

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 11 DECEMBER 2019

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MINUTES

MINUTES OF AIRPORT ADVISORY COMMITTEE HELD IN COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 11 DECEMBER 2019 AT 8.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

Mrs Naomi Searle, Director Community and Commercial Services, opened the meeting at 8.34am.

2. ATTENDANCE

Presiding Member:

Cr Paul Carter
(from 8.36am)

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
Mrs Jennifer May, Manager Commercial Services
Mr David Russell, Airport Operations Coordinator
Mr Ben Whitehill, Contracts and Tendering – Airport Project Team
Ms Melissa Egan, Governance Officer

Apologies:

Nil

3. ELECTION OF PRESIDING MEMBER AND DEPUTY PRESIDING MEMBER

3.1 ELECTION OF PRESIDING MEMBER

Mrs Searle called for nominations from the floor for the position of Presiding Member of the Airport Advisory Committee.

Cr Carter nominated himself for the position of Presiding Member.

Cr Hick seconded the nomination of Cr Carter for the position of Presiding Member.

Mrs Searle called for any further nominations from the floor.

There being no other nominations, Mrs Searle declared Cr Carter as Presiding Member of the Airport Advisory Committee for a 2-year period.

8.36am: At this time, Cr Carter assumed the Chair of the meeting.

3.2 ELECTION OF DEPUTY PRESIDING MEMBER

Cr Carter called for nominations from the floor for the position of Deputy Presiding Member of the Airport Advisory Committee.

Cr Hick nominated herself for the position of Deputy Presiding Member.

Cr Cronin seconded the nomination of Cr Hick for the position of Deputy Presiding Member.

Cr Carter called for any further nominations from the floor.

There being no other nominations, Cr Carter declared Cr Hick Deputy Presiding Member of the Airport Advisory Committee for a 2-year period.

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Airport Advisory Committee Meeting held 16 October 2019

COMMITTEE DECISION

AIR1912/055 Moved Councillor P Carter, seconded Councillor K Hick

That the Minutes of the Airport Advisory Committee Meeting held 16 October 2019 be confirmed as a true and correct record.

CARRIED 4/0

6. REPORTS

6.1 BUSSELTON MARGARET RIVER AIRPORT - AIRPORT OPERATIONS 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	Commercial Services
BUSINESS UNIT	Commercial Services
REPORTING OFFICER	Manager, Commercial Services - Jennifer May
AUTHORISING OFFICER	Director, Community and Commercial Services - Naomi Searle
NATURE OF DECISION	Choose an item.
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Nil

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

AIR1912/056 Moved Councillor K Hick, seconded Councillor S Riccelli

That the Council receives and notes the Airport operations report.

CARRIED 4/0

EXECUTIVE SUMMARY

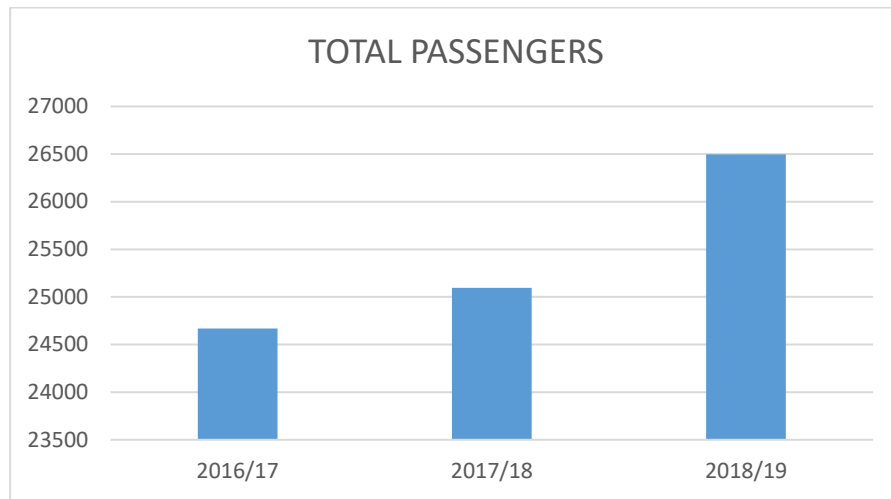
This report provides an overview on the Busselton-Margaret River Airport (BMRA) operations and activities for the financial year reporting period 1 July 2018 to 30 June 2019 and subsequent activities up to the current date.

BACKGROUND

Following the completion of the airside, landside civil, freight hub and services construction activities in late 2018, staff focus has been directed on airline engagement, leasing opportunities and general operations.

