

# **Airport Advisory Committee Agenda**

***18 August 2021***

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

[city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

**CITY OF BUSSELTON**

**MEETING NOTICE AND AGENDA – 18 AUGUST 2021**

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**TO: THE MAYOR AND COUNCILLORS**

**NOTICE** is given that a meeting of the Airport Advisory Committee will be held in the Committee Room, Administration Building, Southern Drive, Busselton on Wednesday, 18 August 2021, commencing at 10.00am.

The attendance of Committee Members is respectfully requested.

**DISCLAIMER**

Statements or decisions made at Committee meetings should not be relied on (or acted upon) by an applicant or any other person or entity until subsequent written notification has been given by or received from the City of Busselton. Without derogating from the generality of the above, approval of planning applications and building permits and acceptance of tenders and quotations will only become effective once written notice to that effect has been given to relevant parties. The City of Busselton expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during a Committee meeting.



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**MIKE ARCHER**

**CHIEF EXECUTIVE OFFICER**

6 August 2021

CITY OF BUSSELTON

AGENDA FOR THE AIRPORT ADVISORY COMMITTEE MEETING TO BE HELD ON 18 AUGUST 2021

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

2. **ATTENDANCE**

**Apologies**

3. **PUBLIC QUESTION TIME**

4. **DISCLOSURE OF INTERESTS**

5. **CONFIRMATION AND RECEIPT OF MINUTES**

5.1 **Minutes of the Airport Advisory Committee Meeting held 21 April 2021**

**RECOMMENDATION**

**That the Minutes of the Airport Advisory Committee Meeting held 21 April 2021 be confirmed as a true and correct record.**

## **6. REPORTS**

### **6.1 BUSSELTON MARGARET RIVER AIRPORT - AIRPORT UPDATE**

<b>STRATEGIC THEME</b>	OPPORTUNITY - A vibrant City with diverse opportunities and a prosperous economy.
<b>STRATEGIC PRIORITY</b>	3.4 Develop aviation opportunities at the Busselton Margaret River Airport.
<b>SUBJECT INDEX</b>	Airport Operations
<b>BUSINESS UNIT</b>	Commercial Services
<b>REPORTING OFFICER</b>	Airport Operations Coordinator - David Russell
<b>AUTHORISING OFFICER</b>	Director, Community and Commercial Services - Naomi Searle
<b>NATURE OF DECISION</b>	Noting: The item is simply for information purposes and noting
<b>VOTING REQUIREMENT</b>	Simple Majority
<b>ATTACHMENTS</b>	Nil

#### **OFFICER RECOMMENDATION**

**That the Airport Advisory Committee receives and notes the Airport Operations Report.**

#### **EXECUTIVE SUMMARY**

This report provides an overview of the operations and activities of the Busselton Margaret River Airport (BMRA) for the reporting period 1 July 2020 - 30 June 2021. This includes an update on passenger numbers, aircraft landings, and actions relating to COVID-19 and general airport operations.

