

## **APOLOGIES**

Mr Iain Carty                      Department of Defence – RAAF

## **PRESENT**

Councillor Dan Hayes	Wagga Wagga City Council
Councillor Kerry Pascoe	Wagga Wagga City Council
Mr Josh Dorey	Qantaslink
Mr Warrick Lodge	Regional Express
Mrs Dannielle Wait	Wagga Wagga Business Chamber
Mr Geoff Breust	Aviation Industry Participant
Mrs Jenny Cabot	Aviation Industry Participant
Mr Simon Wyatt	Department of Defence - RAAF

## **IN ATTENDANCE**

Peter Thompson	General Manager
Caroline Angel	Director Commercial Operations
Natalie Te Pohe	Director Finance
Darryl Woods	Manager Council Businesses
Carolyn Rodney	Manager Finance
Leon Burger	Airport Facility Manager
Maree Ingram	Minute Taker

The meeting of the Airport Advisory Committee commenced at 6.05pm.

## **ACKNOWLEDGEMENT OF COUNTRY**

I would like to Acknowledge the Traditional Custodians of this Land, on which this meeting takes place and to pay my respects to Elders past and present.

Councillor Kerry Pascoe paid respect to former committee member Mr Mark Wallace, following his recent passing.

## **CONFIRMATION OF MINUTES**

### **CM-1 AIRPORT ADVISORY COMMITTEE MINUTES - 1 MAY 2018**

***Recommendation:***

On the Motion of W Lodge and Councillor K Pascoe

**That the Minutes of the proceedings of the Airport Advisory Committee meeting held on 1 May 2018 be confirmed as a true and accurate record.**

**CARRIED**

## **DECLARATIONS OF INTEREST**

No Declaration of Interest Received

## **REPORTS FROM STAFF**

### **RP-1 PROTECTION OF AIRSPACE - AVIATION NOISE SENSITIVE AREAS**

***Recommendation:***

On the Motion of Councillor D Hayes and W Lodge

**That the Committee**

- a note the submissions received from the Airport Advisory Committee members relating to Wagga Wagga Airport noise sensitive areas**
- b note the advice provided in the report in response to questions and comments raised in the submission lodged by REX**
- c recommend the preferred option for managing aviation noise over noise sensitive areas adjacent to the Wagga Wagga Airport is by adopting a Fly Neighbourly policy**
- d recommend a report be presented to the Committee detailing the policy for approval of the Committee and recommendation to Council.**

**CARRIED**

## **Discussion Points**

The committee held a lengthy discussion on the Protection of Airspace Information provided in the report. Areas discussed included:

- G Breust - Clarification in respect to "do nothing" - Discussion at previous committee meeting was in context of changing the direction of circuits. Changing of circuit direction does not involve risks as per papers provided. Recommend to adopt a Fly Neighbourly Policy. Generally conduct circuits

outside of residential areas. More realistic/practical, changing circuit direction is a bold move. Better approach to adopt a Fly Neighbourly Policy.

- D Woods - Request made for assistance from the committee on how to put text together. Have a discussion, come back with a paper containing a recommendation for next Airport Advisory Committee meeting.
- Wawrick Lodge - Has no issue with other options being explored. Previous committee report was pushing for a change in circuit direction, therefore doing nothing was more about changing circuits. REX objected to changes in circuits but are open to other options including a Fly Neighbourly Campaign.
- Leon Burger - Right hand circuits have been in place in Wagga Wagga for a long time. A fly Neighbourly Policy will have to be sent to the Regulators, it will not be a foregone conclusion that it will be accepted.
- Geoff Breust - Not actually any change to circuits, no need for CASA to undertake a safety case. Should be an agreement between Operators and the Airport.

Jenny Cabot entered the meeting at 6.20pm

- Darryl Woods - Document what we are already doing, need to move on.
- Peter Thompson - propose a change to the recommendation by altering part c to include adopting a Fly Neighbourly Policy and education campaign adding a part d that involves a report to come back to the committee detailing the policy for approval of the committee and a recommendation for it to go to Council.
- All committee members voted in favour of the amended recommendations with the report to be distributed to the committee prior to the next Committee meeting.

## **RP-2 AIRPORT REVIEW**

### ***Recommendation:***

On the Motion of Councillor D Hayes and J Dorey

### **That the Committee:**

- consider, discuss and review the items contained in this report relating to the high level review of the Wagga Wagga Airport.**
- provide feedback or suggestions on the high level Airport Review by 31 August 2018.**
- recommend Council staff to collate all feedback and develop the detailed requirements for Council endorsement to proceed to tender for the specialist consultant(s) to undertake the Wagga Wagga Airport review and develop the airport masterplan.**

**CARRIED**

### **Discussion Points**

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

- W Lodge - Advised that a Senate Committee report on Senate Enquiry into the operation, regulation and funding of air route service delivery to Rural, Regional and Remote Communities is due in September 2018. He attended a Public Hearing in respect to the enquiry at Mt Gambier on 24/7/18. There was a lot of good information provided however he encouraged Committee members to be careful as to what they take on board re the contents of some of the submissions

With respect to the Airport Review, he doesn't want the committee to get caught up on a broader view i.e. the Airport Master Plan as he feels that the Committee do not have a good enough handle on more specific details eg budget items that feed through to fees and charges. Would like to improve the process for the FY20 budget including depreciation. Would like to form a working group before the committee gets too far advanced with the Airport Review and Master Plan. Need to review budget and depreciation first. The committee can bring more to the table than consultants in respect to the review. Need to form a working group to look at depreciation and particular line items and then make recommendations to the Committee as a whole. There should be a focus on the finer details of the budget over the next few months.

