



Airport Advisory Committee Agenda

21 November 2018

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city@busselton.wa.gov.au

CITY OF BUSSELTON

MEETING NOTICE AND AGENDA – 21 NOVEMBER 2018

TO: THE MAYOR AND COUNCILLORS

NOTICE is given that a meeting of the Airport Advisory Committee will be held in the the Committee Room, Administration Building, Southern Drive, Busselton on Wednesday, 21 November 2018, commencing at 10.00am.

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

14 November 2018

CITY OF BUSSELTON

AGENDA FOR THE AIRPORT ADVISORY COMMITTEE MEETING TO BE HELD ON 21 NOVEMBER 2018

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1. **DECLARATION OF OPENING 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 May 2018

RECOMMENDATION

That the Minutes of the Airport Advisory Committee Meeting held 21 May 2018 be confirmed as a true and correct record.

6. REPORTS

6.1 HANGAR PARKING AT BUSSELTON MARGARET RIVER AIRPORT

SUBJECT INDEX:	Busselton Margaret River Airport
STRATEGIC OBJECTIVE:	An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Busselton Margaret River Airport
REPORTING OFFICER:	Project Officer Contracts and Tendering - Ben Whitehill
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

PRÉCIS

This report provides the Council with recommended Fees and Charges for Hangar Parking at Busselton Margaret River Airport. It is proposed these Fees and Charges would apply from 1 April 2019.

BACKGROUND

The City purchased two hangar buildings at Busselton Margaret River Airport in May 2018. Each hangar building is separated into individual compartments. The majority of the individual hangars are leased to individuals until 31 March 2019 as part of the deal negotiated to purchase the hangars.

It is the City's intention to use the existing hangar buildings to create an emergency services precinct and officers are currently negotiating with relevant emergency services providers for long term leasing arrangements (up to twenty years) in the existing buildings.

The existing hangar owners have been made aware of the City's intentions and have been encouraged to take up leases in the new general aviation precinct north of the existing terminal, which has been purpose built as part of the Airport Development Project.

In general it is not practical having emergency services operations mixed in with general aviation. However in the short term it is unlikely that emergency services operators will lease all of the space available within the existing hangar buildings. Officers are proposing that the vacant hangar space should be made available to operators for aircraft parking; providing an additional revenue stream for the City whilst emergency service operators are sought.

STATUTORY ENVIRONMENT

Section 6.16(3) of the Local Government Act (the "Act") states that a schedule of fees and charges is to be adopted by the Council when adopting the annual budget, however fees and charges may also be imposed during a financial year.

Section 6.16 of the Act states that a local government may impose and recover a fee or charge for any goods or services it provides or proposes to provide, other than a service for which a service charge is imposed.

Section 6.17 of the Act further states that in determining the amount of a fee or charge for goods and services, a local government is to take in to consideration the following factors:

- 1) The cost to the local government of providing the service or goods;
- 2) The importance of the service or goods to the community; and
- 3) The price at which the service or goods could be provided by an alternative provider.

Section 6.18 of the Act clarifies that if the amount of any fee or charge is determined under another written law, then a local government may not charge a fee that is inconsistent with that law.

Pursuant to Section 6.19 of the Act, local public notice must be given should fees and charges be adopted outside of the annual budget adoption process.

The above matters have been considered as part of the development of the new fees and charges in this report.

Clause 1.5 *Busselton Regional Airport Local Law 2012* states that the Local Government Property Local Law applies to the Airport as if the Airport Land were 'local government property' for the purposes of that local law. The new fees and charges will be managed through the issue of permits under the *Busselton Regional Airport Local Law 2012* and the *Local Government Property Local Law 2010*.

RELEVANT PLANS AND POLICIES

There are no plans or policies relevant to this matter.

FINANCIAL IMPLICATIONS

The adoption of the new fees and charges has the potential to create additional revenue for Council.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

The adoption of the new fees and charges has the potential to create additional revenue for Council.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation principally aligns with Key Goal Area 4 – Economy (Diverse, resilient, prosperous) of the City's Strategic Community Plan 2017 and more specifically the following community objectives:

- 4.1: An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
- 4.2: A community where local business is supported and in turn drives our economy.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation have been undertaken and no risks were identified where the residual risk, once controls are considered, is rated as medium or high.

CONSULTATION

It is not considered that external consultation is necessary.

OFFICER COMMENT

The leases of the individual compartments in the existing hangar buildings expire on 31 March 2018. The City is working with emergency service providers to enter into longer term leases and create an emergency services precinct at the airport.

In the short to medium term there is likely to be some hangar parking space available in the existing hangar buildings which the City could make available to operators to generate additional revenue. The proposed mechanism for achieving this is by introducing a new fee and charge for hangar parking at Busselton Margaret River Airport.

