

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 23 MARCH 2016**

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## MINUTES

MINUTES OF A MEETING OF THE AIRPORT ADVISORY COMMITTEE HELD IN MEETING ROOM 1, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 23 MARCH 2016 AT 11.00AM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 10.59am.

### 2. ATTENDANCE

Presiding Member:

Cr Gordon Bleechmore

Members:

Cr John McCallum  
Cr Coralie Tarbotton  
Cr Paul Carter (from 12.01pm)

Officers:

Mrs Naomi Searle, Director, Community and Commercial Services  
Mrs Jennifer May, Manager Commercial Services  
Miss Hayley Barge, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

Visitors

Mr Keith Tonkin from Aviation Projects  
Mr Simon Paur

### 3. PUBLIC QUESTION TIME

Nil

### 4. DISCLOSURE OF INTERESTS

Nil

## 5. CONFIRMATION OF MINUTES

### 5.1 Minutes of the Airport Advisory Committee Meeting held on 26 February 2016

#### Committee Decision

**AIR1603/010** Moved Councillor J McCallum, seconded Deputy C Tarbotton

That the Minutes of the Airport Advisory Committee Meeting held 26 February 2016 be confirmed as a true and correct record.

**CARRIED 3/0**

## 6. REPORTS

### 6.1 BUSSELTON-MARGARET RIVER REGIONAL AIRPORT MASTER PLAN (2016-36)

<b>SUBJECT INDEX:</b>	Busselton-Margaret River Airport
<b>STRATEGIC OBJECTIVE:</b>	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
<b>BUSINESS UNIT:</b>	Community Services; Commercial Services
<b>ACTIVITY UNIT:</b>	Commercial Services
<b>REPORTING OFFICER:</b>	Director, Community and Commercial Services - Naomi Searle
<b>AUTHORISING OFFICER:</b>	Director, Community and Commercial Services - Naomi Searle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Busselton-Margaret River Regional Airport Master Plan (2016-36)

#### **PRÉCIS**

Following the submission of a comprehensive Business Case to the State Government, the City of Busselton was awarded \$55.9m for the redevelopment of the Busselton-Margaret River Airport (BMRA).

As part of the overall project, a review of the key plans and studies completed as part of the Business Case was been undertaken, including the key informant to the overall project, the Busselton Regional Airport Master Plan (2011-31). Following the endorsement (C1512/366) of the BMRA Concept and Staging Plan as an informing document to the Master Plan in December 2015, this report presents the Busselton – Margaret River Airport Master Plan (2016-2036) and recommends that Council endorses the Plan as a guide for future planning.

#### **BACKGROUND**

In 2011 the City of Busselton completed the Busselton Regional Airport Master Plan (2011-2031) outlining future opportunities for growth and development. Since then, the City of Busselton has progressed a considerable number of studies in conjunction with the South West Development Commission (SWDC) resulting in the submission of a State Government Business Case to redevelop the Busselton Regional Airport (BRA). The Business Case considered three development options; stage 1 (current intrastate services), stage 2 (future domestic services), and stage 2a (future short haul international services).

In June 2015 the City was awarded funding of \$55.9m to complete stage 2. In addition to this, in March 2016 a funding application was submitted to the Commonwealth Government's National Stronger Regions Fund to progress the project to international status.

Since the completion of the original Master Plan and Business Case, considerable progress has been made in delivering aspects of stage 1. In addition to this, a review of the Master Plan has been undertaken. The review follows Council's consideration and subsequent endorsement (C1512/366) of a 'Concept and Staging Plan' as a key informant to the revised Master Plan.

The purpose of the Master Plan is to establish the framework for the future planning and development of the redeveloped BMRA to ensure the region achieves its strategic objectives and capitalizes on the aeronautical and commercial opportunities provided by the airport, whilst also meeting State Government funding deliverables. The Master Plan is intended to establish the basis for more detailed studies of design, infrastructure planning, land use planning and environmental impacts required to achieve the strategic direction.

This report outlines the key aspects of the Master Plan (2016-36) and seeks Council's endorsement of the Plan as a guide for future planning.

## **STATUTORY ENVIRONMENT**

The BMRA operates in accordance with the following; Aviation Transport Security Act 2004, Aviation Transport Security Regulations 2005, CASA MOS 139, the City of Busselton's Transport Security Plan, policies and procedures.

## **RELEVANT PLANS AND POLICIES**

The Busselton Regional Airport Master Plan (2011- 2031) and Busselton Regional Airport Statement of Intent outline the vision for the BRA redevelopment and are relevant to this report.

## **FINANCIAL IMPLICATIONS**

The State Government funding of \$55.9m to deliver stage 2 has been incorporated into the City's 2015/16 adopted budget, and will form part of future budgets. The funding covers operational and capital costs associated with the project. Cost estimates (+/- 20%) have been prepared as part of the Master Planning process.

