AGENDA AND BUSINESS PAPER

Airport Advisory Committee

To be held on WEDNESDAY 6 FEBRUARY 2019 AT 6.00PM

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AIRPORT ADVISORY COMMITTEE AGENDA AND BUSINESS PAPER

WEDNESDAY 6 FEBRUARY 2019

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QUESTIONS WITH NOTICE
ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

CONFIRMATION OF MINUTES

CM-1 MEETING MINUTES - 19 DECEMBER 2018

Recommendation

That the Minutes of the proceedings of the Airport Advisory Committee Meeting held on 19 December 2018 be confirmed as a true and accurate record.

Attachments

1. Meeting Minutes - 19 December 2018

DECLARATIONS OF INTEREST
REPORTS FROM STAFF

RP-1 SUBMISSIONS RECEIVED FOR THE 2019/20 DRAFT BUDGET

Author: Carolyn Rodney
Director: Natalie Te Pohe

Summary: Committee members were requested to provide feedback to Council by 29 January 2019 on the draft 2019/20 Airport Budget.

Council officers have received two submissions and received a further one feedback with an extension of time requested.

Council officers have reviewed the submissions and the feedback provided. Council officers are still recommending a 1.9% fee increase to Airport Fees and Charges due to the reasons outlined in this report.

Recommendation

That the Committee:

a  Note that two formal submissions were received on the 2019/20 draft budget and a further one request for an extension to the submission due date

b  Note the anticipated under budgeted income for Passenger Charges for the 2018/19 financial year

c  Note the expected financial position of the Airport Reserve at 30 June 2019

Report

At the 19 December 2018 Airport Advisory Committee meeting, the committee resolved the following in regards to the 2019/20 Draft Airport Budget:

RP-2 2019/20 DRAFT AIRPORT BUDGET

Recommendation: On the Motion of J Dorey and W Lodge

That the Committee:

a  Receive and note the draft budget details, including the proposed fees and charges contained within the report

b  Provide feedback to Council on the draft budget by 29 January 2019

c  confirm that when fees and charges are finally adopted by Council, all companies represented on the committee will receive notification of those charges in accordance with Councils standard notification procedures and in line with notifications sent to all Wagga Wagga City Airport users.

CARRIED
Following this, on 29 January 2019 Council extended the deadline until 12 noon 30 January 2019.

Council has received three formal submissions and one request for an extension. At the time of finalising this report, the further submission had not been received.

Submission 1: REX, received 23 January 2019 – Attachments 1 and 2.

Submission 2 and 3: Mr Geoff Breust, received 29 January 2019 and subsequently revised on 3 February 2019 – Attachment 3 and 4.

Submission 4: Request for an extension: Qantas, received 30 January 2019 – Attachment 5.

Airport Reserve

As noted in RP-2 report presented to the 19 December 2018 Airport Advisory Committee meeting:

**Airport Reserve Summary – 2019/20**

The below table gives a snapshot of the Airport Reserve, if all operating income and expenditure budgets are met for both the current financial year and the 2019/20 financial year.

<table>
<thead>
<tr>
<th>Description</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance (Estimate for 2019/20)</td>
<td>$63,686</td>
<td>$498,494</td>
</tr>
<tr>
<td>Draft Budgeted Operating Deficit</td>
<td>($1,762,230)</td>
<td>($1,740,162)</td>
</tr>
<tr>
<td>Back out non-cash Depreciation</td>
<td>$2,895,151</td>
<td>$2,893,504</td>
</tr>
<tr>
<td>Add in Principal Loan Repayments</td>
<td>($662,112)</td>
<td>($880,639)</td>
</tr>
<tr>
<td>Draft Transfer to Reserve (FY Operating Result)</td>
<td>$470,809</td>
<td>$272,703</td>
</tr>
<tr>
<td>Proposed Capital projects funded from Reserve</td>
<td>($306,000)</td>
<td>($70,200)</td>
</tr>
<tr>
<td>Total Net Reserve Movement</td>
<td>$434,809</td>
<td>$202,503</td>
</tr>
<tr>
<td>Estimated Closing Balance of Reserve</td>
<td>$498,494</td>
<td>$700,997</td>
</tr>
</tbody>
</table>

Reference is made to the opening sentence in the above extract “if all operating income and expenditure budgets are met…”

Passenger Charges income for 2018/19 is currently tracking at 46.22% as at 31 December 2018. The December 2018 cost statement provided to committee members on 18 January 2019 includes an accrual for the December month – the 46.22% is six months of passenger charges income.

**Passenger Charges summary:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted income</td>
<td>$2,792,785</td>
</tr>
<tr>
<td>YTD Actuals as at 31 December 2018</td>
<td>$1,290,849</td>
</tr>
<tr>
<td>Percentage Target Versus Actuals</td>
<td>50% v 46.22%</td>
</tr>
<tr>
<td>Anticipated under budget if first half of year trend continues</td>
<td>($211,087)</td>
</tr>
</tbody>
</table>
If the passenger charges income continues to underperform to budget, there will be a reduction in the amount of income that is expected to be transferred to the Airport Reserve at the end of the financial year ($259,722 as opposed to the budgeted $470,809). This assumes all other income and expenditure budgets are met.

**Proposed 1.9% Fee Increase**

At present, the income the Airport is generating is not adequate to cover the operating expenditure and future capital requirements of the Airport. The Airport’s asset base is in excess of $36.3M, and to have an expected Cash reserve of only $259,722 at the end of this financial year is not adequate.

It is for the above reason that Council officers are still recommending a 1.9% fee increase, to improve the financial position of the Airport Reserve to meet the future needs of the Airport and expectations of the community.

The review that will be undertaken this year is anticipated to provide advice and clarification to Committee members. It is hoped that there will be some efficiencies gained, however it is not anticipated that any efficiency gains will have a material impact on the next few years budgets.

As previously advised to the Committee, the transfers to the Airport Reserve excludes depreciation. If during the review the depreciation figures change, this will not have any impact on the Airport Reserve position. Depreciation expense is a non-cash item, and does not impact the Airport Reserve.

**Financial Implications**

Councillors will consider public exhibition of the annual budget in April, consider any public submissions and adopt the annual budget of Council and therefore the Airport at the 24 June 2019 Council meeting.

**Policy and Legislation**

POL 021 – Financial Reserves for Future Expenditures  
POL 013 – Return on Investment Council Businesses Policy  
POL 052 – Budget Policy

**Link to Strategic Plan**

**Community Leadership and Collaboration**
Objective: We have strong leadership  
Outcome: We are accountable and transparent

**Risk Management Issues for Council**

Without adequate revenue to cover the costs of operating the Airport, there is the risk that the Airport will not be financially sustainable and not meet the community’s expectations into the future.
Internal / External Consultation

Council is consulting with the Airport Advisory Committee to review the proposed draft budget for the 2019/20 Long Term Financial Plan.

Attachments

1. Submission on 2019/20 Budget from Rex
2. Annex A to Submission on 2019/20 Budget from Rex
4. Revised Submission on 2019/20 Budget from Mr Geoff Breust
5. Request for extension - Submission 2019-20 - Draft Airport - Qantas - 30 January 2019
23 January 2019

Councillor Kerry Pascoe
Chairman Wagga Wagga Airport Advisory Committee

Sent by email to all members of the Wagga Wagga Airport Advisory Committee

Regional Express Submission to the Wagga Wagga Airport Draft Budget FY20

In response to the Wagga Wagga Airport Draft Budget for FY20, Regional Express (Rex) opposes the proposed 1.9% head tax increase.

In March 2017 the published head tax increased by 10% from $11.04 to $12.14 excluding GST. This came on the back of council proposing a 26% increase which Rex opposed. Rex agreed to a 10% increase on the provision that council established the Airport Advisory Committee and that there would be a detailed review of the financial performance of Wagga Wagga airport.

In July 2018 (current FY19) the head tax was again increased by 1.8% (CPI) to $12.36 excluding GST. The Airport Advisory Committee (27 March 2018) did not agree to this increase due to airport cost related concerns, however due to the tight timeframe associated with the FY19 budget process the Committee reluctantly agreed to:

"endorse in principle the draft FY19 fees and charge, noting that council staff are in the process of reviewing the asset data register relating to the depreciation expense and that all aspects of the FY19 budget will be reviewed to inform future budgets".

Rex believes that very good progress was made at the working group meeting on 29 November 2018 however no action items from that meeting have yet been completed. These action items were discussed and agreed to at the Airport Advisory Committee meeting held on 19 December 2018 and until this important work has been completed there should be no change to the published RPT head tax rate of $12.36.

Furthermore, airport passenger growth combined with the above mentioned head tax increases already implemented (March 2017 and July 2018) is delivering airport revenue growth from the RPT sector and this should negate any desire to apply a CPI increase in FY20. Please also refer to the attached graph in Annex A that shows the Wagga Wagga airport RPT head tax revenue progression since FY2002/03 which includes a broad forecast for FY19 and FY20.

Yours Sincerely

Warwick Lodge
GM Network Strategy & Sales
Regional Express (Rex)

Head Tax Revenue - Wagga Wagga Airport Total
(Rex & QantasLink Combined - Excludes GST)
WAGGA WAGGA AIRPORT ADVISORY COMMITTEE (AAC)

COMMENTS AND SUBMISSIONS RE 2019/20 AIRPORT BUDGET - REVISED

The following comments and submissions are made for the purposes of discussions at the Working Group meeting.

On 19 December 2018 following the AAC Meeting, I sent an email to the General Manager copied to the committee seeking clarification of some items of expenses. The relevant part of the email is duplicated below:

"The other items I wanted to seek clarification on related to RP2 at Page 6 concerning a $40K increase in the Operating Budget including $20K in the Airport Building Services and Systems M and R (job no 47025) for $20,000 currently at $51,923 and $20K increase to Airport pavement M and R (job number 47036 – currently $65,564) also for $20K. May I ask what these projects are and cover and what the additional funding is required.

In regard to pavement maintenance, I also remain concerned regarding the main RPT hard standing where the QFL dash 8 - 400 parks because it appears the tarmac surface may be showing signs of indentation and wear. With recent heavy rain and now hot weather it could become a problem. This area has been the subject of major repairs over the years and as recently as this time last year. I would be keen for the Committee to receive a status report on this tarmac area."