When setting the level for the new fee and charge officers have taken into account the following factors:

- 1) the cost of providing the goods and services including that electricity, council rates and other outgoings will not be charged to persons paying the parking fee;
- 2) the price of the service or goods from alternative suppliers;
- 3) the requirement of a minimum 200m² parking space.

The City of Geraldton imposes a hangar parking fee of \$2.00 per square metre per week and offers longer term hangar parking arrangements by negotiation. The City of Geraldton fee is not subject to a minimum size parking space. Due to the compartmentalised design of the existing hangar buildings at Busselton Margaret River Airport officers propose to impose a minimum parking space of 200m² consequently the City has reduced the rate per square metre (in comparison to Geraldton).

Finally the recommended fee and charge is at a level that is likely to (in the short to medium term) incentivise general aviation operators to relocate to the new general aviation precinct where tenants will be able to have certainty of tenure for up to twenty years and pay a cheaper ground rental (compared to the Hangar Parking Fee in the existing hangar buildings). This will serve the dual benefit of separating general aviation from emergency services and encouraging new development in the new general aviation precinct.

On the basis of the above the following new fees and charges are proposed:

DESCRIPTION	DRAFT FEE 2018/19 (Excl GST)	GST	DRAFT FEE 2018/19 (Inc GST)
<u>BUSSELTON MARGARET RIVER AIRPORT</u>			
-			
<u>Hangar Hire Parking Fee (minimum 200m²)</u>	-	-	-
Rate per square metre per week	\$1.00	\$0.10	\$1.10
Long Term Hangar Parking Fee – by negotiation	-	-	-

The new fees and charges for hangar parking have been designed to provide an opportunity for operators to pay a fee to park aircraft in the existing hangar buildings whilst giving the City flexibility to transition hangar space to emergency services operators in a timely manner.

CONCLUSION

It is recommended that Council adopt the new Fees and Charges in this report for hangar parking at Busselton Margaret River Airport to commence 1 April 2019. Adoption of the new fee will allow operators to pay a fee to park aircraft in the existing hangar buildings whilst giving the City flexibility to transition hangar space to emergency services operators in a timely manner as opportunities arise.

OPTIONS

The Council may decide to wait until all Fees and Charges for the City's services are reviewed for adoption in line with the budget development process for 2019/20. However this may have a negative impact on the revenue for the Airport.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

If adopted by Council, the Schedule of new Fees and Charges for the Airport will become effective from 1 April 2019. Public Notices of the new Fees and Charges will published immediately.

OFFICER RECOMMENDATION

That the Council:

1. Endorses the Fees and Charges as detailed in the "Draft Fee 2018/19 (excl. GST)" column of the following Schedule of Fees and Charges; effective from and including 1 April 2019:

DESCRIPTION	DRAFT FEE 2018/19 (Excl GST)	GST	DRAFT FEE 2018/19 (Inc GST)
<u>BUSSELTON MARGARET RIVER AIRPORT</u>			
-			
<u>Hangar Hire Parking Fee (minimum 200m²)</u>	-	-	-
Rate per square metre per week	\$1.00	\$0.10	\$1.10
Long Term Hangar Parking Fee – by negotiation	-	-	-

6.2 LEASING AT BUSSELTON MARGARET RIVER AIRPORT

SUBJECT INDEX:	Busselton Margaret River Airport
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Busselton Margaret River Airport
REPORTING OFFICER:	Project Officer Contracts and Tendering - Ben Whitehill
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A LG3P Disposing of Property (General Aviation Precinct leases) ↓ Attachment B Disposing of Property (Leases at Busselton Margaret River Airport) ↓

PRÉCIS

Officers are seeking a Delegation of Authority from Council to the CEO to enter into certain lease agreements at Busselton Margaret River Airport (LG3O Disposing of Property - Leases at Busselton Margaret River Airport) (Attachment B). The report also recommends the rescission of existing delegation LG3P Disposing of Property (General Aviation Precinct leases) (Attachment A).

BACKGROUND

Busselton Margaret River Airport is a significant commercial operation of Council. The airport has an extensive range of leasing opportunities including up to 36 individual hangar sites in the new general aviation precinct, up to 12 hangars within the existing hangar buildings owned by the City, leases within the new and existing terminal buildings and other sites on the airport precinct.

Under the standard process for disposing of property by way of lease there is a significant time cost and administrative burden. Typically it involves the following steps:

- initial engagement with potential tenant and negotiation of key terms (2 weeks);
- local public notice of proposed disposition (minimum 2 weeks);
- preparation of Council report and consideration by Council (minimum 4 weeks).

This means that to enter into a routine, simple lease a potential tenant can be left waiting for up to two months after the key terms have been negotiated. This does not meet the expectations of individuals and smaller businesses who want to be able enter into a lease soon after finalising negotiations.

The existing delegation LG3P 'Disposing of Property (General Aviation Precinct leases) for leases in the new general aviation precinct improves efficiency in the new general aviation precinct, however this does not address other leases on the airport site for example the existing hangar buildings now owned by the City.

