

Please note: These minutes are yet to be confirmed as a true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE AIRPORT ADVISORY COMMITTEE MEETING HELD ON 21 APRIL 2021

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MINUTES

MINUTES OF AIRPORT ADVISORY COMMITTEE HELD IN THE COMMITTEE ROOM,
ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 21 APRIL 2021 AT 9.30AM.

1. **DECLARATION OF OPENING, ACKNOWLEDGEMENT OF COUNTRY AND ANNOUNCEMENT OF VISITORS**

The Presiding Member opened the meeting at 9.34am.

The Presiding Member noted this meeting is held on the lands of the Wadandi people and acknowledged them as Traditional Owners, paying respect to their Elders, past and present, and Aboriginal Elders of other communities who may be present.

2. **ATTENDANCE**

Presiding Member:

Cr Paul Carter

Members:

Cr Kelly Hick
Cr Sue Riccelli
Cr Phill Cronin

Officers:

Mr Mike Archer, Chief Executive Officer
Mrs Naomi Searle, Director, Community and Commercial Services
Ms Jennifer May, Manager, Economic and Business Development Services
Mr David Russell, Airport Operations Coordinator
Ms Melissa Egan, Governance Officer

Public:

1

Apologies:

Nil

3. **PUBLIC QUESTION TIME**

Nil

4. **DISCLOSURE OF INTERESTS**

Nil

5. **CONFIRMATION OF MINUTES**

5.1 **Minutes of the Airport Advisory Committee Meeting held 3 February 2021**

COMMITTEE DECISION

AIR2104/070 Moved Councillor S Riccelli, seconded Councillor K Hick

That the Minutes of the Airport Advisory Committee Meeting held 3 February 2021 be confirmed as a true and correct record.

CARRIED 3/0

9.36am: At this time, Cr Cronin entered the meeting.

6. REPORTS

6.1 BUSSELTON MARGARET RIVER AIRPORT - AIRPORT UPDATE

STRATEGIC GOAL	5. TRANSPORT Smart, connective and accessible
STRATEGIC OBJECTIVE	5.1 Public transport services that meet the needs of the community.
SUBJECT INDEX	Airport Operations
BUSINESS UNIT	Commercial Services
REPORTING OFFICER	Airport Operations Coordinator - David Russell
AUTHORISING OFFICER	Director, Community and Commercial Services - Naomi Searle
NATURE OF DECISION	Noting: The item is simply for information purposes and noting
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Nil

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

AIR2104/071 Moved Councillor S Riccelli, seconded Councillor P Cronin

That the Council receives and notes the Airport Operations Report.

