

Town of
Port Hedland



TOWN OF PORT HEDLAND

AIRPORT COMMITTEE MEETING MINUTES

WEDNESDAY 13 MAY 2015 AT 12:30PM

**COUNCIL CHAMBERS, MCGREGOR
STREET, PORT HEDLAND**

**“A nationally significant, friendly city that people are
proud to call home”**

*M.J. (Mal) Osborne
Chief Executive Officer*

TERMS OF REFERENCE - AIRPORT COMMITTEE OF THE TOWN OF PORT HEDLAND COUNCIL**AIM/PURPOSE**

The Airport Committee is established to ensure that the Port Hedland International Airport is recognised as a leading regional airport in the area of passenger and freight movements and customer satisfaction and to:

- Develop a comprehensive Airport Master Plan and commence implementation of key initiatives that are identified;
- Actively pursue the generation of income from a variety of sources at the Airport including through leases, rentals, advertising, freight and any other means; and
- Upgrade terminal facilities including baggage screening and departure lounges.

MEMBERSHIP*Elected Members:*

Mayor Kelly Howlett

Councillor Gloria Jacob - Presiding Member

Councillor Jan Gillingham - Deputy Presiding Member

Councillor Julie Hunt

Councillor Lorraine Butson

Community Members:

Ms Florence Bennett

Mr Brad Pawlenko

Mr Jason Green

Mr Chris McMahon

Deputy Members:

Councillor David Hooper

Councillor Troy Melville

QUORUM

The quorum for the Committee is to be a minimum of 50% of its membership.

DELEGATION

- i) To determine whether a tender is required to be sought or not as specified in LG (F&G) Reg 11F.
- ii) To choose tenderers for products services on behalf of the local government in accordance with LG (F&G) Reg 18.

TENURE

Ongoing

MEETING FREQUENCY

Monthly

DATES OF MEETINGS

The following dates have been set and advertised in accordance with the Local Government Act 1995 for Airport Committee Meetings to be held at 12:30 pm in Council Chambers:

- Wednesday, 11 March 2015
- Wednesday, 1 April 2015
- Wednesday, 13 May 2015
- Wednesday, 3 June 2015
- Wednesday, 1 July 2015
- Wednesday, 12 August 2015
- Wednesday, 2 September 2015
- Wednesday, 7 October 2015
- Wednesday, 4 November 2015
- Wednesday, 2 December 2015

RESPONSIBLE OFFICER

Director Works and Services

(Terms of Reference adopted by Council at its Ordinary Meeting held 25 January 2012.

Meeting dates adopted and membership amended by Council at its Ordinary Meeting held on 14 March 2012.

Additional community members appointed by Council at its Ordinary Meeting held on 9 May 2012.

Dates of Meetings amended by Council at its Ordinary Meeting held on 24 October 2012.

Dates of Meetings amended by Council at its Ordinary Meeting held on 23 January 2013.

Terms of Reference amended by Council at its Ordinary Meeting held 26 June 2013.

Terms of Reference amended by Council at its Ordinary Meeting held 23 October 2013.

Terms of Reference amended by Council at its Ordinary Meeting held on 30 April 2014.

Terms of Reference amended by Council at its Ordinary Meeting held on 26 November 2014.

Terms of Reference amended by Council at its Ordinary Meeting held on 25 February 2015.)

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ITEM 1 OPENING OF MEETING

The Presiding Member declared the meeting open at 12:50pm

ITEM 2 ACKNOWLEDGMENT OF TRADITIONAL OWNERS

The Presiding Member acknowledged the traditional owners, the Kariyarra people.

