



City of Busselton
Geographe Bay

Airport Advisory Committee Agenda

12 August 2020

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city@busselton.wa.gov.au

CITY OF BUSSELTON

MEETING NOTICE AND AGENDA – 12 AUGUST 2020

TO: THE MAYOR AND COUNCILLORS

NOTICE is given that a meeting of the Airport Advisory Committee will be held in the Committee Room, Administration Building, Southern Drive, Busselton on Wednesday, 12 August 2020, commencing at 9.00am.

The attendance of Committee Members is respectfully requested.

DISCLAIMER

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MIKE ARCHER

CHIEF EXECUTIVE OFFICER

7 August 2020

CITY OF BUSSELTON

AGENDA FOR THE AIRPORT ADVISORY COMMITTEE MEETING TO BE HELD ON 12 AUGUST 2020

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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 29 January 2020**

RECOMMENDATION

That the Minutes of the Airport Advisory Committee Meeting held 29 January 2020 be confirmed as true and correct.

6. REPORTS

6.1 AIRPORT OPERATIONS REPORT

STRATEGIC GOAL	5. TRANSPORT Smart, connective and accessible
STRATEGIC OBJECTIVE	5.1 Public transport services that meet the needs of the community.
SUBJECT INDEX	Airport Operations
BUSINESS UNIT	Commercial Services
REPORTING OFFICER	Airport Operations Coordinator - David Russell Manager, Commercial Services - Jennifer May
AUTHORISING OFFICER	Director, Community and Commercial Services - Naomi Searle
NATURE OF DECISION	Noting: the item does not require a decision of Council and is simply for information purposes and noting
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Nil

OFFICER RECOMMENDATION

That the Airport Advisory Committee receives and notes the Airport Operations Report.

EXECUTIVE SUMMARY

This report provides an overview of the operations and activities of the Busselton Margaret River Airport (BMRA) for the financial year reporting period 1 July 2019 to 31 July 2020.

This includes passenger number trends, aircraft landings, actions relating to COVID-19 and an update on Jetstar's Busselton–Melbourne flights.

BACKGROUND

The focus in the 2019/20 financial year centred on securing Regular Passenger Transport (RPT) services direct between Melbourne and Busselton with Jetstar. This involved finalising an air services agreement with the airline, upgrading and expanding the existing terminal to incorporate baggage and passenger security screening, expanding the check-in hall, departures lounge and fly in fly out (FIFO) lounge, as well as constructing a new arrivals hall. The introduction of RPT services also resulted in increased regulatory requirements, with the BMRA upgrading from a security classified category 6 to category 3 airport, and the implementation of a new Transport Security Program and upgrading the Airport Operations Manual to a Code 4 Aerodrome in accordance with the Civil Aviation Safety Authority (CASA) and the Manual of Standards 139.

Following extensive negotiations with Jetstar, an announcement was made on 4 October 2019 that Melbourne-Busselton RPT services, flying three times a week, would commence on 25 March 2020. Jetstar launched the flights with a five-day sale, which saw initial fares at \$89 one way and the average lead-in fare of \$139. The initial fare sales were extremely positive with over 5,500 seats sold by early November and encouraging demand for Easter fares.

As a result of the COVID-19 pandemic and Federal and State Government restrictions, the RPT services were deferred with a new commencement date dependent on COVID-19 travel and interstate border restrictions being lifted. Discussions with Jetstar to date indicate that they remain positive about the Melbourne-Busselton route commencing once restrictions have been relaxed.