- P Thompson - Not opposed to working groups, have suggested this previously. Council will engage a third party to complete the Airport Masterplan. Would prefer this work is pursued with input from the Committee but can do this separately if the Committee do not seek that involvement.
- G Breust - Fully endorsed comments made by Warrick Lodge, stating this is what the committee is set up to do.

There is no great rush for an Airport Master Plan, it is not a huge issue and we should wait for two - three years before commencing the process. Much better to get our "ducks in a row" in respect to finance, budget and operation of the airport. Should seek specialist accountant advice and also develop a working party to through the accounts line by line.

- Cr Hayes - Sought clarification as to the focus and scope of the committee as some members want to look at minute details and others want a more strategic approach. If the Committee is not aiming for long term, what is the point of the Committee? We should be looking at what we need to do, how much money we have, what we need to build.
- W Lodge – We want to have a say in how our dollars are spent and address the current financial detail before looking at a Master Plan. Not confident that everything is being done correctly. There has been no structure or plan for the last 15 years. Need to make sure that everything is working properly.
- J Dorey - Has a different view. Need to consider short term priorities and also a plan that we are working towards. Would like to see a specialist aviation consultant engaged. An appropriate time to consider plan and consider changes. Benchmarking from experts in respect to the Wagga airport against efficient operators, would be a better informed conversation.

- C Angel - Fully agree, if no there is no baseline to start with then the Committee cannot strategically look forward.
- G Breust - Long term strategy does need to be put in place but this is not a long term priority. The Terms of Reference of the Committee refer to the review of the financials of the airport and we need to look at this right now. Will determine airport costs and what revenue is required. Capital investment, potential services down the track.
- D Woods - Need to identify items in the review which warrant expert advice (agree). Airport is still operating under a head lease. Council pay a premium every year. Council's \$200k cost base is different to other Council run airports. As business manager of the airport, would like some economic expertise going forward. Currently paying 4% return for 20 years on capital developments.

There are items we can do within the committee re the review, but there are some items that need expertise brought in . Need to limit costs due to the loss of Jetgo. Need to get a plan together going forward.

- P Thompson – Council has an requirement to update Councillors on how airport can be better utilised and explore opportunities. Master Plan/strategy is also how Council obtains justification for grant funding.

There are currently nine cities vying for the Qantas Pilot Academy. This has opened up an opportunity and if not successful, it is something that we should be looking at for the future.

Can take the Master Plan offline if the Committee doesn't want to be involved but I would prefer not to do this. Committee can work to budget items, I will be recommending going ahead with development of the Master Plan.

- J Dorey - It is absolutely instrumental that the interests of the Committee is included in the Master Plan as there has not been this opportunity in the past.
- W Lodge - Will support committee involvement in the Master Plan, however wants the Committee to be involved /have input in the Fees and Charges.

Would like to see the Committee drill into some of the line items including depreciation. Bring advice to Committee in October and then send externally for review.

Would like to review depreciation in parallel with the forming of the FY19 budget - have not done any of this

- J Dorey - Conversations on the financial performance and airport masterplan have to continue in parallel
- G Breust - Recommend the forming of a working group now to have a look at detail of the budget. Still get feedback on the wider issues by 31/08/18. Need a working group now for budget issues, committee to provide feedback on Master Plan.

- J Dorey – Do we need a working group?
- G Breust - Get the work done and then come back to the Committee
- W Lodge - Need to keep the process of the budget review more immediate than the Master Plan
- J Dorey - Should these conversations be held outside of this meeting?
- P Thompson - encourage committee to make submission on what can be progressed at a rapid pace and then report issues to Council.
- C Angel - Element 1 - Can set up a working group for financial activities. Element 2 - possible topics for report. Who are the participants for these groups? Interest in depreciation and fees and charges? Who wants to be a part of what group?
- W Lodge - the working committee is more to do with the finance aspect.
- C Angel - One group from people around the table?
- Cr Hayes - One group for the financial, Committee as a whole involved for Master Plan.
- W Lodge - Suggest a small group to work together re finance aspect.
- C Angel - both activities should run in parallel as one influences the other. Look at which items are to be part of the review.
- N Te Pohe - In respect to financials, a lot of the work can be done off line eg costs statements can be provided and look at variations, provide explanations. Can do this outside of the Committee.
- C Rodney - End of month financials for July can be done now.
- W Lodge - When do fees and charges have to be processed by? What are the guidelines around this? REX are involved in sixty airports and often clash with Local Government timeframes relating to fees and charges. Need to have an understanding by March on where fees and charges are going.
- N Te Pohe - Requirement for April submission to go to Council for recommendation for public exhibition to enable formal adoption by June. To bring forward would mean the entire budget process would have to be brought forward.
- W Lodge - Some Councils have their Airport fees and charges starting 1 October.
- Cr Pascoe - Can fees and charges be separated out as an individual item?
- P Thompson - Community consultation occurs in February, fees and charges are adopted in July.

