exclusions, price, funding availability and contractual mechanism are to be confirmed, including coordination with ongoing waste operations. The early works authorisation is to be limited to demolition and associated make-safe activities within the agreed scope.

OPTIONS:

Option 1: (recommended)

That Council:

1. Endorse the commencement of early demolition works for the Aeration Hall Upgrade at the Portsmith Transfer Station under the executed Design and Construct Contract No. 3006, as part of Project 601258 Capital Improvements to Existing Aeration Hall, at an estimated cost of $1,293,828 (excluding GST).

2. Delegates authority to the CEO in accordance with the *Local Government Act* to finalise and negotiate any and all matters associated with or in relation to this project and contract subject to normal procurement practices and policies.

Option 2:

That Council does not endorse the commencement of early demolition works for the Aeration Hall Upgrade at the Portsmith Transfer Station under the executed Design and Construct Contract No. 3006, as part of Project 601258 Capital Improvements to Existing Aeration Hall, at an estimated cost of $1,293,828 (excluding GST).

CONSIDERATIONS:

Risk Management:

As with any construction project, there are risks to the overall timing and delivery of the works due to inclement weather and availability of resources. However, a suitable time contingency has been allowed to enable the works to be completed within the financial year.

Council Finance and the Local Economy:

The early demolition works will be funded from the adopted budget for the parent project, 601482 – Resource Recovery Site Facility. No additional budget allocation is sought through this report.

	2026/27	2027/28	2028/29	Outer Year	Total
Adopted Budget*	8,000,000	10,000,000	15,000,000	7,000,000	**40,000,000**
Early Works	1,293,828	-	-	-	1,293,828
Variance (Budget vs PLB)	6,706,172	10,000,000	15,000,000	7,000,000	**38,706,172**

Community and Cultural Heritage:

The proposed works support continuity of an essential waste management service and the transition from temporary hardstand operations to the completed facility. Potential impacts on site users and adjoining premises, including traffic, noise and dust, are to be managed through the agreed demolition arrangements and targeted stakeholder notifications.

Natural Environment:

Demolition has the potential to generate dust, noise, demolition waste and contaminated runoff. Environmental controls are to address waste segregation and lawful disposal, leachate and stormwater management, and the identification and management of hazardous materials. The applicable Environmental Authority conditions and any additional approval requirements are to be confirmed before demolition commences. Approval of early demolition does not remove the environmental assessment and approval requirements for the subsequent construction phase.

Corporate and Operational Plans:

The proposal supports the delivery of Council's adopted Resource Recovery Site Facility capital project and the continued provision of waste management services. The broader upgrade addresses asset condition, operational safety, environmental management and service reliability. Early demolition changes the proposed sequencing of delivery.

Statutory:

All relevant statutory requirements will be satisfied under the Local Government Act 2009 and the Local Government Regulation 2012

Policy:

The procurement process was undertaken in accordance with Council's adopted Procurement Policy

CONSULTATION:

Internal stakeholders have been consulted during the options investigations, and will continue to be consulted as the project progresses through the Design and Construct contract.

Engagement with relevant environmental, approvals and operational stakeholders will continue to ensure the works are delivered in accordance with the approved design, environmental controls and Council requirements.



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