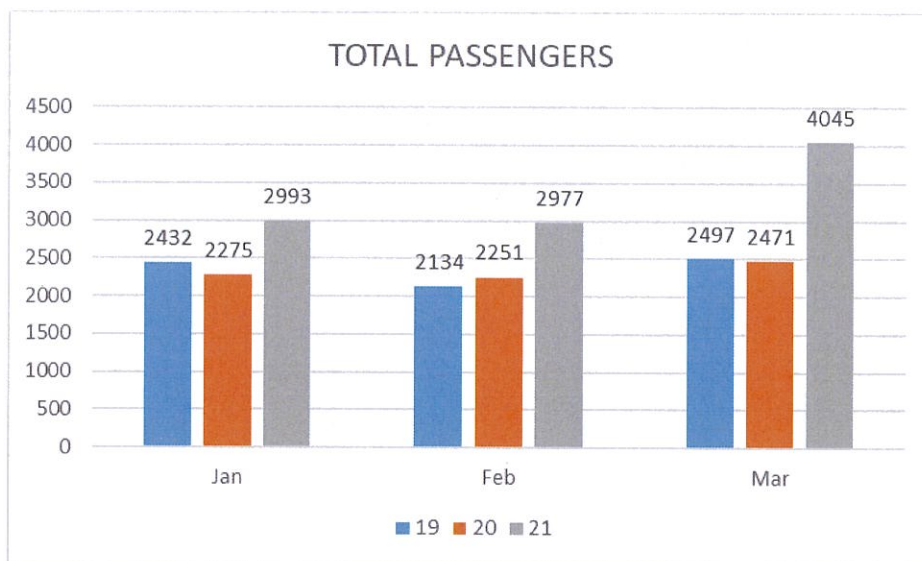
CARRIED 4/0

EXECUTIVE SUMMARY

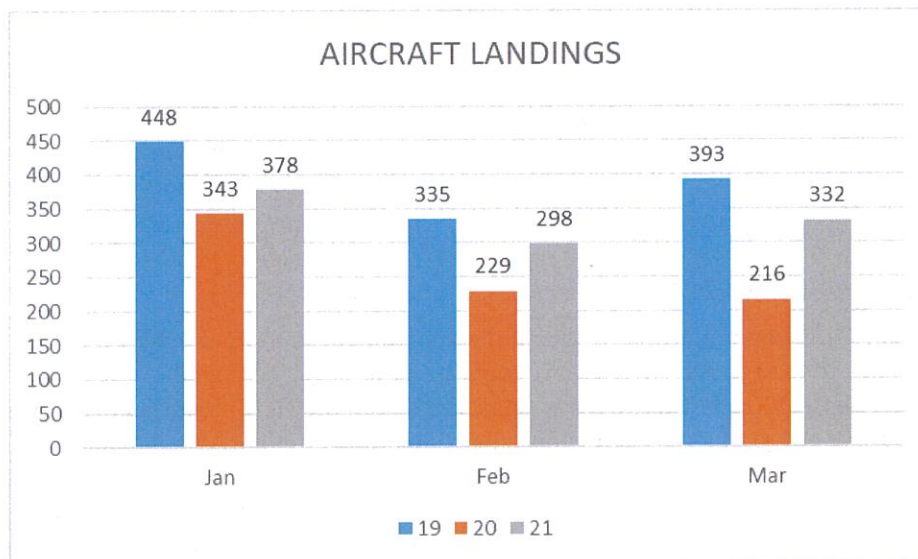
This report provides an overview of the operations and activities of the Busselton Margaret River Airport (BMRA) for the reporting period 1 January 2021 - 31 March 2021. This includes an update on passenger number trends, aircraft landings, actions relating to COVID-19 and general airport operations.

BACKGROUND

Virgin Australia Regional Airlines (VARA) fly in fly out (FIFO) services from Busselton have returned to above pre COVID-19 frequencies with an increase in the overall passenger numbers compared to the same period in 2020. There has been a total of 9,013 passengers for the January – March 2021 reporting period compared to 7,362 passengers in 2020 and 7,700 passengers in 2019.



A total of 1,008 aircraft landings were recorded for the reporting period, an increase from the numbers reported for the same period in 2020 (788) and a decrease to 2019 (1,176). This increase in aircraft landings from 2020 can be attributed to an increase in Busselton Aeroclub flight training (an increase of 39 landings) within the general aviation aircraft (0kg to 1999kg) category, increases in landings in the 30,000kg category aircraft, primarily FIFO charter aircraft (increase 66 landings) and DFES fire-fighting operations totalling 102 landings. The total number of FIFO services using BMRA is currently 15 flights (30 movements) per week utilising the F-100 and A320 aircraft.



Carpark

There are currently 736 car park users using the FIFO swipe card system, with an average of 197 vehicles parked per week for the month of January and with the highest number of vehicles parked on any one day at 291 vehicles (recorded on 27 January) out of an available 422 bays.

Operations

The focus for the reporting period has been on:

- The continued readiness of the Jetstar Melbourne to Busselton service due to commence on the 26 June 2021.
- Officers submitted the new BMRA Aerodrome Manual to CASA in early December for review with approval and issue of the new Aerodrome Certificate expected in May 2021.
- Establishment of the Department of Fire and Emergency Services (DFES) operations and refuelling support of fire-fighting aircraft during the Wooroloo fire emergency.

As reported at the last Airport Advisory Committee meeting, the Department of Home Affairs conducted an audit inspection on 8 December 2020 including a site visit and inspection of the terminal building, airside security areas, airside/landside boundary and the BMRA's Transport Security Program. While some feedback was provided on the day verbally, no non-compliances were issued and the Department has written to the City with the following findings that the City may wish to address to improve security outcomes:

- Along the far northern boundary, there is a structure close to the perimeter fencing that may require removal (to be completed).
- Signage on internal terminal doors to indicate entry to the Security Restricted Area (completed).
- Persons required to display ASICs in aviation security zones are not displaying valid ASICs (ongoing).

