

City of Busselton
Geographe Bay

Airport Advisory Committee Agenda

3 August 2022

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city@busselton.wa.gov.au

CITY OF BUSSELTON

MEETING NOTICE AND AGENDA – 3 AUGUST 2022

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, 3 August 2022, commencing at 1.30pm.

The attendance of Committee Members is respectfully requested.

DISCLAIMER

Statements or decisions made at Council meetings or briefings 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 Council meeting or briefing.



MIKE ARCHER

CHIEF EXECUTIVE OFFICER

28 July 2022

CITY OF BUSSELTON

AGENDA FOR THE AIRPORT ADVISORY COMMITTEE MEETING TO BE HELD ON 3 AUGUST 2022

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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 15 June 2022**

RECOMMENDATION

That the Minutes of the Airport Advisory Committee Meeting held 15 June 2022 be confirmed as a true and correct record.

6. REPORTS

6.1 BUSSELTON MARGARET RIVER AIRPORT - OPERATIONS UPDATE

STRATEGIC THEME	OPPORTUNITY - A vibrant City with diverse opportunities and a prosperous economy
STRATEGIC PRIORITY	3.4 Develop aviation opportunities at the Busselton Margaret River Airport.
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	Noting: The item is simply for information purposes and noting
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Nil

OFFICER RECOMMENDATION

That the Council 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 2021 through 30 June 2022. This includes an update on passenger numbers, regular public transport services (RPT), closed charter and general airport operations.

BACKGROUND

The BMRA has seen significant positive growth in aircraft landings and passenger numbers with the commencement of Jetstar RPT services, additional closed charter flights operating during the reporting period, along with the Department of Fire and Emergency Services (DFES) Large Air Tanker and helitac operations, and military aircraft activity.