Due to the Business Case budget being prepared in 2013 variations between costings contained within the Business Case and the revised Master Plan were anticipated. However as part of the Master Planning process a review of future infrastructure and functional requirements and options has resulted in stage 2 cost estimates remaining within the set budget.

### **Long-term Financial Plan Implications**

An operational financial model was developed as part of the State Government Business Case proposal which incorporated a 10-year financial plan. The model considered revenues and costs associated with the upgraded facility, including up-front and recurrent capital and ongoing operational expenditure. The model demonstrates that the upgraded facility will be self-sustainable, generating a modest profit into the future, to be transferred into the City's Airport Infrastructure Renewal and Replacement Reserve at the end of each financial year.

The Long Term Financial Plan (LTFP) is currently based on the 'here and now' scenario (stage 1), and will require updating to reflect the project, including ongoing operational and capital revenue and expenditure based on the stage 2 redevelopment. This work has commenced and will be incorporated into the next LTFP review. Further feasibility studies, forecasts and modeling will also be undertaken in due course on the opportunities associated with the potential development of landside aviation related industries on land surplus to the needs of the airport operations.

## STRATEGIC COMMUNITY OBJECTIVES

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

Well Planned, Vibrant and Active Places:

- Infrastructure Assets that are well maintained and responsibly managed to provide for future generations;
- Connected City of Busselton Transport options that provide greater links within our district and increase capacity for community participation.

## RISK ASSESSMENT

Whilst a formal risk assessment is being developed as part of the overall development project, at a high level, and based on the Busselton Regional Airport Master Plan (2011-2031), a comprehensive risk assessment was undertaken as part of the development of the State Government business case proposal that identified and evaluated the effect of uncertainty on the project's objectives and deliverables, including risk mitigation strategies. The assessment considered the full project lifecycle, including pre and post project implementation mitigation strategies. Whilst there are risks assessed as both 'high' and 'medium', it was considered by business case steering committee members that the risks are manageable and were therefore accepted as part of the business case proposal. Below outlines the risks assessed as 'high';

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Passenger demand (competition from other leisure destinations and whether direct access is required)	Ensure attractive route schedules  Ensure competitive ticket pricing  Effective airport and destination marketing and positioning including iconic Margaret River brand	Major	Possible	High
Sustainable and long term airline operating at BRA	Industry and government support is required to underwrite the route  Potential to regulate the route to protect the first airline entrant in commencement years  Seek agreement to guarantee the route during underwriting period	Major	Possible	High
Projected aeronautical revenue not realised	Letter of intent, in-principle agreement from commercial airlines to operate from the BRA  Effective airport and destination marketing	Major	Possible	High

## CONSULTATION

A significant amount of consultation was undertaken as part of the development of the Business Case proposal, which was overseen by a State Government appointed steering committee comprising of representatives from; SWDC, Department of Transport, Department of Treasury, Tourism WA and the City of Busselton. Following the announcement of the State Government funding, a Project Governance Committee was established to oversee the overall deliverables of the project and associated funding. Committee members include; SWDC, Department of Transport, Department of Treasury, Tourism WA, City of Busselton, and the Department of Regional Development as observers.

Throughout the development of the Master Plan (2016-36) a number of stakeholders were consulted with including; Department of Fire and Emergency Services, Department of Parks and Wildlife, Royal Flying Doctors Service, McDermotts Aviation, Busselton Aero Club, Satterley Property Group, Busselton Water, Water Corporation, Western Power, Office of Environmental Protection Agency, Cristal Mining, and regular users of Airport. Further to this, the Master Plan (2016-36) has been presented to the Project Government Committee through the submission of a Project Definition Plan (PDP), which reflects the deliverables outlined within State funding agreements.

## OFFICER COMMENT

The first key deliverable in the BMRA Development Project was the preparation of a Project Definition Plan (PDP), which upon approval from the State Government appointed Project Governance Committee provides the basis to commence the delivery phase of the project. The PDP provides the level of definition required for the next step, the preparation of detailed documentation to progress a public tender process to deliver the project. Using the Business Case as a base for the project parameters, the PDP confirms the scope, cost, schedule and risks associated with investing in the project.

The following key elements of the project are included in the PDP:

- Project Scope outlining the project objectives and key deliverables;
- The **Busselton-Margaret River Regional Airport (BMRRA) Master Plan (2016-36)**, including future staging of development works and their impact on the project;
- Project Delivery outlining the critical success factors, constraints, considerations, land assembly, site infrastructure and functional requirements;
- Construction programme outlining the staging, project schedule and approvals;
- Cost Schedule and transitional requirements to operations;
- Procurement and Financing outlining how the project will be procured reflective of the market environment;
- Project Management and Reporting summarising project processes and methodologies; and
- Governance arrangements, operational approvals and probity.

The approved PDP will become the reference point for all future decisions during the design, construction and commissioning of the redeveloped BMRRA.

