

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 27 JULY 2016

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MINUTES

MINUTES OF A MEETING OF THE AIRPORT ADVISORY COMMITTEE HELD IN MEETING ROOM A, CITY ADMINISTRATION SITE, HARRIS ROAD, BUSSELTON, ON 27 JULY 2016 AT 11.00AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 11.01am.

2. ATTENDANCE

Presiding Member:

Cr Gordon Bleechmore

Members:

Cr John McCallum (from 11.17am)
Cr Coralie Tarbotton
Cr Paul Carter

Officers:

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

Apologies

Nil

Approved Leave of Absence

Nil

Public

Mr Michael Tonks (until 11.20am)

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Airport Advisory Committee Meeting held 8 June 2016

Committee Decision

AIR1607/017 Moved Councillor P Carter, seconded Councillor C Tarbotton

That the Minutes of the Airport Advisory Committee Meeting held 8 June 2016 be confirmed as a true and correct record.

CARRIED 3/0

6. REPORTS

6.1 Busselton-Margaret River Regional Airport Concept Plan - Stage 2AEO

SUBJECT INDEX:	Busselton-Margaret River Airport
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Community and Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Director, Community and Commercial Services - Naomi Searle
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Stage 2AEO Concept Plan Attachment B Revised Stage 2AEO Concept Plan

PRÉCIS

On 9 December 2015 Council endorsed (C1512/366) the Busselton-Margaret River Regional Airport (BMRRA) Concept and Staging Plan as an informing document to the BMRRA Airport Master Plan (2016-2036). This led to the finalization and subsequent endorsement (C1604/075) of the Master Plan as a guide for future planning. Since this time, significant progress has been made on the BMRRA Development Project, including the further refinement of concept and staging plans. This report summarises the main changes to the concept and staging plan.

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 \$55.95m to complete stage 2. Following this, the City undertook a review of the BRA Master Plan (2011-2031) which included the development of a 'Concept and Staging Plan' that was endorsed by Council (C1512/366) as a key informant to the revised Master Plan. This further led to the completion of the BMRRA Master Plan (2016-2036) and subsequent Council endorsement (C1604/075) of the Plan as a guide for future planning.

In parallel to the Master Plan review, in March 2016 a funding application was submitted to the Commonwealth Government's National Stronger Regions Fund to progress the project to international status, with a focus on international freight and tourism. In June 2016 the Federal Government announced funding of \$9.78m towards the project should the Liberal National Party be reelected to Government. Subject to the securing of funding, the following development stages will be achieved:

Stage 2 – (State Government funded)

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 BMRRA 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 – (subject to Federal Government funding) (see attachment A)

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 – (subject to Federal Government funding)

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.

Due to issues associated with the realignment/undergrounding of overhead powerlines, a review of stage 2AEO has been required. This report outlines the changes of the revised stage 2AEO concept plan as an informant to the BMRRR Master Plan (2016-2036), for Council's noting.

STATUTORY ENVIRONMENT

The BMRRR 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 BMRRR Master Plan (2016- 2036) and BRA Statement of Intent outline the vision for the BRA redevelopment and are relevant to this report.

FINANCIAL IMPLICATIONS

State Government funding of \$55.95m to deliver stage 2 has been incorporated into the City's 2016/17 adopted budget, and will form part of future budgets. The funding covers operational and capital costs associated with the project. The Federal Government's contribution of \$9.78m is not included in the 2016/17 adopted budget as the funding is yet to be secured. Upon execution of the funding agreement, a report will be presented to the Finance Committee to enable a budget amendment reflecting this.

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 extent of the development (ie, stage 2, 2AEO, 2A). 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 BMRRR 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

A comprehensive risk assessment has been developed as part of the BMRRRA Project Definition Plan. The revised stage 2AEO concept plan was undertaken to mitigate the risks associated with the costs and timeframe associated with the undergrounding and/or realignment of the overhead powerlines. As such, no risks are considered 'medium' or 'high' with the Officer recommendation.

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 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 BMRRRA Concept and Staging Plan and Master Plan review (2016) a number of stakeholders were consulted with including; DFES, DPaW, RFDS, 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.

As part of the stage 2AEO concept plan review, consultation has been undertaken with Western Power representatives and master planner Aviation Projects.

OFFICER COMMENT

In April 2016 the City advertised Expressions of Interest (Eoi) for the design and construction of airside infrastructure. Through this process 10 contractors pre-qualified to tender for the work package. Following the Project Governance Committee's endorsement of the BMRRRA Project Definition Plan (PDP), in July 2016 the City issued the Request for Tender (RFT). Due to the uncertainty of additional funding to enable the commissioning of future stages (2AEO and 2A), Officers prepared the tender specification on the basis that the additional stages could be awarded should the existing budget, or future funding opportunities allow the infrastructure to be developed.

A component of the overall Development Project is the undergrounding and realignment of the existing overhead powerlines to enable the City to capitalise on airside infrastructure development opportunities, more specifically the General Aviation Precinct as part of stage 2AEO (see attachment A for existing stage 2AEO concept plan). As part of the development of the Business Case, consultation was undertaken with Western Power to determine the undergrounding requirements and associated costings. More recent consultation with Western Power regarding the scope of the work has determined that the proposed options are both cost and time prohibitive to the Development Project. As such, the stage 2AEO concept plan needs to be revised to consider options for the lines to remain in situ, enabling stage 2AEO to be commissioned as part of the current tender should the existing budget, or Federal Government funding allow the infrastructure to be developed.