Officers are proposing a new delegation of authority (LG3O) 'Disposing of Property (Leases at Busselton Margaret River Airport) (Attachment B) to improve the efficiency for all routine commercial leases at Busselton Margaret River Airport. Significant commercial and strategic leasing opportunities, for example the Qantas Pilot Training Academy, would still be subject to consideration by Council.

STATUTORY ENVIRONMENT

Section 5.42(1)(a) of the Local Government Act 1995 (Act) allows Council to delegate to the CEO the exercise of any of its powers or the discharge of any of its duties under the Act, other than those referred to in section 5.43. The Act prescribes that any such delegation requires an absolute majority vote of Council.

Section 3.58 of the Act deals with the disposition of property by public auction, tender and otherwise which requires the Local Government to advertise for public comment the proposed disposition of property (by way of lease) for a minimum of 14 days and include details of the parties, the consideration of the disposal and consider any public comment prior to entering into the proposed lease agreement.

RELEVANT PLANS AND POLICIES

Delegation LG3C – Disposing of Property, the proposed delegation is in addition to the powers and duties relating to other dispositions of property that are specified in Delegation LG3C.

FINANCIAL IMPLICATIONS

There are no direct financial implications contained within this report.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no direct financial implications contained within this report.

STRATEGIC COMMUNITY OBJECTIVES

The new delegation aligns to the Council's Key Goal Areas 4 - Economy and 6 - Leadership and specifically, the following Community Objective/s:

- a. 4.2: A community where local business is supported and in turn drives our economy;
- b. 6.1: Governance systems, process and practices are responsible, ethical and transparent.

RISK ASSESSMENT

There are no identified risks of a medium or greater level associated with the Officer recommendation.

CONSULTATION

No external consultation is required in relation to the Officer recommendation.

OFFICER COMMENT

The purpose of the new delegation is to improve the administrative efficiency of leasing at Busselton Margaret River Airport. Individuals and small businesses expect to be able to enter into leases in a timely manner. Therefore to ensure that potential leasing opportunities are not lost as a result of administrative inefficiencies officers are proposing a new delegation for leasing at the airport.

The delegation is proposed to be limited as follows:

1. the property being land located at Busselton Margaret River Airport;
2. the means of disposal being a lease;

3. the term of the lease (including options) being up to a maximum of 20 years;
4. the initial annual market rental value of the lease being less than:
 - a) \$10,000.00 for a ground lease; and
 - b) \$50,000.00 for any other lease.
5. At least every six months City officers must provide Councillors a summary and update of leases entered into under this delegation.

Public notice for a minimum of two weeks inviting submissions is still required pursuant to section 3.58 of the Act.

If the delegation is not adopted Officers believe there is a risk that potential leasing opportunities will be lost as parties become frustrated with the time required to enter into a lease.

The delegation will significantly reduce the turnaround time and improve efficiency for routine leasing matters maximising the likely success of commercial negotiations allowing the Council and officers to focus on strategic opportunities at the airport.

CONCLUSION

The rescinding of existing delegation LG3P and the adoption of the new delegation LG3O will improve the efficiency of leasing at Busselton Margaret River Airport. It will significantly reduce turnaround times on routine leasing matters at Busselton Margaret River Airport allowing Council to more effectively use its time to undertake a more strategic role.

OPTIONS

The Council may decide not to rescind the existing delegation, not approve the new delegation or amend the proposed or existing delegation.

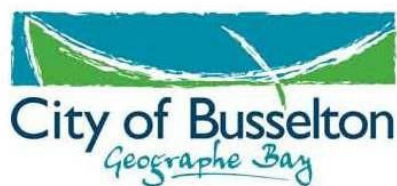
TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The rescinding of Delegation LG3P and adoption of new delegation LG3O will become effective the day following the decision of Council.

OFFICER RECOMMENDATION

That the Council:

1. Rescinds Delegation LG3P – Disposing of Property (General Aviation Precinct Leases) (Attachment A)
2. Adopt new Delegation LG3O – Disposing of Property (Leases at Busselton Margaret River Airport) (Attachment B)



Instrument of Delegation

Reference Number	Local Government Act Reference	Delegate	Delegation Subject
LG3P	Section 3.58	Chief Executive Officer	Disposing of Property (General Aviation Precinct leases)

Delegator

Council

Powers/duties delegated

To exercise the powers and discharge the duties of the local government under section 3.58 of the *Local Government Act 1995* in relation to the new land lots at the new Busselton Margaret River General Aviation Precinct by:

1. Negotiating the terms and conditions of new lease agreements;
2. Advertising the proposed disposition of property (by way of lease) in accordance with s 3.58 of the Act; and
3. Enter into new lease agreements.

Conditions

A new lease agreement may only be entered into where no significant adverse public comments have been received following advertisement of the proposal to dispose (by lease) of the property.