ITEM 3 RECORDING OF ATTENDANCE**3.1 Attendance**

Elected Members:

Mayor Kelly Howlett

Councillor Gloria Jacob - Presiding Member

Councillor Jan Gillingham - Deputy Presiding Member

Councillor Julie Hunt

Councillor Lorraine Butson

Community Member:

Mr Brad Pawlenko

Mr Jason Green

Officers

Mal Osborne

Sid Jain

Chris Linnell

Brendan Smith

Brett Reiss

Jenella Voitkevich

Sara Bryan

Eleanor Whitley

Grace Waugh

Chief Executive Officer

Director Corporate Services

Acting Director Community and Development Services

Director Works and Services

Program Director Airport Redevelopment

Manager Infrastructure Development

Manager Property and Asset Strategy

Compliance and Operations Manager PHIA

Minutes Taker/ Governance Officer

Media 0

Members of the public 0

ToPH officers 7

3.2 Apologies

Ms Florence Bennett

Mr Chris McMahon

3.3 Approved Leave of Absence

Nil

ITEM 4 RESPONSE TO PREVIOUS QUESTIONS**4.1 Questions from Public at Airport Committee Meeting held on Wednesday 1 April 2015**

Nil

4.2 Questions from Committee Members at Airport Committee Meeting held on Wednesday 1 April 2015

Nil

ITEM 5 PUBLIC TIME

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is also reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so.'

Presiding Member opened Public Question Time at 12:52pm.

5.1 Public Question Time

Nil

Presiding Member closed Public Question Time at 12:52pm.

Presiding Member opened Public Statement Time at 12:53pm.

5.2 Public Statement Time

Nil

Presiding Member closed Public Statement Time at 12:53pm.

ITEM 6 QUESTIONS FROM MEMBERS WITHOUT NOTICE**6.1 Mayor Howlett**

Has the flooding at the Airport staff parking area been resolved?

Chief Executive Officer advised that preliminary estimates have been prepared to review and correct the work. The initial work was estimated at \$70,000 however the Town doesn't think it will cost that much to complete the required work. Work still needs to be completed on the western side drainage to ensure the water has somewhere to run off.

Program Director Airport Redevelopment advised that quotes were due at the end of last week and will be followed up this week.

Will the required works be included in the budget schedule for 2015/16 or will it be done before the next wet season?

Chief Executive Officer advised that the work will be completed at the earliest opportunity.

The Airport staff that have later finishing times are still concerned with the lighting in the airport staff parking area. Some staff have suggested whether they could use some of the bus parking area that isn't utilised?

Presiding Member advised that she thought there had been special parking areas set up for late finishing Airport staff.

Chief Executive Officer advised in the negative.

Compliance and Operations Manager advised that the Airport staff parking area is being reviewed by Town staff in relation to the recent car break-ins. The Town is looking at the lighting issues and the possible short term measures. The bus parking area is the darkest spot as there is no lighting. The Town is reviewing the logistics for other areas to be utilised. There are lighting structures on site however an electrician needs to install them.

Presiding Member asked that information be provided to the Airport Users Group.

When you leave the slip lane where the Airport Operations building and School of the Air are you can't see the oncoming traffic.

Councillor Gillingham advised that this issue was raised two years ago to see whether the road could be changed or if the metal box could be moved.

Will something be done about the metal box as it is quite dangerous?

Presiding Member advised that she thought the Committee had been told that the Town would be installing a mirror to see oncoming traffic.

Program Director Airport Redevelopment advised that in concept plans that have been shown to Committee Members the slip lane would join onto the Airport staff parking area with the entry and exit of the slip lane would be after the car park.

Manager Infrastructure Development advised that a mirror has been installed for quite some time.

Presiding Member asked that the mirror location be reviewed as the current location isn't effective.

The School of the Air have also asked whether two or three car parking bays from the Airport Operations building can be provided to the school as they have quite a few parents and students visit.

Program Director Airport Redevelopment advised that it would be hard to police.

Presiding Member advised that the parents can use the short term car park as there is 30 minutes free parking.

The parents need longer than 30 minutes.

Chief Executive Officer advised that when the Town considered the demolition of the Airport operations building it was going to provide 16 to 18 car parking bays along the fence against the general apron area. These bays were going to be used for Airport staff that finish late and for visitors to the organisations along the slip lane during the day. There are three car parking bays that face the terminal that Jackson's were using for the redevelopment and these could be used for School of the Air visitors. The rest of the car parking bays in that area are used by Town of Port Hedland staff and contractors.

It could be done for a trial period with permits issued to the parents.

Presiding Member advised that this matter is taken on notice for officers to report back to the Committee.

The School of the Air have also asked if school zone signs can be installed in the area.

