



DISTRICT COUNCIL OF GRANT MOUNT GAMBIER REGIONAL AIRPORT STRATEGY COMMITTEE

Agenda for a Meeting of the Committee to be held

On Wednesday 12 June 2019
At Council Chambers, 324 Commercial Street West, Mount Gambier
Commencing 11.00am

OUR MISSION

**“To provide a range of services which meet
the environmental, social and economic
needs of our community.”**



NOTICE OF MEETING

Pursuant to Section 87 (4) of the Local Government Act 1999, notice is hereby given that the Meeting of the District Council of Grant Mount Gambier Regional Airport Strategy Committee will be held on **Wednesday 12 June 2019 at 11.00am** in the District Council of Grant Council Chambers.

Jane Fetherstonhaugh
ACTING CHIEF EXECUTIVE OFFICER

DISTRIBUTION LIST -

COMMITTEE MEMBERS

Mayor Richard Sage

Cr Gill Clayfield

Cr Shirley Little

Mr David Brooksby

Dr Judy Nagy

Ms Biddie Shearing

Mr Jonathon Cheong

Mr Mark Gill

Mr Ben Gower

Cr Ben Hood

Mr David Herbert

District Council of Grant

District Council of Grant

District Council of Grant

Regional Express Airlines

Regional Development Australia, Limestone Coast

Limestone Coast Local Government Association

Adelaide Airport

South Australian Tourist Association

Wattle Range Council

City of Mount Gambier

Mount Gambier Aero Club

COUNCIL OFFICERS

Mrs Jane Fetherstonhaugh

Mr Ian Fritsch

Mr Adam Branford

Mrs Judy O'Hehir

Acting Chief Executive Officer

Airport Manager

Airport Compliance Officer

Executive Support Officer

ORDER OF BUSINESS

- 1. OPENING & WELCOME**
- 2. ATTENDANCE**
- 3. APOLOGIES**
- 4. REPORTS FROM OFFICERS**
 - 4.1 Election of Mount Gambier Regional Airport Strategy Committee Presiding Member**
 - 4.2 Airport Manager's Report**
 - 4.3 Mount Gambier Regional Airport Financial Report**
 - 4.4 Mount Gambier Airport Master Plan**
- 5. NEXT MEETING**
- 6. CLOSURE**

1. OPENING & WELCOME

2. ATTENDANCE

3. APOLOGIES

David Herbert, Mount Gambier Aero Club

4. REPORTS FROM OFFICERS

4.1 Election of Mount Gambier Regional Airport Strategy Committee Presiding Member		
MEETING DATE:	12 June 2019	
AUTHOR:	Jane Fetherstonhaugh, Acting Chief Executive Officer	
RESPONSIBLE OFFICER:	Jane Fetherstonhaugh, Acting Chief Executive Officer	
PREVIOUS MEETING:		
REFERENCES:	Nil	
FILE NO:	16.14.1/1	
ATTACHMENTS:	• Nil	
IN CONFIDENCE:	No	
POLICY REFERENCE:	There are no known policy requirements related to this item.	
LEGISLATIVE REFERENCE:	There are no known legislative requirements related to this item.	
STRATEGIC MANAGEMENT PLAN REFERENCE:	Goal:	
	Outcome:	
	Strategy:	
FINANCIAL CONSIDERATIONS:	Budget:	\$
	Actual (YTD):	\$
	Budget Variation Required:	[Yes / No]
CONSULTATION UNDERTAKEN:	Nil	

PURPOSE OF REPORT:

To elect a Presiding Member for the Mount Gambier Regional Airport Strategy Committee.

BACKGROUND:

The Mount Gambier Regional Airport Strategy Committee Terms of Reference outlines that:

The Presiding Member of the Mount Gambier Regional Airport Strategy Committee shall be elected by the Members of this Committee.

COMMENT:

As the meeting of 12 June 2019 is the first meeting since the Council elections of November 2018, election of a Presiding Member will be required.

I would suggest that we could follow the same process as Council utilises to elect a Deputy Mayor, as such:

In selecting the Deputy Mayor (Chairman), the following process will be used:

- *The method of voting will be "first past the post".*
- *The Mayor (or current Presiding Member) will take an indicative vote from (Committee) Members to determine the preferred person.*
- *Upon completion of the vote the Council (Committee) will, by resolution, appoint the successful Councillor as its Deputy Mayor (Chairman).*

Members can self-nominate for the position of Presiding Member and voting can either be held by a show of hands or via secret ballot if more than two nominations are received.

STAFF RECOMMENDATION:

That _____ be elected as Presiding Member of the Mount Gambier Regional Airport Strategy Committee.

