



Agenda

Special Meeting

Wednesday, 4 February 2026

Time: 8:45 am

Location: Council Chambers
82 Brisbane Street
BEAUESERT QLD 4285

Scenic Rim Regional Council
Special Meeting
Wednesday, 4 February 2026
Agenda

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- 1 Opening of Meeting**
- 2 Attendance**
- 3 Apologies**
- 4 Declarations of Interest by Members**

- 5 Consideration of Business of Meeting**

Infrastructure Services**5.1 Gallery Walk Project Update - Delivery Change and Budget Increase**

Executive Officer: Director Infrastructure Services

Item Author: Director Infrastructure Services

Attachments:

1. Gallery Walk Stage 1 Off Street Carparking Cost Breakdown - Confidential
2. Gallery Walk Stage 1 Off-Street Carparking project - Project Key Milestones [!\[\]\(2a133ebb0337313d16cc068f19494aa2_img.jpg\)](#)

Councillor Portfolio / Representation

Transportation and Infrastructure - Cr Duncan McInnes

Local Government Area Division

This report relates to Division 1.

Executive Summary

The Gallery Walk Stage 1 Off-Street Carparking project has experienced cost and schedule impacts arising from unforeseen resource constraints, prolonged wet weather, procurement changes, and challenging market conditions. These factors have resulted in a revised forecast cost of \$6.0 million, requiring a budget increase of \$1.6 million. Council approval is sought to reallocate funding to ensure project continuity and delivery in line with community and strategic objectives.

Recommendation

That Council endorse the reallocation of \$1.6 million to accommodate additional costs associated with the delivery of the Gallery Walk Stage 1 Off-Street Carparking project, funded from general revenue through the Quarter Two Budget Review 2025 - 2026.

Previous Council Considerations / Resolutions

Not applicable.

Report / Background

The Gallery Walk Stage 1 Off-Street Carparking project has experienced significant changes in delivery and budget due to unforeseen circumstances. Initially estimated at \$4.2 to \$4.4 million in 2024 and April 2025, the forecast cost is now \$6.0 million, an increase of \$1.6 million.

Key contributing factors include Council resource constraints, adverse weather conditions, a significant increase in earthworks requirements, minor scope variations and limited contractor availability within a highly competitive market. A breakdown of the additional costs, together with key project milestones are provided in Attachment 1 and 2, respectively.

Council was successful in obtaining a \$2.1 million grant to assist with the initial funding of this project, through the Queensland Government's 2024–2027 South East Queensland Community Stimulus Program.

As per the Queensland Government funding program guidelines, any external communication material around the project requires approval from the Department before the intended release.

Project Delivery and Cost Increase

As with many civil infrastructure projects, delivery delays can arise from factors such as adverse weather, resourcing challenges, and prevailing market conditions. These issues commonly affect site access, material availability, and construction scheduling, requiring adjustments to timelines and budgets to maintain quality and compliance outcomes.

For this project, the primary unforeseen drivers of delay include changes to Council resources, an increase in earthwork scope beyond initial estimates for the carpark and associated work, minor scope changes to service relocations and electrical conduiting works, prolonged wet weather, and reduced contractor availability in a market influenced by major regional infrastructure projects in South East Queensland.

The project has also been impacted by prolonged periods of wet weather, with over 2,000 mm of rainfall recorded during 2025. Rainfall conditions occurring at the beginning of project construction significantly affected site accessibility and slowed earthworks and material preparation, requiring additional drying and reworking of site material. As a result, schedule extensions and cost increases were unavoidable, compounding existing resource and market constraints.

To mitigate delays and maintain progress, the delivery model was revised mid-2025. Originally, Council crews were scheduled to complete both the carpark and associated roadworks.

Under the revised model, Council crews will complete the carpark works, while a contractor will deliver the remaining scope, including roadworks, lighting, and amenities. This approach ensures continuity of works, compliance with Transport and Main Roads requirements, and alignment with quality standards, while extending the delivery timeline by approximately 12 weeks. Council will finalise the delivery method of the remaining work to optimise the delivery timeframe.

Project Management

The proposed budget variation, revised project scope, and funding strategies are structured to ensure the project delivers the desired outcome.

Due to the revised scope and financial value of the works, approval is sought for a budget increase of \$1.6 million to enable the project to proceed in accordance with updated delivery requirements and funding commitments.

Key learnings from this project will be incorporated into the ongoing refinement and implementation of Council's project management framework to improve governance, resourcing, and risk management for future projects.

Budget / Financial Implications

A budget increase of \$1.6 million is sought to deliver the revised project scope, to be funded through deferral and re-phasing of identified capital works across the ten-year capital program.

Council has secured a \$2.1 million grant through the Queensland Government's 2024-2027 South East Queensland Community Stimulus Program, forming a critical component of the project's funding strategy. Council has sought additional funding support through the same program to offset increased delivery costs; however, no further funding is currently available.

As a result, the required budget variation will need to be funded through internal reprioritisation which will be finalised through quarterly budget review processes.

Strategic Implications

Corporate Plan 2025-2030

Council's Corporate Plan 2025-2030 outlines the organisation's Vision, Mission and Values. Council's Values are Service, Resilience, Respect, Commitment.

Strategic Goal: Integrated Transport

Guiding Principle: Not applicable

Legal / Statutory Implications

Local Government Regulation 2012

Risks

Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

- CR3 Assets and Infrastructure - Council owns and maintains a significant network of assets and infrastructure. Deficiencies in funding, planning or unpredicted deterioration may lead to not meeting expected service levels.
- CR25 Delivering Projects and Strategic Plans - It is inherently challenging to deliver successful projects ranging from large capital projects, strategic programs, internal enhancement projects or smaller operational projects. Unsuccessful projects can result in delayed outcomes, cost increases, or reduced scope of deliverables.