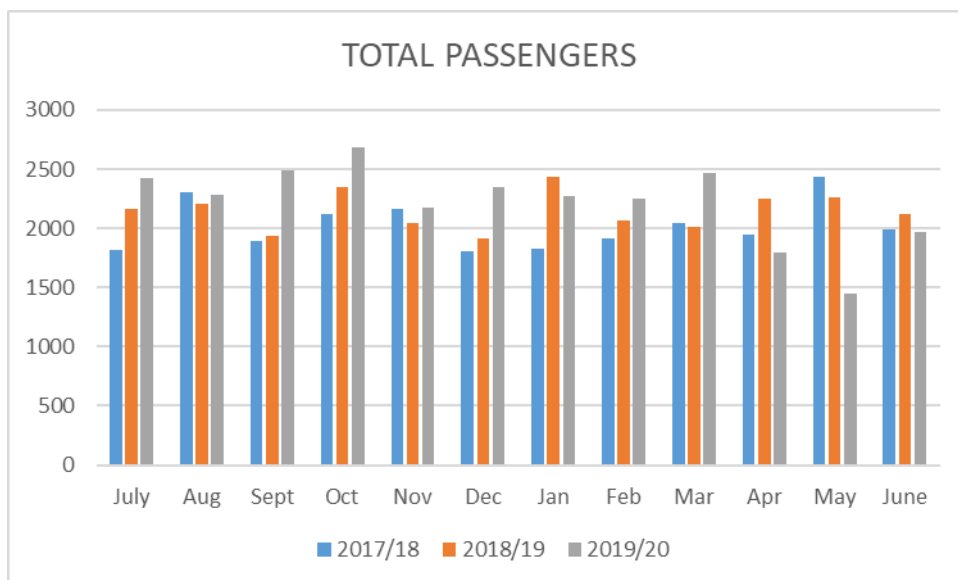
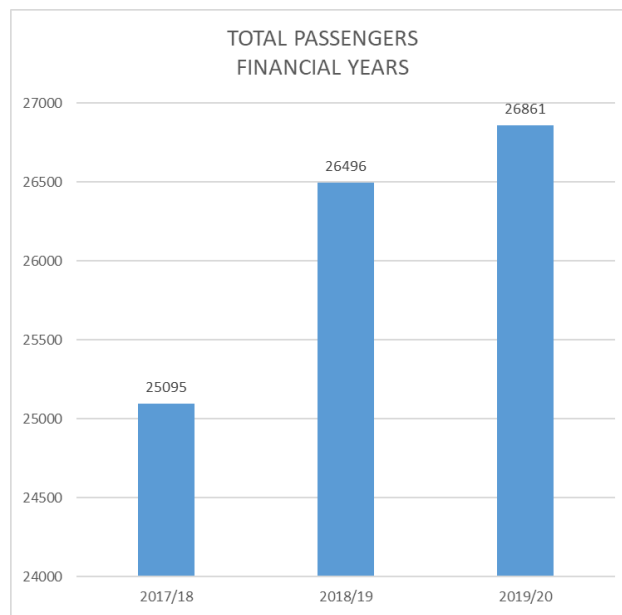
The COVID-19 pandemic also impacted FIFO closed charters operated by Virgin Australia Regional Airline (VARA) from Busselton, as a result of changes to work rosters to incorporate longer shifts at mine sites. The number of FIFO passengers using the airport has remained constant, however roster changes have resulted in fewer flights during April and May. One schedule change saw VARA operating the larger A320 aircraft throughout this time.

An additional eight (8) QantasLink FIFO charter flights in May and June also operated from Busselton to different mine sites in the Pilbara. Flight schedules have now returned to pre-COVID-19 frequencies.

In response to COVID-19, COVID screening was also introduced at the airport with all FIFO passengers having to be screened prior to flying out to mine sites. COVID health screening remains in place until further notice.