4.2 Airport Manager's Report		
MEETING DATE:	12 June 2019	
AUTHOR:	Adam Branford, Airport Compliance Officer	
RESPONSIBLE OFFICER:	Ian Fritsch, Airport Manager	
PREVIOUS MEETING:		
REFERENCES:	Nil	
FILE NO:	16.14.1/1	
ATTACHMENTS:	• Nil	
IN CONFIDENCE:	No	
POLICY REFERENCE:	There are no known policy requirements related to this item.	
LEGISLATIVE REFERENCE:	There are no known legislative requirements related to this item.	
STRATEGIC MANAGEMENT PLAN REFERENCE:	Goal:	
	Outcome:	
	Strategy:	
FINANCIAL CONSIDERATIONS:	Budget:	\$
	Actual (YTD):	\$
	Budget Variation Required:	[Yes / No]
CONSULTATION UNDERTAKEN:	Nil	

PURPOSE OF REPORT:

To provide an update on the activities at the Mount Gambier Regional Airport.

2018 - 2019 PASSENGERS AND MOVEMENTS

Month	Last Year	This Year	% Variation
Jul	6549	6447	-1.6 %
Aug	7172	6960	- 3.0 %
Sept	6927	6697	- 3.3 %
Oct	6887	7348	+ 6.7 %
Nov	7577	7708	+ 1.7 %
Dec	6099	6016	- 1.4 %
Jan	5453	5158	- 5.4 %
Feb	6261	6515	+ 4.1 %
Mar	7250	7324	+ 1.0 %
April	6242	6670	+ 6.9 %
May	7532	8012	+ 6.4 %
June	6538		
Total	80 487	74 855	

Passengers 17/18 for same period - 73 949

Passengers 18/19 Year to Date - 74 855 Var. +4.05%

ANNUAL TECHNICAL INSPECTION

The Annual Technical Inspection was carried out 19th and 20th February 2019 by Aerodrome design with no items flagged for attention. The summary of the technical inspection is noted below.

SUMMARY

A technical inspection of Mount Gambier Airport was conducted on the 19th and 20th February 2019.

In a similar pattern to previous years, the operation and maintenance of the aerodrome was to a very high standard. The physical characteristics of the aerodrome complied to the CASA standards in the Manual of Standards Part 139-Aerodromes (MOS 139) relative to the type of aircraft flying. There were no areas of concern in either the operation or maintenance of the aerodrome.

The proactive approach to safety continues with planning for a runway extension to the southern end of the main runway (construction to commence later in 2019) and provision for a new apron to provide for itinerant jet and also fire bomber aircraft. Works will include additional airport lighting and provision of a new and more powerful standby generator.

CAPITAL WORKS

Following the success of our funding applications, works on several aspects of the aerodrome redevelopment have commenced in earnest.

Apron

Works on the Heavy Aircraft Apron have commenced with Heenan Earthmoving winning the tender for construction. Vast quantities of sand and clay have been removed to make way for the base. The new fire main pipework has been installed and tested with the foundations poured for the new light towers. At the time of writing, the new electronic sliding gate is only a few hours from completion. Base materials continue to be laid down in preparation for the construction of the retaining wall and sealing coat over the apron.

Electrical upgrade

At this stage, some of the works in the upgrade of the airfield lighting system have already been completed. The new lighting control system is now operational with a much simpler, more reliable system installed. The new power control cabinet is in place, and is awaiting installation. Three new inset lights have been installed on Taxiway A1 and are fully operational, and the new 160 kVA standby generator is in place awaiting connection. All specialist aerodrome electrical works have been completed by Airport Electrical.

Terminal Development

Design work for the new terminal is well underway by Ashley Halliday Architects. Initial ideas have been compiled with conceptual drawings presented. Consultants have made several visits to the airport to consider a number of varying factors in the terminal design and construction. Final conceptual drawings will be presented at the next project control group meeting for endorsement.

Runway Extension

The 120 metre extension to the southern end of runway 18/36 will commence following the completion of the Heavy Aircraft Apron. Basic preparation for the commencement of runway works has commenced.

CARPARK

The new rental vehicle car park was completed on time and within budget last year. The airport exit road now looks much tidier with the rental vehicles neatly parked in the new car park. Clear signage has also made it far easier for clients to locate their vehicles in the rental park area.

REGIONAL AIRPORT SCREENING

Since the last meeting of this group, the Federal Government has laid down the criteria for passenger screening at regional airports. Although this is having a significant effect of some airports, the aircraft that service Mount Gambier Regional Airport do not come under the new screening criteria as laid down by the Australian Government. Due to the sensitive nature of airport and homeland security the potential for these guidelines to change and therefore affect Mount Gambier Regional Airport remains.

STAFF RECOMMENDATION:

That the Airport Manager's Report be received.

