

PRESENT

Councillor Dan Hayes	Wagga Wagga City Council
Councillor Kerry Pascoe	Wagga City Council
Mr Joshua Dorey	Qantaslink
Mr Warrick Lodge	Regional Express
Mrs Danielle Wait	Wagga Wagga Business Chamber
Mr Nicholas Pausina	Department of Defence – RAAF
Mr David Lloyd	Department of Defence - RAAF
Mr Geoff Breust	Aviation Industry Participant

IN ATTENDANCE

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

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

ACKNOWLEDGEMENT OF COUNTRY

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

APOLOGIES

Mrs Jenny Cabot	Aviation Industry Participant
Mr Iain Carty	Department of Defence – RAAF

CONFIRMATION OF MINUTES

CM-1 MEETING MINUTES - 19 DECEMBER 2018

19/023 Recommendation:

On the Motion of Councillor D Hayes and J Dorey

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.

CARRIED

DECLARATIONS OF INTEREST

No Declarations of Interest received.

REPORTS FROM STAFF

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

19/024 Recommendation:

On the Motion of W Lodge and Councillor K Pascoe

That the Committee:

- a Note that three 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**

CARRIED

The committee held a lengthy discussion on *RP-1 Submissions Received For The 2019/20 Draft Budget* report. Areas discussed included:

W Lodge - 2019/20 Rex budget submission has been put forward. With no Airport review work done to date, REX feels that charges should be frozen until the work has been completed by the Airport review. There has been an increase in passenger numbers, a 10% increase in RPT Head tax prior to FY18 and the committee reluctantly accepted the CPI increase last year embarked as part of the FY19 budget process due to the tight timelines that were imposed. Should hold airport charges until the airport review is completed. REX don't agree with a CPI increase. Year to date FY19 Rex passenger numbers Wagga to Sydney are up by 8%, Wagga to Melbourne are up by 5% so there is no need to increase airport fees and charges by CPI. Increasing fees and charges is not showing enough confidence in the Airport review process. REX maintains its opposition to an increase in Fees and Charges for these reasons.

Cr Kerry Pascoe - Doing a substantial review, find it hard to know why fees and charges are to be increased when figures are up re passenger numbers.

N Te Pohe - Need to look at the overall position of the airport as it is in a poor position financially re asset maintenance capacity. Hold revenue this year as past years we have been losing revenue.

Cr Pascoe - Why do the review or benchmarking, wrong way around!

W Lodge - REX provided passenger forecast numbers for FY19/20 however is unsure what passenger numbers were included in the current 18/19 budget. Rex asked this question prior to the meeting but answer has not been provided.

There is a view expressed by Council that there wasn't sufficient funds going into the airport reserve. This is a fundamental part of the airport review and a discussion is required - do we need to a large monetary reserves or rather look to Government funding for capital projects?

This year's budget is not taking into account what will be discussed in the airport review. It will be an increase cost for Qantas and REX as RPT carriers

Cr Hayes - Increase passenger numbers should negate the need for an increase in passenger head tax. How does passenger tax increase?

W Lodge - Grow the airport head tax revenue through increased passenger numbers. No justification to put up Fees and Chagres by CPI. The head tax rate should not be considered as static and subject to automatic CPI increases. Should consider increases in passenger numbers which in turn increases airport head tax revenue.

CR Hayes - There is not enough in reserves.

W Lodge - For example, REX's passenger number have increased by 8% Wagga/Sydney, 5% for Wagga/Melbourne in the current financial year have not added any additional costs to Wagga airport. With some of the 15 airports that REX deal with regionally, REX only has to pay the same amount each year regardless of passenger numbers and flights. It is the airport revenue that is important.

Cr Hayes - To pause everything until the review is done is not realistic, we should continue as normal until the review is completed.

G Breust - I endorse WL's comments - Review first half 18/19 FY increase over budget - on this basis look at additional CPI increase carefully

Agreed to review costs and efficiencies 12 months ago, haven't got through this. The committee had to agree to budget going forward last year with CPI increase.

Review has to happen and in a good timeframe - we need to get it done.

P Thompson - From a regulatory perspective Council can increase fees and charges by any amount, is it that we just choose to use CPI?

