



# AGENDA

## CULTURE AND COMMUNITY COMMITTEE

### 14 APRIL 2022

MEMBERSHIP: Councillors J Black, L Burns, S Chowdhury, M Dickerson, V Etheridge, J Gough, R Ivey, D Mahon, P Wells and M Wright.

The meeting is scheduled to commence at pm.

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<b>CCC22/12 LEAVE OF ABSENCE (ID22/649)</b>	
<b>CCC22/13 CONFLICTS OF INTEREST (ID22/652)</b>	
<b>CCC22/14 WELLINGTON AERODROME AND RECREATION PARK - 12 MONTH REVIEW (ID22/509)</b>	2
The Committee had before it the report dated 21 March 2022 from the Manager Dubbo Regional Airport regarding Wellington Aerodrome and Recreation Park - 12 Month Review.	
<b>CCC22/15 GRANT OPPORTUNITY - REGIONAL AIRPORTS PROGRAM – ROUND 3 (ID22/660)</b>	11
The Committee had before it the report dated 4 April 2022 from the Manager Dubbo Regional Airport regarding Grant Opportunity - Regional Airports Program – Round 3.	



## REPORT: Wellington Aerodrome and Recreation Park - 12 Month Review

**DIVISION:** Culture and Economy  
**REPORT DATE:** 21 March 2022  
**TRIM REFERENCE:** ID22/509

### EXECUTIVE SUMMARY

Purpose	Seek endorsement	Seek direction or decision
<b>Issue</b>	<ul style="list-style-type: none"> <li>Provides background to the current operating environment and usage in addition to leases, licences and asset management.</li> <li>Provides update of high level actions undertaken in the 14 months since previous report to Council.</li> </ul>	
<b>Reasoning</b>	<ul style="list-style-type: none"> <li>Presentation of a 12 month review of Wellington Aerodrome and Recreation Park was a resolution of Council in December 2020.</li> <li>Strategic direction and commitment regarding future use and resourcing is required to support effective asset management and development, safe operational management and community engagement/expectation management.</li> </ul>	
<b>Financial Implications</b>	Budget Area	Dubbo Regional Airport
	Funding Source	Dubbo Regional Airport operations
	Proposed Cost	Up to \$700,000 for Wellington Aerodrome runway renewal
	Ongoing Costs	\$7,949 annual net operational cost forecast
<b>Policy Implications</b>	Policy Title	Revenue Policy
	Impact on Policy	The recommended option includes a proposal for fees and charges to be reviewed to encourage community, visitor and recreational flyer use.

### STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 2 Infrastructure

CSP Objective: 2.4 Our transportation networks are planned to accommodate future growth and development of the Local Government Area

Delivery Program Strategy: 2.4.2 Community and business have convenient air access to a variety of destinations

**RECOMMENDATION**

- 1. That the information contained within this report, including financial impacts and corporate risk related to operation of the facility be noted.**
- 2. That Council continue to manage the Wellington Aerodrome and Recreation Park as a multi-use facility in partnership with key user groups.**
- 3. That Council consider the separate report regarding grant opportunities and funding strategies for renewal of the sealed runway at Wellington Aerodrome and Recreation Park.**

*Natasha Comber*  
Director Culture and Economy

*JP*  
Manager Dubbo Regional  
Airport

## BACKGROUND

### Previous Resolutions of Council

7 December 2020 530pm	<ol style="list-style-type: none"><li>1. That the information in the report from the Director Culture and Economy dated 10 November 2020, be noted.</li><li>2. That strategic and operational risk mitigation measures be implemented.</li><li>3. That a further 12 month review of Wellington Aerodrome and Recreation Park be undertaken with a report to November 2021 Council meeting.</li></ol>
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In accordance with the resolution of Council in December 2020, Council staff have continued to facilitate and monitor facility use, undertaken required maintenance of the airstrip, structures and land, and reviewed existing lease arrangements. Weekly asset inspections have been undertaken in addition to external technical reports being sought, with prioritised improvements made in line with available budget and with consideration of operational risk.

This report is provided as the requested further 12-month review. The report was not provided to Council in November 2021 given the delay in the timing of the local government elections.