It is appropriate the Committee fully understands these costs and the possibility, based on previous experience, of unplanned additional maintenance that may be required.

I am unaware as to what timing issues may be involved in the receipt of fees for passenger screening and the expenditures incurred and whether all the costs of operation and servicing of the passenger screening process including maintenance of the equipment and various consumables required, are fully covered. Advice in this context would be appreciated as it appears the revenue received exceeds the expenses involved, however, it is highly appropriate the costs of the security screening are covered from the actual users.

With regard to the proposed Budget overall, I note the 1.9% CPI increase on fees and charges.

The AAC was established with the principal aim of reviewing the airport’s costs and revenues. At budget time last year for 2018/19, the AAC was effectively obliged to agree to a budget fee CPI increase of 1.8% given the AAC had not had enough time to undertake the review and the budget had to pass through Council’s approval process.

A year later, despite some good work already completed, we are being placed in the same situation of being asked to agree to another CPI increase without completion of the review and without properly understanding the impact of increased activity or improved cost management.
Having regard to the timing of receipts for the passenger landing fees, based on the December Cost Statement and comments from the airlines concerning passenger growth, it appears Council will exceed its forecast revenue from this item for 2018/19.

In regard to landing charges for General Aviation, the December Cost Statement shows receipts for landing charges via AVDATA of $55,577 in gross revenue less $15,030 in AVDATA costs resulting in net receipts of $50,547 some 80% of the $62,830 net budgeted for the full year. While I assume General Aviation Landing Fees paid by those opting for the Annual Landing Charge are included in this item and that such fees are paid early in the year rather than spread across the full year, it remains apparent revenue from this item will well exceed the budget.

During the Working Group Meeting held on 24 January 2019, Council staff member, Mr Wood, challenged me to provide a proposal for the collection of landing and related fees from General Aviation in a more cost effective manner than the current use of AVDATA Pty Ltd. To assist me with this challenge I seek the following:

1. a breakdown of the revenue received direct from airport users and that received via AVDATA Pty Ltd Jul – Dec 2019 and an estimate for the full year 2018/19;

2. for the same periods, revenue received via the Annual Landing Charge and that via the individual landing itinerant use charging;

3. arrangements applied to Defence and other special users including aero medical services;

4. a cost breakdown of AVDATA Pty Ltd charging for airport operations radio monitoring as against the processing of invoices and collection of monies owed;

5. an explanation of the arrangements in place with AVDATA Pty Ltd for follow-up on unpaid debts and resolution of disputes.

If this information could be supplied by Friday 1 February I confirm I could submit the proposal by Monday 4 February for consideration at the AAC meeting on Wednesday 6 February which would allow implementation of the proposed new arrangements in this Budget.

For these reasons and to ensure work continues on the review in a timely manner, it is recommended no CPI increases be applied to airport passenger, landing and general fees and charges for 2019/20 and that work on the review be progressed as quickly as practicable.

Finally, I note the lengthy discussions held at the Working Group meeting on 24 January in relation to the appointment of an independent authority to review various Airport costs (people services – the need and value to the airport, utilities, motor vehicles, plant and equipment etc) as agreed at the Working Group meeting on 29 November. I again re-iterate that this review must be undertaken by an independent consultant with appropriate financial auditing capability to drill down on the actual costs involved, their method of calculation and attribution.

Geoff Breust
Airport Advisory Committee Member
29 January 2019
WAGGA WAGGA AIRPORT ADVISORY COMMITTEE

SUBMISSION RE AIRPORT REVENUE COLLECTION ARRANGEMENTS FOR GENERAL AVIATION AIRCRAFT

BRIEF EXECUTIVE SUMMARY / RECOMMENDATIONS

- Collection of landing and ILS charges from General Aviation operations is challenging and costly under the current Avdata arrangements.
- While charging all on equity grounds is an appropriate principle, a more pragmatic approach can result in a less costly, more desirable revenue outcome.
- Maintain individual and annual landing charges and ILS charges as per Council fees and charges, but revise the collection processes.
- Cease collecting charges via Avdata Pty Limited (Avdata) and collect direct from operators.
- Undertake annual audit of all locally based aircraft and make all subject to annual landing fees.
- Introduce agreements with regular commercial operators for annual landing charges or actual declared landings via RCTIs.
- Charge for landings by Air Ambulance, Patient Transport and Helicopter Rescue services if not charged already under specific agreements with those operators for either an annual charge or individual landings on a declared basis / RCTI. (These operators are not NFP charities.)
- Introduce parking approval for itinerant commercial operators to gain data to bill and collect landing fees.
- Introduce parking charges for large aircraft - above 7,500 kg MTOW
- Enter into agreements with the major airlines and AAPA for annual ILS usage and introduce a booking service for ILS approaches by itinerant operators and direct bill.
- Not collect fees from itinerant Private VH and RA Aus aircraft operators.
- These recommendations can save some $35,000 in Avdata fees while potentially increasing gross revenue while not overly impacting on Airport and Council administrative costs or staffing requirements.

BACKGROUND

General Aviation is classified as all aircraft operations other than the Regular Public Transport (RPT) operations of the major airlines to and from Wagga Wagga.

Collection of landing fees, especially from itinerant general aviation aircraft both private / recreational and commercial involve challenges and costs to the extent it is difficult to have a system which not only collects all possible fees but also achieves it in a cost effective manner.

For some time various users have not paid their way. Council has also incurred considerable costs in collection and administration.

While the vast majority of airport revenue is very efficiently charged, collected and passed on to Council from airline passengers via the airlines, it is highly appropriate the other, general aviation users, also pay their fair share towards the running, upkeep and where appropriate, development of the airport. This principle of equity, while rational and supportable, ignores some of the practicalities and the significant costs involved in collecting from all. Taking a
pragmatic view, an approach which maximises the net revenue benefit can be considered more desirable than the principle of everyone should pay, regardless.

CURRENT SITUATION

Revenue collection from General Aviation (including military and ILS movements) is budgeted to total $103,478 for 2018/19 (including an amount of $24,720 budgeted for the introduction of aircraft parking charges which was not implemented). Net collections of General Aviation landing charges via Avdata is budgeted at $62,830.

The current charging regime for General Aviation aircraft provides for:

- weight based charges per landing for any fixed and rotary wing aircraft;
- weight based annual landing charges for resident commercial, training and freight aircraft;
- weight based annual landing charge for Private aircraft;
- concession restricting the per landing charge to one for aircraft being serviced by a local MRO facility; and
- no charge for Angel Flight, Care Flight and other Not for Profit Charitable Organisation flights.

In addition, charges are incurred for landings by military aircraft on special arrangements with the Airports Association of Australia, including the VIP squadron (which currently operates regularly at Wagga with larger aircraft). Here it is noted that military aircraft receipts Jul – Dec 18 were $21,488 as against the Full Year budget of $5,628. No changes need to be made to these collection arrangements.

Note: Operators of the air ambulance, patient transfer air services and the helicopter air rescue, if not currently charged landing fees at the normal published commercial rates, should be as they are not NFP charitable services. The Royal Flying Doctor Service which operates the air ambulance contract in NSW is not a charitable service in this context - RFDS has won this commercial contract on a competitive basis, just as Pelair won the Victorian air ambulance contract. Similarly, Wingaway which conducts the NSW patient transfer service and Toll the helicopter medical rescue service are conducted under commercial contracts. If this is not the case, then there is an argument for them to be so charged.

Charges are also imposed for use of the Instrument Landing System (ILS) with differing rates for below and above 400 approaches per year.

Until recent years, the annual landing charge accessed by locally based operators was administered via Council's contract with Avdata (Council advising Avdata of the relevant aircraft registration details and Avdata raising the annual invoice, collecting the funds and remitting to Council). More recently, Council has undertaken the collection directly and saved the Avdata administration fee.

For itinerant commercial and private operations (those private operators not availing the annual landing charge) individual landing charges are collected via Avdata. To fulfil this task, Avdata interrogates recordings of the Wagga CTAF radio frequency used by pilots to announce intentions and separate aircraft arriving and departing the airport. Radio calls are mandatory but the number and nature of those calls are not prescribed. Avdata uses computer technology to skip from broadcast to broadcast but relies on human intervention to listen to and
record relevant details for the purposes of determining landings, aircraft call signs, type and time and details regarding ILS approaches.

The information compiled by Avdata is then used, in consultation with CASA’s Aircraft Register data base, to align the aircraft call sign with its registered owner/operator and its weight to determine the landing charge. This is then invoiced. Avdata receives the funds and remits to Council less contracted fees.

This system has a number of flaws:

- it relies on clear broadcasting of call signs (these are often misinterpreted);
- some operations do not give aircraft registration such as Air Ambulance and Fire Service aircraft, or some commercial operators;
- pilots sometimes give incorrect call signs (eg, one locally based operator with two aircraft has paid the annual landing charge for his substantially lighter aircraft and uses this call sign when he flies his larger heavier aircraft to avoid paying the individual landing fee which would normally apply to this aircraft – it is also known that some pilots deliberately use incorrect call signs to avoid the fee);
- Recreational Aircraft Australia (RA Aus) is the private regulating body for Light Sport aircraft with MTOW below 600 kgs operated under its regime. It has steadfastly refused on so called “privacy” grounds to release registration and ownership details of aircraft on its register to Avdata resulting in these aircraft not being charged for landing fees at Wagga and other airports;
- Avdata does not follow through on disputed accounts nor does it take recovery action on overdue amounts;
- to collect charges for any movement, Avdata must interrogate all radio broadcasts, including the many broadcasts made by RPT, local training aircraft, all annual landing charge aircraft etc – that is, it must listen to all broadcasts to access information for billing for only a relatively small number of aircraft movements at Wagga.