Chief Executive Officer advised that there is already a speed limit of 40km per hour in the Airport precinct which is the same as a school zone. There are also speed bumps on the road in that area. There is enough signage around the Airport therefore it wouldn't be ideal to have any additional signage.

Presiding Member advised that school zone signage has been considered however will not be actioned.

Program Director Airport Redevelopment advised that the speed limit on the slip road is 20km per hour.

There is no footpath connection to the slip lane buildings for people using the Airport staff parking area. It had been progressed with the previous Director Works and Services that the School of the Air would give up one metre of their land to help facilitate a footpath.

Presiding Member advised that the matter will be taken on notice pending the investigation of the Airport staff car parking area.

6.2 Mr Pawlenko

In the spirit of celebrating the Airport the Town should advertise that people can fly out of Port Hedland to Bali and then to anywhere else in the world. People do not have to fly to Perth first anymore. The Town should advertise that Port Hedland is the gateway to the rest of the world and can fly anywhere from Bali.

Presiding Member advised that it would be a great way to advertise the RBT flights that are now available for Bali. Manager Corporate Information will be providing a presentation on the communication strategy where this matter can be discussed.

6.3 Councillor Hunt

We had to check our luggage in at the Airport earlier than usual and noticed that there were eight or so people at the Airport in the dark with nothing to do as the Café wasn't open. The coffee station wasn't there and the gates inside the building were all down. Is this a good way to advertise the Airport?

Presiding Member advised that the Town has asked the Airport Café operators open a certain number of hours before the first flight.

Program Director Airport Redevelopment advised that the Café operator, under the lease agreement, is required to open an hour before the first arriving flight and close half an hour after the last departing flight. They operate around the required hours and as a business it is not viable to be open outside of those hours as there are normally no to little passengers around. To open the café earlier the security screening would have to be open early as well. The Town charges the airlines for the security screening service that the Town provides which opens an hour before the first arriving flight and closes half an hour after the last departing flight. This limits the costs that the Town on charges to the airlines. The Café operator does provide a vending machine in the main area of the Airport.

Presiding Member advised that she understands that people wouldn't be able to use the Café past the screening area but could the Town ask the Café operator to have the coffee station open outside of the lease times.

Program Director Airport Redevelopment advised that the question is taken on notice and will be discussed with the Café operator. There has been discussions with the operator about the viability of the coffee station being open during the slower times even though it is required to be open under its lease. The Town has asked for evidence of turnover for the coffee station so the peak and slow times can be reviewed and appropriate opening hours determined.

Chief Executive Officer advised that he has not seen the coffee station in operation.

Program Director Airport Redevelopment advised that the coffee machine for the coffee station has been broken this week.

6.4 Mr Jason Green

The coffee station should be open for the Bali flight as that is the flight that attracts all the media on Facebook. If the coffee station isn't viable then the Town should look at something else like a coffee machine that people can use.

Presiding Member acknowledged Mr Green's comments.

6.5 Councillor Butson

We had to walk through three to four inches of flooded water at the airside freight area. Is anything being done about the flooding?

Chief Executive Officer advised that he was not aware of the freight area flooding however it is on the company's lease area.

The flooding is due to the area being in a dip. If there had been more rain then it would have flooded the shed and office.

Chief Executive Officer advised that the long term plan is to review the whole area and for the freight shed to not in that location. There is nothing that would have changed in the past few years with regards to the flooding. If it has flooded in the past in the wet season then it will continue to do so until the issue is rectified.

Manager Infrastructure Development advised that there has been works investigations in that area. It was found that there was a collapsed drain in some of the storm water systems which made the situation worse as the water couldn't escape fast enough.

What are the figures for the last three months with passengers going in and out through the Airport?

Presiding Member advised that the information is included in the item on the agenda.

Have there been any settlements at Precinct 3 [Kingsford Smith Business Park]?

Chief Executive Officer advised that the majority of the settlements have been based around the Bunnings settling first. At the April 2015 Ordinary Council Meeting Council were requested to provide a licence for Bunnings to access the road in Kingsford Smith Business Park for construction purposes. That licence has been prepared by McLeods and is ready to be signed. Bunnings have agreed to settle within 14 days of receiving the licence. Hedland First National are conducting the marketing and sales for Kingsford Smith Business Park and the Town will be receiving an update next week and a summary will be provided to Elected Members.