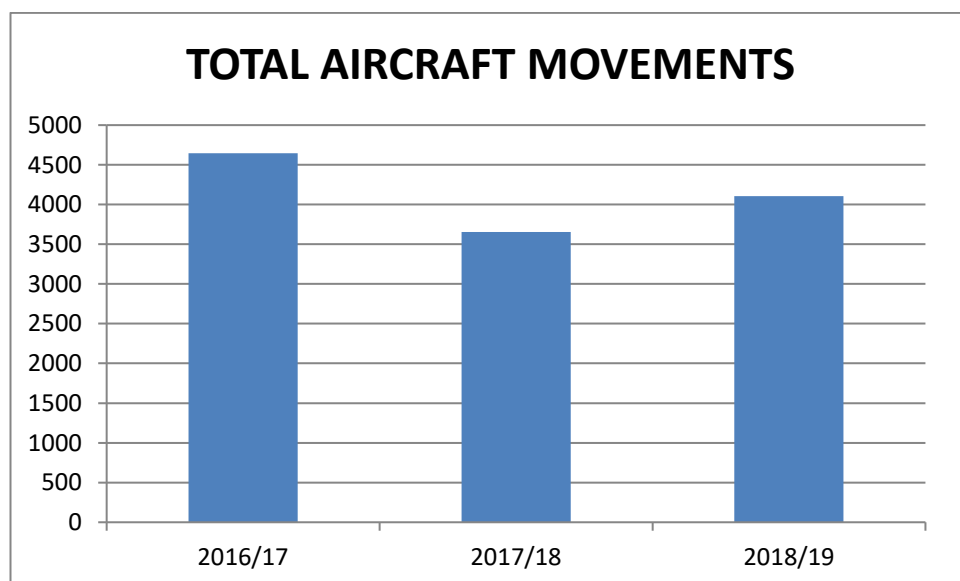
During the 2018/19 financial year reporting period the BMRA has seen an increase in the overall passenger numbers compared to the same period for 2016/17 and 2017/18 financial years as highlighted in the table below. This is mainly due to the slight increase in fly in-fly out passengers (FIFO) flying on the Virgin Australia flights.

	Total Arriving & Departing Passengers		
	2016/17	2017/18	2018/19
July	1779	1898	2163
August	2043	2301	2204
September	1840	1890	1996
October	1925	2125	2345
November	2640	2501	2047
December	2039	1804	2038
January	1857	1830	2432
February	2079	1911	2134
March	2386	2464	2497
April	1800	1949	2253
May	2260	2434	2262
June	2021	1988	2125
TOTAL	24669	25095	26496

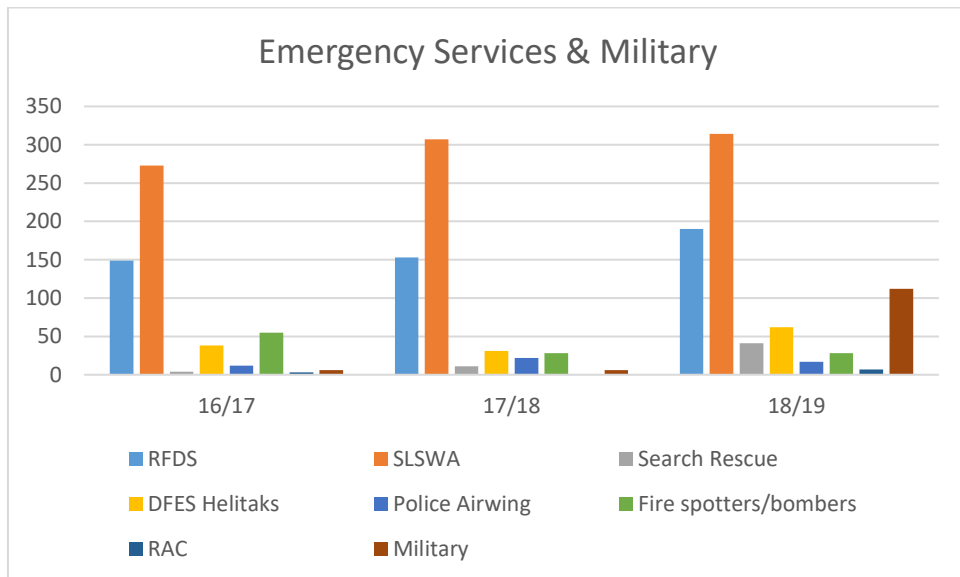


The total number of departing FIFO services from BMRA is currently 10 flights per week utilising the F100 aircraft.

A total of 4106 aircraft movements were recorded for the period 1 July 2018 – 30 June 2019, an increase from the numbers reported for the same period in 2017/18 (3656) and a decrease from 2016/17 (4645). Increases in 2017/18 to 2018/19 can be attributed to additional Busselton Aeroclub flight training and RFDS services.



There have been increases in Emergency Services airport usage for Helitac Firefighting, RFDS, SLSWA and Search & Rescue during this reporting period. The largest increased use of the BMRA is by military aircraft with the introduction of Jet A1 fuel available. The table below includes all approved training flights for emergency services as well as emergency flights. The City does not restrict training flights for emergency services, FIFO operators and military operations.