## REPORT

### Actions undertaken in the review period (January 2021 – February 2022)

A summary of actions completed or undertaken in the review period include;

- Renewal of four out of five hangar leases completed. These existing leases had extension options. Annual lease fee was increased from \$110 per annum with no indexation to \$550 per annum indexed annually. One lessee declined lease renewal based on unclear future for Wellington Aerodrome. All leases issued previously for \$110 per annum were paid five years in advance, just prior to the amalgamation;
- Dubbo City Car Club representatives met with staff and some former and current Councillors in regards to future plans to utilise the facility.
- Dubbo City Car Club lease surrender of the building has been completed. There were multiple challenges with the club meeting the maintenance expectations of the lease agreement in regards to execution, timeliness and safety. Whilst grass maintenance was an agreed accountability of the club, Council still maintained a level of oversight to ensure safe practices were being undertaken and not creating additional risk to individuals or the corporation.
- Provision has been made in future budgets for Dubbo Regional Airport to be responsible for the mowing.
- Dubbo City Car Club 12 month storage shed lease arrangement has been finalised.
- Council has been approached to hire the facility to conduct break testing for motor vehicles. Council has declined this request based on runway preservation.

- Weekly serviceability inspections undertaken by Council Officer based in Wellington have lead the removal of risk rating of “extreme” risk to “high.” Dubbo based aerodrome reporting officers continue to maintain additional inspections as required or when specialised assessment is needed.
- In response to ageing runway infrastructure, Council’s Infrastructure Division have provided an alternative assessment centred on partial resealing of the damaged 13/31 pavement in accordance with the usage frequency and purpose.

### Current operations

The Avdata flight recording system continues to be used to obtain aircraft landing and take-off information and to enable the independent collection and issue of invoices for landing fees. The system records the pilot notifications on the 126.7 Common Traffic Advisory Frequency (CTAF) communication system that is linked to the aerodrome. Pilots are required to identify themselves through their aircraft registration number and advise other aircraft in the circuit of their intended movements. As per Council’s revenue policy, all users are required to register their landing at Wellington Aerodrome and Recreation Park. This information is published in the En Route Supplement Australia (ERSA), the document that is utilised by pilots to determine specific runway usage terms, requirements and hazards.

Facility usage in the review period:

- The aerodrome is used on average 24 times per month for aircraft landings and receives an average monthly income of \$158.32 derived from associated landing fees (July 2018 – February 2022);

Year	Average Monthly Landings	Average Monthly Income
2021/2022	22	\$251.14
2020/2021	25	\$139.37
2019/2020	28	\$146.78
2018/2019	23	\$96.01

- Landing fees per aircraft range from \$1.72 for a private local operator, through to \$86.75 for Aerial Survey work.
- There are an additional 94 landings over this period that were not registered with correct calls or were undecipherable.
- There could be other planes landing at the facility that are not identifying their movements.

The below tables provide further details on income and usage associated with Wellington Aerodrome flight operations from July 2018 to February 2022. Note there has been a significant increase in usage of the aerodrome in October 2021 due to Aerial Survey Work for CASA.

Historical monthly landing numbers and income is outlined below:

Number of Landings and Income Wellington Aerodrome								
	2021/2022	Income	2020/2021	Income	2019/2020	Income	2018/2019	Income
Jul	19	205.88	27	98.03	28	138.71	0	0.00
Aug	7	26.69	19	87.07	22	209.36	34	168.07
Sep	26	330.28	29	224.75	25	110.20	19	49.63
Oct	55	1124.44	34	149.07	32	174.27	22	75.69
Nov	9	40.70	29	221.35	30	143.69	23	91.93
Dec	18	44.07	26	149.74	20	111.61	15	20.12
Jan	19	113.47	27	162.70	15	156.75	15	52.37
Feb	12	114.78	27	164.44	16	79.29	21	70.09
Mar			9	42.02	34	189.98	19	93.77
Apr			22	115.36	52	154.42	13	35.59
May			19	97.72	25	132.84	35	110.97
Jun			16	68.03	32	160.21	34	143.33
<b>Total Unbillable Landings</b>	<b>5</b>	<b>0.00</b>	<b>6</b>	<b>0.00</b>	<b>13</b>	<b>0.00</b>	<b>70</b>	<b>0.00</b>
<b>Total</b>	<b>160</b>	<b>2000.31</b>	<b>278</b>	<b>1580.28</b>	<b>318</b>	<b>1761.33</b>	<b>180</b>	<b>911.56</b>