N Te Pohe - Yes

P Thompson- Will put up a report to Council recommending a budget –as a sign of good faith will recommend not to support a 1.9% CPI increase although I would need to see the effect on expenditure in other areas of Council.

For the sake of keeping pace of inflation, Council would not increase fees and charges this year in line with CPI, with a goal of finishing the review.

At the informal working group meeting held at the REX office in November 2018, I believe offers were made at this meeting by REX to contribute to the cost of the consultant for the review and possibly terminal expansion.

I'm hearing the argument against a CPI increase - would sign of in good faith not to introduce the 1.9% increase this year, however depending on the outcome of the review, possibly increase charges by 4% the following year if the committee do not get to a comfortable point. We should know what we are doing after the review has been completed.

W Lodge - The 4% increase may be achieved through cost savings and efficiencies found as a result of the review and therefore an increase may not be required.

P Thompson - Need to do a review to understand what the industry is doing and how Wagga airport compares.

N Te Pohe - Can provide the General Manager with more details prior to the budget report going to Council.

Having not attended the informal meeting at the REX office last November, I am not aware of the offer of capital investment from Qantas or REX as this time.

P Thompson - The Informal November meeting was positive with agreement on the TOR for review - chase this rather than CPI increase. WE may have to play catch up down the track.

C Rodney - If the CPI increase does not occur, this will affect airport reserve.

G Breust - Would not like to be locked in to 4% increase next year.

P Thompson - Once the review is done if the committee have a different view to staff, the Committee will have the opportunity to make recommendations to Council

RP-2 FINANCIAL INFORMATION REQUESTED

19/025 Recommendation:

On the Motion of Councillor D Hayes and W Lodge

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**

CARRIED

The committee held a lengthy discussion on *RP-2 Financial Information Requested* report . Areas discussed included:

W Lodge - Points a,b,c and d – will be covered in the airport review. Given that the Business Paper was only received two days ago I have not had a good chance to look at the accounting standards re depreciation. REX will come back with comments. Do not really understand the excel spreadsheet re electricity - this is the type of area that the Airport review can look at.

D Woods - Issue with the airport review is that there is only a budget of \$20k allocated. there are a number of items that can be covered off within the Committee. If we add more funds we can encompass everything, Deleted users in the electricity spreadsheet (confidential information). Recovery matches monthly line items.

L Burger - It is very difficult to predict income because it is difficult to predict electricity usage. Increase income (higher) extremely difficult to forecast.

D Woods - Loading up the review will push review timeframes out. Need to look at hard items that we have been discussing throughout last year. There is only \$20k for the review - I don't think we will fit the budget with the current scope.

W Lodge - Agree that questions re electricity costs should be able to be dealt with by the Committee. REX will come back formally re accounting standards. Plant and equipment should be part of the broader airport plan review.

D Woods - Committee need to agree that they are the only concerns that the Committee has per the review otherwise we are going around the buoy again and again. External review was only agreed to at the November informal working group meeting where it was agreed to bring in an external party. Minimum scope will keep costs down and will turn the report around quicker. Need to look at items that really concern the Committee.

C Angel - Just keep going backward/forwards - the committee need to categorically agree on the items for the review. Other pieces that we have expertise in the room to deal with - separate these out from the formal review. Identify what is in the review - don't bring in anything new.

J Dorey - Electricity - confidence in Council - no value this group discussing these types of items. For infrastructure investment - I have a conflict of interest - better to get independent advice, compare to other airports - CAPEX - running costs - there is merit with doing this. Reviewing electricity rates in this Committee review does not make sense.

Cr Hayes - The explanation given at the informal meeting on accounting standards, did this satisfy REX's concerns?

W Lodge - Only got the response from Council on Monday night, haven't had time to review it, REX will respond to Council.

J Dorey - The standard attached to the report is not right in some Government Accounting different accounting standards are applicable to Council .

C Rodney - The standard that was attached to the report was the standard that was emailed by REX to Council. The standard REX provide was for non for profit organisations. Council is a NFP organisation.

Cr Hayes - Has the Independent auditor gone through this?

C Rodney - Yes 100%

W Lodge - Haven't had time to respond in respect to the accounting standards advice in the report as the business paper was only received two days ago.

N Te Pohe - Advice was included in the business paper to formally note it so that it was an item from the working group that could be closed out.