Presiding Member requested that Hedland First National attend the next Airport Committee meeting to provide an update on the marketing and sales for Kingsford Smith Business Park.

Seeing as the appointed General Manager for the Port Hedland International Airport was unable to accept the position has the Town of Port Hedland readvertised the position?

Presiding Member advised that the position has not been readvertised.

Chief Executive Officer advised that unfortunately the previous appointed General Manager was unable to come to Port Hedland. Given the Town is closer to Council making a determination on the long term lease arrangement for the Airport it has been decided that the General Manager position will not be readvertised until a decision is made. The Town is currently in negotiations with the current Program Director Airport Redevelopment to occupy the General Manager position until a decision is made by Council about the long term lease for the Airport.

As the Program Director Airport Redevelopment's contract is due to expire will a new short term contract be developed?

Chief Executive Officer advised in the affirmative.

Will the contract be residential or fly-in fly-out?

Chief Executive Officer advised that the existing contract for the Program Director Airport Redevelopment expires on 30 June 2015 and a new contract will be negotiated for a further 5 to 6 months. The terms of the contract are yet to be developed.

Can I be provided with the income, expenditure and outgoings for the Port Hedland International Airport over the past two years?

Presiding Member advised that the income and expenditure for the Airport is part of the budget reporting.

Chief Executive Officer advised that the Town is happy to have a meeting with Councillor Butson if there are specific costs that Councillor Butson would like to review.

I would like to go through what the Airport is receiving and what is being spent.

Chief Executive Officer advised that the 2015/16 budget will have the 2014/15 budget actuals included. The next quarterly budget review will have up to date figures for the current financial year expenditure up to 31 March 2015. The 2015/16 budget will include the budgeted line items and also the actuals from 2014/15.

6.6 Councillor Gillingham – Deputy Presiding Member

Have there been any public submissions for the Port Hedland International Airport Business Plan for the leasing?

Chief Executive Officer advised that public submissions are currently open and close on 8 June 2015. The Town has not received any public submissions at this stage.

Will the business plan continue to be advertised?

Chief Executive Officer advised that an advertisement has been included in the North West Telegraph every week. There is a community forum being held on Wednesday 20 May 2015 at 6:30pm in Council Chambers.

There was an issue two weeks ago when a staff member of the School of the Air went to the Airport Café for a toasted sandwich at 7:30am. The café staff member reheated the toasted sandwich before giving it to the School of the Air staff member who has now complained to the Café Manager. When I went to get a coffee from the café it took 20 minutes as I had to go through security and there was only one staff member who was making coffees for a number of people. There are quite a few people that work within the Airport precinct that use the café. The café operator needs to put more staff on the coffee machine.

Presiding Member clarified that Councillor Gillingham was unhappy with the service of the Airport Café and the quality of the food. This feedback will be provided back to the Airport Café operator. These issues could possibly be dealt with through the lease and food and health requirements. The Committee believes that the Airport Café needs to investigate the quality of service for users as it directly reflects on the Port Hedland International Airport's reputation.

In regards to the footpath that Mayor Howlett raised earlier, the slip lane was meant to be installed two years ago however this hasn't happened. The plants that were along the rocks that died have still not been replaced and a pathway is needed. I believe that the land in front of the School of the Air is part of their lease and they can install school signs if they wish however I am unsure whether they need permission from the Town.

Presiding Member advised that any signs within the Town of Port Hedland district are required to comply with the Town's standards. Councillor Gillingham's comments will be taken on board by the Chief Executive Officer for the response to the footpath and signage along the slip lane matter.

The signs that the School of the Air had two years ago were taken down by the Parking Officers without permission. I have had people complain to me about the leaks in the Qantas lounge roof.

Compliance and Operations Manager advised that there was an issue with the back gutter of the Airport. A budget request has been included in the budget review to fix the gutters as they could not handle the amount of rain that was experienced.

As the Town isn't advertising the General Manager position how many Managers are there that are associated with the Airport?