As at 12 January 2021, the West Australian Government introduced a directive under the *Emergency Management Act 2005 (WA)* for all persons entering airport terminal facilities to wear face masks. As such, all staff, contractors, passengers and visitors (noting that there are some exclusions) entering the BMRA terminal building are now required to wear a face mask. Signage has been put up on the terminal entry doors and, when there are no scheduled flights, the terminal doors are locked to prevent access. Signage includes staff contact details for persons who need to conduct business in the terminal building so that access can be provided.

Hangar Leases

Hangar leases and hire agreements by emergency services and private operators continue to occupy 10 of the 12 hangars owned by the City of Busselton, with two other hangars being used to store aircraft ground servicing equipment and airport maintenance equipment owned by the City and the ground handling operator. City officers will continue to liaise with emergency services and aircraft owners to secure interest in the existing hangars and new general aviation precinct.

DFES Aerial Fire Fighting Capability

DFES aerial fire-fighting operations infrastructure was setup at the BMRA in late November 2020 and Coulson Aviation, the Large Air Tanker (LAT) operator for DFES, deployed a C-130 aircraft to the BMRA in December 2020. A second LAT was deployed to the BMRA for a period of time in response to extreme fire risk ratings due to high winds and temperatures in early January and a further two B737 aircraft were deployed to BMRA from NSW to assist in the firefighting response for the Wooroloo fires north of Perth in February. On 20 March 2021, DFES Commissioner visited the BMRA to award certificates of appreciation to the City of Busselton for their support during the LAT operations. DFES fire-fighting operations concluded on 8 April 2021 for the season.

OFFICER COMMENT

FIFO passenger numbers through the BMRA have increased in comparison to previous years and officers expect passenger numbers to continue to increase as FIFO employment recruiting from the South West for the resources sector continues.

Officers continue to liaise regularly with Jetstar executives and operations teams for the commencement of the Busselton - Melbourne flights on 26 June 2021. BMRA is operationally ready to commence Regular Public Transport (RPT) services with the exception of the security screening contractor's team who need to be redeployed and complete final training.

The RAAF deployed six Hawk 127 fighter training aircraft to BMRA on the week of 29 March to conduct formation take-off and landing exercises and facilitated a group of high school students interested in a career in the RAAF. Officers are continuing to liaise with the RAAF regarding the RAAF centenary which occurred on 31 March 2021. Officers are planning to host a BMRA Open Day on 7 November 2021 for the community to come and view the upgraded airport facilities, and invite the RAAF to celebrate their centenary at the same time. Officers will also invite the Busselton Aero Club to participate in the open day by hosting a general aviation 'fly in' and ground display of recreation and general aviation aircraft.

Capital Works

Ongoing capital works and infrastructure improvements for this financial year include:

- Baggage carousel installation for the arrivals building.
- Installation of weatherproof shelters for car park entrance / exit ticket machines.
- Line marking of the new transport operators car park.

Regional Airports Development Scheme 2021-23 (RADS)

The Department of Transport (DoT) Regional Airport Development Scheme (RADS) 2021-23 includes a COVID-19 stimulus initiative to support the State's economic recovery. RADS funding will cover up to 75% of the total eligible project cost for successful applicants for projects that can be completed prior to 31 December 2021.

City officers lodged funding applications for the below listed projects. The City has been notified by the Minister for Transport that it has been successful in its application to complete the airside/landside fencing for the General Aviation precinct (2), with unsuccessful applications for the Royal Flying Doctor's Service (RFDS) transfer station (1) and airside drain netting (3).

1. Relocation of the RFDS/St Johns transfer station from the central apron to the emergency services precinct. The total cost of this project is \$188,664 with the City's 25% required contribution of \$47,166.
2. Completion of a general aviation (GA) precinct fencing to allow airside/landside access for future hangar owners/tenants. The total cost of this project is \$25,558 with the required City contribution of \$6,390.00.
3. Airside drain netting of taxiways A and B drains to improve safety by minimising bird / wildlife presence on the aerodrome. The total cost of this project is \$190,000 with the required City contribution of \$47,500.

Following advice from DoT, the City also submitted funding applications for the three projects above to the Federal Government's Regional Airports Program Round 2.