Passenger Numbers

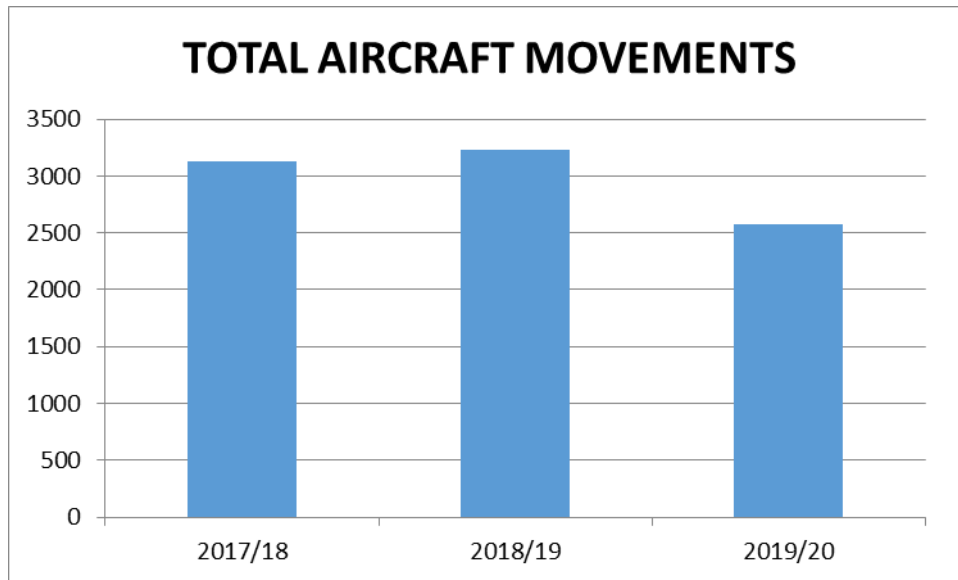
During 2019/20, the airport has seen an increase in the overall passenger numbers totalling 26,861 flying in and out of the airport compared to the same period for 2017/18 (25,095) and 2018/19 (26,496) financial years, noting the decline in April, May and June which were related to COVID-19.



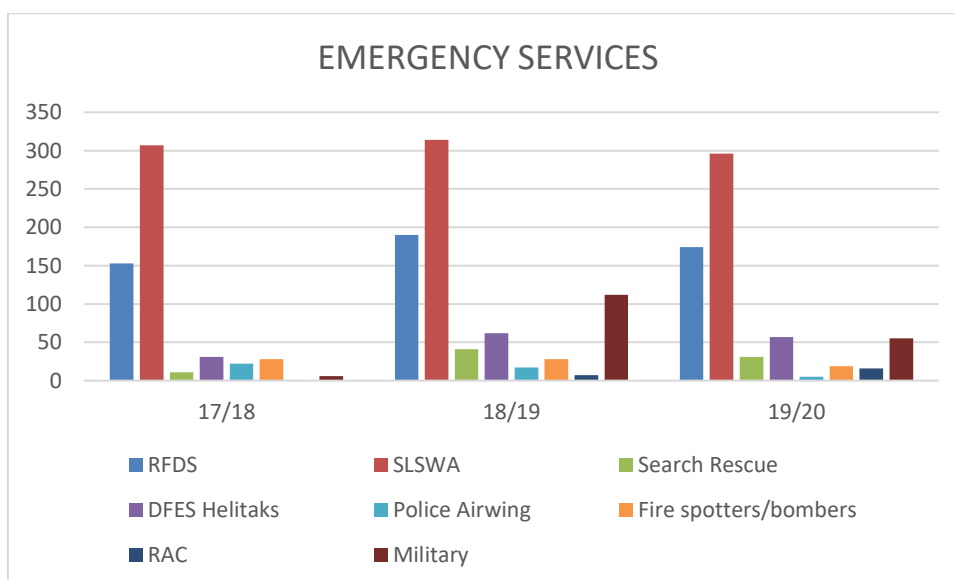
Aircraft Movements

Currently, the total number of FIFO services departing from BMRA is 30 flights per fortnight, primarily utilising the F100 and A320 aircrafts.

A total of 2,577 aircraft landings were recorded for the period 1 July 2019 to 30 June 2020, a decrease from the numbers reported for the same period in 2018/19 (3,227). The reduction in aircraft landings is attributed to skydiving operations ceasing towards the end of 2018/19 financial year (429 landings) and a reduction in general aviation aircraft (323).