The facility continues to support activities for transient users other than Wellington Aerodrome users, especially from flying schools in locations such as Orange, Bankstown and Archerfield. There were nine known non-urgent medical transfer flights over the recorded three year and eight month period; two RFDS transfers and one NSW Police landing as outlined below:

AIRMED					
YWEL	Airmed Australia P/L		14/02/2019	VH-IGK	23.09
YWEL	Airmed Australia P/L		27/02/2019	VH-HJK	23.09
YWEL	Airmed Australia P/L		6/03/2019	VH-IGK	23.09
YWEL	Airmed Australia P/L		16/05/2019	VH-XGX	24.49
YWEL	Airmed Australia P/L		13/10/2019	VH-OGW	37.38
YWEL	Airmed Australia P/L		7/01/2020	VH-HJK	36.35
YWEL	Airmed Australia P/L		20/02/2020	VH-IGK	36.35
YWEL	Airmed Australia P/L		4/12/2020	VH-HJE	37.02
YWEL	Airmed Australia P/L		20/02/2021	VH-XGW	39.27
ROYAL FLYING DOCTORS					
YWEL	R F D S (SE Section)		12/10/2018	VH-MWH	44.36
YWEL	R F D S (SE Section)		8/11/2020	VH-AMS	66.08
NSW POLICE					
YWEL	State of New South Wales - NSW Police Force		25/03/2020	VH-DVV	45.74
<b>Total</b>					<b>436.31</b>

Pelair, (a subsidiary company of Regional Express Airlines) has recently secured a 10 year contract for Air Ambulance Service in the Central and Far Western Region. Pelair requested Council issue an approved pavement concession for the landing of King Air aircraft at Wellington Aerodrome. Council has declined this request based on the unknown runway pavement strength rating. Council strongly encouraged Pelair to conduct non-urgent medical transfers by road and then by air from Dubbo Regional Airport.

The recorded data over the three year and eighth month year period revealed that the majority of the landings are not local users and most landings are predominantly using small, recreational aircraft or flying schools, conducting training flights.

### Leases and Licences

Flight Related Tenancies: There are four hangar site leases, each paying an annual rent of \$550 plus CPI indexation. These leases were taken up as part of an option on previous licence agreements and expire in January 2027.

Non-Flight Related: There are four tenancies at Wellington Aerodrome and Recreation Park for non-flight related operations.

Fire and Rescue NSW and Flamestop Australia Pty Ltd leases were negotiated prior to amalgamation of the former Dubbo City Council with Wellington Shire Council. These are both regularly used.

Tenant	Improvements	Rental	Initial term	Options
Dubbo City Car Club Inc	Demountable Building	\$550.00 (GST inclusive)	12 month licence agreement	Nil
Fire and Rescue NSW	Hangar Site (Shipping Container)	\$111.83 per annum (GST inclusive)	5 years from 1 September 2013 to 31 August 2018	1 x 5 years (ending 31 August 2023)
Flamestop Australia Pty Ltd	Extinguisher Test Site	\$6,348.70 per annum (GST inclusive)	5 years from 1 May 2012 to 30 April 2017	Nil, currently on month by month basis
Grazing Licence – Carters Livestock Transport	Grass Control Fire Hazard Reduction	\$2000.00 per annum (GST inclusive)	12 month licence agreement expires 30 April 2022	Nil

### Facility Hire

Dubbo City Car Club use part of the landing area on approximately 10 individual days per year on a per use hire basis to conduct events. Pre-COVID-19, income received from the hire of the facility for drag related events is in the vicinity of \$13,000 per annum. Murcotts Driving School conducts defensive driving programs on an as required basis. The fee for use has been \$580 as per the adopted revenue policy.

Council has been approached to hire the facility to conduct break testing for motor vehicles. Council declined this approach based on runway preservation.