Regional Airports Program (RAP) Round 2 grant opportunity

Applications for the Department of Infrastructure, Transport, Regional Development and Communications RAP Round 2 grant funding program closed on 18 December 2020. The key objective of the RAP is to improve the safety and accessibility of airports or aerodromes in regional areas of Australia by assisting aerodrome owners/operators to undertake essential works, promoting aviation safety and access for regional communities.

As the City falls under the category of an Australian local government agency or body and the total project cost is equal to or less than \$300,000, Commonwealth funding will cover up to 100% of eligible project costs.

Officers have submitted applications for the three projects listed above as well as the two below listed projects:

- Extension of the central apron northern shoulders to facilitate extended taxiing guideline markings and apron edge clearance for A320 and Boeing 737 aircraft utilising bay 11 for RPT operations.
- Clearing of airside swale drains to improve water flow and drainage of the runway strip to ensure safe and compliant winter operations.

Unexpected delays in notifying successful applicants has occurred for RAP Round 2 grant applications, with a new notification date to be confirmed.

Domestic Airports Security Costs Support Program (DASCS)

The City of Busselton as operator of BMRA has been invited to apply for the DASCS program. This grant opportunity was announced on 11 March 2021 as part of the Australian Government's tourism and aviation's flight path to recovery support package and is to support regional airports with security screening costs.

The Program provides a total of \$90 million over six months, for the period of 29 March 2021 to 30 September 2021. The Program will reimburse grantees for Eligible Expenditure incurred associated with passenger and baggage security screening operations required under the Regulations with a maximum grant amount for the BMRA of \$300,000.

Eligible applicants are those domestic airport operators in Australia, or airlines who have screening authority for a terminal in an Australian domestic airport that, between 29 March 2021 and 30 September 2021, will be:

- receiving RPT services, and
- required to undertake passenger and baggage security screening as prescribed by the *Aviation Transport Security Regulations 2005*.

Applications for the Grant close on 1 September 2021.

Tourism Aviation Network Support (TANS) Program

In March 2021, the Federal Government announced the TANS funding package as part of the COVID-19 recovery plan that included subsidies of half-price airfares on selected routes across Australia. With Broome being the only Western Australian destination to be included, officers have approached the Government to include the Melbourne-Busselton RPT service when it commences in June 2021. It is hoped that a further announcement of routes will be made over the coming months.

Busselton Margaret River Airport Commercial and Industrial Precinct

While the City continues to focus on securing new air routes and services, it recognises that landside land use is equally important to the economic viability and success of the BMRA. Landside land use will support the BMRA's growth and is complementary to airside activities. The BMRA Master Plan (2016) identifies a number of land use precincts including the Industrial and Commercial Precinct with its primary purpose to provide facilities and services including:

- Airline support services;
- Freight logistics;
- Aviation engineering, maintenance and servicing; and
- Non-aviation uses including light industrial, specialised industrial, commercial and office facilities where proximity to aviation related services and air transport is required or advantageous.

Officers have advertised an RFQ document to engage consultants to prepare Request for Proposal (RFP) documentation for the BMRA Commercial and Industrial Precinct. The RFP is to provide a framework to attract private sector investors / developers interested in leasehold, outright purchase or investment partnership arrangements. The RFQ closing date is 15 April 2021.

Statutory Environment

The BMRA operates in accordance with the following:

- *Aviation Transport Security Act 2004*
- *Aviation Transport Security Regulations 2005*
- CASA Manual of Standards 139
- Council's Transport Security Plan
- City policies and procedures

Relevant Plans and Policies

There are no relevant plans or policies to consider in relation to this matter.

Financial Implications

Airport revenue at the end of the reporting period totals \$1,126,215 compared to the amended budget of \$1,269,371. The reason for revenue being less than expected is mainly due to not receiving passenger screening fees for Jetstar services of \$121,770.

Actual expenses to April 2021 excluding depreciation, airline marketing and attraction expenses were \$488,672 compared to the amended YTD budget of \$720,998. Lower expenses are attributed to delays in the commencement of some works projects and no passenger screening services expenses due to Jetstar flights not commencing.

Stakeholder Consultation

Consultation has been occurring on a regular basis with Department of Transport, Government agencies, airport stakeholders, Department of Home Affairs, Aviation Marine Security (AMS), Civil Aviation Safety Authority (CASA), Air Services Australia, Virgin Australia Regional Airline, Qantas Group, the Busselton Aero Club, Albany, Esperance, Geraldton Airports and Australian Airports Association, concerning many topics and issues relating to the Airport.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

The Council may choose not to receive and note the Airport Operations Report.