General Aviation Revenues and Costs of Collection

Based on Council advice (email from Darryl Woods of 2 Feb 19) YTD 2018/19 Jul - Dec, collections via Avdata grossed $44,101, attracted fees of $16,916 providing net collections of $27,185. Add to that $17,899 in collections made direct to Council via the Annual Landing Charge regime and the total received was $45,085 almost 72 percent of the full year budget from this source of $62,030. (Note: August 18 receipts were reduced by the repayment of a longstanding debtor so the actual gross revenue was higher.)

The cost of collections via Avdata represents 38.3 percent of revenue received. This is a substantial cost, even discounting for the debtor repayment.

While it is assumed a high percentage of the annual landing charges are represented in the $17,899 collected directly in the first half year, it can also be assumed the revenue and costs associated with the Avdata collections for the second half FY would be of similar order – ie approximately $44,000 gross revenue, $17,000 in costs for a net $27,000.

On this basis the annual actual would come in at $72,085 some $9,000 in excess of the $62,830 budget or an almost 15 percent increase (even higher taking into account the debtor repayment).
Cost of collection via Avdata for the full FY is $35,000.

**Issues**

The use of Avdata services to collect gross annual revenue of over $90,000 from a relatively small base of commercial and private operators at a cost of $35,000 is considered cost inefficient.

Further, the flaws associated with the interrogation of the radio calls must involve a percentage of potential revenue not being identified and collected.

Rather than looking at ways to increase charges and hence revenue, a reduction in the costs of collection and an improvement in identification has serious potential to provide a much better outcome.

**A DIFFERENT APPROACH**

It is proposed Council direct charge General Aviation operators under the approach set out below and receive an increase in net revenue by avoiding the use and costs associated with Avdata services.

What is being proposed is not a change to the basic published fees and charges regime, but to the manner in which they are collected.

**Locally Based Aircraft Annual Charge**

There is a strong case on equity grounds for all locally based aircraft to pay at least the base annual landing fee regardless of the number of movements conducted. This is designed to pick up all aircraft including those operated under RA Aus registration and those CASA VH registered which may only fly irregularly or indeed not at all, so that all make a contribution to the facility.

There are currently seven RA Aus Private aircraft based on the airport only some of which pay either annual or individual landing fees. If all were subject to the minimum annual landing fee of $168.14 a further $1,177 would be collected (not much, but it adds up).

There are at least 24 VH registered Private aircraft based on the airport – all but three are housed in private hangars (there are others housed in hangars operated by Wagga Air Centre). Of the three parked outside currently, only one is flown regularly.

All of these aircraft should be subject to the annual landing fee. Those parked outside on Council land but not flown (not having a current Maintenance Release) should be required to pay at least the minimum (base) annual fee of $168.14 for two purposes:

1. to contribute generally to the airport facility and for the space occupied;
2. to act as a disincentive for un-airworthy aircraft to sit rotting away taking up valuable space.

Those aircraft without a current Maintenance Release and housed in a hangar, however, are proposed not to be charged on submission of a declaration to that fact and that they will not be flown – Council receives revenue via the leases on the hangar sites.
Locally based commercial and training aircraft can be covered in a similar fashion as they are now.

Itinerant Private aircraft wishing to take up the annual landing charge can continue as they do now. Peer pressure can assist in ensuring they continue to do so.

To manage this approach, it is proposed Airport staff undertake an annual audit of aircraft through the hangar site lease holders and visual inspections. Each annual fee can then be determined, invoices issued and paid by the aircraft owner. The administrative costs associated with this should be minimal and covered by existing staffing and systems.

**Regularly Visiting Commercial Aircraft**

Wagga has a number of regularly visiting commercial aircraft viz:

- Air freight contractor to Toll (2 landings per day Mo – Fr with Cessna Caravan);
- NSW Air Ambulance Service – operated by RFDS – frequent irregular operations;
- NSW Hospital Patient transfer service – operated by Wingaway – frequent irregular services;
- Rescue helicopter – operated by Toll – irregular services;
- Rural Fire Service aircraft – over the summer months – irregular operations by contractor;
- Survey aircraft – power line inspections and geo-physical survey conducted by air service contractors – irregular operations.

All commercial operators are required to maintain appropriate records of all flights. As such Council could enter in to agreements with each of these operators to either pay an annual charge based on an estimated number of landings or agree to provide detailed (declared) listings of landings each month and remit the applicable funds to Council via RCTI. These would be matters for negotiated agreement. Given the small number of operators involved, the arrangements could be put in place easily and with the current Airport staffing and management as well as Council administrative staff.

**Itinerant Commercial Aircraft**

The numbers of visiting commercial aircraft are relatively small but generally involve larger aircraft. On equity and revenue grounds, these aircraft should pay the landing fees.

As parking is relatively scarce in Wagga, especially for larger aircraft, making it a requirement for pre-approval of parking provides the ability to pick up and bill the landing fees for these aircraft. An addition to ERSA to require pre-approval via email or text submission for parking for any period by any aircraft above 2,400 kg MTOW will enable the collection of details and permit billing for the landing. I am not proposing the introduction of parking charges here, but the use of the parking approval as the mechanism to collect the landing fees.

Aircraft above 2,400 KG MTOW will pick up Cessna 310 and above aircraft – these are generally used as entry level charter aircraft.

Council should seriously consider introducing parking charges for larger itinerant commercial aircraft, especially those using the scarce sealed tarmac areas. With
the airport capable of supporting aircraft up to B737 / A321 aircraft, significant unit revenue is available. It is proposed parking charges be introduced for aircraft above 7,500 kg MTOW.

**Itinerant Private Aircraft**

The actual numbers of itinerant Private VH registered and RA Aus Light Sport aircraft visiting Wagga Wagga are small and the revenue received from them can be measured in the hundreds rather than thousands of dollars.

While it has been reported RA Aus may relent and supply aircraft registration and ownership details to Avdata and Councils to enable billing, it is unknown what this will be like in practice. Wagga Airport does not receive fees from this sector now.

In both of the above cases, given the small quantities involved, on a stand alone basis, the costs of trying to collect charges from this cohort will more than exceed the likely revenue received. For this reason it is proposed not to proceed with arrangements for the collection of the applicable landing charges, even though the published fees and charges covering such operations would remain. Not collecting these fees will remove a monetary disincentive for Private flyers to visit Wagga Wagga.

**ILS Operations**

Current arrangements involve a charge per ILS approach of $28.28 and a discounted rate of $20.37 per approach for greater than 400 approaches per annum.

The annual budget for 2018/19 provides $10,300 in revenue from this item. YTD actual revenue totals $4,165 for the Jul – Dec 18 period. Based on the discounted rate of $20.37 per approach, 505 approaches are estimated for the full year - 204 for the six months to Dec 18 - an average of less than ten per week.

The vast majority of ILS approaches at Wagga are undertaken by the two major airlines and AAPA. It is proposed annual agreements are negotiated with these three parties to determine an appropriate level of use and agreement on an annual charge based on past and likely future usage requirements.

The ILS is also used by other operators for training and practice purposes. Prior booking of an ILS is common in the industry and it is proposed Wagga adopt this method also to gain data and bill users. Pre-booking can be done via email or text and again, can be covered from existing resources and systems.

Council should not allow unfettered free use of the ILS to other parties as it will lead to increased congestion and operational complexity at our uncontrolled airport.

**RECOMMENDATIONS**

As part of the Committee’s and Council’s consideration of the 2019/20 Airport Budget, it is recommended the following be introduced as a means of improving the efficiency and net cost of collection of airport revenue from General Aviation operations.
• Maintain individual and annual landing charges and ILS charges as per Council fees and charges, but revise the collection processes to reduce costs and improve revenue collection.
• Cease collecting charges via Avdata Pty Limited and Council collect direct from operators as per the discussion above thereby saving in the order of $35,000 per annum as well as enhancing the ability to further improve net revenue collections.
• Undertake an annual audit of all locally based General Aviation aircraft and make all subject to annual landing fees.
• Introduce agreements with regular commercial operators for annual landing charges or actual declared landings via RCTI.
• Charge for landings by Air Ambulance, Patient Transfer and Helicopter Rescue services if not charged already under specific agreements with each operator based on actual or estimated landings.
• Introduce parking approval for commercial operators to gain data to bill and collect landing fees.
• Introduce parking charges for large aircraft – above 7,500 kg MTOW.
• Negotiate annual charges for ILS use by major airlines and AAPA and introduce a booking service for ILS approaches by itinerant operators and direct bill.
• Not collect fees from itinerant Private VH and RA Aus aircraft operators.

Geoff Breust
3 February 2019
From: Joshua Dorey <joshuadorey@qantas.com.au>
Sent: Wednesday, 30 January 2019 10:29 AM
To: Ingram, Maree <Ingram.Maree@wagga.nsw.gov.au>; Angel, Caroline
    <Angel.Caroline@wagga.nsw.gov.au>; Burger, Leon <Burger.Leon@wagga.nsw.gov.au>; Chris Cabot
    <tecnum@waggaaircentre.com>; Councillor Dan Hayes <Hayes.Dan@wagga.nsw.gov.au>; Councillor
    Kerry Pascoe <Kerry.Pascoe@wagga.nsw.gov.au>; Danielle Wait
    <danielle.wait@bestwestern.com.au>; Donges, Melissa <Donges.Melissa@wagga.nsw.gov.au>; Elton
    Passini <eltonpassini@qantas.com.au>; Encore Aviation <admin@encoreaviation.com.au>; Geoff
    Breust <GBreust@bigpond.net.au>; Hilton, Carmel <Hilton.Carmel@wagga.nsw.gov.au>; Iain Carty
    <iain.carty@defence.gov.au>; Jenny Cabot <jenny@waggaaircentre.com>; Thompson, Peter
    <Thompson.Peter@wagga.nsw.gov.au>; Rob Gray <rogray.avionics@hotmail.com>; Robert Loxton
    <RLoxton@hotmail.com>; Rodney, Carolyn <Rodney.Carolyn@wagga.nsw.gov.au>; Gray, Scott
    <Gray.Scott@wagga.nsw.gov.au>; Te Pohe, Natalie <TePohe.Natalie@wagga.nsw.gov.au>; Wagga
    Air Centre <admin@waggaaircentre.com>; Warrick Lodge <warrick.lodge@rex.com.au>; Woods,
    Darryl <Woods.Darryl@wagga.nsw.gov.au>
Subject: RE: 2019/20 Draft Airport Budget Submissions

Hi All,

During the last Informal Committee Meeting, a request was made for the following information:

- Commercial business case for upgrading taxiway A to Code C (CAPEX offsets maintenance
  OPEX) versus repair and maintain taxiway A for use by GA aircraft

Additionally we’d like to request the following:

- Pavement report for taxiway A
- Details of safety incidents referred to by Darryl Woods
- Number of safety incidents versus movements at Wagga Airport
- Details of the proposed terminal improvements that were included in the submission—a copy of
  the original submission would be ideal

Following the meeting, I’ve sought clarification from our chief pilot regarding the taxiway A upgrade.
He has confirmed there is currently not an operational requirement to upgrade taxiway A.