Chief Executive Officer advised that a restructure was reported when the General Manager position was announced. The General Manager was going to report straight to the CEO which meant that the Airport was taken out of the then Engineering Services directorate and was not going to form part of the new Works and Services directorate. There is a Compliance and Operations Manager which is Eleanor Whiteley and a Terminal Duty Manager which is Nathaniel Santagiuliana who has first contact with stakeholders and members of the community. The rest of the business unit is made up of Airport Reporting Officers and Parking. The Terminal Duty Manager manages the terminal however does not form part of the Managers category at the Town of Port Hedland.

So there are three people doing what the past Manager Airport was doing?

Chief Executive Officer advised in the negative.

Presiding Member advised that the restructure that the CEO explained includes the reporting structure for the Airport.

Chief Executive Officer advised that Eleanor Whiteley, Compliance and Operations Manager, has filled the old Manager Airport's position. Nathaniel Santagiuliana's position as Terminal Duty Manager is a new position created to focus on customer service.

How many Parking Officers are there?

Chief Executive Officer advised that when he first started there were seven positions however there have never been seven employed as a number of positions have always been vacant. The number was challenged with the relevant Director at the time to see whether technology could be utilised.

Compliance and Operations Manager advised that there are three Parking Officer positions with the Rangers providing assistance.

6.7 Councillor Jacob – Presiding Member

Can an update be provided on how North West Aviation Services are dealing with the passing of their Manager?

Program Director Airport Redevelopment advised that the Terminal Duty Manager has had direct contact with the North West Aviation Services staff. North West Aviation Services have put a counselling program in place for their staff who are grieving. Support has been provided from the Newman and Karratha branches to have management present in Port Hedland while they recruit for a new Manager. The Managing Director has also increased his presence in Port Hedland at the moment. Program Director Airport Redevelopment advised that he has spoken to Todd Chapman from Qantas to discuss the performance and has been advised that Qantas have no concerns.

Can an update be provided on the car theft at the Airport?

Program Director Airport Redevelopment advised that the car theft is currently being investigated by the Police, and there has been no additional information provided at this time.

Compliance and Operations Manager advised that there is nothing the Town could have done to prevent the theft. The Town is looking at options to assist with the prevention of theft by looking at live CCTV monitoring rather than reviewing old footage and looking at regular patrols past midnight.

ITEM 7 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

| | |
|---|-------------------|
| Mayor Howlett | Councillor Butson |
| Councillor Jacob – Presiding Member | Mr Pawlenko |
| Councillor Gillingham – Deputy Presiding Member | Mr Green |
| Councillor Hunt | |

ITEM 8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**8.1 Confirmation of Minutes of the Airport Committee Meeting held on Wednesday 1 April 2015****AC201415/028 RECOMMENDATION/ AIRPORT COMMITTEE DECISION****MOVED: CR HUNT****SECONDED: MAYOR HOWLETT**

That Council confirm that the Minutes of the Airport Committee Meeting held on Wednesday 1 April 2015 are a true and correct record.

CARRIED 7/0**ITEM 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Presiding Member had previously advised the Airport Committee that the Port Hedland Airport was included in a Qantas report as being one of the worst performing Airports in Australia. Todd Chapman from Qantas provided further details advising that Port Hedland was the worst performing Airport because most of the passengers didn't like the Qantas lounge therefore it was not related to the actual Airport. Presiding Member advised that the Pilbara Development Commission and Pilbara Regional Council have been discussing the inter-region connectivity which has been lobbied at State and Federal level. There is global connectivity in the Pilbara from the Port Hedland Airport. The Town is challenging various organisations to support any initiatives that would promote inter-region connectivity as Port Hedland is the gateway to Asia from the Pilbara and North West region.

ITEM 10 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS**10.1 Anna Duffield, Manager Corporate Information, Town of Port Hedland**

Manager Corporate Information provided an update to the Airport Committee on the Airport Communication Strategy. The Town is continually updating the community via social media, the website and in the newspaper.

Disclaimer

Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

ITEM 11 REPORTS OF OFFICERS**11.1 Office of the CEO****11.1.1 Airport Management Report**

Brett Reiss, Program Director Airport Redevelopment
Eleanor Whiteley, Manager Compliance & Operations PHIA
Jenella Voitkevich, Manager Infrastructure Development
Nathaniel Santagiuliana, Terminal Duty Manager
File No. 08/02/0025

DISCLOSURE OF INTEREST BY OFFICER

Nil

AC201415/029 RECOMMENDATION/ AIRPORT COMMITTEE DECISION

MOVED: CR HUNT

SECONDED: MAYOR HOWLETT

That the Airport Committee notes the Airport Management Report.