CONCLUSION

The airport team has had a busy summer period working with the fire-fighting aircraft and are now looking forward to the commencement of RPT services in June. Officers will continue to provide a high level of customer service ensuring the airport is compliant, safe and security is maintained throughout.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

6.2 BUSSELTON MARGARET RIVER AIRPORT - GENERAL AVIATION HANGAR PRECINCT PROPOSAL

STRATEGIC GOAL	5. TRANSPORT Smart, connective and accessible
STRATEGIC OBJECTIVE	5.1 Public transport services that meet the needs of the community.
SUBJECT INDEX	Busselton Margaret River Airport
BUSINESS UNIT	Commercial Services
REPORTING OFFICER	Manager Economic and Business Development Services - Jennifer May
AUTHORISING OFFICER	Director, Community and Commercial Services - Naomi Searle
NATURE OF DECISION	Contractual: To enter into a contract e.g. a lease or the award of a tender etc.
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Attachment A Airport Aerial Plan   Attachment B GA Hangar Lot Site Plan  

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

AIR2104/072 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Council:

1. Subject to an Expression of Interest process, endorse the construction of up to three General Aviation hangars at the Busselton Margaret River Airport.
2. Endorse the allocation of \$210,000 from the draft 2021/22 budget to be funded from the Airport Infrastructure Renewal Reserve to a newly created capital account for the construction of general aviation hangars.
3. Notes that the CEO will under delegation enter into lease arrangements for the constructed hangars.

CARRIED 4/0

EXECUTIVE SUMMARY

This report presents a proposal for Council consideration to fund the construction of general aviation hangars for lease at the Busselton Margaret River Airport (BMRA).

BACKGROUND

Following the completion of the BMRA Redevelopment Project in March 2018, including the construction of a fully serviced General Aviation (GA) precinct, the City of Busselton advertised for Registrations of Interest (RoI) for the lease of vacant hangar lots.

The GA precinct includes 36 hangar lots ranging in size from 150m² to 838m². The lots are fully serviced and available for recreational and commercial pilots and/or aviation related businesses. The hangar lots are situated adjacent to Code B rated aprons (see Attachment A), have direct access to the runway of 2,520m (TODA) x 45m via dedicated Code B and Code 4C taxiways, and Jet A1 Fuel and Avgas facilities are available. All lots are serviced with water, power, sewer and telecommunications.

The RoI included details on the proposed lease arrangements which were subject to commercial negotiations with the City of Busselton. The following standard lease conditions were put forward:

- Term – 10 years plus a further two 5 year options.
- Rent - by market valuation, with previous valuations indicating \$9-11 (excl. GST) per square metre per annum.
- Rent reviews - every five years with all other years subject to CPI (Perth All Groups) rent reviews.
- Outgoings - the Lessee to pay for City of Busselton rates, water consumption (individually metered), electricity (individually metered), communications/NBN and insurances (including Property, Public Liability and Hangar Keepers).

The RoI also included the design guidelines for the development of hangars including setbacks, height restrictions, built form and materials, signage and required approvals.

The RoI was advertised in October 2018 on the City of Busselton's website and social media, local newspapers, aviation magazines and distributed to all West Australian aero clubs and aviation businesses located in Perth and Jandakot Airport precincts. Three RoI submissions were received following the advertising period, however no leases were entered into. There were a number of reasons that contributed towards the lack of submissions received, including:

- Capital funding for hangar construction was difficult to achieve.
- Lease term was considered too short (minimum of 30 years was preferred).
- There was no 'buy back' clause for hangar infrastructure available in the lease.

Since 2018, officers have been approached for information on the hangar lots and currently there is interest from a helicopter operator for one of the larger lots, additionally the Busselton Aero club have expressed interest in hangar lots in the GA precinct.