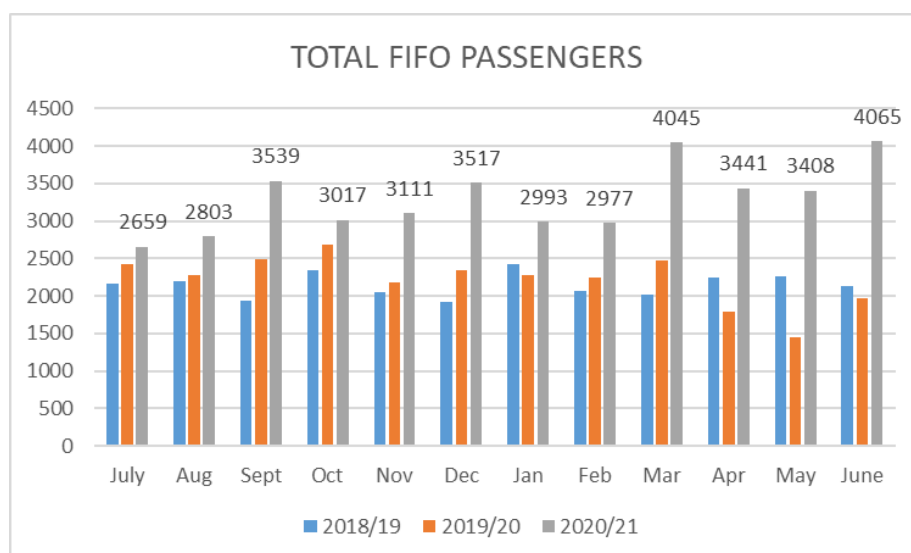
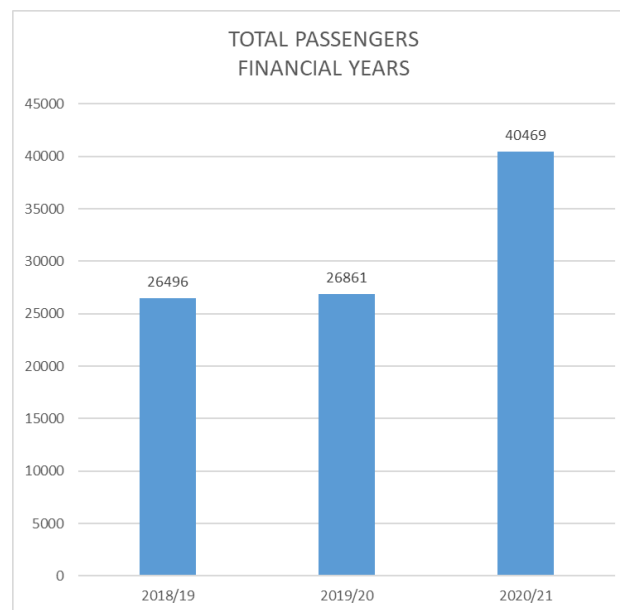
#### **BACKGROUND**

Focus in the 2020/21 financial year centred on the preparation for the commencement of Jetstar Regular Passenger Transport (RPT) services between Melbourne and Busselton. This has resulted in increased regulatory requirements, with the BMRA upgrading from a security classified category 6 to tier 2 airport and the implementation of a new Transport Security Program.

As a result of the COVID-19 pandemic, and Federal and State Government restrictions, the launch of the RPT services has been deferred on five occasions with a revised commencement date of 1 September 2021, dependent on COVID-19 travel and interstate border restrictions being lifted.

#### **Passenger Numbers**

During the 2020/2021 financial year, the airport has seen a significant increase in the overall passenger numbers totalling 40,469 compared to 26,496 passengers for 2019/2020. This can be attributed to an increase in the overall number of fly-in-fly-out (FIFO) passengers and an increase in private charter operations which saw 1,223 ad hoc passengers pass through the BMRA in 2020/21 compared to 241 passengers for 2019/20.