W Lodge - REX will respond formally as it was only provided on short notice.

J Dorey - Clarify what is agreed to - REX not enough time - Council are satisfied that they have provided the correct standard re depreciation.

P Thompson - Acknowledgement of information provided , equipped committee with information on appropriate standard - REX to review, any queries from REX will come back to the committee.

W Lodge - Is happy to receive and note the information in RP-2 on the basis of REX coming back with a response in regards to the accounting standards with respect to the treatment of depreciation.

RP-3 AIRPORT REVIEW - SCOPE OF WORKS

19/026 Recommendation:

On the Motion of Councillor D Hayes and W Lodge

That the Committee:

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

CARRIED

The committee held a lengthy discussion on the RP3 - *Airport Review - Scope of Works* report . Areas discussed included:

D Woods - Have put together scope of works in response to discussion held by the Committee at previous meetings. Council has added the last item - Wagga Wagga Market item as it worthwhile for Councillors and business people to see where we sit in the marketplace when compared to similar airports. Profitability and ability to fund capital expenditure and losses. It is worthwhile to understand what airlines are willing to pay.

J Dorey - Does not consider Wagga airport to be a cash cow and a going concern and classified as a business. Qantas is generally supportive of benchmarking.

Does not support discussion and review of historical ticket prices. This would require a lot of investment for consultant to provide that sort of information - I don't see the merit for Council to do so.

Ticket prices can be impacted by fuel prices .

D Woods - Did not suggest turning airport into a cash cow - that is a Council decision. The airport is classified as a Council business. A comparative analysis on airfares is only being sought.

Part of Terms of Reference for the Airport review - Close to Albury and provides Councillors with a holistic picture as to where Wagga sits in this landscape. The airport Reserve is currently only \$64k and depreciation is not factored into charges, we are very limited with what we can do.

C Angel - Department of Defence are paid rent. Some people around this table will have a challenge with some of the options put forward re conflicts of interest. There is continual debate on what's in and what's out of the review. We need to have the review and look at outcomes from your interest point. Not going forward need to just agree on what is to be reviewed.

W Lodge - Item 2.6 of the draft scope has been added by Council not by the Committee. Agree we need to lock something in but council independently added clause 2.6 to the scope so it needs to be agreed to by the committee.

Item 2.6 re passenger tax / benchmarking – I don't disagree with review but don't agree with benchmarking the per passenger tax as the benchmarking should looking at total airport revenue. Looking at head tax rates is – is one dimensional, main thing to review is Airport revenue.

In regards to historical ticket prices - what is Council then going to do with the historical prices - what is that going to change? - benchmarking covers this off, where will the consultant get the information from?

J Dorey - Competition - not happy having this conversation without Qantas lawyers present.

Cr Hayes - You can see ticket prices on airline websites, they are not a secret.

J Dorey - Qantas staff are not allowed to publically discuss future seat prices.

Cr Hayes -We are discussing historical prices not future prices.

J Dorey - Qantas staff are not allowed to discuss pricing.

C Angel - There are certain aspects that Council would like to look at - competitiveness can be removed out. Requirement for users also for Council - there are things that WWCC need to know.

J Dorey - Not something Qantas would share with other airports can discuss but likely not to support - do understand the difficulty for Council.

W Lodge - What is historical ticket prices going to add to the review - how does this impact on the running of the airport?

Cr Hayes - Assist with areas such as tourism and attractions - business knowing where we sit competing against other airports for attractions/events etc - key to know this eg conferences in Wagga may cost more or less - attractive for groups to know - Value of the data is broader, not just the operations of the airport.

W Lodge - Committee should be more focussed on looking at the financial aspects of the Airport - does not support reviewing ticket prices.

P Thompson - Can take this item off the list of criteria - when put scope out to market, request separate portions - one for the committee and one for Council.

C Angel – The benefit will be to get as much use out of data - beneficial to committee/beneficial to Council.

G Breust - If Council want this item Council should pay, not the airport.

C Rodney - It will be paid for out of the airport reserve.

G Breust - No it should be paid for out of tourism or something else.

Cr Hayes - that is absurd.

W Lodge - Airport users are paying for the review. Council should pay for any extra items.