CARRIED 7/0

EXECUTIVE SUMMARY

This report provides the Airport Committee with a consolidated update on the management of the Port Hedland International Airport, specifically regarding capital projects, business development, operations, security, stakeholder management and customer service.

DETAILED REPORT*Business Development*Aeronautical Growth

Passenger growth has been softer in the January period with a 12.5% drop in numbers being experienced over the prior comparable period. However the financial year-to-date figures remain positive with the airport experiencing 2.3% growth over the prior financial period.

Aircraft movements have also been softer in the January period with a 6.4% drop in movement numbers being experienced. The financial year-to-date figures have also remained negative with the airport experiencing a 5.2% drop in growth over the prior comparable period.

Commercial Opportunities

The Virgin Australia new 737/800 international Bali service commenced in this period (4 April 2015), with the first service arriving 30 minutes late. However, thanks to a team effort the outbound flight was off chocks two minutes after standard departure time. The initial passenger loads were low at just above 45%, but Virgin Australia continues to remain committed to the new service advising that it expects this will pick up over time. With the new services commencing in such a short period of time the stage two terminal works have not yet been completed, with final completion expected 12 May 2015.

The Airport Management Team met with Qantas in this period to review their current operational requirements. During this meeting the prospect of a possible relocation of the Club Lounge into the external café area was explored, which would allow for increased levels of service (through the café operator), and provide for operational efficiencies by moving the club lounge passengers into the secure departure lounge area. Qantas confirmed they would run this proposal through their lounges team, which will meet in early May. Qantas also committed to establishing a refurbishment program for their check-in counters at this meeting.

Stakeholder Communications

With the terminal redevelopment reaching the closing phases of the stage two works the stakeholder updates, website and Facebook updates have continued on a weekly basis.

Arrangements for the North Western Australian Airport's Forum also commenced in this period with initial contact being made with a range of stakeholders to confirm that we will soon be sending out formal invitations and a proposed forum agenda. Before finalising this year's forum we will be seeking stakeholder input and feedback on topics that they would like to see discussed at the forum. The theme for this year's forum is increasing connectivity in the North West and for this year's forum we are also intending to invite airlines and an airline route development specialist along to the forum to present on this topic.

Initial suggested topics are listed below.

- WA State Aviation Strategy
- Route development in the North West
- Regional Airline operations
- Building regional terminals
- Pavement developments
- Airport operating models

*Airport Operations*Bird & Animal Hazard Management

The Bird and Animal Hazard Management Committee (BAHMC) meeting was held on 16 April 2015. The annual review of the Bird and Animal Hazard Management Plan has been completed by the consultant and should be received shortly. Mid-morning Qantas flight experienced bird strike on landing.

| | |
|---|---|
| • Reported bird strikes – Actual | 1 |
| • Reported bird strikes but unsubstantiated | 0 |
| • Reported bird strikes – Near miss | 0 |
| • Reported animal strikes – Actual | 0 |
| • Reported animal strikes – Near miss | 0 |
| • Reported aircraft damage | 0 |

Airport Facilities

A baby change table has been installed in the accessible toilet adjacent to the Qantas check-in counters. Additional accessible toilets are now operational in the departures lounge.

Airport Café

The Export Café has a new Manager who is working closely with the Terminal Duty Manager to improve the level of services for customers.

The Export Café floor tiles have undergone a strip, clean and seal procedure to rectify stains caused by the initial installation in stage 1 of the redevelopment. Whilst not perfect, this procedure has brightened the tiles by up to three shades.

Replacement chairs for the Coffee Cart tables in the arrivals hall have been ordered as the current chairs provided by the Export Café are required to be used elsewhere.

Airport Infrastructure

The report into the airside lighting cubicle has been received and is currently being reviewed by the Compliance and Operations Manager.

Recent weather flooding was experienced in areas within the terminal precinct, airport entrance and all car park areas. The Compliance and Operations Manager is reviewing the affected areas to see if short term mitigation strategies are able to be undertaken.