Aviation Projects was subsequently engaged to revise the stage 2AEO concept plan (see attachment B), which was issued as an addendum to the airside infrastructure tender. The revised plan has been developed so that the existing powerlines do not impinge on the development of the General Aviation Precinct, however enables the City to continue to explore options to underground and/or realign the lines. The revised plan also incorporates additional land to the north-west of the airport lot, reflecting the land acquisition strategy as outlined in the PDP. In addition to this, the revised concept plan incorporates additional General Aviation capacity, and requirements of General Aviation users as identified through the master planning process.

As there are no fundamental changes to the revised concept plan this report is provided for Council's information, to note the revised concept plan as an informing document to the BMRRR Master Plan (2016-2036).

CONCLUSION

Due to the budget and time constraints of the undergrounding and/or realigning of the overhead powerlines on the BMRRR Development Project, Officers commissioned Aviation Projects to review the stage 2AEO concept plan to enable the stage to be developed without the existing powerlines adversely impacting on the project. As a change to the BMRRR concept and staging plan, Council is requested to note the revised plan as an informing document to the BMRRR Master Plan (2016-2036).

OPTIONS

Council could choose not to accept the Officer's recommendation, however should the revised stage 2AEO concept plan not be supported as an informing guide to the Master Plan, considerable constraints will be placed on the BMRRR Development Project, causing significant adverse impacts to the project budget and delivery timeframe.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Officers will continue to progress the BMRRR Development Project based on the revised stage 2AEO concept plan following the resolution of Council.

Committee Recommendation and Officer Recommendation

AIR1607/018 Moved Councillor C Tarbotton, seconded Councillor P Carter

That the Council notes the revised Busselton-Margaret River Airport Stage 2AEO Concept Plan (as outlined in attachment B) as an informing document to the Busselton-Margaret River Airport Master Plan (2016-2036).

CARRIED 3/0

11.17am At this time Councillor John McCallum entered the meeting.

7. GENERAL DISCUSSION ITEMS

The Director, Community and Commercial Services addressed the Committee regarding the points listed below:

- The RFT for Design and Construction of Airside Infrastructure time has been extended to 4 August due to the changes made to Stage 2 AEO.
- The Landside Design RFT is being finalised and will be released after the Airside Infrastructure RFT has closed and submissions assessed.
- The City received formal notification that the referral under the Environment Protection and Biodiversity Conservation Act 1999 has resulted in the proposal being a non-controlled action, meaning that it does not require further assessment and approval under the EPBC Act before it can proceed. The Assessment on Proponent Information referral was made to the Environmental Protection Authority (EPA) in July and was advertised for public comment for a 7 day period. The City will have the opportunity to respond to the submissions and Officers of the OEPA will undertake an assessment and prepare a report for the EPA to consider.

11.20am At this time member of the public, Mr Michael Tonks left the meeting and did not return.

8. CONFIDENTIAL REPORTS

The reports listed below are of a confidential nature, in accordance with section 5.23(2) of the Local Government Act 1995. These reports have been provided to Councillors, the Chief Executive Officer and Directors only.

RECOMMENDATION

That the meeting is closed to members of the public to discuss the following items which are confidential for the reasons as shown.

8.1 Busselton-Margaret River Regional Airport Consultative Group

This report contains information of a confidential nature in accordance with Section 5.23(2)(b) of the Local Government Act 1995, as it contains information relating to the personal affairs of any person.

11.20am At this time the Committee moved into closed session.

8.1 Busselton-Margaret River Regional Airport Consultative Group

SUBJECT INDEX:	Busselton-Margaret River Regional Airport
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Community and Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Director, Community and Commercial Services - Naomi Searle
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A BMRA Consultative Group Terms of Reference

This item is confidential in accordance with section 5.23(2) (b) of the Local Government Act 1995, as it contains information relating to the personal affairs of any person.

OFFICER RECOMMENDATION

That the Council appoints the following representatives to the BMRRR Consultative Group as per the Terms of Reference as set out in attachment A:

- Graeme Cotterill representing Reinscourt;
- Greg Chapman representing Kalgup;
- Dennis Kelly representing Yalyalup; and
- Stephanie Camarri representing Yoongarillup.

Note: The Committee raised concerns regarding the length of appointment of representatives to the BMRRR Consultative Group being set to the completion of the project and resolved to elect the recommended members for a period of 12 months.

Committee Recommendation

AIR1607/019 Moved Councillor J McCallum, seconded Councillor P Carter

That the Council appoints the following representatives to the BMRRR Consultative Group for a period of 12 months to be reflected in the Terms of Reference as set out in attachment A:

- Graeme Cotterill representing Reinscourt;
- Greg Chapman representing Kalgup;
- Dennis Kelly representing Yalyalup; and
- Stephanie Camarri representing Yoongarillup.

CARRIED 4/0

11.40am At this time the Committee resumed Open Session.

9. NEXT MEETING DATE

Wednesday, 24 August 2016

10. CLOSURE

The meeting closed at 11.52am.

THESE MINUTES CONSISTING OF PAGES 1 TO 9 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON FRIDAY, 26 AUGUST 2016.

DATE: _____ PRESIDING MEMBER: _____