A decrease in all emergency services airport usage (except the RAC rescue helicopter) has been seen during this reporting period. The table below includes all emergency service flights and approved training flights for emergency services. The City does not restrict license renewal and training flights for emergency services, FIFO/Charter operators and military operations.



Carpark

In May 2019, the new public carpark became operational with the closure of the long term FIFO carpark so that it could be repurposed for hire cars and transport operators in readiness for RPT services.

The public carpark is available 24 hours, 7 days a week, and is equipped with credit card and EFTPOS facilities, and CCTV throughout for security. A new pricing structure based on an hourly rate for the first 24 hours, followed by a daily rate was introduced in May 2020 and a new swipe card system implemented for FIFO passengers allowing for a discounted rate for frequent airport users.

Carpark usage and revenue was reduced during the 2019/20 financial year due to COVID-19 related FIFO roster changes introduced during April to June 2020 (Budget \$249,000 v Actual \$229,029).

Hangar Leases

Hangar leases and hire agreements by emergency services and private operators now occupy nine (9) of the 12 hangars with two (2) other hangars being used to store aircraft ground servicing equipment and airport maintenance equipment owned by the City and Margaret River Busselton Tourism Association (MRBTA).

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, aircraft operators have not committed to signing hangar leases within the new 36-lot general aviation precinct, as current market conditions deterring proponents entering into formal leases.

Capital Works

Capital works and infrastructure improvements last financial year included:

- Expansion of the existing terminal building to include new FIFO lounge, expanded check-in area and departure lounge, installation of baggage handling systems and security screening equipment;
- New arrivals building, including baggage carousel, car hire desks and agriculture quarantine facilities;
- Redesigned short term car park including new pick up/drop off area and road signage; and
- Netting of the existing dam to reduce bird / wildlife numbers present on the aerodrome.

International Alternate Airport

In March 2019, BMRA was designated as an alternate international airport by the Department of Infrastructure, Regional Development and Cities. This allows international aircraft to land at the BMRA when Perth Airport is unavailable due to inclement weather or closure. Officers are currently quantifying options on how to best capitalise on this opportunity with airlines.

The City has granted approval for the Qantas Group and Virgin Australia to use BMRA as an alternate to Perth Airport for domestic operations only.

Noise Management Plan (2019) Non-Compliance Reporting

BMRA is currently operating under the Noise Management Plan (statement 1088) approved in January 2019 by the Office of Environmental Protection Authority (OEPA).

Under the Noise Management Plan (NMP) the City is required to submit its annual compliance report to the Department of Environmental Regulation for the reporting period of 7 January 2019 to 6 January 2020. During this reporting period one (1) out of an available twelve (12) CEO approved non-conforming activities (section 3.3.3 Approval for Non-Conforming Activity of the NMP) were used.

Additionally, two (2) non-compliances for 'Out of Hours Operations' were reported to OEPA during this reporting period. No CEO approvals have been used in the current reporting period from 7 January 2020.

Regional Airports Development Scheme (RADS) 2021-23

The Department of Transport RADS 2021-23 Scheme includes a COVID-19 stimulus initiative to support the State's COVID-19 economic recovery. RADS funding of up to 75% of the total eligible project cost will be considered for projects that can be completed prior to 31 December 2021.

City officers are preparing applications for the following:

- Relocation of the Royal Flying Doctor's Service (RFDS)/St Johns transfer station from the central apron to the emergency services precinct. With the central apron being the primary apron for closed charter and RPT services until the new terminal is constructed, it is highly likely that a conflict will occur between larger aircraft (F100/A320) and RFDS operations. City officers are currently liaising with RFDS / St Johns and sourcing quotes for this project.
- Completion of a general aviation (GA) precinct fencing to allow airside / landside access for future hangar owners/tenants. The existing GA fencing layout requires all persons accessing the GA precinct to enter into airside zones, hence requiring an Aviation Security Identification Card (ASIC) or Visitor identification Card (VIC) and airside driver training /approval under the new MOS139. The total cost of this project is \$25,558 with the City's 25%required contribution of \$6,390.00.
- Airside drain netting of taxiways A and B drains to improve safety by minimising bird / wildlife presence on the aerodrome. These drains have been identified as high risk for birdstrike by the City's contracted airport ornithologist/wildlife management consultant. The total cost of this project is \$190,000 with the required city contribution of \$47,500.