Carpark

In May 2019 the new carpark became operational with the closure of the unsealed long term FIFO carpark.

The new car park is available 24/7 for patrons and is equipped with credit card / EFTPOS facilities and CCTV throughout for security.

Carpark usage and revenue has remained steady throughout the financial year and patronage has remained steady with the recent move to the new car park.

Hangar Leases

Following the expiration of the existing aircraft hangar leases (north and central), leases have been executed with McDermott Aviation for two hangars for the provision of aerial fire-fighting services, Helistar Aviation for two hangars to provide services on behalf of Surf Life Saving WA and Busselton Aeroclub for the storage of training aircraft.

Hangar hire agreements have also been taken up by Busselton Aero club and another private operator with seven of the 12 hangars now occupied.

City officers will continue to liaise with emergency services and aircraft owners to secure interest in the existing hangars and new general aviation precinct. To date no aircraft operators have committed to signing a hangar lease within the new GA precinct with unfavourable current market conditions for capital investment deterring proponents entering into formal leases.

International Alternate Airport

In March 2019 BMRA was designated as an alternate international airport by the Department of Infrastructure, Regional Development and Cities. City officers have developed an MOU for airlines to use the BMRA as an alternate international airport and will continue to build ongoing working relationships with these airlines.

Qantas Pilot Training Academy

Following a national Expression of Interest (Eoi) process, BMRA was not selected as the site for either of the two Qantas Pilot Training Academies which were announced in September 2018 and May 2019.

Proposed Aerofest 2020

Officers are currently in consultation with Busselton Aeroclub and CASA on the proposed Aerofest 2020 to be held at BMRA on 1 March 2020. The Aeroclub expect visitor numbers to exceed the 5000 who visited the last Aerofest in 2016.

A range of air displays similar to previous events are being finalised including the following:

- RAAF
- Civil aircraft
- Parachuting
- Formations
- Electric aircraft
- Streamer cutting
- Helicopters
- Aerobatics

This event will assist to showcase the airport redevelopment in particular the general aviation precinct opportunities for local and visiting aircraft operators.

Noise Management Plan (2019) Non-Compliance Reporting

BMRA is currently operating under the Noise Management Plan (statement 1088) approved in January 2019 by the Minister for Environment; Disability Services; Electoral Affairs.

Under the Noise Management Plan (NMP) the City is required to submit its annual compliance report to the Office of Environmental Protection Authority prior to 22 September 2019 for the reporting period of 23 June 2018 to 22 June 2019. During this reporting period five (5) out of an available twelve (12) CEO approved non-conforming activities (section 3.3.3 Approval for Non-Conforming Activity of the NMP) have been used.

No CEO approvals have been used in the current reporting period.

Corporate Event

The Airport team are currently liaising with an event organiser to hold a private corporate event with Lexus Asia at the BMRA in November 2019. Lexus Asia are requesting to use the southern apron to display vehicles and conduct vehicle test drives for a selection of invited clients only. The event will take place for 3-4 hours on Friday 15 November and coincide with the WA Gourmet Escape.

Commencement of RPT Services

At a press conference held 4 October 2019 the City and Jetstar announced the commencement of direct Melbourne – Busselton flights. Services will commence on 25 March 2020 and comprise of three flights per week, Monday, Wednesday and Saturday with aircraft arriving from Melbourne at 9.05am and departing at 9.35am. The initial fare sale price started at \$89 one way and was available for the first five days. Jetstar have responded that they “have seen a terrific response from customers since the route went on sale with strong demand for seats from the local community and visitors from the east coast.” In less than a week Jetstar sold more than 3,000 sale fares and close to 5,000 seats overall.

The Airport team now have a considerable project to deliver, including terminal expansions, construction of the new arrivals hall, implementation of security screening and baggage handling equipment, as well working with industry and businesses to ensure a cafe/kiosk, car hire and tourism services are available at the airport. Work has already begun with tenders for the procurement of security screening and baggage handling systems being issued on the 9 October (closing 31 October) and expected issue of tenders for terminal expansion (design and construct contract) and the arrivals hall (design and construct contract) by 16 October 2019.

OFFICER COMMENT

FIFO passenger numbers and aircraft movements through the BMRA have increased in comparison to previous years, Officers expect FIFO passenger numbers to remain in line or slightly above budgeted forecasts for the remainder of the 2019/20 financial year.

The period has seen operational improvements, maintenance, scheduled inspections and staff training taking place including:

- Annual Aerodrome Technical inspections completed.
- Development of BMRA social media presence (Facebook, Instagram)
- Air BP aviation fuel quality control and Airport Reporting officer refresher training
- Obstacle Limitation surface rectifications
- Expansion of wildlife mitigation program

The Airport team are now planning the next phase of Airport expansion for the commencement of Jetstar services in March 2020.