Statutory Framework

Council is exercising its power of delegation under section 5.42 of the *Local Government Act 1995*, to delegate the exercise of specified powers and discharge of specified duties to the CEO.

Verification

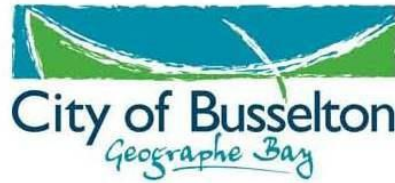
Initial Council Resolution
C1806/120

Review Requirements

In accordance with the requirements of *Section 5.46(2)* of the *Local Government Act 1995*, at least once every financial year.

Related Documents

The delegations specified in this instrument are in addition to other delegations of powers and duties relating to other dispositions of property that are specified in Instrument of Delegation LG3C Disposing of Property.



INSTRUMENT OF DELEGATION

Reference Number	Act Reference	Delegates	Delegation Subject
LG30	<i>Local Government Act 1995</i> s.3.58(2), (3) and (4)	Chief Executive Officer	Disposing of Property (Leases at Busselton Margaret River Airport)

Delegator

Council

Power/Duty

To exercise the power to dispose of property and discharge the duties of the local government under section 3.58(2), (3) and (4) of the *Local Government Act 1995* (**Act**).

Conditions

This delegation is subject to:

1. the property being land located at Busselton Margaret River Airport;
2. the means of disposal being a lease;
3. the term of the lease (including options) being up to a maximum of 20 years;
4. the initial annual market rental value of the lease being less than:
 - a. \$10,000.00 per annum for a ground lease; and
 - b. \$50,000.00 per annum for any other lease;
5. at least every six months City officers must provide Councillors a summary and update of leases entered into under this delegation.

Statutory Framework

Council is exercising its power of delegation under Section 5.42 of the *Local Government Act 1995*.

Verification

Recent Council Resolution

<<insert council resolution number>>

Initial Council Resolution

<<insert council resolution number>>

Review Requirements

In accordance with the requirements of Section 5.46(2) of the *Local Government Act 1995*, at least once every financial year.

Related Documents

The delegations specified in this instrument are in addition to other delegations of powers and duties relating to other dispositions of property that are specified in Instrument of Delegation LG3C Disposing of Property.

Notes of Alteration

Nil

6.3 BUSSELTON MARGARET RIVER AIRPORT - AIRPORT UPDATE

SUBJECT INDEX:	Busselton Margaret River Airport
STRATEGIC OBJECTIVE:	An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Airport Operations Coordinator - David Russell
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

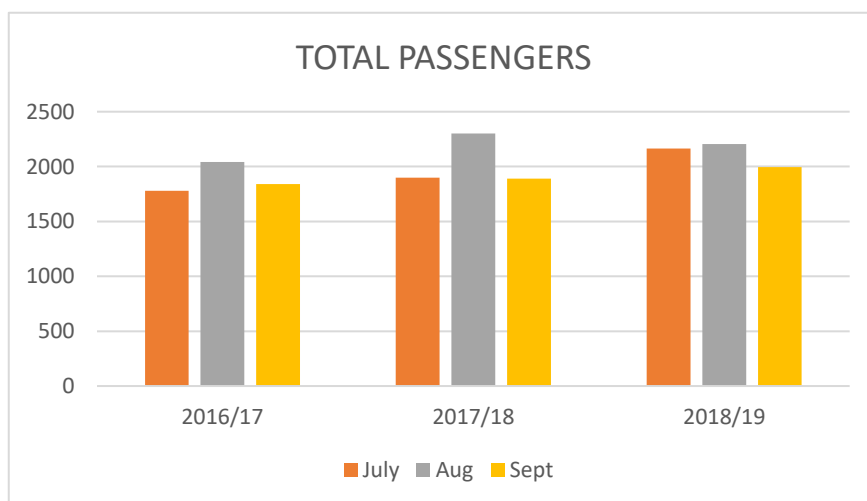
This report provides an overview on the Busselton-Margaret River Airport (BMRA) operations and activities for the reporting period 1 July 2018 to 30 September 2018.

BACKGROUND

The BMRA has seen an increase in the overall FIFO / charter passenger numbers compared to the same period for 2016 and 2017

Below is a table indicating the number of total passengers travelling through BMRA for the reporting period of 1 July to 30 September for 2016, 2017 and 2018.

	Total Arriving & Departing Passengers		
	2016	2017	2018
July	1779	1898	2163
August	2043	2301	2204
September	1840	1890	1996
TOTAL	5662	6089	6363



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

A total of 448 aircraft landings were recorded for the period July - September 2018, a decrease from the numbers reported for the same period in 2017 (535) and 2016 (662). This reduction in aircraft landing is attributed to skydiving operations ceasing over the winter months of 2018, and the removal of a weekday air courier service in April 2017.