The City also owns two of the existing large (25m x 50m) hangars situated adjacent to the Busselton Aero Club (see Attachment A). The City purchased the two hangars from the hangar owner consortiums in 2018. The hangars are split internally into 5 and 6 individual hangars and currently 9 of the 11 individual hangars are leased out, with the remaining two used for airport operations and the Margaret River Busselton Tourism Association (MRBTA) ground handlers. There are three leases with McDermott Aviation, Helistar and the Busselton Aero Club which return an annual income of \$30,600 and four short term hangar hire arrangements returning a monthly income of \$3,812. The City is frequently approached for additional hangar space on both long-term lease and short-term hangar arrangements.

OFFICER COMMENT

The GA precinct has remained vacant since the completion of the BMRA redevelopment project in 2018 and officers are keen to attract general and recreational pilots and aviation related businesses to the BMRA, and in particular the GA precinct. In considering feedback received from potential lessees during the last RoI of the cost and availability of capital funding, and the reluctance to enter into leases where the infrastructure reverts to City ownership on termination of the lease, officers now propose an alternate proposal as outlined below.

The GA precinct is made up of five sections of different sized lots:

- Lots 3-5 being approximately 830m²;
- Lots 6-15 being 150m²;
- Lots 18 -27 being 225m²;
- Lots 28-36 being between 425-588m²; and
- Premium lots 16-17, each 587m², having dual-sided apron access and facing the runway.

To ensure the efficient and greatest use of the entire GA precinct, the following principles have been applied to how the precinct can be utilised:

- Lots 33-36 reserved for helicopter operators;
- Lots 28-32 and 16-17 reserved for larger GA fixed wing operators and aviation businesses;
- Lots 6-15 and 18-27 reserved for GA/ RAA operators;
- Lots 4-5 reserved for aviation related businesses / flight training operators; and
- Lots 3 reserved for potential Busselton Aero Club hangar/clubrooms.

Using the above principles, the primary focus is to attract GA/RAA operators into lots 6-15 initially (see Attachment B). This will activate the precinct and lead to further interest of both operators and aviation related businesses.

To facilitate this, officers propose that the City constructs up to three 10m x 15m sized hangars starting at lot 15 and progressing through to lot 6 based on demand. It is proposed to offer these hangars for long term leases of up to 20 years and/or short term hire arrangements. In offering fully constructed hangars, the City would be able to eliminate some of the barriers preventing the take up of hangar lots, as well as being able to maintain consistency in the initial design and aesthetics of the GA precinct, with standard hangars and colours being used. Leases would be for a minimum of 10 years, up to 20 years and the lease rate would be higher than the market valuation rate to incorporate the return on investment of the hangars constructed by the City. Standard lease conditions as detailed in the RoI issued back in 2018 including outgoings (utilities), insurances, CPI increases and 5 yearly rent reviews would all still apply.

To gauge interest, officers propose that an initial expression of interest is advertised to attract potential lessees and ideally a minimum of two hangars constructed at a time to save on installation costs. Once the initial hangar leases have been secured and hangars constructed, additional hangars would only be constructed on demand. It is also proposed that this approach is initially capped at five hangars. If there is demand beyond this, a report would be brought back to Council to ensure that the funding implications are appropriately considered. The City would also continue to offer undeveloped hangar lots for lease.

Officers have sought quotations for the construction of standard hangars of 10m x 15m x 6m for lots 6-15 (150m²) including hangar style doors and concrete floors. Quotes for supply and installation, including contingency, all approvals, fees and charges are in the region of \$70,000 (incl. GST) per hangar. A recent market valuation completed by the City's Land Asset Management Officer has valued the ground leases of sites in the GA precinct as follows:

- Sites 6-15, 18-27 and 28 -33 at \$10 per m² per annum
- Sites 16, 17 and 34 -36 at say \$11 per m² per annum
- Sites 3-5 being larger sites at \$9 per m² per annum

The valuation has recommended that developed lease lots (i.e. including constructed hangars) include a rental for the building based on a 6% return on the cost of construction of the hangars. Based on a 6% return on investment, the rental rate for a newly constructed hangar on lots 7-15 would be \$38 m² per annum, totalling a rental return of \$5,700 per annum not including outgoings (as opposed to an estimated \$1,500 per annum on undeveloped serviced lease lots).

In the event that the EOI process indicates interest, it is recommended that the CEO, under delegation, enter into a lease(s). It should be noted that officers will be required to conduct a formal Request for Quotation process for the construction of hangars.