P Thompson - It will come out of the airport reserve.

W Lodge - Council should be cautious on the amount they spend on the review.

C Angel - It is a great opportunity to gather additional data.

G Breust - When is the airport master plan review due?

P Thompson - It has been pushed back as a result of the airport review.

G Breust - The review is getting larger and larger - I'm not in a position to provide advice - it is more of a benchmarking exercise - understanding/looking at costs more closely - consultant needs auditing experience so that they can look/drill down into costs. Only going to get broad advice re financial details.

Need a level of confidence re what we are seeing - are costs actually true? Independent process - bringing in someone who could do this - I need to go away and look at scope and provide advice.

C Rodney - Cost statements have been provided on a monthly basis to committee members for drilling down and this practice will continue.

G Breust – Cost Statements do not drill down far enough My understanding was that this is what Kim Hi was getting at, at the November informal meeting.

D Woods - He was very much high level focus, this came from the General Manager's notes and was discussed at both the November informal meeting and the December formal meeting of the Committee.

W Lodge – Agreed that it covered the points from November meeting.

C Angel - In respect to the monthly cost statements, how many questions have been sent in by committee members?

G Breust - Have sent a number of questions throughout 2018 and then withdrew them as I thought that the airport review would cover the questions that I had.

C Angel - What questions would you like more detail on?

G Breust - I will send them again. Have questions relating to plant item costs - actual - benchmark with elsewhere.

C Angel - Apart from plant and equipment - cost statements each month - what other questions are you referring to?

G Breust - Only getting generalised answers.

W Lodge - plant and equipment is referenced in RP2 and the general way that it is dealt with.

G Breust - How do you actually determine the costs for motor vehicles?

W Lodge - RP3 Item 2.2 of the attachment specifically refers to tractors and utes. Comfortable that the review will drill down to this level.

Cr Hayes - Page 54 of the business paper, does this not capturing your query succinctly?

W Lodge - Item 2.2 refers to methodology and the expectation is that we will get to see some of the calculations.

G Breust - Review is only going to be a benchmarking exercise.

C Rodney - The consultant will be drilling down into Council transactions.

J Dorey - Why do we need to do this as part of the review? Plant/property/equipment?

D Woods - This has been listed in the paper from October 2018.

G Breust - It did not include Motor Vehicles, we need to be confident that we know what the costs are.

W Lodge - Include something to cover this in 2.2

G Breust - Want to go away and review.

C Angel - It will delay the review.

G Breust - Don't want to rush the review, there is time to do it.

D Woods - There will be consultation with committee, this has been written into the scope for the review.

W Lodge - Just want to make sure that everything is covered in the scope.

J Dorey - Haven't discussed passenger numbers. Inadequate baggage facilities for passengers - regulatory changes need to adhere to these are significant issues - much bigger than plant/property and equipment. The Committee is not getting to address the bigger issues - the committee's focus is very micro - line item by line item review. It has turned into an auditor verse consultant situation.

CR Hayes - For the year or so that the committee has been meeting - more time has been spent on O/T rates rather than where the airport is heading, this has been taken up with every meeting - micros - want to talk about long term planning for the airport.

J Dorey - In the situation of two flights being run together the current infrastructure at the airport is not adequate to enable this to happen.

Cr Hayes - Need to move the review so that we can talk about planning.

W Lodge - Can't shelve issues raised over the last two years.

J Dorey - The review is not an appropriate forum to cover the issues raised.

G Breust - Have a suggestion - is it possible for me to sit with Council's finance department and go through line items for comfort and transparency?

C Rodney - Council often undertakes compliance audits that are done by an external party and cost in the vicinity of \$5 - \$6k. If the committee were agreeable, this could be done on the data in question and a report provide back to the committee or alternatively I can provide you with the information however based on history I am not sure that what I provide you will believe.

G Breust - Could specific line items be picked?

C Rodney - If you would like an external auditor engaged, the cost would be borne by the airport reserve or else I could provide the data?

P Thompson - We can deal with this off line. Would love to get the review out of the way so that the next time the committee meets we just talk about the hangar and accommodating the new security requirements.

W Lodge - Comment re Item 2.6 or the review – taken out if that is the case then happy for airport revenue to be benchmarked under item 2.5.