Carpark

Carpark usage has remained steady with a slight increase in revenue. Over the weekend of 24 June 2018 Officers observed damage to four (4) vehicles in the long term car park including vehicles having all wheels removed and sustaining panel damage, with others having body work and fuel tank removed. Officers reported this to the Police and have now installed CCTV to monitor all vehicles entering and exiting the car park and terminal roads with no further incidents to report. Final commissioning and opening of the new car park, together with installation of CCTV and is anticipated before the end of the year.

Qantas Pilot Training Academy

Following a national Expression of Interest (Eoi) process, BMRA was not selected as the site for the first of two (2) Qantas Pilot Training Academies announced in September. BMRA is now under consideration for the second Academy site together with Alice Springs, Bendigo, Dubbo, Launceston, Mackay and Wagga Wagga, with a decision due towards the end of the year. Since the announcement of the first site, Virgin Australia announced a partnership with Tamworth Airport as a base for a Pilot Academy and as such they will not be considered for Qantas' second site. The Western Australia State Government has committed \$1.7m for the construction of hangars should BMRA be successful in securing the second academy.

General Aviation Precinct Expression of Interest

An Eoi was advertised giving the general aviation community the opportunity to lease vacant hangar lots with services and apron access within the new general aviation precinct. To date ten (10) proponents have lodged submissions and City Officers are responding to enquiries with another seven (7) proponents. Final site locations on the southern general aviation precinct apron will be confirmed following the announcement of the second Qantas Pilot Training Academy site. Site locations on the northern apron are currently being confirmed with construction of hangars to commence on the northern apron within the coming months.

Existing Hangars

The intended use for the existing hangars that were purchased by the City in May 2018 is to create an emergency services precinct. Officers have been in discussions with emergency services operators for leases in the existing hangar buildings.

McDermott Aviation Pty Ltd, who operate the DFES helicopters, have agreed to take a lease 1/3rd of the first hangar. In order to make the building fit for purpose McDermott Aviation Pty Ltd will have to spend \$35,000 dollars to modify the building (raising the doors) so the helicopters can access the building. Officers have proposed a 20 year lease (5 years plus three 5 year options) at market value (\$12,000 per annum) a rent free period of one year is proposed to partially compensate for the works required to the building. The lease would be subject to market reviews every five years and CPI rent reviews otherwise.

BMRA Tourist Helicopter Operations Expression of Interest

An Eoi was advertised for suitably experienced companies and/or individuals to operate Helicopter tourism related businesses from the BMRA from 17 October to 31 October 2018. The outcome of the Eoi is subject to another report within the agenda.

Emergency Services Familiarisation Day / Desktop Exercise

On Tuesday 7 August 2018 the BMRA hosted a familiarisation / briefing for the local emergency services on the upgraded airport facility and the Airbus A320 aircraft expected to operate from the

airport via RPT services in the future. This familiarisation included a Virgin Australia subject matter specialist demonstrating emergency procedures and safety / rescue aspects of the aircraft, followed by a tour of the new airport facilities noting airport entry gate locations, fuel storage, new fire hydrant locations etc.

The City of Busselton also hosted a combined Emergency Exercise and Emergency Risk Assessment on 4 October 2018. This annual emergency exercise is required by the Civil Aviation Safety Authority (CASA) and this year the exercise was a desktop exercise based on an air crash at the BMRA followed by a risk assessment as 'Air Crash' is one of the six hazards identified for the City's district as part of the State Risk Project and will form part of the City of Busselton Emergency Risk Register.

Proposed Aerofest 2020

Officers have been contacted by Busselton Aeroclub with a proposal to conduct an Aerofest at BMRA in conjunction with City of Busselton in March 2020.

Noise Management Plan (2015) Non-Compliance Reporting

Under the Noise Management Plan (NMP) the City is required to submit its annual compliance report to the Office of Environmental Protection Authority (OEPA) prior to 22 September 2019 for the reporting period of 23 June 2018 to 22 June 2019. To date two (2) 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 for this reporting period.

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.

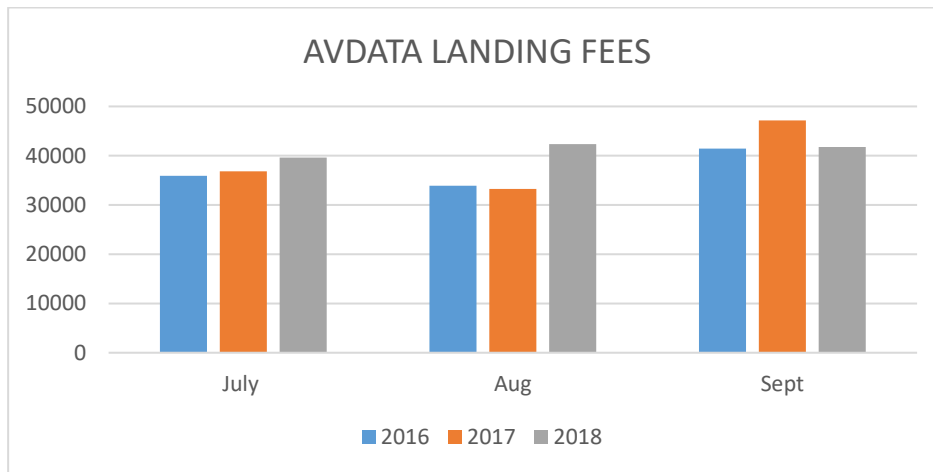
RELEVANT PLANS AND POLICIES

There are no policy implications with this report.