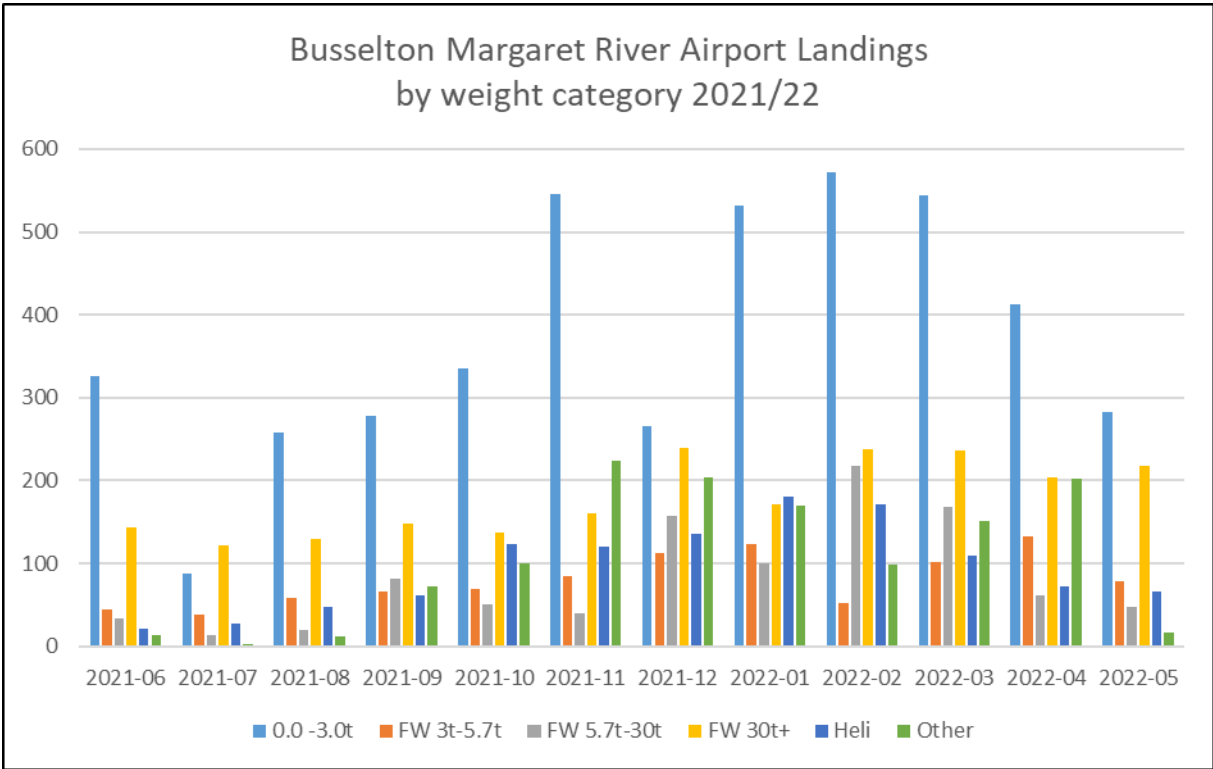
Aircraft Movements

The total number of scheduled services operating from the BMRA as of the end of the reporting period is 30 flights per week, with 27 Fly in Fly out (FIFO) closed charter and three RPT services. This has increased from a total of 15 flights FIFO closed charter flights from the end of June 2021.

Currently there are five airlines operating closed charter services from the BMRA utilising the F70, F100, A320, Dash 8 and Metro aircraft, servicing North West destinations such as Boolgeeda, Barimunya, West Angeles, Newman, Roy Hill and Karratha. Still to be confirmed are two new flights on a Thursday and Friday which could potentially start in the third quarter of this year.

Jetstar RPT services direct from Melbourne to Busselton commenced on Wednesday 6 April with three flights a week on Mondays, Wednesday and Saturdays. For the reporting period there have been 37 Jetstar flights.

The total number of aircraft landings has increased over all aircraft categories during the reporting period with some monthly variations mainly due to light and general aviation traffic. The total aircraft landings during the reporting period was 10,366 compared to 9,432 for the same period in 2020/2021.



Passenger Numbers

Passenger numbers have increased for the reporting period with a total of 69,120 passengers through the BMRA compared to 40,602 for the same period in 2020/21, representing an increase of over 70%.

The increase in passenger numbers can be attributed to the growth in FIFO passenger numbers across all closed charter airlines servicing Rio Tinto, BHP and FMG, and the commencement of Jetstar services with a total of 12,341 RPT passengers arriving and departing since 6 April.

Carpark

Currently 1,610 FIFO passenger swipe cards have been issued to access the BMRA car park at a discounted rate. The average daily occupancy for the reporting period was 417 parked patrons per day.

The public car park has now reached capacity on a number of occasions, usually around the swing change on Tuesday mornings.

An extension to the public car park is to be constructed in late 2022 providing an additional 250 bays. Officers are now proceeding with an interim solution whereby an external fenced area to the transport operator’s car park will be installed and FIFO parking will be accessed through the transport operator’s car park using the existing car parking system. The area will provide approximately 160 bays.

A drawing of the proposed area is included below.



Operations

The focus for the reporting period has been on:

- Noise Management Plan (NMP) and noise monitoring
 - A review of the NMP including public consultation was conducted from November 2021 through to January 2022 with a report submitted to the CEO of the Environmental Protection Authority (EPA) in early April. The City has liaised with the Compliance Branch of the EPA and provided additional information in support of the application to revise the NMP and the proposal has now been submitted for executive approval.
 - Noise monitoring has been completed at two locations (Reinscourt and Kalgup) and a report prepared for the City by a noise consultant. The report included some discrepancies relating to flight schedules and further analysis has been completed by the consultant with the final report submitted to the City. The noise monitoring report concluded that there were no noise breaches resulting from either closed charter or RPT services however there were six noise exceedances (above 85db) recorded resulting from military aircraft operations. Military aircraft are exempt from the noise conditions of the NMP.
 - Officers will be scheduling further noise modelling later this year in September/ October.