C Rodney - Item 2.4 – to include the word “methodology” in the heading.

D Woods - Noting that the word methodology is included in the scope paragraph.

J Dorey - From Qantas’s experience the majority of airports run a low reserve and borrow.

In regards to Item 2.5 and the two options proposed - what is the rationale for going down either of the two paths?

D Woods - Rationale is benchmarking.

W Lodge – It is expected that the consultant will provide commentary as to why various airports have gone down a certain path and not just advise which path they have gone down.

J Dorey - Other council airport information is readily available.

P Thompson - When we Procure consultants as part of the scope of works - we will ask questions i.e "what is your experience" and "how are you going to approach the tasks".

Cr Hayes - Need to look to the future - where we are/where we need to go.

D Woods - this will form part of the scope for the masterplan.

J Dorey - Ask a separate consultant when doing the masterplan.

G Breust - Will make arrangements to look at cost items 2.2 par 2 (b) cost methodology Would like to take the opportunity offered to spend time with finance staff rather than engage an auditor - happy to do this.

P Thompson /Cr Pascoe - Finance staff is that ok?

C Rodney - Yes

QUESTIONS/BUISINESS WITH NOTICE

BWN-1 Distribution of Business Paper

Warrick Lodge requested that the business paper be distributed a week before the meeting to allow the committee members enough time to review the reports within the paper.

BWN 2 Airport Security/Footprint

Cr Hayes - Information re seating plan was to be provided at this meeting as it was discussed at the last meeting. The next meeting will only deal with airport security requirements.

P Thompson - Have we sent out images for option 4, have we done that ?

D Woods - No yet, can send out but will need tidying up

W Lodge - Can options be circulated to the committee in advance of the meeting?

P Thompson - Yes

W Lodge - Will take to airport operational people.

Cr Hayes - Question to Qantas - can you ask similar airports what they do? Talked about us sitting here saying what's what - there are actually experts that can assist with a detailed briefing report - quoted from 19/12/18 meeting - better qualified people than here in the room.

J Dorey - Same expertise required to inform adequacy on information - focus on that - email what it is we are looking for, what we need to do re security screening.

L Burger - There are certain elements that can't be discussed in this forum. We know what we need re the footprint - have got drawings. There is a new element for the screening regime - haven't taken drawings to the next level i.e. 3D scanning. There are specialists who have got software offering this information, available. Can have information available long before the next meeting. Council submission has to be in by mid-March.

J Dorey - suggest engagement of consultant - this needs to happen quickly.

D Woods - At present only Qantas is paying for security screening so only interested party is Qantas. Does not relate to the AAC.

J Dorey – It is Qantas's view that all carriers will require security screening, post introduction of the changes by the Government despite the size of the carrier - this is the direction Qantas are taking.

D Woods - Are regulations in place?

L Burger - No as a new time line is yet to be published - new regulations are to be out by end of March – this is a problem for Council as we only acting on assumptions not regulations.

BWN 3 - Productivity Commission Report

Geoff Breust advised that the Productivity Commission released the Economic Regulation of Airports draft report today (6/2/19). There was some good content in regards to regional airports, however the comments made in terms of city airports was disappointing.

QWN-1 Airport Carpark

J Dorey - This item was raised at the December 2018 and was to be included in the agenda of this meeting for discussion. Why wasn't it included? Current occupancy – what steps are being taken to provide overflow capacity – is this a source of revenue that we not tapping into?

D Woods - Occupancy - Leon to get info when carpark is full.

L Bugar - It is full every Tuesday and Thursday.

D Woods - Currently looking at ways to potentially expand the carpark - Can't share this information with the committee as it is commercial in confidence.

J Dorey - Are there any temporary measures that can be put in place to address carparking capacity?

Cr Hayes – Have raised previous questions around gravel being put down on grassed areas, any feedback on this?

D Woods - Will take this question on notice.

QWN -2 Clarification sought By Geoff Breust re GA collection Arrangements.

G Breust - Part of review? - where does that sit re the review?

D Woods - Is not part of this review scope. It is for analysis down the track?

G Breust - Put up as part of this budget - not in scope. Council officers to look at this and report on it at the next AAC meeting.