Statutory Environment

When disposing of property whether by sale, lease or other means, a local government is bound by the requirement of section 3.58 of the *Local Government Act 1995* (the Act) which requires giving local public notice when disposing of property. The public notice must describe the property concerned, give details of the proposal and invite submissions to be made before a specified date, not less than two weeks after the notice is first given. Any submissions received before the date specified in the notice must be considered.

Section 3.58(4) of the Act requires that the disposition includes either a valuation not more than six months old or a declaration by resolution that a valuation older than 6 months is considered a true indication of the value at the time of the disposition. A valuation was obtained from the City's Land Asset Management Officer (a licenced valuer) on 25 March 2021.

Relevant Plans and Policies

The proposal to construct hangars at the Busselton Margaret River Airport General Aviation Precinct aligns with the Busselton Margaret River Airport Master Plan 2016-36.

Financial Implications

There are no budget allocations in the 2020/21 adopted budget or draft 2021/22 Budget for this proposal. The City's Long Term Financial Plan (LTFP) indicates there are funds available in the Airport Infrastructure Renewal Reserve (the Reserve) over the next three years that could be used for the construction of GA hangars, with an opening 2021/22 balance forecast of \$1,444,145. Transfers from the Reserve towards marketing and incentives for 2022/23 and 2023/24 total \$730,000 and \$227,100 for fleet purchases. This leaves an unallocated amount of \$487,045 over the next three years, not including any net operating profit transferred into the Reserve at the end of the financial year(s).

Based on a rental rate of \$38 per square metre per annum and an annual rental of \$5,700 being transferred back to the Reserve, the construction of a single hangar at a cost of \$70,000 would be recouped within 13 years including the proportion of the land rental income and not taking into account any CPI or rental review increases.

Alternatively, if the EOI for constructed hangars / leases resulted in a positive outcome (3-5 leases signed), then the City could consider borrowing funds so that the Reserve is not impacted. Using the rental rate of \$38 per square metre and annual rental income of \$5,700, the repayments of a \$70,000 loan over 20 years at 2% (\$4,255 p.a.) would be covered with a minimal amount left.

While the hangars would be new builds and maintenance costs would be minor in the first decade, the City would be responsible for structural and asset renewal maintenance under the lease. This would need to be factored into the airport operational budget for future years. It would be expected that securing the leases and activating the GA precinct would result in increased landing fees and potentially attract new general aviation businesses which would contribute to the overall Airport revenue.

Stakeholder Consultation

Officers have consulted with existing general and recreational aviation operators and the Busselton Aero Club to gauge interest in the proposal which has generally been positive. An expression of interest would be advertised to determine the demand for constructed hangars and leases.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation, the Council could:

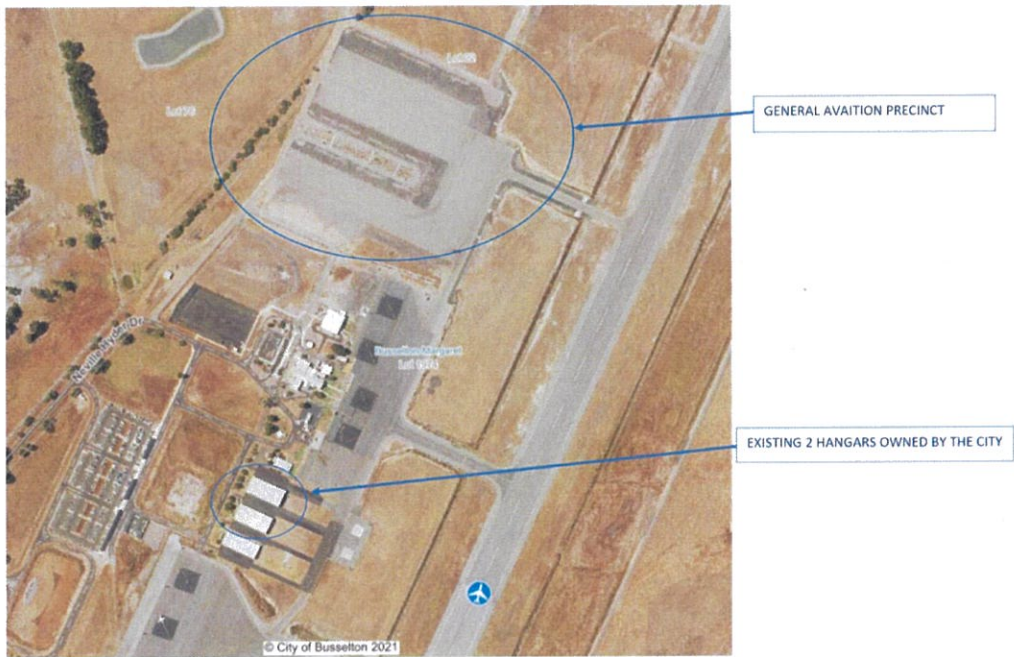
1. Choose not to support the proposal to construct GA hangars for lease and continue to advertise undeveloped lease lots.
2. Authorise the CEO to proceed with an expression of Interest and bring back a proposal for funding once submissions have been received.