Since this additional information is required to make an informed submission, I’d like to request a
further extension deadline to submit feedback.

Regards,

Joshua Dorey
Manager Commercial Strategy

Qantas Airline

Level 5, Building B, 10 Bourke Road, Mascot NSW 2020
P. +61 2 9691 3588 (ext. 23588)
M. 61 439 078 732
E: joshuadorey@qantas.com.au
From: Ingram, Maree [mailto:Ingram.Maree@wagga.nsw.gov.au]
Sent: Tuesday, 29 January 2019 5:07 PM
To: Angel, Caroline <Angel.Caroline@wagga.nsw.gov.au>; Burger, Leon <Burger.Leon@wagga.nsw.gov.au>; Chris Cabot <tecnam@waggaircentre.com>; Councillor Dan Hayes <Hayes.Dan@wagga.nsw.gov.au>; Councillor Kerry Pascoe <Pascoe.Kerry@wagga.nsw.gov.au>; Danielle Wait <danielle.wait@bestwestern.com.au>; Donges, Melissa <Donges.Melissa@wagga.nsw.gov.au>; Elton Passini <eltonpassini@qantas.com.au>; Encore Aviation <admin@encoresaviation.com.au>; Geoff Breust <GBreust@bigpond.net.au>; Hilton, Carmel <Hilton.Carmel@wagga.nsw.gov.au>; Ivan Carty <ivan.carty@defence.gov.au>; Jenny Cabot <jenny@waggaircentre.com>; Joshua Dorey <joshuadorey@qantas.com.au>; Thompson, Peter <Thompson.Peter@wagga.nsw.gov.au>; Rob Gray <robgray.avionics@hotmail.com>; Robert Loxton <rjloxton@hotmail.com>; Rodney, Carolyn <Rodney.Carolyn@wagga.nsw.gov.au>; Gray, Scott <Gray.Scott@wagga.nsw.gov.au>; Te Pohe, Natalie <TePohe.Natalie@wagga.nsw.gov.au>; Wagga Air Centre <admin@waggaircentre.com>; Warrick Lodge <warrick.lodge@rex.com.au>; Woods, Darryl <Woods.Darryl@wagga.nsw.gov.au>
Subject: 2019/20 Draft Airport Budget Submissions

Dear all,

Further to the resolution below from the 19/12/18 Committee meeting and in particular item b, please be advised that the timeframe for feedback has been extended to 12 noon tomorrow, Wednesday 30/1/19.

RP-2 2019/20 DRAFT AIRPORT BUDGET

That the Committee:
a) receive and note the draft budget details, including the proposed fees and charges contained within the report
b) provide feedback to Council on the draft budget by 29 January 2019
c) confirm that when fees and charges are finally adopted by Council, all companies represented on the committee will receive notification of those charges in accordance with Council's standard notification procedures and in line with notifications sent to all Wagga Wagga City Airport users.

Kind regards,

Maree

Maree Ingram
Infrastructure Administration Coordinator

1300 282 442
d 0412 282 442

Attachment 5: Request for extension - Submission 2019-20 - Draft Airport - Qantas - 30 January 2019
FINANCIAL INFORMATION REQUESTED

Author: Carolyn Rodney
Director: Natalie Te Pohe

Summary: The Airport Advisory Committee has requested information on AVDATA, electricity accounts and oncharging, along with plant and vehicle information.

Also included in this report is clarification regarding the Accounting Standards utilised by Council.

Recommendation

That the Committee receive and note the following:

a  AvData information requested
b  Electricity information requested
c  Plant and Vehicle information requested
d  That AASB 120 - Accounting for Government Grants and Disclosure of Government Assistance is not available for use by Council, as Council is a not-for-profit entity and AASB 120 is only available for use by for-profit entities

Report

The Airport Advisory Committee has requested information on AVDATA, electricity accounts and oncharging, and plant and vehicle information.

Also included in this report is clarification on the Accounting Standards utilised by Council.
AVDATA Australia

Included in Mr Geoff Breast’s submission on the 2019/20 draft budget, was the following excerpt:

During the Working Group Meeting held on 24 January 2019, Council staff member, Mr Wood, challenged me to provide a proposal for the collection of landing and related fees from General Aviation in a more cost effective manner than the current use of AVDATA Pty Ltd. To assist me with this challenge I seek the following:

1. a breakdown of the revenue received direct from airport users and that received via AVDATA Pty Ltd Jul – Dec 2019 and an estimate for the full year 2018/19;
2. for the same periods, revenue received via the Annual Landing Charge and that via the individual landing itinerant use charging;
3. arrangements applied to Defence and other special users including aero medical services;
4. a cost breakdown of AVDATA Pty Ltd charging for airport operations radio monitoring as against the processing of invoices and collection of monies owed;
5. an explanation of the arrangements in place with AVDATA Pty Ltd for follow-up on unpaid debts and resolution of disputes.

If this information could be supplied by Friday 1 February I confirm I could submit the proposal by Monday 4 February for consideration at the AAC meeting on Wednesday 6 February which would allow implementation of the proposed new arrangements in this Budget.

Attachment 6 incorporates a response to the above queries, along with clarification on questions raised in prior correspondence.

Electricity

Please see attached for the December electricity account and also for the calculation spreadsheet used for the oncharging to the various users.

Plant and Vehicle Rates

Council utilise the Institute of Public Works Engineering Australasia (IPWEA) guide to determine the whole of life costing for plant, which also recommends the optimum replacement time to deliver the best resale value for the piece of plant. The preventative maintenance schedules are as per the manufacturer’s recommendation.

The monthly plant charge is calculated taking into account the following over the expected life of the plant item:

- Purchase price
- Maintenance costs
- Fuel consumption
- Insurance
- Registration costs if applicable
Accounting Standards

At the informal Airport Advisory Committee meeting held at REX on 29 November 2018, REX advised the Committee that Council were not utilising the correct accounting standards in regards to the treatment of income. Out of session on 20 December 2018, REX emailed Council AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. AASB 120 is attached to this report. The Committee should note the application section on page 8, shown below:

**ACCOUNTING STANDARD AASB 120**

**ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE**

**Application**

Aus1.1 This Standard applies to:

(a) each for-profit entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;

(b) general purpose financial statements of each other for-profit reporting entity; and

(c) financial statements of a for-profit entity that are, or are held out to be, general purpose financial statements.

As is shown above, AASB 120 applies to “for-profit” entities. Council is a not-for-profit entity, and utilises the following accounting standards:

- AASB 118 – Revenue
- AASB 1004 – Contribution
- AASB 13 – Fair Value measurement
- AASB 116 – Property, Plant and Equipment

Further to this, the Office of Local Government’s Code of Accounting Practice outlines the relevant accounting standard for each of the sections in the annual financial statements. For example, Income (Note 3 – 2018/19) is shown below for the Committees’ information:
Council is audited by the NSW Audit Office each financial year where the financials of Council are reviewed to ensure they are prepared in accordance with the Australian Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting.

Financial Implications

N/A

Policy and Legislation

POL 021 – Financial Reserves for Future Expenditures
POL 013 – Return on Investment Council Businesses Policy
POL 052 – Budget Policy

Link to Strategic Plan

Community Leadership and Collaboration
Objective: We have strong leadership
Outcome: We are accountable and transparent

Risk Management Issues for Council

Without adequate revenue to cover the costs of operating the Airport, there is the risk that the Airport will not be financially sustainable into the future and the airport cannot be maintained to the required standards nor meet the expectations of the community.

Internal / External Consultation

Council’s Finance, Airport, and Procurement divisions have provided input into this report.
Attachments

1. December Electricity Account
2. December Electricity Account - Various Users invoiced
3. AASB 120 - Accounting for Government Grants and Disclosure of Government Assistance - provided by REX
4. August 2018 - Defence Landings
5. Clarification Email from D Woods to G Breust sent 2 February 2019
6. Australian Airports Association - BIL00011768
Report submitted to the Airport Advisory Committee on Wednesday 6 February 2019.

Attachment 1: December Electricity Account
Payment Options

BPAY®

Biller Code: 667287
Ref: 2019 0237 7100 0142 6254

Telephone & Internet Banking - Direct Debit
Contact your bank or financial institution to make this payment from your checking, savings, debit or transaction account. More info: www.bpay.com.au

---

Direct Debit
To setup your direct debit * go to https://empower.com.au/pagynaccoun

* Surcharge Fees apply for credit / debit card payments.

---

Credit Card Payments
Phone 1300 192 645 (reference number below) or go to https://empower.com.au/pagynaccoun
to pay your account by credit card* with our secure online payment service.

Your reference no.: 3030 5237 7100 0142 6254

* Surcharge Fees apply for credit / debit card payments.

---

Mail
Tear off the payment slip below. Cheque ++ or Money Order made payable to ERM Power Retail Pty Ltd

---

Australia Post
Pay at any Post Office by cash, cheque ++ or Eftpos payment.

++ Dishonoured cheques or Direct Debits will result in a dishonour fee of $25.00 (plus GST). This will be shown on your next bill.

---

If making your payment please tear off this slip and return it with payment. Other payment options displayed above.

---

ERM Power Retail Pty Ltd
PO Box R1713
Royal Exchange NSW 1225

Attachment 1: December Electricity Account
Report submitted to the Airport Advisory Committee on Wednesday 6 February 2019.