Statutory Environment

The BMRA operates in accordance with the following: Aviation Transport Security Act 2004, Aviation Transport Security Regulations 2005, CASA MOS 139, Council’s Transport Security Plan and City policies and procedures.

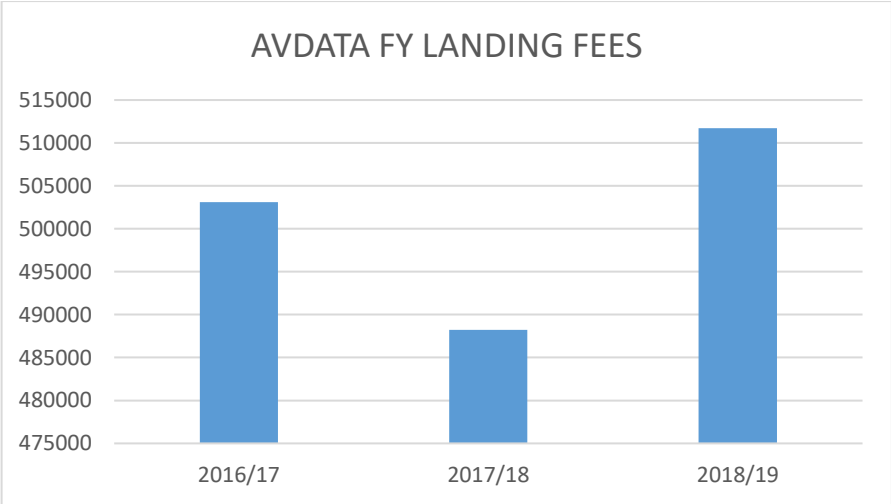
Relevant Plans and Policies

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

Financial Implications

Airport revenue for the 2018/2019 financial year was \$1,127,024 compared to the amended budget of \$1,167,100. The reason for revenue being less than expected is due to \$111,000 in contributions towards airport marketing activities from surrounding local governments and tourism associations not being received as the contributions were pending an executed agreement with an airline. Excluding this, the actual revenue received of \$1,127,024 is greater than the projected budget (\$1,056,100) by \$70,924.

Other notable revenue sources exceeding budget include; Airport hangar lease income by \$10,087, Airport passenger fees by \$13,560 and Airport landing fees by \$12,123. The graph below shows the landing fees invoiced by Avdata for the financial year 2018/19 in comparison to the same period for 2016/17 and 2017/18.



Airport expenditure less depreciation for 2018/19 financial year is \$522,215 compared to the amended budget amount of \$519,650.

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

Consultation with Department of Transport, South West Development Commission, Government agencies, airport stakeholders, Aviation Marine Security (AMS), Civil Aviation Safety Authority (CASA), Air Services Australia, Virgin Australia Regional Airline, the Busselton Aero Club, Albany, Esperance, Geraldton Airports and Australian Airports Association has been occurring on a regular basis 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 accept the officer report.

CONCLUSION

The airport team is looking forward to an exciting 2019/20 year with the commencement of RPT services and with airside, landside and freight hub development works completed the importance of maintaining a compliant aerodrome. Officers will continue to provide a high level of customer service ensuring the airport is operating safely and security is maintained throughout.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

7. GENERAL DISCUSSION ITEMS**7.1 UPDATE ON TENDERS**

Mrs Searle and Mr Whitehill, Contracts and Tendering, updated members on the tenders process for baggage handling and security screening systems.

Mrs Jennifer May, Manager Commercial Services, advised that the airport will require a body scanner and have until December 2020 to implement this.

7.2 CONSTRUCTION OF TERMINAL BUILDING AND ARRIVALS HALL

Mr Whitehill updated members on the construction of the terminal building and arrivals hall, advising that Pindan were awarded the tender for these works. It is expected these works will be complete by 28 February 2020.

The Civil Aviation Authority (CASA) and Department of Home Affairs must inspect and certify these facilities and processes prior to the new flights commencing.

7.3 CHAPMAN PROPERTIES

Mrs Searle updated members on the background and current status of negotiations relating to the noise amelioration package for the Chapman family. The City is returning to the Chapmans with a final offer.

7.4 COMMERCIAL OPPORTUNITIES

Mrs Searle and Mrs May updated members on a confidential proposal for a commercial entity to lease the airport facilities.

Mr Archer suggested and members agreed to support the engagement of an external consultant to assist Officers undertake necessary due diligence on the proposal.

9.32am: At this time, Mr Mike Archer, Chief Executive Officer left the meeting.

9.34am: At this time, Mr Archer returned to the meeting.

8. CLOSURE

The meeting closed at 9.44am.

THESE MINUTES CONSISTING OF PAGES 1 TO 10 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON _____.

DATE: _____ PRESIDING MEMBER: _____