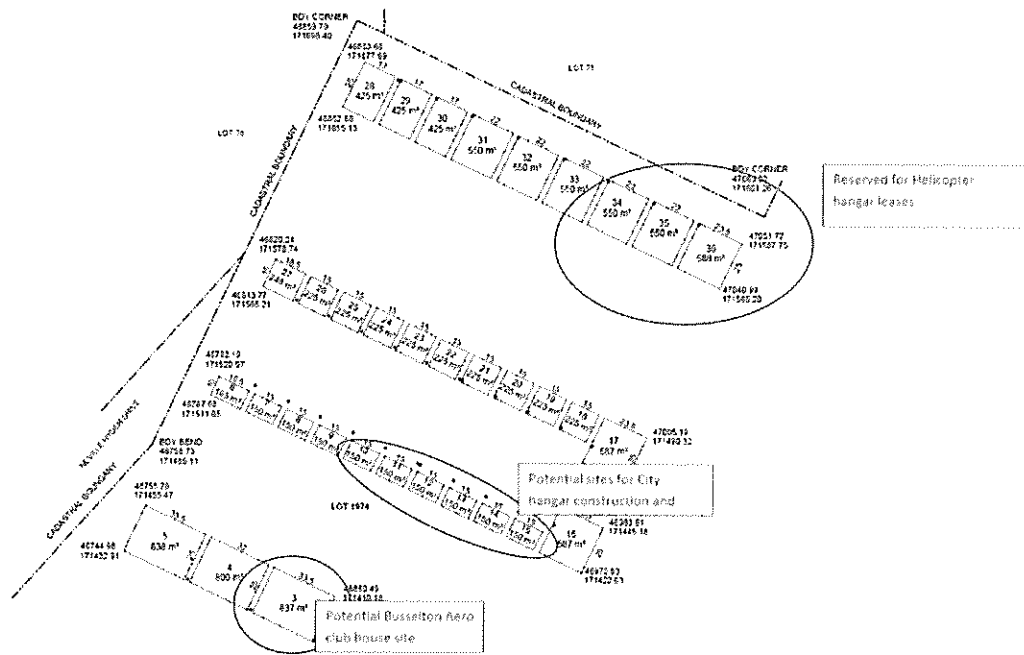
CONCLUSION

The BMRA redevelopment project included the construction of a purpose built GA precinct with 36 hangar lots of various sizes. Officers advertised a Rol to lease the hangar lots in 2018, however no leases have been taken up, with feedback suggesting that obtaining capital funding and lease terms and conditions were a barrier to GA/RAA pilots and operators taking up leases. Despite this feedback, there have been regular enquiries for hangar space in the two existing large hangars owned by the City suggesting that there is genuine interest in hangar occupation at the BMRA. To facilitate this, and generate activity at in the GA precinct, officers propose that the City constructs the GA hangars and re-advertise for lease opportunities on both long-term and short-term hangar hire arrangements through an expression of interest process.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

If Council support the officer recommendation, officers will advertise an expression of interest in May and June 2021. If there is interest for operators to enter into a lease, officers would be keen to have the first GA hangars constructed prior to the BMRA Community Open Day to be held in November 2021 to showcase the GA precinct opportunities.





7. **GENERAL DISCUSSION ITEMS**

Nil

8. **NEXT MEETING DATE**

Wednesday, 18 August 2021.

9. **CLOSURE**

The meeting closed at 10.32am.

THESE MINUTES CONSISTING OF PAGES 1 TO 17 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 18 AUGUST 2021.

DATE: 18/8/2021 PRESIDING MEMBER: 