Risk Summary

Category	Explanation
Infrastructure, Assets & Service Delivery Delivery of a substandard project	There is a risk that excessive project scaling may result in a substandard outcome, which does not meet community expectations, reducing the asset's lifecycle and adversely impacting Council's asset management position.
Reputation, Community & Civic Leadership Reduced confidence in Council's ability to deliver	Delivering a substandard project also presents a reputational risk for Council. If the asset does not meet community expectations or performs poorly, it can undermine public confidence in Council's decision-making, and ability to deliver quality infrastructure, potentially leading to increased scrutiny from stakeholders, complaints from the community, and reduced trust in future projects.

Human Rights Implications

No human rights have been impacted by any actions recommended in this report.

Consultation

Council's Capital Works, Project Delivery and Financial Management teams have contributed to this contents of this report. The project is being management of Council's Project Delivery team, and delivered through internal Council's Capital Works team.

Conclusion

Despite significant delivery challenges, the revised delivery approach provides a practical pathway to complete the Gallery Walk Stage 1 Off-Street Carparking project while maintaining quality and compliance standards. Approval of the proposed budget reallocation will enable Council to respond to market conditions and unforeseen impacts while honouring funding commitments and community expectations. The project has also provided valuable learnings to inform future implementation of Council's project management framework.

Options

Option 1

That Council endorse the reallocation of \$1.6 million to accommodate additional costs associated with the delivery of the Gallery Walk Stage 1 Off-Street Carparking project, funded from general revenue through the Quarter Two Budget Review 2025 - 2026.

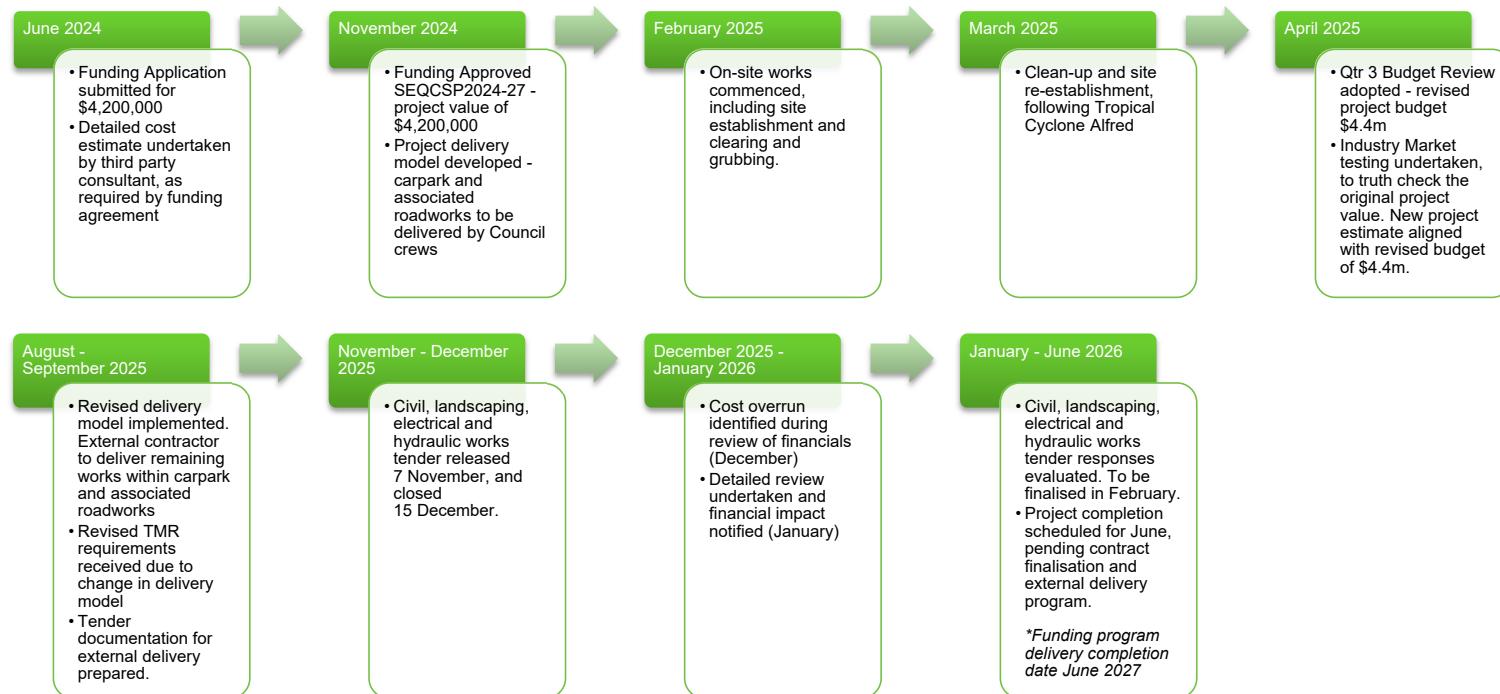
Option 2

That Council does not endorse the proposed reallocation of \$1.6 million for the Gallery Walk Stage 1 Off-Street Carparking project at this time and defers consideration of the matter pending further investigation, with the delivery of the project to be finalised in the 2026 - 2027 financial year.



Gallery Walk Stage 1 Off-Street Carparking project - Key Milestones

Project Milestones



Construction Milestones