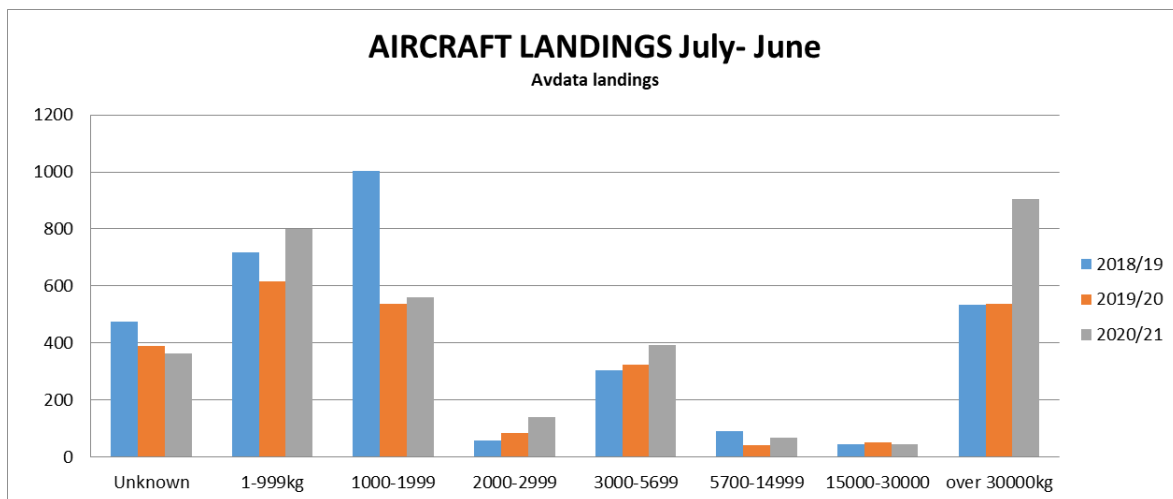
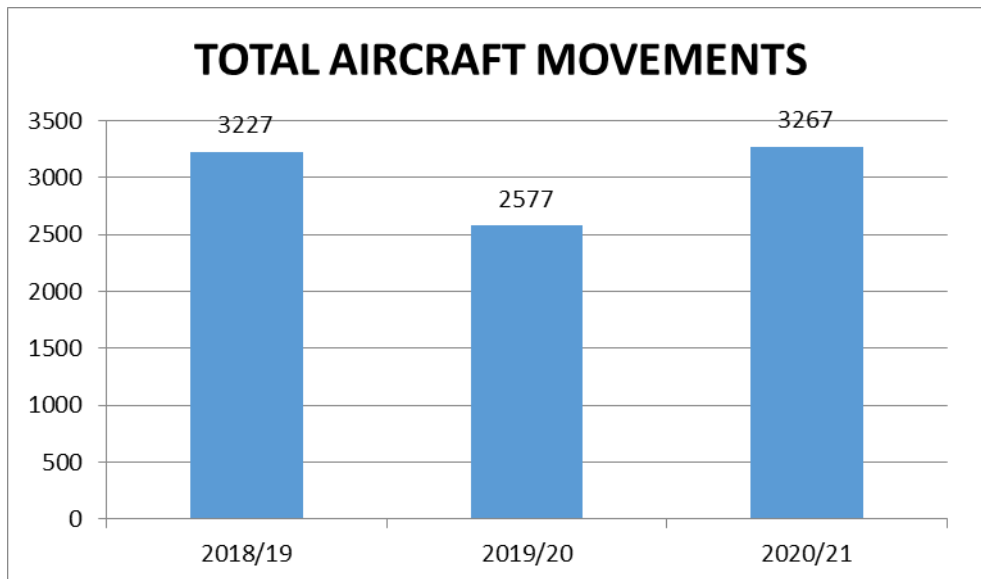


Aircraft Movements

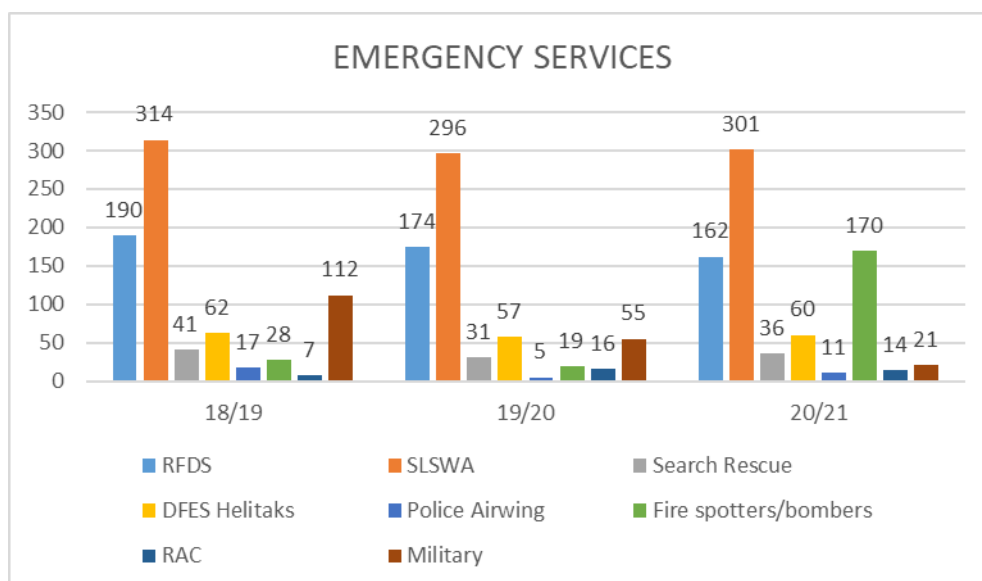
A total of 3,267 aircraft landings were recorded for the reporting period, an increase of 690 landings for the same period in 2019/20 (2,577). The increase can be attributed to:

- FIFO charter aircraft landings (over 30,000kg category) rising from 537 in 2019/20 to 905 in 2020/21;
- Firefighting aircraft landings of 76 in 2019/20 compared to 230 in 2020/21; and
- The Busselton Aeroclub’s increased activity of 94 landings.

The total number of FIFO services using BMRA is currently 15 flights (30 movements) per week utilising the F100 and A320 aircraft with two new F70 services expected to commence on Thursday 19 August 2021.



The increase in emergency services landings is mainly due to firefighting water bomber and fire spotter aircraft operations. The table below includes all emergency service operations including approved training flights for emergency services.



### Carpark

There are currently 831 car park patrons using the FIFO swipe card system, with an average of 234 vehicles utilising the car park per day for the period 1 January – 31 June 2021. The highest number of vehicles parked on one day has been 348 (recorded on 22 June) out of an available 422 bays.

### Operations

The focus for the reporting period has been on:

- The continued operational readiness for Jetstar's Melbourne to Busselton RPT service.
- CASA and Home Affairs surveillance audits.
- Preparation of new BMRA Aerodrome Manual submitted to CASA in early December for review, with approval and issue of the new Aerodrome Certificate received in April.
- Establishment of DFES operations and re-fuelling support of firefighting aircraft.

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. A further amendment, Number 3 Contact Register Directions, was implemented on 22 July 2021 requiring all persons entering an airport terminal to register via a QR code or manual registration.

Signage has been placed on the terminal entry doors and when there are no scheduled flights, the terminal doors are locked to prevent access. QR codes and registers have been placed in both the terminal and arrivals hall.

### 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. The remaining two hangars are 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.

### International Alternate Airport

In March 2019, BMRA was designated as an alternate international airport by the Department of Infrastructure, Regional Development and Communications. This allows international aircraft to land at the BMRA when Perth Airport is unavailable due to inclement weather or closure. The City has granted approval for the Qantas Group and Virgin Australia to use BMRA as an alternate to Perth Airport for domestic operations only at this stage. The City has also approved two freight carriers to use BMRA as an alternate on three occasions on an ad hoc basis for operations into Perth airport.

Aviation Projects has been engaged to further assess the opportunity with selected international airlines, with initial feedback proving positive. Ongoing dialogue will continue and a final report will be provided to the City by the end of October.

### Regional Airports Development Scheme (RADS) Grant 2019-21

The Department of Transport (DoT) has been developing an asset and financial management framework for all Western Australian Airports to implement. The Strategic Airport Assets and Financial Management Framework (Framework) aims to enable a consistent, transparent and documented approach to the management of airports across Western Australia. The City of Busselton has been allocated up to \$50,000 (exc. GST) for the development of this framework however DoT has been delayed in providing the framework templates used for the project. DoT expect to release the templates and funding agreement in August 2021.



### Regional Airports Development Scheme (RADS) Grants 2021-23

The DoT RADS 2021-23 Scheme includes a COVID-19 stimulus initiative to support the State's COVID-19 economic recovery. RADS funding will cover up to 75% of the total eligible project cost for successful projects that can be completed prior to 31 December 2021. The City received the funding agreement on 19 May 2021 for the completion of general aviation (GA) precinct fencing to allow airside/landside access for future hangar owners/tenants. It is anticipated that the funding for this project will be split 50:50 with the Federal government under the below Regional Airports Program (RAP) 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 by assisting aerodrome owners/operators to undertake essential works, promoting aviation safety, and enhancing 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, Federal funding will cover up to 100% of eligible project costs.