Address: 140 Elizabeth Avenue, FOREST HILL, NSW 2651
Period: 01/12/2018 to 31/12/2018 (31 days)

### Pricing Details

<table>
<thead>
<tr>
<th>Charges</th>
<th>Usage</th>
<th>Unit Price</th>
<th>Loss Factor</th>
<th>Total Price (excl GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW Peak</td>
<td>12,192.000 kWh</td>
<td>15.8742 c/kWh</td>
<td>1.09842</td>
<td>$2,121.90</td>
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<tr>
<td>NSW Off Peak</td>
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<td>8.9103 c/kWh</td>
<td>1.09842</td>
<td>$3,773.03</td>
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<tr>
<td>NSW Shoulder</td>
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<td>13.7021 c/kWh</td>
<td>1.09842</td>
<td>$4,502.11</td>
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<tr>
<td>Environmental Schemes</td>
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<td></td>
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<td></td>
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<tr>
<td>NEES</td>
<td>80,780.400 kWh</td>
<td>0.1545 c/kWh</td>
<td>1.03260</td>
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<tr>
<td>SRECs</td>
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<td>0.6823 c/kWh</td>
<td>1.03260</td>
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<td>LRECs</td>
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<td>Network Charges</td>
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<td>BHN/DSDAO - Peak</td>
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<td>BHN/DSDAO - Demand Peak</td>
<td>131.100 kVA</td>
<td>8.6576 $/kVA/Mth</td>
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<td>BHN/DSDAO - Demand Off Peak</td>
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<td>BHN/DSDAO - Demand Shoulder</td>
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<td>7.8330 $/kVA/Mth</td>
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<td>Market Operator Charges</td>
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<td>AEMO Ancillary Fee</td>
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<td>Metering Charges</td>
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<td>Meter Charge</td>
<td>924.00 $/mtr/pa</td>
<td></td>
<td></td>
<td>$98.98</td>
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</table>

**GST** $1,882.08
**Total (excl GST)** $18,820.60
**TOTAL for NMI 4001244272** $20,702.88

### NMI Profile Summary

- Highest actual metered demand this period: 247.98 kVA
- Power Factor at time of highest metered demand: 0.980
- Load Factor: 46.7%
- Carbon Intensity: 0.75142
- Distribution Loss Factor: 1.03200
- Transmission Loss Factor: 1.06960
- Net Loss Factor: 1.09542

**TOTAL USAGE** 80,780.40 kWh

### Maximum Daily Demand

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<th>Date</th>
<th>Usage (kWh)</th>
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Attachment 1: December Electricity Account
### Adjustment Details (GST Free / Does not attract GST)

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<th>GST</th>
<th>Total (Incl GST)</th>
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<td>$33.82 (CR)</td>
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<tr>
<td>Invoice 2448552 - From 21/1/2019 - To 02/01/2019 - Days: 12 - For A/Not 18704.01</td>
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<tr>
<td>Note that GST is not applicable to the early incentive payment</td>
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**Adjustment Total**

- $33.82
- $0.00
- $33.82 (CR)
### Airport Electrical Meters

**Dec - 2018**

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<th>Account Numbers</th>
<th>Debtor Name</th>
<th>GL Number</th>
<th>Meter #</th>
<th>Previous Reading</th>
<th>New Reading</th>
<th>Total Reading</th>
<th>Multiplier As per Meter</th>
<th>Total Usage (kWh)</th>
<th>Amount Due (GST Inclusive)</th>
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<td>40</td>
<td>110320</td>
<td>$2,562.88</td>
<td>$2,819.15</td>
</tr>
</tbody>
</table>

**Totals for Debtor Accounts:**

|                          |                           | 30773 | $9,732.57 | $10,705.83 |

---

**Attachment 2: December Electricity Account - Various Users invoiced**
Compiled AASB Standard

AASB 120

Accounting for Government Grants and Disclosure of Government Assistance

This compiled Standard applies to annual reporting periods beginning on or after 1 July 2012 but before 1 January 2013. Early application is permitted. It incorporates relevant amendments made up to and including 5 September 2011.

Prepared on 20 June 2012 by the staff of the Australian Accounting Standards Board.

Australian Government
Australian Accounting Standards Board
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*Australian Accounting Standard AASB 120 Accounting for Government Grants and Disclosure of Government Assistance* (as amended) is set out in paragraphs Aus1.1 – 46. All the paragraphs have equal authority. Paragraphs in *italic* type state the main principles. Terms defined in this Standard are in *italics* the first time they appear in the Standard. AASB 120 is to be read in the context of other Australian Accounting Standards, including AASB 1048 Interpretation of Standards, which identifies the Australian Accounting Interpretations. In the absence of explicit guidance, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors provides a basis for selecting and applying accounting policies.
COMPILATION DETAILS

Accounting Standard AASB 120 Accounting for Government Grants and Disclosure of Government Assistance as amended

This compiled Standard applies to annual reporting periods beginning on or after 1 July 2012 but before 1 January 2013. It takes into account amendments up to and including 5 September 2011 and was prepared on 20 June 2012 by the staff of the Australian Accounting Standards Board (AASB).

This compilation is not a separate Accounting Standard made by the AASB. Instead, it is a representation of AASB 120 (July 2004) as amended by other Accounting Standards, which are listed in the Table below.

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* The amendments made by this Standard are not included in this compilation, which presents the principal Standard as applicable to annual reporting periods beginning on or after 1 July 2012 but before 1 January 2013.

(a) Entities may elect to apply the relevant amendments to annual reporting periods beginning on or after 1 January 2009 but before 1 January 2013.

(b) Entities may elect to apply this Standard to annual reporting periods beginning on or after 1 January 2007 but before 1 July 2007.

(c) Entities may elect to apply this Standard to annual reporting periods beginning on or after 1 January 2007 but before 1 July 2007, provided that AASB 101 Presentation of Financial Statements (September 2005) is also applied to such periods.
(5) Entities may elect to apply this Standard or its amendments to individual Standards to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2009.

(6) Entities may elect to apply this Standard to annual reporting periods beginning on or after 1 January 2005 but before 1 July 2012.

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COMPARISON WITH IAS 20

AASB 120 and IAS 20

AASB 120 Accounting for Government Grants and Disclosure of Government Assistance as amended incorporates IAS 20 Accounting for Government Grants and Disclosure of Government Assistance as issued and amended by the International Accounting Standards Board (IASB). Paragraphs that have been added to this Standard (and do not appear in the text of IAS 20) are identified with the prefix “Aus”, followed by the number of the relevant IASB paragraph and decimal numbering.

Compliance with IAS 20

For-profit entities that comply with AASB 120 as amended will simultaneously be in compliance with IAS 20 as amended.
ACCOUNTING STANDARD AASB 120


This compiled version of AASB 120 applies to annual reporting periods beginning on or after 1 July 2012 but before 1 January 2013. It incorporates relevant amendments contained in other AASB Standards made by the AASB up to and including 5 September 2011 (see Compilation Details).

ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE

Application

Aus1.1 This Standard applies to:

(a) each for-profit entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;

(b) general purpose financial statements of each other for-profit reporting entity; and

(c) financial statements of a for-profit entity that are, or are held out to be, general purpose financial statements.

1 As part of AASB 109:05 Amendments to Australian Accounting Standards arising from the Annual Improvements Project issued in July 2009, the Board amended terminology used in this Standard to be consistent with other Australian Accounting Standards as follows:

(a) "taxable income" was amended to "taxable profit or tax loss",

(b) "recognized as income/expensed" was amended to "recognized in profit or loss",

(c) "credited directly to shareholders' interests/equity" was amended to "recognized outside profit or loss", and

(d) "reversion to an accounting estimate" was amended to "change in accounting estimate".
Aus1.2 This Standard applies to annual reporting periods beginning on or after 1 January 2005.
[Note: For application dates of paragraphs changed or added by an amending Standard, see Compilations Details.]

Aus1.3 This Standard shall not be applied to annual reporting periods beginning before 1 January 2005.

Aus1.4 The requirements specified in this Standard apply to the financial statements where information resulting from their application is material in accordance with AASB 1031 Materiality.

Aus1.5 When applicable, this Standard supersedes AASB 1004 Revenue as notified in the Commonwealth of Australia Gazette No S 283, 17 June 1998.

Aus1.6 AASB 1004 issued in June 1998 remains applicable until superseded by this Standard.

Aus1.7 Notice of this Standard was published in the Commonwealth of Australia Gazette No S 294, 22 July 2004.

Scope

1 This Standard shall be applied in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance.

2 This Standard does not deal with:

(a) the special problems arising in accounting for government grants in financial statements reflecting the effects of changing prices or in supplementary information of a similar nature.

(b) government assistance that is provided for an entity in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability. Examples of such benefits are income-tax holidays, investment tax credits, accelerated depreciation allowances and reduced income tax rates.

(c) government participation in the ownership of the entity.

(d) government grants covered by AASB 141 Agriculture.
Definitions

3 The following terms are used in this Standard with the meanings specified.

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm’s length transaction.

Forgivable loans are loans which the lender undertakes to waive repayment of under certain prescribed conditions.

Government refers to government, government agencies and similar bodies whether local, national or international.

Government assistance is action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under certain criteria. Government assistance for the purpose of this Standard does not include benefits provided only indirectly through action affecting general trading conditions, such as the provision of infrastructure in development areas or the imposition of trading constraints on competitors.

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

Grants related to income are government grants other than those related to assets.

See also Interpretation 116 Government Assistance – No Specific Relation to Operating Activities, as identified in AASB 1010 Interpretation and Application of Standards.

AASB 120-compiled 10 STANDARD
Government assistance takes many forms varying both in the nature of the assistance given and in the conditions which are usually attached to it. The purpose of the assistance may be to encourage an entity to embark on a course of action which it would not normally have taken if the assistance was not provided.

The receipt of government assistance by an entity may be significant for the preparation of the financial statements for two reasons. Firstly, if resources have been transferred, an appropriate method of accounting for the transfer must be found. Secondly, it is desirable to give an indication of the extent to which the entity has benefited from such assistance during the reporting period. This facilitates comparison of an entity’s financial statements with those of prior periods and with those of other entities.