4.3 Mount Gambier Regional Airport Financial Report	
MEETING DATE:	12 June 2019
AUTHOR:	Gary Button, Team Leader Finance & Customer Service
RESPONSIBLE OFFICER:	Jane Fetherstonhaugh, Acting Chief Executive Officer
PREVIOUS MEETING:	
REFERENCES:	Nil
FILE NO:	16.14.1/1
ATTACHMENTS:	<ul style="list-style-type: none"> • Mount Gambier Regional Airport Financial Report - May 2019 • Mount Gambier Regional Airport Draft Budget 2019-2020
IN CONFIDENCE:	No
POLICY REFERENCE:	There are no known policy requirements related to this item.
LEGISLATIVE REFERENCE:	There are no known legislative requirements related to this item.
STRATEGIC MANAGEMENT PLAN REFERENCE:	Goal:
	Outcome:
	Strategy:
FINANCIAL CONSIDERATIONS:	Budget: \$
	Actual (YTD): \$
	Budget Variation Required: [Yes / No]
CONSULTATION UNDERTAKEN:	Nil

PURPOSE OF REPORT:

To inform the Mount Gambier Regional Airport Strategy Committee of the financial accounts as at May 2019.

Inclusion of draft budget for 2019-2020.

COMMENT:

The following commentary gives an update of 2018-2019 financial accounts, with a final budget review due this month.

Operating Income

Operating income is under budget, as received 78% of income to date. This is largely due to the reduction in passenger levies, landing fees and consulting income.

Operating Expenditure

While this overall equates to 82% of actuals to budget and is within parameters to the end of May, currently there is an operating deficit of \$12,372 to cover. The following items are highlighted for information:

- Employee Expenses are under budget at 77%.
- Land and Building Maintenance is on budget at 91%.
- Plant and Equipment is over budget at 102% mainly due to the increased annual inspection/maintenance fees of the fuel facility.

- Operational Expenses are currently under budget at 74%.
- Depreciation is currently under budget at 81%, however depreciation has not yet been processed for May 2019 due to the timing of this report and month end processes. This will adjust to approx. 89% and is expected to remain under budget for the financial year.

Capital Expenditure

- Expenditure on Asset Renewals \$107,279 consists of two Ute changeovers (changeover of managers vehicle every 15,000 kms) and Taxiway repairs.
- Expenditure on Asset Upgrades comprises of the commencement of the Runway Extension \$15,172, the Recalibration of the GPS Approach \$281,526 and minor works to the Administration Building \$7,140.
- Expenditure on new assets of \$443,271 is for the purchase of the DeBruins Hangar and the New Heavy Aircraft Apron.

Capital Income

- Income is from the trade-ins of (2 x) managers Utes \$66,818 and the City of Mount Gambier's contribution towards the upgrade project \$250,000.

The other report included is the 2018-19 Draft budget for Airport. This is set in line with the Airport Long Term Financial Plan.

The first page of the draft budget, the Statement of Comprehensive Income provides a budgeted operating statement, with a \$53,346 operating deficit.

Page six of the draft budget, the Capex summary provides expenditure of \$4,735,891 and \$4,020,254 of capital income resulting in a net capital expenditure of \$715,637.

Funding Update

Federal Government Building Better Regions Fund (BBRF) funding 1st claim has been approved with \$63k due to be received before 30 June 2019. The next claim will be due in September 2019.

The timing of the Stage Government Funding was conditional on the signing of the agreement by both parties and the commencement of works. This has recently occurred and the funding will be paid in three instalments, as follows:-

1. Commencement of Project - up to \$1,000,000
2. Commencement of Construction Works - up to \$2,632,400
3. Construction Completion - up to \$403,600

We have received the first of two \$250,000 instalments from the City of Mount Gambier on 31 May 2019 with the final amount to be received during the 2019-2020 financial year.

STAFF RECOMMENDATION:

That the:

1. *Financial report for May 2019 for the Mount Gambier Regional Airport, be received and noted.*
2. *Draft Budget for 2019-2020 for the Mount Gambier Regional Airport, be received and noted.*