OFFICER COMMENT

FIFO passenger numbers through the BMRA have increased in comparison to previous years and Officers expect passenger numbers to remain steady for the remainder of the 2020/21 financial year. Opportunities to increase FIFO charter flights from BMRA are being followed up with Officers working with the Chamber of Minerals and Energy (CME) on engaging other mining resource companies to consider BMRA FIFO operations.

Officers continue to liaise with Jetstar executives who have indicated they are very positive about the Busselton - Melbourne flights recommencing once interstate border restrictions have been relaxed. BMRA is operational ready to commence RPT services with the exception of the security screening contractor's team who need to be redeployed and complete final training.

In August 2020, CASA will implement the new manual of standards for aerodromes (MOS139) which require increased operational measures, such as:

- Nomination of an Accountable Manager who is responsible for ensuring the aerodrome complies with the relevant standards and regulations. The MOS139 requires the holder of this position to have specific knowledge of the civil aviation safety legislation and standards that are applicable to the inspection, reporting, operation and maintenance of the aerodrome.
- Reporting changes to Aerodrome Information Publication (AIP).
- New requirements for runway and taxiway line marking and apron lighting.
- Grandfathering of aerodrome infrastructure including runway and taxiway line marking, apron lighting and obstacle limitation surfaces.
- Use of CASA Manual Authorisation Assessment Tool to replace the current aerodrome manual.

The 2020/21 financial year will see operational / infrastructure improvements and capital works undertaken, including:

- Netting of taxiway A and B drains to mitigate bird strike from wetland birds.
- Central Apron lighting upgrade to facilitate larger aircraft utilising this apron.
- Car park shelters to protect the car parking system ticketing entry/exit pay machines from rain damage.
- Terminal advertising.
- Staff amenity/ training room facilities.

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. The Officer Recommendation supports the general function of a local government under the *Local Government Act 1995* to provide for the good government of persons in its district.

Relevant Plans and Policies

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

Financial Implications

Airport revenue for the 2019/2020 financial year was \$1,184,909.71 compared to the amended budget of \$1,355,460. One main reason for revenues being less than expected is due to passenger and landing fees owed by Virgin Australia at time of entering into voluntary administration in March totalling \$176,211 and car parking revenue down \$20,000 due to COVID-19 related roster changes.

Airport operating expenses, less depreciation, for 2019/20 financial year is \$640,658 compared to the amended budget amount of \$792,912.

Lower than expected operating expenses were due to:

- Airport security screening services not commencing totalling \$97,000.
- Terminal cleaning costs down \$21,000.
- Car parking expenses down \$10,000.
- Airport maintenance costs down \$9,000.

This resulted in net operating result (surplus) / deficit (excluding depreciation) of (\$544,251.10) compared to budgeted (\$562,548).

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

Consultation with Department of Transport, Government agencies, airport stakeholders, Department of Home Affairs, Aviation Marine Security (AMS), Civil Aviation Safety Authority (CASA), Air Services Australia, Virgin Australia Regional Airline, Qantas Group, the Busselton Aero Club, Albany, Esperance, Geraldton Airports and Australian Airports Association 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 Officers Report.

CONCLUSION

The airport team is looking forward to an exciting but challenging time during the 2020/21 financial year with the expectation of RPT services to commence post COVID-19 travel restrictions. The implementation of the new MOS139 (CASA) will introduce some new operational and reporting requirements for the airport team which are currently being worked through.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

7. **GENERAL DISCUSSION ITEMS**

8. **NEXT MEETING DATE**

9. **CLOSURE**