The City has been successful to receive funding under this program for:

- Relocation of the Royal Flying Doctor's Service (RFDS)/St Johns transfer station from the central apron to the emergency services precinct. The total cost of this project is \$188,665.
- Extension of the central apron northern shoulders to facilitate extended taxiing guideline markings and apron edge clearance for A320 and B737 aircraft utilising bay 11 for RPT operations. Total cost of this project \$88,100.
- Completion of a general aviation (GA) precinct fencing to allow airside/landside access for future hangar owners/tenants to the value of \$23,235. Funding for this project will be split 50:50 with the State Government under the above Regional Airports Development Scheme 2021-23 (RADS).

City officers have received and replied to the above funding RAP agreements and are now awaiting confirmation of funding conditions.

### Domestic Airports Security Costs Support Program (DASCS)

The City of Busselton was invited to apply and was accepted for the DASCS grant funding program earlier in the year. The program announced on 11 March 2021 as part of the Australian Government's Tourism and Aviation's flight path to recovery support package aims to support regional airports with security screening costs. The funding program period was originally from 29 March to 30 September 2021 however the Federal Government announced on 3 August 2021 that the program will be extended to 31 December 2021.

The Program will reimburse Grantees for eligible costs associated with passenger and baggage security screening operations required under the Regulations with a maximum grant amount for the BMRA of \$300,000.

The City of Busselton has now entered into a funding agreement to receive the support funding which will extend from the commencement of the first RPT service through to the 31 December 2021.

**OFFICER COMMENT**

FIFO passenger numbers through the BMRA have increased significantly in comparison to previous years and officers expect passenger numbers to continue to increase as FIFO employment recruiting from the South West continues. The 15 flights per week currently operating are servicing RioTinto, with an additional two services per week set to commence this month to service BHP.

The increase and additional resource sector companies commencing services from BMRA, together with Busselton – Melbourne RPT services once commenced, could see passenger numbers increase to 60,000 this financial year.

Officers continue to liaise regularly with Jetstar executives and operations teams for the commencement of the Busselton - Melbourne flights expected on 1 September 2021. BMRA is operationally ready to commence RPT services with the exception of the security screening contractor's team who need to be redeployed and complete final training.

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 take the opportunity to 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.

**Busselton Margaret River Airport General Aviation (GA) Precinct**

Officers advertised an expression of interest for hangar lot leases in the new GA precinct in 2019. While there was some interest shown, no lease agreements were entered into. Feedback from interested parties at the time indicated that capital funding for hangar construction was difficult to secure and there were concerns relating to the term of the leases (21 years) and no buy-back clauses for hangar infrastructure at the end of the lease term. As such City officers will advertise for expressions of interest to lease hangars at improved market rent value and on commitment of signing a lease which ensures that the City invests based on demand for hangars. Council (C2102/092) endorsed the allocation of \$210,000 in the 2021/22 budget for the construction of up to three 10m x 15m sized GA hangars, noting that officers have been informed that construction costs for hangars has increased by 30% as of 1 August 2021 and lead times for delivery are now approximately 6 months.

**Noise Management Plan Review**

The BMRA currently operates under Ministerial Statement 1088 which was issued on 7 January 2019 and the Busselton Margaret River Airport Noise Management Plan 2019 – Version 2. The Statement determines that within three months of each three year period (from the date of issue of the Statement) a report is to be submitted to the CEO of the Environmental Protection Authority (EPA) which reviews the effectiveness of the NMP. The report is to include but be limited to:

1. noise monitoring results;
2. noise amelioration assessments and/or implementation;
3. number of complaints received and actions taken to resolve complaints;
4. published flight paths to minimise impacts; and
5. the findings of the review to determine the effectiveness of the Busselton Margaret River Airport Noise Management Plan.

The NMP further defines this review as being undertaken in conjunction with the Airport Advisory Committee and includes consultation with key stakeholders, including the community, industry, government agencies and airport users.