Attachment

DISTRICT COUNCIL OF GRANT			
Mount Gambier Airport			
CAPEX - 2019-20 Budget			
DESCRIPTION	2018-19 Budget (Amended)	2019-20 Forecast as per LTFP	2019-20 Budget
Capital Renewals			
<u>IT & Furniture</u>			
Monitor Upgrades	600	300	900
iPhone Replacements	-	1,766	-
Other Hardware/Networking		5,066	2,500
Other Software		863	
Desktop Computers	2,200		-
	2,800	7,995	3,400
<u>Plant & Equipment</u>			
Mangers vehicle - 3 x vehicles changed over @15,000km	110,455	105,805	106,365
Airport Support vehicle - 12 month buyback	38,669	38,671	35,445
Fuel Truck			
Mower			
	149,124	144,476	141,810
<u>Buildings</u>			
Roof replacement - Bellman Hangar		70,000	100,000
Renovate Public Toilets			20,000
	-	70,000	120,000
<u>Infrastructure & Other Structures</u>			
Kerbing & Landscaping	18,000		
Bitumise Car Rental Area (staged project)			
	18,000	-	-
Total Renewals	169,924	222,471	265,210
Upgrades			
Upgrade Wireless Network	1,000		1,000
Airport Lighting Control System			
Rental Vehicle Carparking Consolidation			
Major Upgrade to Runway and Terminal	3,641,184	4,469,681	4,469,681
Upgrade Toilets - Terminal			
Total Upgrades	3,642,184	4,469,681	4,470,681
TOTAL CAPEX	3,812,108	4,692,152	4,735,891
Capital Income			
<u>Income from Vehicle Trade-ins</u>			
Mangers vehicle - 3 x vehicles changed over @15,000km	(137,727)	(129,990)	(100,365)
Airport Support vehicle - 12 month buyback	(30,632)	(21,864)	(32,727)
Fuel Truck			
Mower			
	(168,359)	(151,854)	(133,092)
<u>Grant Funding</u>			
City of Mount Gambier	-		
State Funding			
BBRF Funding	(3,153,826)	(3,887,162)	(3,887,162)
	(3,153,826)	(3,887,162)	(3,887,162)
	(3,322,185)	(4,039,016)	(4,020,254)
NET Capital Expenditure	489,923	653,136	715,637

4.4 Mount Gambier Regional Airport Master Plan	
MEETING DATE:	12 June 2019
AUTHOR:	Jane Fetherstonhaugh, Acting Chief Executive Officer
RESPONSIBLE OFFICER:	Jane Fetherstonhaugh, Acting Chief Executive Officer
PREVIOUS MEETING:	
REFERENCES:	Nil
FILE NO:	18.80.1/6
ATTACHMENTS:	<ul style="list-style-type: none"> • Mount Gambier Airport Master Plan 2016-2026
IN CONFIDENCE:	No
POLICY REFERENCE:	<ul style="list-style-type: none"> • Asset Management and Accounting Policy • Risk Management Policy • Leases and Licences Policy • Strategic Asset Management Plan
LEGISLATIVE REFERENCE:	The Mount Gambier Airport Master Plan has been created with adherence to all regulatory and government policy requirements.
STRATEGIC MANAGEMENT PLAN REFERENCE:	Goal:
	Outcome:
	Strategy:
FINANCIAL CONSIDERATIONS:	Budget: \$
	Actual (YTD): \$
	Budget Variation Required: [Yes / No]
CONSULTATION UNDERTAKEN:	<p>Consultation will be held with the following key stakeholders:</p> <ul style="list-style-type: none"> • Airlines • Local airline agents • Regulatory bodies • Local and state Councils • General aviation users • Aeromedical organisations • Airport businesses

PURPOSE OF REPORT:

To provide the Mount Gambier Regional Airport Strategy Committee with the opportunity to review the Mount Gambier Regional Airport Master Plan 2016-2026.

BACKGROUND:

The first Mount Gambier Airport Master Plan was adopted by Council on 7 September 2015 and was created for the purpose of ensuring continual improvement, sustainability, accountability and growth of the airport. It also outlines in broader details some of the longer term goals for the Mount Gambier Regional Airport, its tenants and its management team, including reserving land for future use (both aviation and non-aviation related) and long term financial planning to ensure sustainability.

The Master Plan also incorporates the Airport Asset Management Plan.

COMMENT:

With the formation of the new Strategy Committee and the upgrade currently occurring, it is timely to undertake a complete review the Mount Gambier Airport Master Plan 2016-2026.

As the master plan sits under Councils Strategic Management Plan it is recommended that the new Strategic Management Plan for 2020 to 2024 be adopted before the Airport Master Plan. This will not however preclude the committee from commencing the review of the Master Plan.



Strategies listed in Councils current Strategic Management Plan include:

- Develop, review, and implement the Mount Gambier Airport Master Plan & Asset Management Plan
- Assess, plan and advocate for growth and expansion of passenger services
- Assess, plan, and advocate for aviation related business or industry development at and from the Airport
- Pursue funding partnerships for Airport infrastructure improvements and opportunities

STAFF RECOMMENDATION:

That the Mount Gambier Regional Airport Strategy Committee recommend to Council that:

- 1. The Mount Gambier Airport Master Plan report be received;***
- 2. A complete review of the Mount Gambier Airport Master Plan be undertaken, in conjunction with Councils Strategic Management Plan 2020-2024.***

5. NEXT MEETING

The next Mount Gambier Regional Airport Strategy Committee Meeting is scheduled for Tuesday 15 October 2019 at 11.00am.

6. CLOSURE