### Facility Income, Expenditure, Asset Condition and Options

Financial Year income and expenses are:

	Revenue	Expenses	Profit/(Loss)
<b>2021/2022 YTD (March 2022)</b>	\$7,727	-\$26,287	(\$18,560)
<b>2020/2021</b>	\$17,254	-\$14,283	\$2,971
<b>2019/2020</b>	\$11,707	-\$23,239	(\$11,532)
<b>2018/2019</b>	\$20,281	-\$22,571	(\$2,290)
<b>2017/2018</b>	\$13,646	-\$29,360	(\$15,714)
<b>Total</b>	<b>\$70,615</b>	<b>-\$115,740</b>	<b>-\$45,125</b>

### Asset condition:

A recent asset re-evaluation was completed as part of the annual financial statement preparation. The report showed that the remaining useful life of the Bodangora airstrip surface as at 30 June 2020 was approximately 1.5 years, to June 2022. Various engineering pavement specialists have provided estimates to rebuild or reseal the pavement. These estimates range from \$70,000 through to \$670,000 and include various treatments from Asphalt to Spray Seals as well as full rebuilding, lime stabilisation and crack sealing assumptions. The true level of pavement integrity will not be known until works commence.

In November 2021, Council's Infrastructure Division provided a further assessment based on partial resealing of the damaged 13/31 pavement in accordance with the usage frequency and purpose. The onsite inspection coupled with consideration of data gathered, historic aircraft types/weights and stakeholder usage was analysed to provide immediate renewal options as a shared facility.

The 1500 metre sealed runway (13/31) is predominately two coat spray seal. 300 metres of asphalt has been laid midway along the runway for the purpose of drag racing. Whilst the income generated from drag racing is significant (approximately \$13,000 per annum) compared to that received from aircraft landing fees (approximately \$1500 per annum) the entire facility income falls well short of the cost of maintaining the aerodrome.

The Council engineering inspection has confirmed that despite the runway condition, there is time to plan and budget for a proper renewal. The immediate pavement damage is in the 300 metres asphalt strip. If there are budget restraints 130 metres of the 300 metres could be undertaken as a priority.



Resourcing Implications

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	17,525	17,551	17,577	17,891	18,339	18,797
b. Operating expenses	34,500	25,500	25,500	26,010	26,010	26,660
<b>c. Operating budget impact (a – b)</b>	<b>-16,975</b>	<b>-7,949</b>	<b>-7,923</b>	<b>-8,119</b>	<b>-7,671</b>	<b>-7,863</b>
d. Capital Expenditure	0	700,000*	0	0	0	0
<b>e. Total net impact (c – d)</b>	<b>-16,975</b>	<b>-707,949</b>	<b>-7,923</b>	<b>-8,119</b>	<b>-7,671</b>	<b>-7,863</b>
Does the proposal require ongoing funding?	Yes					
What is the source of this funding?	At 30 June 2022 \$81,922 is forecast to be held in restricted assets for Wellington Aerodrome. This has been funded via the Dubbo Regional Airport function. Any further funding for capital renewals at the Park would need to come from external sources such as a government grant or loan or from Dubbo Regional Airport restricted assets (which is already operating under internal loan structure due to impacts of COVID on business performance and depleted restricted assets following years of major development). The function of the Park, as separate to Dubbo Regional Airport currently does not have operational capacity to fund an internal loan.					

**Table 1.** Ongoing Financial Implications \*Note there is no funding in the draft budget for capital works for Wellington Aerodrome, and staff wages have not been included in operating expenses.

Options Considered

- Minimise usage of the site to exclusive use for recreational flying, which would extend life of current or renewed asset, but limit income, and community use.
- Minimise usage of the site to existing users, which would see continual growing gap between operational expenditure, asset renewals and income.
- Council undertake a further independent service review on the facility, including alternative uses and alternative management arrangements.

- Council dispose of the asset through sale or licence.
- Undertake a strategic approach, in partnership with key user groups to encourage multiuse of the recreational facility to increase community use and benefit, and minimise ratepayer funds required to maintain the facility.

### **Preferred Option**

Undertake a strategic approach, in partnership with key user groups to encourage multiuse of the recreational facility to increase community use and benefit, and minimise ratepayer funds required to maintain the facility.

Actions within this option include:

- Seek Council or grant funding to develop a facility masterplan to effectively facilitate complimentary uses, support forward budgeting, asset planning, funding strategies and associated grant applications.
- Council consider appropriate funding strategies for major asset renewal of Wellington Aerodrome and Recreation Park runway 13/31 Reseal (estimate \$170,000 - \$700,000 depending on asset strategy) in accordance with other capital renewals priorities and budgets.
- Encourage collaboration between Council and user groups, and stakeholder groups with each other, with the view that increased usage supports long-term sustainability of the facility.
- Ensure equity of user pays principal, where all users must pay in accordance with adopted fees and charges.
- Review landing fees and charges to encourage community, visitor and recreational flyer use from across the state noting the appeal of open airspace.
- Include Council staff resourcing for the management of Wellington Aerodrome and Recreation Park as part of a broader Airport Function Service Review, including the potential development of a separate function budget separate to the Dubbo Regional Airport.