FINANCIAL IMPLICATIONS

Airport revenue for the 2018/2019 financial year to 30 September was \$172,028 compared to a projected year to date (YTD) budget of \$269,688. The main reasons for revenue being less than expected is due to the City having not received payment of Virgin Australia Regional Airline's (VARA) passenger fees estimated at \$65,000 and outstanding Avdata landing fee collection estimated at \$30,000. Car parking revenue is slightly higher than expected with an income of \$58,955 compared to the projected YTD budget of \$56,250.

The graph below shows the landing fees collected by Avdata for the reporting period July – September 2018 in comparison to the same period for 2016 and 2017, noting that AVDATA have sent invoices for September 2018 landings but the City has not received these fees as noted above.



Airport expenditure for 1 July 2018 to 30 September 2018 is \$85,955 compared to a projected YTD Budget amount of \$110,959. Expenditure at this time is lower than expected with works deferred due to weather and ground water table height. There are no financial implications as a result of this report.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no financial implications as a result of this report.

STRATEGIC COMMUNITY OBJECTIVES

The BMRA aligns to the following Key Goal Areas and Community Objectives of the City of Busselton's Strategic Community Plan 2017:

KGA 4: Economy - Diverse, robust, prosperous:

- 4.1: An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.

KGA 5: Transport - Smart, connective, accessible:

- 5.1: Public transport services that meet the needs of the community.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater. No such risks were identified.

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.

OFFICER COMMENT

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

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

- Installation of GA aircraft tie down cables;
- Cotton weed eradication program;
- Completion of airside line marking;
- Installation of taxiway exit signs and centreline reflective markers;
- Removal of landside farm fencing;
- Rocketman bird dispersal training for Airport reporting Officers; and
- Annual Aerodrome Technical inspections completed.

CONCLUSION

With airside and landside development works as part of the Airport Development Project completed this quarter, the importance of maintaining a compliant and visually pleasing aerodrome has been the utmost and sometimes challenging task. Noting that construction will commence late 2018/early 2019 on the air freight hub, Officers will continue to provide a high level of customer service ensuring the airport is operating safely and security is maintained throughout.

OPTIONS

The Airport Advisory Committee may choose not to accept the Officers report.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable

OFFICER RECOMMENDATION

That the Airport Advisory Committee receives the Airport operations report.

6.4 BUSSELTON MARGARET RIVER AIRPORT - HELICOPTER OPERATION EXPRESSION OF INTEREST

SUBJECT INDEX:	Busselton Margaret River Airport
STRATEGIC OBJECTIVE:	An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Airport Operations Coordinator - David Russell
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

Following the consideration of a proposal to operate commercial helicopter scenic flights at the Busselton Margaret River Airport (BMRA), in October 2016 Council endorsed (C1610/097) an Expression of Interest process, and associated conditions, to be undertaken at the completion of the airport development project airside construction works, or until such time that construction activities do not impede additional aviation activities. This report provides an update to the Council resolution.

BACKGROUND

The BMRA is a public aerodrome owned and operated by the City of Busselton. There are a number of aviation businesses that operate from the BMRA including Margaret River Busselton Tourism Association (MRBTA), Geronimo Skydivers, Busselton Air Services, Tigermoth Adventure Flights, Westward Aviation and Mission Air Inc.

Currently, commercial rotary wing operations based at the BMRA are limited to the Surf Life Saving Western Australia (SLSWA) Rescue helicopter which operates between November to April for mainly shark patrols, Department of Fire and Emergency Services (DFES) firefighting helitacs which operates between December to April, helicopter refuelling operations, and other helicopter operators for short periods of time to support events such as the Busselton Jetty Swim and Ironman WA.

In September 2015, City Officers were approached by Skyline Aviation Group with an initial proposal to operate helicopter scenic flights from the BMRA, this proposal was presented to the Airport Advisory Committee (AAC) in November 2015.

Prior to and at the November 2015 AAC meeting, City Officers were approached by another commercial helicopter operator requesting to operate under similar conditions to the Skyline proposal. Noting that granting approval for Skyline Aviation to operate would not exclude other helicopter operators to be based out of BMRA, and that the noise impact needed to be carefully considered as part of the next review of the NMP.