- N Te Pohe - Fees and charges have to be adopted as part of the Delivery Plan and Operational Plan, this is a legislative requirement.
- K Pascoe - Could we have a different organisation operating the airport? wouldn't have my suppliers operating this way.
- N Te Pohe - Can look at staggering the fees and charges commencement date.
- P Thompson - I will look at process for early confirmation of fees and charges before July date.
- W Lodge - Council should consider entering into a longer term fees and charges arrangement. Would be helpful to know what the fees and charges are for a five year period.
- J Dorey - This would be preferable as it would shift the focus away from an annual discussion. Could then consider 2/3/5 up to 10 years for pricing agreements.
- D Woods - There is a need to get to an understanding of the cost base before going to a five year period.
- J Dorey - Use an external source for reasonable forecasts - need that element of information at the same time.
- N Te Pohe – all information will be sent to all Committee members for transparency.
- C Angel - Run in parallel, identify items for report and have a strategic group working together at the same time. Need strategic work done before moving to a five year stage.
- D Woods - Send information to all parties re cost statements and budget development. Spend some time on strategic elements.
- J Dorey - Form appropriate level of expenditure for airport and appropriate levels of revenue for the airport.
- P Thompson - suggest this be added to the committee members submission's.
- W Lodge - I am not comfortable endorsing a recommendation to engage a consultant especially if feedback does not agree to the recommendation.
- G Breust - Not happy with recommendation
- C Angel - Recommendation in the report is put up and Council endorse the report. If you put things off it is wasting time.
- G Breust - I do not agree. Once information has been received by Council, can the report be brought to Committee before sign off to Council. Recommendation of Committee that contains actual detail of what specialist consultant will do. Concern the Committee won't have final sign off on report.

- J Dorey - Need reasonable time for consultant to complete tender documents. Need reasonable amount of time for consultant to undertake the work required.
- G Breust - Don't think that is an issue. Bring 31/08/18 forward by a week or so. Shouldn't take long to collate submission. committee then sign off after this. Better for the committee to sign off.
- J Dorey - Preliminary engagement of consultant would be required. Very few global firms available, availability of consulting firms would be a concern.
- G Breust – This could drag out for months and months
- P Thompson - What goes out to the consultants will be a recommendation of the Committee, not determined by the Committee, but determined by Council.
- Cr Hayes - Asking for feedback and then a meeting to debate feedback - this is a waste of time.
- J Dorey - There is a limited amount of time to influence the masterplan, when also focussing on the budget. Need to get through process in a timely fashion.
- Cr Hayes - I agree
- W Lodge - Review the tender process.
- P Thompson - May not be a tender process, maybe different firms for different questions.
- K Pascoe - Will the report to Council identify the packages?
- P Thompson - Yes
- J Dorey - Can provide a list of suitable firms - approach a generic consulting firm.
- Warwick Lodge and Geoff Breust did not support item c of the recommendation. Warwick Lodge voted against the recommendation.

## **QUESTIONS/BUSINESS WITH NOTICE**

### **QWN - 1 Request for Update on the Review Process was made by Geoff Breust**

N Te Pohe - Cost statements to be emailed out (line by line). Conversations can then be had re key issues. The 19/20 FY budget process starts in October. First interaction with councillors will be in February 2019. Financial overview - distributed - go down to that level and then build 19/20 FY - 10yr

Cr Hayes - When will the financial review for 19/20 FY come to the Committee?

N Te Pohe - Can send out July 2018 statements within a week.

G Breust - Start process now?

N Te Pohe - Yes. Happy to start from zero based budgets and build from that. Committee members can go back and look at papers that have been provided at previous meetings.

D Woods - Does the committee want budget information every month?

W Lodge - If we get one month that will be enough to start the conversation.

P Thompson – Clarified that the Committee will receive financial information over coming months with conversations to start in October to inform the budget process.

### **QWN - 2 Council Submission to Productivity Commission**

G Breust - raised the question as to whether Council would be lodging a submission to the Productivity Commission re

Response - Darryl Woods is currently preparing a submission and this has been shared with the chair of the Committee.

### **QWN - 3 Taxiway Funding Update**

Geoff Breust - requested an update on the current situation with grant funding for the taxiway upgrade.

D Woods - A new revised program to upgrade taxiway to Code 3C has been provided to IfNSW.

Once approval to transfer grant funding for terminal upgrade to taxiway upgrade has been received from INSW, there will be no budget available for terminal upgrade. Staff are still waiting on final confirmation as to what the new security arrangements will be for the airport however any funding received will be for equipment not building upgrade.

### **BWN- 1 Probity Concerns**

Councillor Hayes - elected to remind Committee members of Probity concerns in respect to engagement of consultants and the involvement of Committee members.

The Airport Advisory Committee rose at 7.55pm.