### **Planned Communications**

- Communications to current user groups and leaseholders regarding proposed strategic, collaborative approach with a call for support, participation and expectation management.
- Report to Council on current funding programs available to seek funding for renewal of runway, including funding strategy of any required contribution.



## REPORT: Grant Opportunity - Regional Airports Program – Round 3

**DIVISION:** Culture and Economy  
**REPORT DATE:** 4 April 2022  
**TRIM REFERENCE:** ID22/660

### EXECUTIVE SUMMARY

<b>Purpose</b>	Seek direction or decision	
<b>Issue</b>	<ul style="list-style-type: none"> <li>A grant funding opportunity has become available, eligible organisations can only make one application.</li> <li>The grant funding requires a 50% contribution.</li> </ul>	
<b>Reasoning</b>	<ul style="list-style-type: none"> <li>Both Dubbo Regional Airport and Wellington Aerodrome and Recreational Park have worthy asset renewal projects.</li> <li>The Dubbo Regional Airport function been significantly impacted by COVID-19 and is already funding a range of internal loans to repay operation funds that have been required in recent years, whilst continuing to meet obligations to make annual return funds to general rates and revenue.</li> <li>Wellington Aerodrome and Recreational Park runs at an operational loss, and has a limited restricted asset.</li> </ul>	
<b>Financial Implications</b>	Budget Area	Dubbo Regional Airport Budget
	Funding Source	Restricted assets
	Proposed Cost	Dependent on option
	Ongoing Costs	Dependent on option and if successful, asset maintenance and renewal cost to be calculated.

### STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 2 Infrastructure

CSP Objective: 2.4 Our transportation networks are planned to accommodate future growth and development of the Local Government Area

Delivery Program Strategy: 2.4.2 Community and business have convenient air access to a variety of destinations

**RECOMMENDATION**

- 1. That the information contained in this report be noted, including asset conditions and financial position of Dubbo Regional Airport function.**
- 2. That Council provide direction to the Chief Executive Officer regarding any application to the Regional Airports Program Round 3.**

*Natasha Comber*  
Director Culture and Economy

*JP*  
Manager Dubbo Regional  
Airport

## BACKGROUND

The Department of Infrastructure, Transport, Regional Development and Communications recently opened Round 3 of the Regional Airport Program. The Program provides regional airports or aerodromes with up to \$5 million in funding to enhance aviation safety and accessibility.

It will support critical air infrastructure that will:

- improve the safety of aircraft, operators and passengers using regional airports or aerodromes
- facilitate improved delivery of essential goods and services such as food supplies, health care and passenger air services
- improve the connectivity of Australia's regions to domestic and global market opportunities
- meet the operational requirements of aeromedical and other emergency services in the region.

There is a total of up to \$29 million available for this grant round. Grants will be from \$20,000 to \$5 million.

The grant amount will be up to 50% of eligible project costs (grant percentage), unless the applicant and a third party are both contributing to eligible project costs.

Grant applications for round 3 close 17 May 2022 at 5 pm AEST.

Dubbo Regional Council was successful in achieving grant funding from Round 1 and 2 of the Regional Airports Program to conduct stormwater infrastructure capacity upgrades, heavy patching, and resealing of the original General Aviation (GA) Apron to repair and address access restrictions for users at Dubbo Regional Airport. Council determined the prioritisation of the Dubbo GA apron heavy patching and stormwater upgrade project based on identified pavement failure and the resulting restricted use and community impact.

As part of the Dubbo Regional Airport function, the function of the Wellington Aerodrome and Recreation Park, has a restricted asset balance of \$81,922 and currently does not have operational capacity to fund an internal or external loan.

As aviation continues to recover post COVID-19, there is a forecast net operational cost of Dubbo Regional Airport function, including Wellington Aerodrome and Recreation Park until June 2023. The Airport function has a restricted asset balance at June 2022 of \$2,001,559 however this balance includes programmed work that has been carried over, including the northern apron expansion being undertaken in partnership with the Rural Fire Service and an allowance for unplanned maintenance required to mitigate risks associated with critical infrastructure.