C Rodney - Recollection from what was agreed earlier in this meeting was that the collection method for General Aviation Revenue, was to be placed on hold and if the timing suited a new method may be applied from 1 July 2020 when there is time to make a decision once data is interrogated.

P Thompson - Agreed

J Dorey - I thought it was being included - not finance focus review - have more cost effective recovery of charges.

G Breust - Happy for it to be provided as part of the process.

J Dorey - Airport users not paying for use does not warrant inclusion in Airport review. All planning components - review timing for engagement of someone for this purpose. Is there timing available for completing the master plan?

P Thompson – No as general manager my concern is to focus on what we are doing with the terminal/luggage handling.

J Dorey - Can the scope of works for the master plan be prepared for the next meeting please?

P Thompson - It is my hope that the next meeting will just focus on terminal/luggage/parking issues

C Angel - Will that be a formal or informal meeting?

J Dorey - Prefer it to be a formal meeting.

QWN - 3 Cr Pascoe - Carpet and Seating/Grant Funding/Security Issues

C Angel - Replacing chair covers only as they are beyond being able to be commercially cleaned

Cr Pascoe - Need to take a closer look at the chairs - some lean forward - need to check the chair's main structure. I hear that we are considering placing carpet over the pavers inside the terminal, is that correct?

L Burger - Yes as the terminal floor is subdivided into three different areas. All areas had to be flattened in the past as some areas are pavers, some concrete etc, this was done using screed across the whole floor area, it is not smooth so carpet has been chosen to hide floor irregularities. Advice received was not to go for commercial vinyl, go for carpet as it is thicker and more padded and will not show up the irregularities as much. the floor is very uneven.

J Dorey - Carpet tiles are acceptable for use in the terminal with their main benefit being that you can replace a tile if it becomes damaged or stained.

Cr Pascoe - this needs more thought or looking into. With no footprint I have concerns with any flooring work to be done before screening issues are resolved - seems like we are putting the horse before the cart.

J Dorey - Discuss seating - outcomes - redress existing seating

L Burger - Still waiting for quotation.

G Breust - Strategy for carpet/seating – use this as a strategic move to get transfer of terminal funding across to taxiway upgrade. There have been complaints re the state of the terminal facilities.

Working group – is it still worthwhile lobbying our local member to get funding transferred by IfNSW – I'm happy to write to the local member if this is still appropriate?

D Woods - Certainly

P Thompson - will need a plan to see what they are funding.

Cr Hayes - Applications close for security funding mid-March. Need to engage someone as to how we are going to design internal – what is going to happen now?

C Angel - Haven't got specs for requirements – not finalised through Home Affairs as yet – it is difficult re details as cost type/specs/size have not been signed off.

L Burger - We know exactly what is required re-equipment, know the budget but what is tricky is that we don't know the footprint – don't know if it will be a dual purpose terminal or single purpose terminal requirement– this will influence seating arrangements.

Cr Hayes - Should still apply for funding in March without having a plan – at the next AAC meeting we can focus on design for parts of the airport.

D Woods - Yes, happy to do that.

G Breust - That is providing we know what the screening requirements are – Part A or Part B.

J Dorey - Where does this sit re existing grants? terminal/taxiway upgrade was asked for this to be included – Any updates?

P Thompson - Still providing information to IfNSW – Original grant component taxiway/terminal – confirmed taxiway funding is there – Council to make original contribution – if we don't have a plan for the terminal upgrade then the funding will have to go back. We should be giving them a plan for the terminal – we won't get funding for footprint.

C Angel - The challenge is that there are two deeds for the funding – one for terminal upgrade, one for taxiway – this is the challenge in respect to the transfer of the funding, it is a complicated process.

Cr Pascoe - Seating/carpet – what is Council's regulation re getting prices for seating? There are three upholsterers in town – better to look at new seating that can be moved around/reconfigured after the security screening has been dealt with as there are issues with the frame of the existing seats not just the coverings.

JD - We have just purchased seats for a similar airport for \$20k – new seating would be better value for money.

Cr Pascoe - Very concerned about running carpet over existing pavers – can't seem to move terminal funds that we have had for two years.

P Thompson - There is a shortfall of \$1.7m.

Cr Pascoe - Looks like the transfer is not going to happen – better to make better decisions re the money.

The Airport Advisory Committee rose at 8.20pm.