With this information the AAC recommended (AIR1511/004) *'that the Skyline proposal not be supported and that a formal expression of interest process is undertaken, outlining clear criteria and operating conditions for commercial tourism rotary wing operations at the BMRA, and that regular ongoing rotary wing operations be considered as part of the next Noise Management Plan review.'*

An update provided to the AAC at a meeting held on 30 September 2016 provided (AIR1609/026)

That the Airport Advisory Committee;

Approves the advertising of an Expression of Interest for the commencement of helicopter flight operations from the Busselton-Margaret River Airport (BMRA) at the completion of the airside construction activities, or until such time that construction activities do not impede additional aviation activities, subject to the following conditions:

- *Operations to be undertaken in accordance with the BMRA Noise Management Plan (NMP)*
- *One operator*
- *Up to five flights per day preferred*
- *Flight operations Monday – Sunday, between 10.00am – 4.00pm*
- *No flights allowed on Good Friday, Christmas Day and Anzac Day*
- *Flight paths and utilisation of flight paths to be provided to the City of Busselton*
- *Monthly reports to be provided to the City of Busselton on all flights conducted including times of operation and duration of flights*
- *Operations commencement date from issue of approval*
- *Signed Fly Neighbourly Agreement in accordance with the BMRA NMP*

2. Noise monitoring be undertaken, at the proponent's cost, prior to any trial period using the proposed aircraft overflying at 500ft, 1000ft and 1500ft to record and verify the actual noise emissions generated meet the conditions of the applicable BMRA NMP.

Following the completion of the airside construction activities, an Expression of Interest for 'Busselton-Margaret River Airport - Tourist Helicopter Operations Commercial Opportunity' was advertised from 17 October to 31 October 2018 in line with the resolution of Council (AIR1609/026). After receiving a number of queries regarding the opportunity, one (1) submission was received from Jezebel Enterprises trading as Scenic Helicopters. An assessment of the submission was undertaken by Officers as outlined in this report.

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, Busselton Airport Local Law 2012, Property Local Law 2010, and City policies and procedures.

RELEVANT PLANS AND POLICIES

The BMRA NMP (2015) and Ministerial Statement 1009 requires the City to manage the operations and noise emissions associated with aircraft operating from the BMRA. Specifically, Chapter 3; Management of Operational Activities and 3.1.3 Standard Hours of Operation define operations as meeting the General Aviation criteria with the following conditions;

Operator/Aircraft Type	Standard Hours of Operation	Conditions
General Aviation Any light aircraft that does not comply with the Light Aviation definition.	0700-1900 May-November 0600-2100 December -April	Subject to noise not exceeding 85dB(A).

Where an operator breaches the NMP, the City is required to report the non-compliances to the Office of the Environmental Protection Authority (OEPA) and at this time the non-compliance is recorded against the City, with the expectation that the City will prevent further occurrences. These regulatory controls require the City to ensure that future operations based at the BMRA are compliant with the terms of the NMP and Statement 1009.

The NMP (2015) is however currently under review as part of a Public Environmental Review (PER) process. In August 2018 the Minister for Environment released the Environmental Protection Authority's (EPA) conditional approval of the PER process for public comment, which if endorsed by the Minister would, amongst other things, enable General Aviation to operate between the hours of 0600 and 2200 with a maximum noise level of 85dB(A). Helicopter operations fall within the General Aviation category.

FINANCIAL IMPLICATIONS

There are no direct financial implications to the City for the ongoing helicopter tourist operations as no additional facilities or upgrade to facilities are required for the operations to occur. There would however be an increase in revenue received by landing fees.

It should be noted that the complaints process detailed in the NMP allows for 'noise affected' residents to request for noise monitoring to be undertaken at the affected residences. The City's Environmental Health Department can complete the noise monitoring however there are associated costs with staff time and analysis of the noise monitoring. Should the noise levels from an affected residence be found to exceed the acceptable levels in Chapter 6 Noise Amelioration of the NMP then noise amelioration measures could potentially apply at the City's cost.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no Long Term Financial Plan implications associated with this report.

STRATEGIC COMMUNITY OBJECTIVES

The BMRA is consistent with following the City of Busselton's strategic Objectives:

Smart, connective, accessible:

- Public transport services that meet the needs of the community.

Diverse, robust, prosperous:

- An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater.

Risk	Controls	Consequence	Likelihood	Risk Level
<i>The City receives noise complaints from community members relating to the helicopter operation</i>	The NMP has a complaints process in place describing the timeframes and mitigating processes	Minor	Possible	Medium

<i>The helicopter operations breach the requirements of the NMP and Statement 1009.</i>	A permit to operate will be issued under the Property Local Law 2010 and Fly neighbourly agreement executed with the operator to abide by the conditions of the NMP	Minor	Possible	Medium
<i>The helicopter operations result in noise monitoring and noise amelioration in accordance with the NMP.</i>	A permit to operate will be issued under the Property Local Law 2010 and Fly neighbourly agreement executed with the operator to abide by the conditions of the NMP	Moderate	Unlikely	Medium

CONSULTATION

During the EoI process consultation was undertaken with interested helicopter operators. Through this it became apparent that together with the operational restrictions contained within the NMP, the conditions outlined in the EoI in regards to the number of daily flights and hours and days of operations, extremely limits the commercial opportunities for operators. This arguably limited the level of interest and number of submissions received. Through these discussions, Scenic Helicopters made comment on the restrictions and the need to amend the conditions should their business operations expand in the future.