**REPORT**

This report outlines possible options identified for grant funding application consideration for Dubbo Regional Airport, Wellington Aerodrome and Recreation Park or both facilities. It highlights asset conditions, renewal options, available funding strategies and financial implications.

Options outlined in this report:

<b>PROJECT OPTION A</b>	
<b>Project name</b>	Dubbo Regional Airport – General Aviation (GA) Stormwater Infrastructure Upgrade Stage 3 and 4
<b>Project location</b>	Dubbo Regional Airport
<b>Project total (estimated)</b>	\$900,000 – \$1,100,000 ex GST
<b>PROJECT OPTION B</b>	
<b>Project name</b>	Wellington Aerodrome and Recreation Park – Runway 13/31 Full Reseal (Asphalt and 2 Coat Seal)
<b>Project location</b>	Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$700,000 ex GST
<b>PROJECT OPTION C</b>	
<b>Project name</b>	Wellington Aerodrome and Recreation Park – Asphalt Strip preservation works
<b>Project location</b>	Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$170,000 - \$350,000 ex GST
<b>PROJECT OPTION D – combined Projects in application (A+B or A+C )</b>	
<b>Project name</b>	Dubbo LGA – Airport and Aerodrome Infrastructure Upgrades
<b>Project location</b>	Dubbo Regional Airport and Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$1,270,000 - \$1,800,000 ex GST
<b>PROJECT OPTION E</b>	<b>No application</b>

**Dubbo Regional Airport - General Aviation Heavy Patching and Stormwater Upgrade Stage 3 and 4. \$900,000 – \$1,100,000 ex GST**

Dubbo Regional Council was successful in achieving grant funding from Round 1 and 2 of the Regional Airports Program to conduct stormwater infrastructure capacity upgrades, heavy patching and resealing of the original General Aviation Apron to repair and address access restrictions for users at Dubbo Regional Airport. The apron upgrade area is surrounded by 14 Hangars that are leased by private operators including a Regular Passenger Transport and charter business (Airlink), a patient transfer operator (AirMed), an onsite aircraft maintenance facility (Beals) and two refuelling operators (VIVA and Air BP).

The General Aviation (GA) apron has had compounding drainage issues over many years resulting in diminished pavement strength. Upgrades to address precinct stormwater drainage predominately landside, were completed in December 2018.

The airport embarked on a staged upgrade project airside and when completed it would return the GA Apron to its intended strength, carrying and aircraft parking capacity.

Despite efforts, the upgrade project has encountered numerous subgrade moisture issues, and with the support of the department, Council was able to secure additional funds to address the structural integrity of the works that were affected by latent moisture conditions in the subgrade. In December 2021, subsoil drainage was installed along the problematic northern edge of the works area. This is intended to remove moisture in the pavement and lower the ground water table. Surface treatment and primer seal has been completed. On the advice of pavement specialist Dr Greg White, Council will wait until the pavement dries out before it completes the final seal in December 2022.

Funding for the remainder of the staged upgrade (Stage 3 and 4) would allow the completion of the entire project as identified through previous applications.



### **Wellington Aerodrome – 13/31 Runway Reseal. \$170,000 – \$700,000**

In October 2020, Council commissioned an independent report by Airports Plus and provided analysis of income received, expenses incurred, asset conditions and risk mitigation activities related to the operations of Wellington Aerodrome and Recreation Park. The Wellington Aerodrome has four hangar leases to recreational and private operators in addition to four other tenancies that relate to facility hire and usage.

The independent Airports Plus report identified future investment required to maintain operations in its current form. The process also considered Council's level of risk exposure in maintaining a landing strip with no on the ground operational presence, noting the requirement for future significant investment in ageing runway infrastructure.

Various engineering pavement specialists have provided estimates to rebuild or reseal the pavement. These estimates range from \$170,000 through to \$700,000 and include various treatments from asphalt to spray seals, as well as full rebuilding, lime stabilisation and crack sealing assumptions. The true level of pavement integrity will not be known until works commence. In December 2021, Council's Infrastructure staff undertook an additional assessment of the runway centred on partial resealing of the damaged component of the 13/31 pavement in accordance with the usage frequency and purpose. The onsite inspection coupled with consideration of data gathered, historic aircraft types/weights and stakeholder usage was analysed to provide immediate renewal options as a shared facility.