As part of the development of the PDP, a review of the BRA Master Plan (2011-31) was undertaken as the initial step in defining the scope of the Development Project to enable interstate services (stage 2). In June 2015 Aviation Projects was commissioned to undertake the review and to provide costings based on the staged upgrade options identified as part of the Business Case proposal.

Through this review three key constraints were identified within the BRA Master Plan (2011-31), including;

- a lack of opportunity for future expansion to service larger code 4E or 4F aircraft due to the inability to expand the apron parking bays to the north;
- the reliance on the undergrounding of overhead power lines for airside pavement infrastructure places increased pressures on the project budget and timeframes; and
- the entrance into the main terminal precinct behind the adjacent industrial estate conflicts with the sense of place and experience that is aimed at visitors arriving and departing the internationally recognised 'Margaret River Region'.

Incorporating input from key stakeholders to assess and determine infrastructure demand drivers, service delivery requirements, current infrastructure constraints, and future infrastructure development opportunities, the revised BMRA Master Plan (2016 - 2036) (Attachment A) identifies the entire infrastructure (critical or otherwise) that is pertinent to sustainable airport growth, and clearly confirms the parameters for the stage 2 BMRA Development Project.

#### Stage 2

The completion of the BMRA Development Project (stage 2) will provide for new alternate direct transport access into and out of the South West Region. This will be achieved by the BMRA being upgraded to service, at a minimum, A320/B737 Code 4C narrow body aircraft using instrument non-precision approaches, to enable domestic Regular Public Transport (RPT) and charter services to east coast destinations, as well as other aviation activities.

#### Stage 2AEO

Following the completion of stage 2, and during the 20 year planning horizon, various aviation-related enterprise opportunities are expected to arise. These opportunities will rely on infrastructure available within the scope and according to the design aircraft of the other stages.

#### Stage 2A

Stage 2A will provide access for narrow body code 4C aircraft to international destinations such as Singapore, Kuala Lumpur and Denpasar, and longer range domestic destinations such as Brisbane.

#### Stage 3

Stage 3 will see Code 4E wide body aircraft (A330/B787) using category I precision approaches, conducting domestic and international RPT and charter operations, as well as other aviation activities.

#### Stage 4

In addition to the potential for the BMRA to act as an A380 alternate or emergency diversion airport, the Master Plan considers spatial requirements applicable to permanent operations of Code 4F aircraft (B747-800F).

Reflective of the Business Case, and State Government funding agreements, the revised Master Plan provides for the completion of stage 2 which incorporates the following deliverables:

- runway lengthening to 2340m;
- runway widening to 45m;

- runway strengthening to 44 Pavement Classification Number (PCN);
- construction of 2 new apron bays and connecting taxi-way;
- construction of a new terminal building to facilitate up to 350 passengers;
- new entry road/statement and internal road network;
- site-wide services upgrade including the creation of services corridors and easements;
- refuelling options for larger aircraft such as Jet A1 fuel facilities and refuelling tankers;
- construction of an additional 600 car parking bays;
- acquisition of land to facilitate runway lengthening; and
- flexible design which accommodates future master planned phases.

The PDP incorporating the revised Master Plan has been submitted to the Project Governance Committee for approval, which is expected to be received by the end of March 2016. On this basis the revised Master Plan is presented for formal endorsement of Council as a guide for future planning.

## **CONCLUSION**

Whilst the parameters for the initial stages of the revised Master Plan was confirmed through the State Government Business Case and subsequent funding commitment of \$55.9m, a review of the Plan was deemed necessary to confirm the scope of the Development Project and provide up to date costings. Whilst the functional requirements and deliverables have not deviated from the previous Master Plan (2011-31) or Business Case, the layout and staging of the Plan has been amended to cater for future needs. As a key guiding document for future development, it is recommended that the Council endorses the Master Plan (2016-36) as a guide for future planning.

## **OPTIONS**

The Council could choose not to endorse the Master Plan, however it must be noted that State Government funding is tied to the deliverables outlined in stage 2 and any change to this may jeopardize current funding arrangements.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Upon Council endorsement the Master Plan (2016-36) will be finalized immediately.

12.01pm At this time Councillor Carter entered the meeting.

### **Committee Recommendation and Officer Recommendation**

**AIR1603/011** Moved Deputy C Tarbotton, seconded Councillor J McCallum

That the Council endorses the Busselton – Margaret River Airport Master Plan (2016-2036) as a guide for future planning.

**CARRIED 4/0**



**7. GENERAL DISCUSSION ITEMS**

Nil

**8. NEXT MEETING DATE**

Friday, 29 April 2016

**9. CLOSURE**

The meeting closed at 12.12pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 9 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON FRIDAY, 29 APRIL 2016.

DATE: \_\_\_\_\_

PRESIDING MEMBER: \_\_\_\_\_