Regular Public Transport (RPT) - Jetstar services

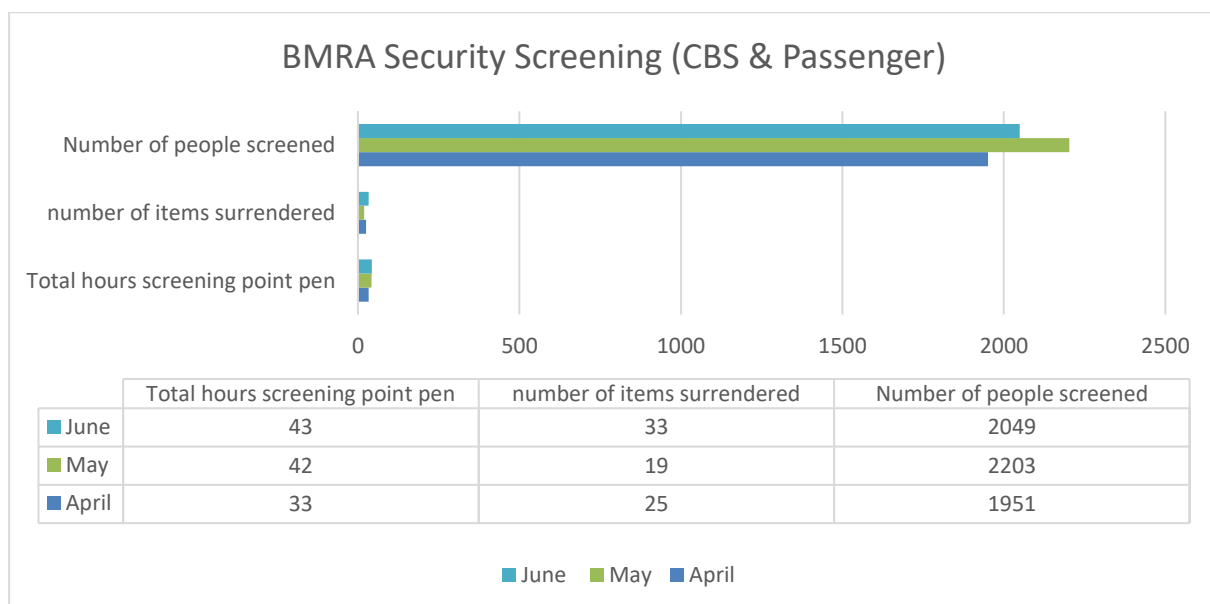
- Jetstar flights commenced on the 6th of April 2022 with three flights per week from Melbourne to Busselton Margaret River Airport after the services were delayed due to COVID-19 border closures.
- Preparation for the Jetstar flights required a large number of operational readiness activities including equipment servicing and maintenance, a revised Transport Security Program (TSP) submission, mobilisation of the security screening team and landside activities such as wayfinding signage, car parking and provision of information for the public to be completed.

- The first flights highlighted some ‘teething’ problems and operational limitations which have impacted on the turn-around times. The following key issues that were identified:
 - The sterile departure lounge area is at capacity for A320 operations and after seeking a number of quotes for demountables to expand the area, a tender was issued in mid-June for the supply and installation of three demountables; the departure/sterile lounge expanded area, an office/training room and ablution demountable. No tender submissions were received and Officers will now negotiate directly with suitable suppliers;
 - An additional check-in injector belt was identified as a limitation to check-in requirements and an order is ready to be placed;
 - The checked baggage system (CBS) baggage conveyor belt design was susceptible to blockages and alarms and improvements have been made, along with the CBS x-ray software settings having been reviewed;
 - Increased ground handling equipment storage area required for the growth in operations, areas have been quoted and waiting for contractors to complete the works;
 - Wayfinding and directional signage which is now in place; and
 - Carparking reached capacity, a tender was issued to expand the existing carpark which is expected to be undertaken within the coming months.

Officers have submitted a request to the State Government to fund the above mentioned items, \$1.05m has been approved and a funding agreement is being drafted.

Security

- The Department of Home Affairs have completed two site inspections during the reporting period with one of the inspections being an unscheduled ‘systems test’ at the passenger screening point using part of a firearm as the test weapon.
- The system test resulted in a non-compliance notice being issued and Officers have submitted a response to the department.
- The following is a summary of the security screening performed between April and the end of June:



Operations and capital works

- Regional Airport Program Funding projects (RAP) - Federal Government programs:
 - RFDS relocation project – further consultation with the Royal Flying Doctors Service (RFDS) has resulted in a request to change the location of the new RFDS patient transfer facility to the General Aviation precinct. Officers have requested a variation to the funding agreement to defer the final delivery milestones into the 2022/23 financial year. The grant funding allocation is for \$188,665 however with price escalations since the grant application submission, the project is expected to cost in the region of \$280k. The City will be required to fund this shortfall, however it can be funded through the Airport Infrastructure Renewal Reserve which will require a formal budget amendment endorsed by Council.
 - Central apron expansion project - Officers have been negotiating with the preferred tenderer however the works have not been awarded as yet. Officers have requested a variation to the funding agreement for these works.
- Airside and landside mowing programs:
 - Airside and landside mowing programs are behind schedule due to increased flight schedules and operations. As such a larger slashing unit will be acquired in the 2022/23 budget to allow Officers to complete mowing of larger areas in reduced timeframes to ensure completion of the annual mowing programs.
- Runway and taxiway line marking program:
 - Remarketing of the runway centerline was completed in June 2022 with a major line marking program identified to commence in the 2022/23 period.