The Council engineering inspection in December 2021 confirmed that despite the runway condition, there is time to plan and budget for a proper renewal, whilst continuing preventative maintenance. Advice includes that the immediate pavement damage is in the 300 meters asphalt strip, noting if there are budget restraints 130 meters of the 300 meters could be undertaken.



#### Consultation

- Dubbo Regional Airport's Technical Advisor, Tom Griffiths - Airports Plus
- Dr Greg White - Airport Pavement Engineering Specialists
- Council's Infrastructure Division
- Project Management Firm – CJC Consulting



### Resourcing Implications

- Staff time required for the development of any grant application will be resourced by the Dubbo Regional Airport and other branches of Council as required.
- Any funds required above the available restricted assets will need to be provided through general rates and revenue
- Ongoing asset management of the renewed asset would be considered as part of the airports further operational budget as required.

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	3,384,941	4,322,875	5,594,654	5,733,380	5,869,163	6,015,892
b. Operating expenses	4,973,652	4,700,816	4,904,584	4,980,870	5,038,932	5,164,905
<b>c. Operating budget impact (a – b)</b>	<b>-1,588,711</b>	<b>-377,941</b>	<b>690,070</b>	<b>752,510</b>	<b>830,231</b>	<b>850,986</b>
d. Capital Expenditure	1,370,424	805,000	626,000	29,000	115,000	0
<b>e. Total net impact (c – d)</b>	<b>-2,959,135</b>	<b>-1,182,941</b>	<b>64,070</b>	<b>723,510</b>	<b>715,231</b>	<b>850,986</b>
Does the proposal require ongoing funding?	Yes					
What is the source of this funding?	Restricted assets					

### Financial impacts and funding options:

Operationally, the financial impacts of COVID-19 for the airport function have resulted in significant losses, forecast to June 2023.

Forecast net operational cost of Dubbo Regional Airport function						
	2021	2022	2023	2024	2025	2026
<b>Cost/return to Organisation</b>	1,390,128	1,011,017	550,000	-600,000	-600,000	-600,000

There is no funding in the draft budget for further capital works for Dubbo Regional Airport, with funds directed to the repayment of the internal loans drawn as a direct result of COVID-19 pandemic losses.

Recent reconciliation of the restricted asset (RA) account and forecast balances are provided below.

	2021	2022	2023	2024	2025	2026
<b>Opening RA</b>	2,996,173	1,730,641	2,001,559	1,333,243	1,628,712	2,802,214
<b>Movement in year</b>	1,265,532	270,918	-668,316	295,469	1,173,502	1,165,223
<b>Closing RA</b>	1,730,641	2,001,559	1,333,243	1,628,712	2,802,214	3,967,437

Dubbo Regional Airport function currently subsidises the operational shortfalls of the Wellington Aerodrome and Recreation Park in addition to providing staff resources. Dubbo Regional Airport function subsidises an annual sum of approximately \$40,000 to restricted assets to fund future capital works and asset renewals.

<b>Wellington Aerodrome internally restricted asset – balance</b>					
General	30/06/2022	30/06/2023	30/06/2024	30/06/2024	30/06/2024
Wellington Aerodrome Capital renewals	81,922	128,221	175,446	222,671	269,896

The below tables detail project options for Council to consider for application for Round 3 of the Regional Airport Program.

<b>PROJECT OPTION A</b>	
<b>Project name</b>	Dubbo Regional Airport – General Aviation (GA) Stormwater Infrastructure Upgrades
<b>Project location</b>	Dubbo Regional Airport
<b>Project total (estimated)</b>	\$900,000 – \$1,100,000 ex GST
<b>Project description</b>	General Aviation Drainage Works and Two Coat Seal
<b>Project risks</b>	Supply and delivery of Class 6 and 8 pipe to Dubbo. Quotations have not been forthcoming for supply and delivery. Only one quote has been provided to date, with only nominal delivery allowance. If the trenches have to be backfilled everyday, the costs may go up as program is protracted and crews stop and start their stages. Industry standard rates for spray seal have been used. Specification may add a premium to this allowance. Unsuitable subgrade may present a minor issue. The true level of pavement integrity will not be known until works commence.
<b>Project pros/cons</b>	Funding for the remainder of the staged upgrade (Stage 3, 4) would allow the completion of the entire project and return the Apron to its intended strength, carrying and aircraft parking capacity.