Government grants are sometimes called by other names such as subsidies, subventions, or premiums.

**Government Grants**

7 Government grants, including non-monetary grants at *fair value*, shall not be recognised until there is reasonable assurance that:

(a) the entity will comply with the conditions attaching to them; and

(b) the grants will be received.

8 A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

9 The manner in which a grant is received does not affect the accounting method to be adopted in regard to the grant. Thus a grant is accounted for in the same manner whether it is received in cash or as a reduction of a liability to the government.

10 A *forgivable loan* from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

10A The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with AASB 139 *Financial Instruments*:
Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with AASB 139 and the proceeds received. The benefit is accounted for in accordance with this Standard. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

11. Once a government grant is recognised, any related contingent liability or contingent asset is treated in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

12. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

13. There are two broad approaches to the accounting for government grants: the capital approach, under which a grant is recognised outside profit or loss, and the income approach, under which a grant is recognised in profit or loss over one or more periods.

14. Those in support of the capital approach argue as follows:

(a) government grants are a financing device and should be dealt with as such in the statement of financial position rather than be recognised in profit or loss to offset the items of expense that they finance. Because no repayment is expected, such grants should be recognised outside profit or loss.

(b) it is inappropriate to recognise government grants in profit or loss, because they are not earned but represent an incentive provided by government without related costs.

15. Arguments in support of the income approach are as follows:

(a) because government grants are receipts from a source other than shareholders, they should not be recognised directly in equity but should be recognised in profit or loss in appropriate periods.

(b) government grants are rarely gratuitous. The entity earns them through compliance with their conditions and meeting the envisaged obligations. They should therefore be recognised in profit or loss over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate.
(c) because income and other taxes are expenses, it is logical to deal also with government grants, which are an extension of fiscal policies, in profit or loss.

16 It is fundamental to the income approach that government grants should be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate. Recognition of government grants in profit or loss on a receipts basis is not in accordance with the accrual accounting assumption (see AASB 101 Presentation of Financial Statements) and would be acceptable only if no basis existed for allocating a grant to periods other than the one in which it was received.

17 In most cases the periods over which an entity recognises the costs or expenses related to a government grant are readily ascertainable. Thus grants in recognition of specific expenses are recognised in profit or loss in the same period as the relevant expenses. Similarly, grants related to depreciable assets are usually recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised.

18 Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations. As an example, a grant of land may be conditional upon the erection of a building on the site and it may be appropriate to recognise the grant in profit or loss over the life of the building.

19 Grants are sometimes received as part of a package of financial or fiscal aids to which a number of conditions are attached. In such cases, care is needed in identifying the conditions giving rise to costs and expenses which determine the periods over which the grant will be earned. It may be appropriate to allocate part of a grant on one basis and part on another.

20 A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

21 In some circumstances, a government grant may be awarded for the purpose of giving immediate financial support to an entity rather than as an incentive to undertake specific expenditures. Such grants may be confined to a particular entity and may not be available to a whole class of beneficiaries. These circumstances may warrant recognising a
grant in profit or loss of the period in which the entity qualifies to receive it, with disclosure to ensure that its effect is clearly understood.

22 A government grant may become receivable by an entity as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable, with disclosure to ensure that its effect is clearly understood.

Non-monetary Government Grants

23 A government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.

Presentation of Grants Related to Assets

24 Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

25 Two methods of presentation in financial statements of grants (or the appropriate portions of grants) related to assets are regarded as acceptable alternatives.

26 One method recognises the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

27 The other method deducts the grant in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

28 The purchase of assets and the receipt of related grants can cause major movements in the cash flow of an entity. For this reason and in order to show the gross investment in assets, such movements are often disclosed as separate items in the statement of cash flows regardless of whether or not the grant is deducted from the related asset for presentation purposes in the statement of financial position.
Presentation of Grants Related to Income

29 Grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense.

29A [Deleted by the IASB]

30 Supporters of the first method claim that it is inappropriate to net income and expense items and that separation of the grant from the expense facilitates comparison with other expenses not affected by a grant. For the second method it is argued that the expenses might well not have been incurred by the entity if the grant had not been available and presentation of the expense without offsetting the grant may therefore be misleading.

31 Both methods are regarded as acceptable for the presentation of grants related to income. Disclosure of the grant may be necessary for a proper understanding of the financial statements. Disclosure of the effect of the grants on any item of income or expense which is required to be separately disclosed is usually appropriate.

Repayment of Government Grants

32 A government grant that becomes repayable shall be accounted for as a change in accounting estimate (see AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors). Repayment of a grant related to income shall be applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment shall be recognised immediately in profit or loss. Repayment of a grant related to an asset shall be recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant shall be recognised immediately in profit or loss.

33 Circumstances giving rise to repayment of a grant related to an asset may require consideration to be given to the possible impairment of the new carrying amount of the asset.

Government Assistance

34 Excluded from the definition of government grants in paragraph 3 are certain forms of government assistance which cannot reasonably have
a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

35 Examples of assistance that cannot reasonably have a value placed upon them are free technical or marketing advice and the provision of guarantees. An example of assistance that cannot be distinguished from the normal trading transactions of the entity is a government procurement policy that is responsible for a portion of the entity’s sales. The existence of the benefit might be unquestioned but any attempt to segregate the trading activities from government assistance could well be arbitrary.

36 The significance of the benefit in the above examples may be such that disclosure of the nature, extent and duration of the assistance is necessary in order that the financial statements may not be misleading.

37 [Deleted by the IASB]

38 In this Standard, government assistance does not include the provision of infrastructure by improvement to the general transport and communication network and the supply of improved facilities such as irrigation or water reticulation which is available on an ongoing indeterminate basis for the benefit of an entire local community.

Disclosure

39 The following matters shall be disclosed:

(a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements;

(b) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

(c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Transitional Provisions

40 [Deleted by the AASB]
Effective Date

41. [Deleted by the AASB]

42. [Deleted by the AASB]

43. Paragraph 37 was deleted and paragraph 10A added by AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project issued in July 2008. An entity shall apply those amendments prospectively to government loans received in annual reporting periods beginning on or after 1 January 2009. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact.

46. AASB 2011-9 Amendments to Australian Accounting Standards — Presentation of Items of Other Comprehensive Income, issued in September 2011, amended paragraph 29 and deleted paragraph 29A. An entity shall apply those amendments when it applies AASB 101 as amended in September 2011.
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| WAGGA   | 16      | 1500.93    | 157.06  | 1677.99 |
Hi Geoff,

Thank you for your email, and in relation to information request Council provides the following:-

Your Letter of 19 December 2018 and 29 January 2019 - $20K budget for M&R Terminal

Seats: We have invited quotes to re-upholster 1120 seats in the waiting lounge with durable commercial synthetic material as opposed to replacing the complete seat sets. This way we re-use the framework and will save money. The quotes have not been received as yet. We do not have to attend to the seats in the departures lounge as they are still in good condition—very little liquids enter the departures lounge, which is the cause of the stains to seats in the check-in lounge.

Floor Coverings: The waiting lounge carpets are stained beyond the point we no amount of cleaning has any real effect. We have invited quotes, and the contractor that originally installed the existing carpets 14 years ago provided some significant information. The terminal was originally divided into functional areas with low separating walls. The flooring in these different areas were not uniform; some screed concrete, and some even brick paved. When the existing flooring had to be installed, the walls were removed and the overall floor brought to a standard that would accept carpets. It is not very smooth, but that defect is compensated for by using textile carpets with a base layer. That way the irregularities of the floor was hidden.

Buildings, Services and Systems: The infrastructure, services and systems are ageing and require increased maintenance. To date no provision was made in the budget for services and systems, and maintenance and repairs for such items had to be done through other budget items. I originally requested additional job numbers for services and systems, but Derryl suggested changing the Building Maintenance M&R to include service and systems, and increase that amount by $20,000. Part of this is to replace an air-conditioning unit that has been out of order for some time and was not replaced due to budgetary constraints.

Your Letter of 19 December 2018 and 29 January 2019 - $20K budget for M&R Pavements

#47036 Pavements Maintenance: To taxiway A as provided in the response to Qantas, and allowance for movement areas that deteriorate during the year.

Your Letter of 19 December 2018 and 29 January 2019— Status Report Bay 4

Bay 4: The slight rutting of the wearing course along the wheel tracks on that bay is to be expected following the high-lift asphalt laid down. The asphalt continues compressing, which in fact hardeners the layers. The rutting does not show any signs of ridging or cracking.

Your Letter of 29 January 2019 – AVDATA information requested

1. AVDATA Income raised and associated fees—July to December 2018:
2. Annual landing charges raised in Council’s debtor system for July to December 2018 totalled $17,899.27.

3. Australian Airports Association provide Council with remittance advices and reports for Defence landings [attached example — August 2018 = B100011768] — income is then paid direct to Council's bank account and fees/income are split to relevant accounts.

4. In regards to aero medical services, Council's 2018/19 adopted fees and charges show the following:

5. The fee for 2019/20 is proposed to remain at no charge.

6. AVDATA fees are included in the table under item 1. above.

7. On a monthly basis AVDATA provides Council with a summary of all invoices raised for the month, income received, fees, adjustments, and a list of outstanding debts. Any debts that remain unpaid after 90 days are referred to Council's external debt collection agency who commence recovery action.

With reference to the other comments in your letter of the 29 January, namely Terms of Reference of the AAC — principle aim and establishment of independent authority, suggest we discuss these issues in the AAC meeting.