OFFICER COMMENT

With airside works now complete, Officers are working to encourage increased use of the airport. An integral element of this is supporting and increasing tourism opportunities that not only benefits the City through increased revenue from landing fees, but importantly the wider tourism industry by increasing tourism offerings within the region.

As such, Officers are mindful of the need to balance the benefits of increased air operations and associated noise impacts on residents. To date, Officers have achieved this through the management of the BMRA through the implementation of the NMP, Airport Local Law 2012 and Property Local Law 2010.

As part of the NMP, the City is required to report noise complaints and any non-compliances of the NMP to the EPA. Through this reporting and audits undertaken by OEPA Officers, the City has proven it effectively manages the operations of the BMRA and complies with the NMP. This is confirmed by the low number of noise complaints and non-compliance operations over the past four (4) years as demonstrated in the table below:

	2014/15	2015/16	2016/17	2017/18
Noise Complaints received	9 (5 from one person)	2 (from one person)	4 (2 from one person)	9 (3 from one person)
Non-compliant flights	3	10	4	4 (3 same person)

Through consultation with helicopter operators during the EoI process it is evident that the conditions imposed within the EoI documentation, and resolution of Council (AIR1609/026), coupled with the restrictions contained within the NMP, limits commercial opportunities for helicopter operations. Through the NMP, Airport Local Law 2012 and Property Local Law 2010, the City has the ability to issue permits and place relevant conditions on the operator when utilising the BMRA. By managing operations in this manner, Officers can work with operators to determine the most appropriate ways in which operations can be maximised while minimising noise impacts on residents. By imposing conditions through Council, the flexibility of making amendments to the conditions is restricted and time consuming, and ultimately is an operational matter that can be managed at Officer level.

Until operations commence, it is difficult and impractical to set conditions on operators that may not be necessary, or are commercially uncondusive. As Officers have proven, airport operations are currently effectively managed through the NMP, Airport Local Law 2012 and Property Local Law 2010. Therefore, rather than set and impose operating conditions through the Council, it is suggested that Officers manage the engagement of helicopter operators by setting conditions through the permit system as part of the Property Local Law 2010. While the conditions imposed would be similar to that presented to Council, and in line with the NMP, Officers can be flexible in amending the conditions to ensure commercial outcomes are maximised while noise impacts are minimised.

Through regular Airport update reports, the Council will be kept informed of all operations at the BMRA, including noise complaints and non-compliances. It is on this basis that Officers recommend that future helicopter operations are managed in the same way as other commercial operations at the BMRA and that the CEO is best placed to impose relevant conditions to operate through the relevant Local Law.

CONCLUSION

Currently BMRA sees a number helicopter operations from emergency services, businesses and private operators that are not based at BMRA managed successfully by the City through the NMP, Airport Local Law 2012 and Property Local Law 2010. Helicopter tourist flights based at BMRA have the potential to offer a great tourism experience and as such could also be successfully managed by the City through the NMP and relevant Local Laws. By adding additional conditions on operations as outlined in the recent EoI process, it is evident that the City is placing further restrictions on the commercial viability of operators to make use of the BMRA, making it less attractive to operate from. As the NMP and City Local Laws provide the City with mechanisms to effectively manage operations, it is recommended that rather than setting blanket conditions for specific operations, Officers work with individual operators to ensure their operations are conducted in accordance with the NMP to minimise noise impacts on residents while enabling successful commercial outcomes. This is best achieved by working with the individual operators and the CEO imposing conditions on operators through a permit to operate system as required.

OPTIONS

Council may choose to proceed with selecting a proponent to operate commercial helicopter operations and impose the conditions outlined in Council resolution (AIR1609/026). This however would require Officers to seek Council approval should the conditions prove inappropriate or require any amendments.

Council could choose not to proceed with helicopter operations at the BMRA. This however would limit the commercial opportunities for the BMRA and future tourism offerings.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Officers will advise the proponent following the Council resolution with operations anticipated to commence by December 2018.

OFFICER RECOMMENDATION

That the Airport Advisory Committee;

1. notes the outcome of the 'Busselton Margaret River Airport - Tourist Helicopter Operations Commercial Opportunity' Expression of Interest process
2. notes the ongoing management of the Busselton Margaret River Airport in accordance with the Noise Management Plan, Airport Local Law 2012 and Property Local Law 2010.

7. NEXT MEETING DATE

8. CLOSURE