#### **Funding options for Option A: Dubbo Regional Airport**

At 30 June 2022 there will be \$1,730,641 in restricted assets for Dubbo Regional Airport which is largely already committed. Any further funding for capital renewals at the Airport would need to come from general rates and revenue. The function is already operating under internal loan structure due to impacts of COVID-19, however has future capacity to fund an internal or external loan.

PROJECT OPTION B	
<b>Project name</b>	Wellington Aerodrome and Recreation Park – Runway 13/31 Full Reseal
<b>Project location</b>	Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$700,000 ex GST
<b>Project description</b>	Asphalt and Spray seal 13/31 Runway
<b>Project risks</b>	The true level of pavement integrity will not be known until works commence. No firm commitment from community on level of usage, including drag club events, to warrant the high level of investment.
<b>Project pros and cons</b>	Full cost recovery not in place. Project efficiency of completing full runway.

PROJECT OPTION C	
<b>Project name</b>	Wellington Aerodrome and Recreation Park – Asphalt preservation works
<b>Project location</b>	Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$170,000 - \$350,000 ex GST
<b>Project description</b>	Asphalt preservation of drag strip area (300m) of runway, allowing multipurpose use of facility depending on immediate area of need depending on assessment (130 metres – 170 meters or full 300 meter asphalt distance)
<b>Project risks</b>	The true level of pavement integrity will not be known until works commence.
<b>Project pros and cons</b>	Risk mitigation for priority area 130 metres – 170 meters If the application was successful, just doing the 150 meter section would not require any additional funds. Allows more time to save for remainder of runway reseal. Project inefficiency in not doing full priority 300 meters, or the full runway

#### **Funding options for Option B and C: Wellington Aerodrome and Recreation Park**

At 30 June 2022 there will be \$81,922 in restricted assets for Wellington Aerodrome and Recreation Park. This could fund the required 50% contribution of smallest section identified in option C (130 meters of asphalt). However, this is only completing part of the identified priority area (300 meters). Whilst there is a level of uncertainty of the asset life based on runway usage, it is expected that the full runway still has a useful life of three plus years.

Any further funding for capital renewals at the Aerodrome would need to come from general rates and revenue. The function of the Aerodrome, as separate to Dubbo Regional Airport currently does not have operational capacity to fund an external or internal loan.

<b>PROJECT OPTION D – combined locations</b>	
<b>Project name</b>	Dubbo LGA – Airport and Aerodrome Infrastructure Upgrades
<b>Project location</b>	Dubbo Regional Airport and Wellington Aerodrome and Recreation Park
<b>Project total (estimated)</b>	\$1,800,000 ex GST
<b>Project description</b>	Dubbo Regional Airport – General Aviation (GA) stormwater infrastructure upgrades and Wellington Aerodrome and Recreation Park Asphalt and Spray seal 13/31 Runway
<b>Project risks</b>	The true level of pavement integrity will not be known until works commence. Competitive application process, a larger application may have increased risk on not being successful.
<b>Project pros and cons</b>	Larger funding requirement Risk mitigation for priority area 130 metres – 170 meters or full 300 meter)

<b>PROJECT OPTION E – No funding application made</b>	
<b>Risks</b>	It is unknown what future funding programs will be available.
<b>Project pros and cons</b>	Council and community could explore other funding options that don't require co-contribution for the lowest project expenditure: Wellington Aerodrome And Recreation Park. Asphalt preservation of drag strip area (130 – 300 m) of runway.

An alternative option is for Council to not submit an application to Round 3 of the Regional Airports Program, sighting that a 50% contribution is not feasible with the current financial position.

#### Timeframe

<b>Key Date</b>	<b>Explanation</b>
17 May 2022	Applications close
30 April 2025	(if successful) Projects must be completed

#### Next Steps

- Council to determine if an application is to be made to the Regional Airports Program Round 3, and if so which project option is to be submitted
- If required, application is to be made.
- If Dubbo Regional Council's application for funding is successful, details of the funding required are outlined and adjustments made to be made to the 2022/2023 and forward budgets.