Following endorsement by the Council (C2205/098) on 11 May 2022, the position of an Aviation Business Development Officer was advertised however had not been filled. To ensure that airport related business development initiatives can be achieved, the proposed employee costs are to be transferred to the Airport Operations consultancy budget and the works completed by external aviation consultants. The City is also advertised for a casual Airport Reporting and Maintenance Officer to provide support to the team given the significant and rapid growth in FIFO closed charter and commencement of RPT services which now extends over six days a week (Monday – Saturday). This position will be filled as an Airport Maintenance Officer on a casual basis.

OFFICER COMMENT

With the end of the 2021/22 financial year, the BMRA has seen significant growth over the past 11 months in aircraft and passenger activity. Officers are estimating that the BMRA will have had over 11,000 aircraft movements in 2021/22 and over 69,000 passengers through the terminal.

Officers will continue to progress the delivery of the operational improvements listed above and will also focus on the following in 2022/23:

- An RFT was advertised for the supply and construction of three general aviation hangars. The RFT submissions indicated that the price escalation in materials and services meant that only two hangars could be constructed for the available budget. Officers have delayed awarding the tender to construct the hangars and have been investigating the design to see if there are cost efficiencies that can be achieved. A new RFT will be issued in the new financial year;
- The procurement of an airport inspection, maintenance and reporting tablet/online system to facilitate accurate and real time reporting, recording and reporting of regulatory requirements, recording and workflow of maintenance and capital items; and processes such as online inductions and applications;

- Regional Airports Development Scheme (RADS) - Department of Transport (DoT):
 - Financial and Asset Management Framework. The completion of the framework is a new requirement by DoT for airports when applying for future RADS grants. The framework will also provide the City with key tools in the management of airport assets and provide improved financial management and modelling capabilities;
- A new Airport Master Plan will be delivered with a focus on business and commercial development to replace the existing BMRA Master Plan (2016-36) which was developed with a strong focus on infrastructure and for which the majority has now been achieved;
- A review of the BMRA Wildlife and Hazard Management Plan is required as regulatory requirement under CASA MOS Part 139;
- An external review /audit of the BMRA Transport Security Program is required as regulatory requirement under the Aviation Transport Security Regulations;
- Business development strategy and implementation plan to guide the marketing and development of commercial opportunities at and relating to the BMRA, including the attraction of new domestic routes and planning for future international operations.

Statutory Environment

The BMRA operates in accordance with the following:

- *Aviation Transport Security Act 2004*
- *Aviation Transport Security Regulations 2005*
- CASA part 139 Manual of Standards (Aerodromes)
- City of Busselton Transport Security Plan
- Ministerial Statement 1088
- City policies and procedures

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plans:

- BMRA Master Plan (2016-2036)
- The BMRA operates under the Busselton Margaret River Airport Noise Management Plan 2019

Financial Implications

Revenue

Actual end of year revenue for the reporting period is \$1,036,226 including depreciation compared to the annual budget of \$2,337,750, noting that only \$90,007 of security screening revenue was received compared to projected budget of \$373,150 due to the delay in the Jetstar flights. Revenue areas that exceeded budget projections are as follows:

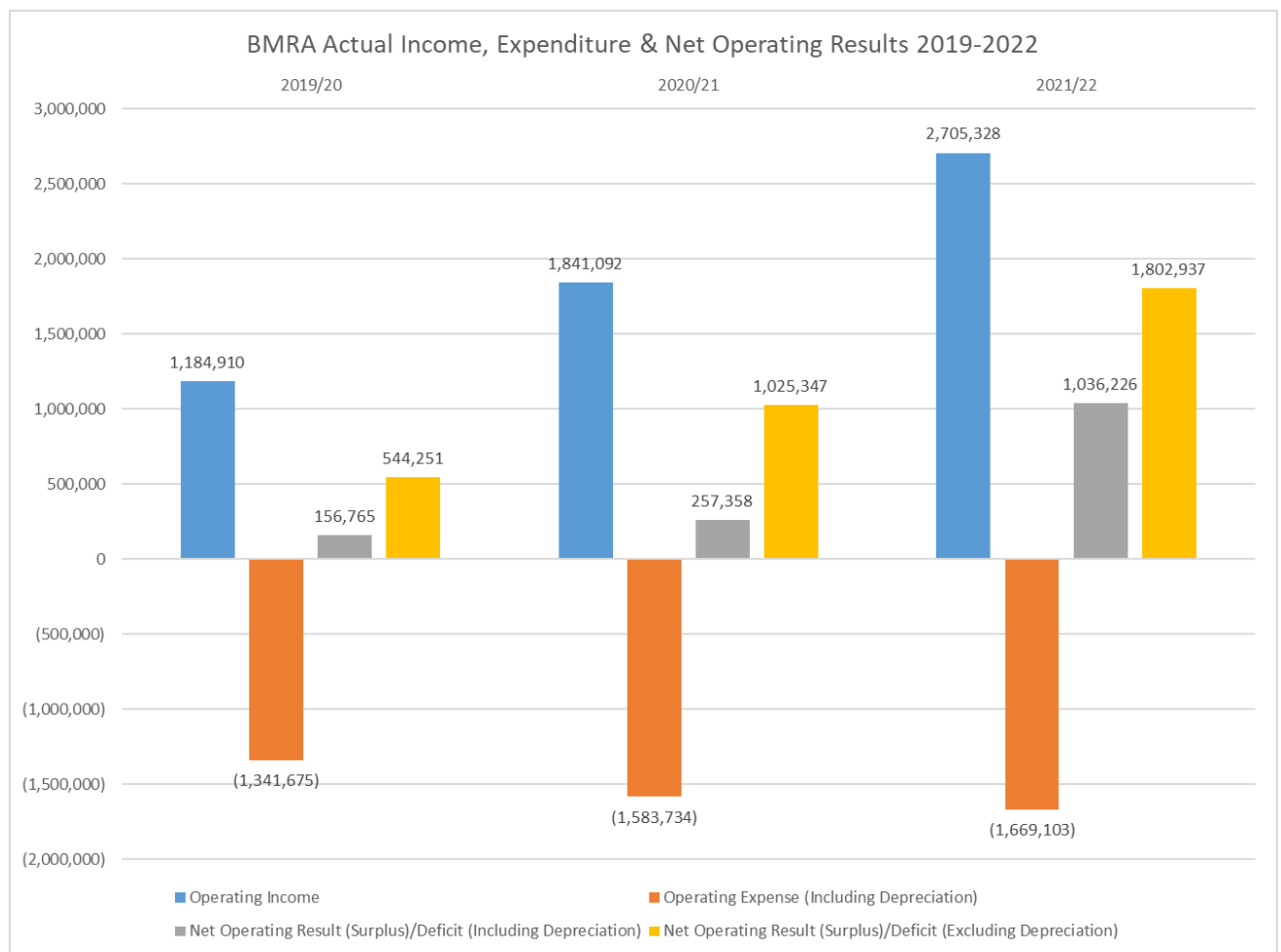
- Annual landing fees - \$1,031,350 actual compared to \$450,150 budgeted;
- Airport Hangar leases - \$80,297 compared to \$69,800 budgeted;
- Car parking income - \$684,256 compared to \$369,000 budgeted;
- Airport sundry income - \$79,531 compared to \$2500 budgeted.

Expenditure

Actual expenditure for the reporting period is \$766,711 compared to the YTD budget of \$1,219,267, not including the airline attraction program which has not been expended due to the delay in the Jetstar flights, and depreciation. Lower expenditure for the reporting period can mainly be attributed to lower costs in security screening services of \$97,500 actual expenditure compared to the annual budget of \$393,150.

The net operating position for the BMRA for the 2021/22 financial year is a surplus of \$1,802,937 excluding the airline attraction program and depreciation. The net operating surplus including depreciation is \$1,118,483.

The below graph shows the financial performance for the BMRA over the past three years.



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

Officers continue to strive to provide a high level of customer service at the BMRA, while ensuring the airport is compliant, safe and security is maintained throughout. The commencement of Jetstar RPT services has identified a number of operational actions and infrastructure investment requirements.

The focus for the new financial year will be to prepare a new BMRA Master Plan, achieving operational efficiencies and business and commercial development initiatives have been deferred to date.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

7. **GENERAL DISCUSSION ITEMS**

8. **NEXT MEETING DATE**

9. **CLOSURE**