The Airport team in conjunction with the City's Environmental Health team have been undertaking noise monitoring for the last two months and will use this information in the review, as well as information collected on flight approaches/departures and flight paths over the past 12 months, recorded complaints, and stakeholder feedback.

A report detailing the results of the review and effectiveness of the current NMP and any recommendations for amendments to the NMP will be presented to the Airport Advisory Committee in October 2021.

### Terminal Advertising

The terminal expansion works completed in March 2020 in preparation for the Jetstar RPT services included the installation of an electronic advertising screen and static light boxes in the new Arrivals Hall. Advertising commenced on 1 June 2021 with nine companies / organisations booking advertising in three month slots. The electronic screen is operating with a 90% subscription rate and the two static light boxes are booked for the first three months with waitlists in place for future bookings.

### Adventure Warbird Joy Flights

City officers have received a request from Outback Aviation Logistics Pty Ltd to approve an "Adventure Warbird" style joy flight service from BMRA on an "ad hoc" basis, based on the demand for that type of flight experience. The aircraft is a vintage 1968 Agusta-Bell 205A helicopter that is registered and conforms to all of the requirements imposed by the Civil Aircraft Safety Authority (CASA) and the Australian Warbirds Association. The pilot has been flying since 1990, both fixed wing and rotary aircraft in a commercial and recreational capacity all around the world. The aircraft will be stored in a hangar that is currently tenanted by another company until suitable hangarage can be obtained by the operator. The operator will need to comply with the conditions in the BMRA Noise Management Plan and has been requested to provide noise data and proposed schedules for operations based from the BMRA.

### 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 (Aerodromes)
- City of Busselton Transport Security Plan
- Ministerial Statement 1088
- City policies and procedures

### Relevant Plans and Policies

The BMRA operates under the Busselton Margaret River Airport Noise Management Plan 2019.

### **Financial Implications**

Operating income for 2020/21 financial year totalled \$1,841,092, an increase of \$165,292 than the projected annual budget of \$1,675,800. There are a few factors contributing to this result with greater than expected revenue realised for:

- landing fees - \$721,302 actual compared to \$408,000 budgeted due to an increase in FIFO charter activity, military aircraft delivering materials for the DFES firefighting activities and ad hoc charter flights;
- hangar leases - \$72,818 actual compared to \$31,900 budgeted with increased interest in short term hangar leases;
- airport sundry income - \$54,247 actual compared to \$800 budgeted resulting from ad hoc landside licences;
- car parking - \$402,576 actual compared to \$381,500 budgeted; and
- operating contributions - \$123,000 actual compared to \$50,000 budgeted which included marketing contributions from other local governments and grant funding allocations.

Noting that the year-end actual revenue received was also offset by a total of \$350,687 in revenue not received in areas such as security screening (\$162,350), passenger fees (\$159,837) and car hire fees (\$28,500) which can all be attribute to the delay of RPT services.

The 2020/21 financial year actual operating expenses of \$1,583,734 (including depreciation) are lower than budgeted operating expenses of \$3,302,571. The main variances between actual and budgeted expenditure can be attributed to the following not being expended due to the delay in RPT services; Airport screening services (\$183,000), marketing and promotions (\$1,441,667) and the airline attraction program (\$211,000). Noting that actual depreciation expenses incurred totalled \$767,989 compared to budgeted expense of \$694,670.

### **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 Airport Advisory Committee may choose not to receive and note the Airport Operations Report.

### **CONCLUSION**

The Airport team has had a busy financial year working with the firefighting aircraft and readiness for the commencement of RPT services and capital works projects. Unfortunately, due to the COVID-19 pandemic, commercial investment opportunities have slowed and is proving difficult for Officers to progress. As COVID-19 restrictions begin to lift within Australia and the aviation industry begins its recovery and airlines recommence operations, there will be potential for officers to market and attract various commercial and investment opportunities at the BMRA.

Officers will continue to provide a high level of customer service to ensure the airport is compliant, safe and security is maintained throughout.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not applicable.

**7. GENERAL DISCUSSION ITEMS**

Nil

**8. NEXT MEETING DATE**

**9. CLOSURE**