Regards,

Darryl Woods
Senior Project Manager

1306 390 442
d +61 2 6926 9439 | m 0409 112 337
e Woods.Darryl@wagga.wa.gov.au
Wagga Wagga City Council • 243 Bayly Street (PO Box 20) • Wagga Wagga NSW 2650
From: Geoff Breust <gbreust@bigpond.net.au>
Sent: Tuesday, 29 January 2019 8:24 PM
To: Ingram, Maree <ingram.maree@wagga.nsw.gov.au>; Thompson, Peter
<thompson.peter@wagga.nsw.gov.au>
Cc: Angel, Caroline <angel.caroline@wagga.nsw.gov.au>; Burger, Leon <burger.leon@wagga.nsw.gov.au>
'Cris Cabot' <criscabot@waggaaircentre.com>; Councillor Dan Hayes <dan.hayes@wagga.nsw.gov.au>
Councillor Kerry Pascoe <pascoe.kerry@wagga.nsw.gov.au>; 'Danielle Wait'
danielle.wait@bestwestern.com.au; Donges, Melissa <donges.melissa@wagga.nsw.gov.au>; 'Elton
Passini' <eltonpassini@qantas.com.au>; 'Encore Aviation' <admin@encoreaviation.com.au>; Hilton, Carmel
<hilton.carmel@wagga.nsw.gov.au>; 'Iain Carty' <iain.carty@defence.gov.au>; 'Jenny Cabot'
jenny@waggaaircentre.com; 'Joshua Dorey' <joshuadorey@qantas.com.au>; 'Rob Gray'
<rogray.ionics@hotmail.com>; 'Robert Loxton' <jrlloxton@hotmail.com>; Rodney, Carolyn
<Rodney.Carolyn@wagga.nsw.gov.au>; Gray, Scott <gray.scott@wagga.nsw.gov.au>; Te Pohe, Natalie
<TePohe.Natalie@wagga.nsw.gov.au>; 'Wagga Air Centre' <admin@waggaaircentre.com>; 'Warrick Lodge'
warrick.lodge@fre.com.au; Woods, Darryl <Darryl.Woods@wagga.nsw.gov.au>; 'Lim KimHal'
lkimhal@limtrust.com.

Subject: WAGGA WAGGA AIRPORT ADVISORY COMMITTEE - REVISED SUBMISSION RE 2019/20 BUDGET

Dear Maree,

Please see attached my revised submission concerning the 2019/20 Airport Budget and related matters.

Kind regards,

Geoff

Geoff Breust
President

Mobile: 0417 690206
Email: gbreust@bigpond.net.au
Brian Favell  
Wagga Wagga City Council  
Wagga Airport  
favell.brian@wagga.nsw.gov.au  
PO Box 20  
WAGGA WAGGA NSW 2650

Recipient Created Tax Invoice

Reference #: 00011768
Date: 29/11/2018
Page: Page 1 of 1

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  Airport - for August 2018  
  We received a payment on behalf of your airport,  
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  according to data provided to the AAA.  
  Net balance after our charges are deducted, will  
  be paid directly into your airport's nominated bank  
  account.  
  Receipt of payment is NOT required.  
  LESS AAA Charges;  
  Aircharges Fee  
  Administration Fee  | $0.00 | $0.00 | $0.00 | GST |
|          | $1,570.83 | $157.08 | $1,727.91 | GST |
|          | -$5.92 | -$0.59 | -$6.51 | GST |
|          | -$82.84 | -$8.28 | -$91.12 | GST |

PLEASE CHECK YOUR AIRPORT SUMMARY SHEET CAREFULLY

GST: $150.21
Total Inc GST: $1,652.28
Amount Paid Today: $1,652.28

Australian Airports Association (AAA)
2/4 Brindabella Court, Wagga Airport, NSW 2690
T +61 6230 1110 F +61 6230 1367
w.airports.asn.au ABN 89 008 647 336
RP-3 AIRPORT REVIEW - SCOPE OF WORKS

Author: Darryl Woods
Director: Caroline Angel

Summary: Airport Review of budgeted items - Council staff have incorporated feedback from the informal Airport Advisory Committee meeting held on the 29 November 2018 and Airport Advisory Committee meeting held on the 19 December 2018.

Recommendation

That the Committee:

a. note the contents of the report
b. endorse the scope of works for the Wagga Wagga airport review

Report

Further to the Airport Review report presented to the Airport Advisory Committee meeting of 3 October 2018, a draft scope of works is attached for the Committee’s review.

Financial Implications

Council has budgeted $20,000 for this work

Policy and Legislation

N/A

Link to Strategic Plan

Community Leadership and Collaboration
Objective: We have strong leadership
Outcome: We are accountable and transparent

Risk Management Issues for Council

N/A

Internal / External Consultation

Report the outcome Council for approval to undertake consultancy.

Attachments

1. Wagga Wagga City Council - Airport Review - Draft Scope - February 2019
1. Introduction

1.1 Background
Wagga Wagga City Council is undertaking a review of its Airport operations, budgeted cost and market competitiveness. The Council is seeking interest from suitably qualified consulting companies to undertake the review.

1.2 Wagga Airport Advisory Committee
Wagga Airport has an Airport Advisory Committee (AAC). The membership of the committee consists of:
- Two Wagga Wagga City Councillors
- Airline representatives from REX and Qantas
- Commercial operators on the Airport
- General Aviation representation
- Royal Australian Airforce, as the Airport is leased from the Department of Defence
- Wagga Wagga Business Chamber

The AAC will be active in the review process. Consulting companies should allow in their pricing to consult with each member of the Airport Advisory Committee and two presentations to the committee, the second presentation being to present the draft report and findings. The first presentation should be on review scope and methodology.

1.3 Capability sought from Consulting Companies
The Council is seeking Consulting companies with experience in the aviation sector, preferably with Airport experience with in-house expertise in operational, regulatory and critical financial analysis. Consulting companies should also have a good understanding of Airline operators.

1.4 Scope items that require benchmarking
Where a scope items includes benchmarking the following Airports should be referenced in establishing benchmarking comparison, if the Airport is willing to participate and provide data and information:
- Coffs Harbour
- Albury
- Griffith
- Orange
- Dubbo
- Port Macquarie
- Tamworth
- Parkes

2 Scope of the Review

2.1 Airport Staffing and Manning Levels (Benchmarking)
The review is to consider the staffing and manning levels reporting on the following focus items:

1. What is the minimum regulatory staffing requirements for Wagga Airport and how does this compare to the benchmarked Airports?

2. What are the maintenance requirements at each airport and how these are met?
   a. Routine maintenance and breakdowns
      i. Airfield lighting
      ii. Terminal and landside activities
   b. Specialised maintenance activities
   c. Landside and Airside mowing and maintenance
   d. Garbage collection and management

3. What is the “nice to have” positions?

2.2 Review of Internal Charges (Benchmarking)

Wagga Wagga City Council cross charges the Wagga Airport for shared services and also cost recovery on the supply / maintenance and fuelling of plant and equipment. The scope of the review will include the following:

1. People Services (ie. Council support services internal charges)
   a. What is the nexus/value of the staff position (or part) to airport business?
   b. Are the services provided consumed in airport business?

2. Plant & Equipment (includes IT, tractors, utes, insurances etc)
   a. Cost to demand for airport business
   b. How is cost budgeted (methodology)

2.3 Method of account keeping and presentation of accounts

Council use the below accounting standards in handling the accounts for the Airport. Council is not currently cost recovering depreciation as part of the cost recovery from charges levied on users.

- AASB 118 – Revenue
- AASB 1004 – Contribution
- AASB 13 – Fair Value measurement
- AASB 116 – Property, Plant and Equipment

The appropriateness of the accounting was raised by the AAC and the following items are to be reviewed and benchmarked where noted.

1. Wagga Airport currently accounts for paying interest + principle in the cost accounts, depreciation is also costed in the accounts.

2. Including depreciation would be “double dipping”

3. The review of this issue is to consider the following: (Benchmarking)
   a. Depreciation should not include grants and gifts. These should be treated a particular way in depreciation, calculation method.
   b. Review depreciation valuation and change these to reflect reviewed valuation.

2.4 Depreciation Calculation (Benchmarking)
Wagga Airport leases the Airport from the Federal Department of Defence. The lease has a base rate and also includes a percentage charge for capital improvements. The lease expires in 2025. The reviewer is requested to undertake a first principle review of the depreciation for the Wagga Airport including developing appropriate methodology for setting the depreciation rates.

2.5 Determining Appropriate Head Tax (Benchmarking)
The review with the assistance of Benchmarking the review should make recommendations comparing to other Airports.

The review should investigate and discuss the merits of two potential approaches listed below:
1. Build up revenue with surplus – no borrowings or interest
or
2. Run a low reserve with strategy being, borrow when needed and pursue grants or bonds no reserve.

2.6 Wagga Wagga – Market Positioning (Benchmarking)
1. Review the Wagga Airport passenger tax to the Benchmark Airports
2. Review of historical ticket price to Benchmark Airports

3 Timing
Key dates for the review:-
1. Report to Council noting Airport Review 25 February 2019
2. Issue RFP to prospective consulting contractors 1 March 2019
3. RFP closing date 29 March 2019
4. Evaluation and presentation to the AAC 15 April 2019
5. Appoint Consultant contractor 30 April 2019
6. Complete Review Draft report to AAC 1 July 2019
7. Final Report 1 August 2019
QUESTIONS WITH NOTICE
MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

PRESENT
Councillor Dan Hayes  Wagga Wagga City Council
Mr Josh Dorey  Qantaslink
Mr Warrick Lodge  Regional Express
Mr Geoff Breust  Aviation Industry Participant

IN ATTENDANCE
Peter Thompson  General Manager
Caroline Angel  Director Commercial Operations
Natalie Te Pohe  Director Finance
Darryl Woods  Senior Project Manager
Leon Burger  Airport Manager
Liz Cox  Minute Taker

The meeting of the Airport Advisory Committee commenced at 6:00pm.

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.

APOLOGIES
Councillor Kerry Pascoe  Wagga Wagga City Council
Mrs Danniele Wait  Wagga Wagga Business Chamber
Carolyn Rodney  Manager Finance
Mr Ross Magno  Department of Defence - RAAF

CONFIRMATION OF MINUTES

CM-1  AIRPORT ADVISORY COMMITTEE MINUTES - 3 OCTOBER 2018

Recommendation:
On the Motion of W Lodge and J Dorey

That the Minutes of the proceedings of the Airport Advisory Committee Meeting held on 3 October 2018 be confirmed as a true and accurate record.

