

PRESENT

Councillor Dan Hayes	Wagga Wagga City Council
Joshua Dorey	Qantaslink
Warrick Lodge	Regional Express
Dannielle Wait	Wagga Wagga Business Chamber
Geoff Breust	Aviation Industry Participant
Jenny Cabot	Aviation Industry Participant
Rob Gray	Aviation Industry Participant

IN ATTENDANCE

Peter Thompson	Wagga Wagga City Council
Caroline Angel	Wagga Wagga City Council
Darryl Woods	Wagga Wagga City Council
Natalie Te Pohe	Wagga Wagga City Council
Carolyn Rodney	Wagga Wagga City Council
Leon Burger	Wagga Wagga City Council
Maree Ingram	Wagga Wagga City Council

ACKNOWLEDGEMENT OF COUNTRY

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of this Land. I would also like to pay respect to the Elders both past and present of the Wiradjuri Nation and extend that respect to other Community members present.

APOLOGIES

Councillor Kerry Pascoe	Wagga Wagga City Council
Iain Carty	Department of Defence - RAAF

CONFIRMATION OF MINUTES

CM-1 AIRPORT ADVISORY COMMITTEE - MEETING HELD 21 MARCH 2018

Recommendation

That the Minutes of the proceedings of the Airport Advisory Committee Meeting held on 21 March 2018 be confirmed as a true and accurate record.

CARRIED

DECLARATIONS OF INTEREST

No Declaration of Interest Received

REPORTS FROM STAFF

RP-1 AIRPORT - FINANCIAL INFORMATION

Recommendation:

On the Motion of Jenny Cabot and Warwick Lodge

That the Committee

- a note the contents of this report**
- b endorse in principle the draft 2018/19 Airport Fees & Charges**
- c endorse in principle the draft 2018/19 Airport budget, noting that Council staff are in the process of reviewing the asset data relating to the depreciation expense**
- d acknowledge that the endorsement of the budget and fees and charges is to facilitate a budget for next financial year and does not necessarily indicate support for each line item which will form part of the complete review of the future airport operations and budget**
- e note that all aspects of the 2018/19 budget will be reviewed to inform future budgets**

CARRIED

Discussion Points

The committee held a lengthy discussion on the Airport Financial Information provided in the report. Areas discussed included:

- Request for more current financial figures as the information provided in the report relates to December
 - Finance department to send out March end of month figures to the committee
- Provision of passenger forecast numbers by airlines to better inform the budget

- Explanation as to why there was a big drop in depreciation from FY17 to FY18
 - 17/18 budget was adopted prior to 16/17 actuals. Impact of revaluations was unknown at the time of adoption. Influenced by timing of when the statements are compiled and the budget is adopted.
- Actual Revaluation – Components reviewed including runway and apron assets are significant.
 - Revaluations are based on cost. Revaluation brings the information up to what would be required to replace the asset. It brings the assets up to fair value in today's dollars.
- Usable Life – Has this changed for existing asset. 20 years is much more common for Usable Life, has a comparison been taken?
 - Majority at 20, revaluation dropped down to 15, this is getting assessed. Data is reviewed every year to check for currency.
 - This will be included as part of the Airport review. Council will be seeking external advice to help with determinations.
 - Assets have not been revalued previously, which has caused the spike. Everything is on the table for review again this year.
- Depreciation – If review requires adjustment will that flow through to FY19 actuals? What rationale is behind using Gross Replacement Cost?
 - Potentially yes. Black hole potentially smaller. Testing numbers that will flow through to budget.
 - Questions have been raised by staff as to whether Council should be expected to replace the asset given that Council are only a tenant.

Draft 2018/19 Airport Budget (including 2016/17 actuals)

- Confirmation requested in respect to loan borrowings re principal repayment – is this to do with the \$2m loan allocated for the terminal upgrade?
 - Yes, still sitting current year budget, When loan not drawn down, adjustments will be made. Cannot be adjusted until the Capital Project budget is adjusted.

Airport Draft Fees and Charges

- Renewal period re Drive Airside fee – why 2 year time period, car licence renewal every 5 year, Passports every 10 years, is the two year period making unnecessary work
 - Aligned with the renewal of ASIC cards
- Forecasting Passenger numbers – why is there a requirement for CPI increase on head tax when there have been significant increases in fees and charges since 2016. Would prefer not to have CPI increase.
 - Airport is not financially sound, not meeting its need for asset renewal.
 - Looking at revenue long term as there is not sufficient funds for upgrades or works from a safety perspective.
 - Can provide Fees and Charges in prior years. FY 17/18 internal modelling essentially fees around aviation where put on hold. Provide base rates.
 - Need to look at revenue long term as \$300k reserve for emergency works is insufficient. Need to undertake a strong review of Fees and Charges as \$77k surplus is not sufficient long term.
 - There is little opportunity for the Committee to influence the current budget as timelines for Council reporting are tight. There will be an

opportunity for industry representatives to make submissions on the budget. Committee will have a much greater influence for next year's budget and those to come.

- Committee needs to work collaboratively and focus on where to go from here for the preparation of the next FY budget.

- Main issue is costs rather than revenue. Commitment for Council to drill down well into the costs (undertake analysis line by line) so that a much better budget position is achieved.

Council Policy – POL 013

- Discussion deferred to next Committee meeting.

Internal Administration Costs

- More advice on the drivers that sit behind the costs of items including Accounting and Auditing Services, IT and Records Management, Airport Management including Administration Support, is required.
 - Information to be supplied to out of session.
- Explanation of Councillor Costs requested.
 - Councillors total operating budget including Governance is apportioned to all service providers across Council. The amount is based on the operating expenditure of the business unit.

Endorsement of the Recommendations for the Report

- Committee members raised concerns regarding their endorsement of the recommendations in the report as it is likely that they will make submissions on the budget that goes against the recommendations of the Committee.
- Additional item added to the recommendation by the General Manager. All Committee members agreed to the adjustment, via a show of hands.

QUESTIONS/BUSINESS WITH NOTICE

1. Peter Thompson:

Suggested the forming of a sub committee. The purpose of the subcommittee would be for members to look into the issues raised at the Airport Advisory Committee meetings and then provide a report on the issues to all members.

Dan Hayes – To be added to the agenda of the next meeting for discussion.

2. Peter Thompson:

Discussion re next meeting date – Tuesday 1 May 2018 agreed to by the Committee.

THIS COMPLETED THE BUSINESS OF THE AIRPORT ADVISORY COMMITTEE MEETING WHICH ROSE AT 8.08pm.