CARRIED
MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

DECLARATIONS OF INTEREST

NIL

REPORTS FROM STAFF

RP-1 AIRPORT ADVISORY COMMITTEE - MEETING DATES 2019

Recommendation:
On the Motion of W Lodge and J Dorey

That the Committee adopt the 2019 meeting schedule

CARRIED

P Thompson – additional meeting to be scheduled in between February and May 2019. J Dorey – this is also noted in the report, that additional workshops and meetings may be scheduled.

RP-2 2019/20 DRAFT AIRPORT BUDGET

Recommendation:
On the Motion of J Dorey and W Lodge

That the Committee:

a. Receive and note the draft budget details, including the proposed fees and charges contained within the report

b. Provide feedback to Council on the draft budget by 29 January 2019

c. Confirm that when fees and charges are finally adopted by Council, all companies represented on the committee will receive notification of those charges in accordance with Councils standard notification procedures and in line with notifications sent to all Wagga Wagga City Airport users.

CARRIED

Discussion Points:

• W Lodge – hasn’t had an opportunity to look at the budget yet. Noted that it is a tight timeframe to have feedback completed by the 11 January 2019, considering the Christmas break. Would like to have this date pushed out to end January 2019.
• P Thompson – Noted that this may affect the budget process and that 11 January should be the target date with an informal meeting at the end of January. And then
two weeks after that date have a formal meeting on the 6 February 2019. Does the Committee agree to an informal meeting in late January 2019?

• All – agreed to additional informal meeting in late January 2019.

• N Te Pohe – it is important to note that Council is required to provide a minimum of 28 days, with a submission period of 42 days for the budget process.

• W Lodge – The main queries for him are regarding the fees and charges, CPI related increase and that he was surprised about the fee increases. He thought it would be a far better approach not to touch the fees and charges and to put more strength into the Working Group. Also that there are changes to the forecasting passenger numbers which would see a larger increase over and above the CPI increases noted.

• G Breust – Would like further explanation around the budget and proposed fees and charges. Would prefer the end of January 2019 for the feedback due date, to allow enough time to respond.

• Cr Hayes – Late January, will that allow enough time for Council to consider the report in February.

• N Te Pohe – Noted her concerns regarding the timeframes for reports to be included in the Council business papers.

• P Thompson – An outcome from the last meeting was that information would be provided at this meeting. Peter explained the process for reports to be presented to Council. Noted that there are two main priorities for the Committee to consider:

1. To have the three months’ notice notification, with information then falling short at around two and a half months’ notice or:

2. The ability to have better discussions regarding these important discussions.

So the proposed way forward would be for:

• information to be sent out to the Committee,
• the Committee digests the information,
• Working Group meeting to be held,
• Digest the information,
• 29 January end of submissions;
• 6 February 2019 Airport Advisory Committee meeting held.

• P Thompson – requested C Angel distribute this information to the Committee before Friday 21 December 2018.

• J Dorey – advised that he didn’t want the adoption of the budget to be noted that this is formal acceptance from Qantaslink and that they would be able to provide additional feedback on the budget, via the normal feedback process.

• P Thompson - Change to recommendation to include a point c.to allow for concerns raised by J Dorey.

• D Woods - noted that there are some main areas to be considered regarding the budget including staffing, internal charges, documenting plant and equipment and depreciation.

• G Breust – Would like more detailed information around the rational regarding the fees and charges and CPI increase.

• W Lodge – Would like to know if there will be routine CPI increases?

• P Thompson – Provided notes from the last Committee Meeting on what the main areas of concern for the Committee. Advised that he would circulate the notes to the Committee.

• W Lodge – How does the budget get set, based on the charges at the Airport? Footprint of the Airport to be discussed.
MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

- D Woods – advised that it is baseline work and that the proposed new screening can be added to the budget as needed. The fees and charges need to be finalised to ensure we meet legislative requirements and to move ahead.
- W Lodge – Noted that some of the screening equipment is reaching the end of its life and that the working group had been discussing the equipment.
- L Burger – the replacement of the screening equipment project runs parallel with the requirements for security changes that are required to be made.
- Cr Hayes – is cautious about getting caught up with Council’s budget process and that it needs to progress as legislated.
- G Breust – discussed the need for an independent audit and noted that this would take time and that this would make the 19/20 budget easier for the Committee. This will take into account the need for new security measures. There will need to be new terms of reference in relation to the independent auditor.

RP-3 DRAFT PRELIMINARY AIRSPACE REVIEW OF WAGGA WAGGA NSW

Recommendation:
On the Motion of W Lodge and D Hayes

That the Committee note the contents of the attached Preliminary Airspace Review of Wagga Wagga, NSW

CARRIED

G Breust – no changes

RP-4 WAGGA WAGGA AIRPORT SECURITY COMPLIANCE SYSTEM TEST FINDINGS

Recommendation:
On the Motion of D Hayes and J Dorey

That the Committee note the contents of this report

CARRIED

RP-5 AIRPORT SECURITY CHANGES - PRELIMINARY DISCUSSION

Recommendation:
On the Motion of D Hayes and W Lodge

That the Committee note the contents of this report.

CARRIED
Reports submitted to the Airport Advisory Committee to be held on Wednesday 6 February 2019.

MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

Discussion Points

• D Woods – provided a presentation regarding the proposed changes to the security screening footprint.
• J Dorey – unsure why the presentation was provided on designs.
• D Woods – noted that this was just to start the conversation and that changes would be required to need to be made to the Airport to allow for larger security screening area and building changes that would need to be made to allow for this.
• G Breust - suggested an extension to the East.
• L Burger – advised that this is currently office space and where air conditioning units are placed.
• W Lodge – said that REX customers are not required to be screened as their planes are under 40 seats, as this is what is stated in the regulations.
• J Dorey – all Qantas planes are required to be screened.
• Cr Hayes – asked Peter how do we get the Committee involved? How do we move forward? Further briefing needs to be provided.
• P Thompson – need to look at existing floorplan to cater for all crowds. Peter had seen that on occasions there is inadequate seating for peak periods, with people sitting on the floor in the existing arrangements. So if there is an increased area needed for the security screening something will need to be done. May need to consider two different areas for REX and QantasLink.
• Cr Hayes – could a detailed briefing report be presented to the 6 February 2019 meeting for a more detailed discussion?
• P Thompson – yes
• J Dorey – he didn’t feel that we need to structurally make any changes and that only one plane of glass may need to be removed to allow for a larger screening area.
• D Woods – noted that the 25 metre line up area for screening is a much larger area than is existing, as noted on the drafted plans. This will make a difference to the amount of customers lining up to be screened and that all options should be considered and not just what he has drafted today.
• C Angel – asked if all areas could be looked at, such as reducing the existing check-in footprints by REX and QantasLink?
• J Dorey – yes that would be acceptable
• W Lodge – cannot see how any space could be gained as the two counters for Rex (covering services to SYD & MEL) and the two counters for QantasLink (covering up to a 74seat aircraft) were covering the minimum requirements and that reducing check-in space (or reducing counters) would actually lead to more congestion. Given that the check-in counters previously used by JetGo are no longer used, could they possibly be reviewed.
• P Thompson – Council will be applying for the grant funding that is available for the screening equipment, to ensure that we meet the deadline for the installation by 2020.
• L Burger – required to know what we are purchasing before we can submit a grant application. There is also a 50 per cent difference in the sizes of the equipment.
• J Dorey – depending on supplier this will also have an impact on the differences in processing of screening.
• D Woods – Council will have to contact suppliers to provide their recommendations based on the space available and how to adapt the equipment to suit.
• Cr Hayes – can the grant application come back to the 6 February 2019 meeting for discussion.
MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

- D Woods – yes and Council will be applying for the grant funding without knowing the equipment to be purchased as there is Council’s tender process to be considered and this will be noted in the grant application. Would like to request an informal meeting with Qantas staff to further discuss screening requirements?
- J Dorey – that’s acceptable and willing to assist.
- Cr Hayes – briefing to come back to the 6 February 2019 meeting and to include the investigation into the screening equipment, proposed floorplans, designs for arrivals and departures and the reduction of floor space for REX and Qantaslink.
- W Lodge – would like to have clear pathways for arrivals and departures, so that crowds are adequately managed in peak periods.
- Cr Hayes – any feedback regarding these changes should come back to this Committee for further discussion.

Flooring and Seating
- J Dorey – why are we replacing the flooring and seating in 19/20, when the screening change is scheduled to occur in 2020?
- D Woods – regular complaints are being received on the condition of the carpet and seating. The flooring and seating are not able to be cleaned further due to the staining. They simply just need to be upgraded.
- C Angel – seats will need to be able to be relocatable, to accommodate any futureproofing changes to seating and screening requirements.
- J Dorey – may be just replacing the seat coverings and not the whole structure may work. Also a more practical darker style fabric and flooring should be considered.

Security Screening
- L Burger – the existing security equipment was due to be replaced in 2020. The existing equipment will remain in place until the new system is installed, but will not be current after 2020. This is normal replace of equipment charges. The grant and replacement screening are two separate matters as one is at the end of its life cycle and the other is in regarding to increasing the security requirements.
- Cr Hayes – Will the existing equipment be supported until 2020?
- L Burger – yes, the manufacturer has advised that they will continue to provide service and support until this date.
- G Breust – Council should start to lobby hard to receive funding to cover the costs of the infrastructure funding required to make these changes. This is a real Federal government issue.
- Cr Hayes – advised that whoever is elected next year that they will be required to lobby and seek funding from possibly the Snowy Hydro funding.

Miscellaneous
- N Te Pohe – indicated that she would distribute the accounting standard from the ATO to the Committee for their information.
- G Breust – request for the presentation from D Woods to be distributed to the Committee.
- J Dorey – the car park has reached its capacity and it has previously been discuss putting down gravel on a grassed area to create more space. Can advise be provided on whether this is achievable?
- P Thompson – yes that is an option
MINUTES of the AIRPORT ADVISORY COMMITTEE held on Wednesday 19 December 2018.

- Cr Hayes – staff to email J Dorey regarding the solution/s for additional car parking and to place on the agenda for the next meeting.

QUESTIONS WITH NOTICE

No Questions With Notice were received.

The Airport Advisory Committee rose at 8:10pm.