Underground fuel tanks have been identified at a number of sites and airport management is working with relevant state agencies to resolve this issue.

A number of hazards have been identified recently in connection to the terminal upgrades. The Terminal Duty Manager and the Compliance and Operations Manager have been working closely with the Project Team to have these issues resolved quickly by the contractor.

Airport Pavement

The recommendations of the engineers report are being implemented with budget allocations being reviewed in line with priorities. Ongoing maintenance is being carried out in accordance with the works plan.

The recent inclement weather and heavy rain have identified a number of areas that require ongoing monitoring and maintenance and will be managed through the Airport Safety Management System.

Compliance and Operations Manager attended the Australian Airports Association's Pavement and Lighting Forum in Sydney on 30 April and 1 May 2015. The forum investigated new techniques and methods of pavement maintenance and airfield lighting with discussions by leaders in the pavement engineering field. The information was excellent and extremely relevant to current airport infrastructure projects and attendance was worthwhile.

People and Culture Report

The airport is still managing vacancies in administration and Airport Reporting Officer positions. Airport Management are working closely with People and Culture on strategies to fill these positions as soon as possible.

FINANCIAL IMPLICATIONS

Financial and Business Performance Report

Passenger traffic report

Actual passenger numbers for FYE14 were 504,659 and projected passenger numbers for FYE15 are currently 505,975. This represents a projected increase in passenger numbers of 1,316, or 0.26%.

Aircraft movements report

Actual aircraft movements for FYE14 were 5,754 and projected aircraft movements for FYE15 are currently 5,582. This represents a projected decline in aircraft movement activity of 172, or 3%.

Aircraft load factors

Actual passenger aircraft load factors for FYE14 were 65% and projected passenger aircraft load factors for FYE15 are currently 67%. This represents a projected increase in passenger aircraft load factors of 2%.

Note: the above load factors are based on an estimate of landed seats and are an indicative indication of the current aircraft passenger load factors.

Airport Operational Budget

The current figures for the airport operational budget will be tabled at the meeting.

Airport Capital Expenditure Program

The Airport capital expenditure program has been reviewed in consultation with the airport team (Manager Compliance and Operations and the Terminal Duty Manager). The review is based on project priorities, asset management and cashflow. This has involved the reallocation of expenditure between projects, and the deferment of some non-urgent capital programs. Therefore, there has been a reduction in the 2014/15 overall capital budget.

An application for Federal funding through the National Stronger Regions Fund was submitted for the airport's sewer and water upgrade projects, which totalled \$13.9m. This application was submitted in December 2014 and the requested funding was for 50% of the total project cost being \$6.95m. The Town is currently awaiting a response to its application which is due in May 2015.

The PHIA capital program has progressed well this month with the following key highlights:

Stage 2 of the Terminal Expansion project

The departure lounge airside expansion was successfully operational for the first Virgin RPT Denpasar flight on 4 April 2015, thanks to the help of many contractors, staff and terminal operators. This has now allowed for the international flight to arrive from Bali, process incoming and outgoing passengers then depart for Bali within a 2 hour turnaround time. Office of Transport Security provided their formal approval of the revised Terminal Security Plan in time for the new arrangements to be in place.

During the last few weeks work has continued on the finishing touches of the airside expansion, including new toilets in international departures and arrivals areas, painting, floor coverings and concertina doors.

We have experienced some problems with the operation of the new concertina doors that define the separation between the international and domestic areas. The new track and hinge system installed has resulted in some incidents with pinch points and difficulty in manoeuvring. The contractors are working with operators on site to resolve this asap.

The landside office construction is progressing well and will result in new accommodation for NWS, Virgin and our Terminal Duty Manager.

Landside Improvements

Cardno has prepared a transport and pedestrian study to inform the designs of landside transport improvements in front of the terminal and within the car parking area. These are currently being reviewed internally.

Public Art

Two artists have been selected to finalise their submissions for public art along the landside external façade of the terminal and for a screen wall for international arrivals. Work on the design is progressing well.

Capital Infrastructure Projects March 2015

| Project | Project Budget | FYE15 Budget | Expenditure / Commitments | Project Status | Completion Timeframe |
|---|----------------|--------------|---------------------------|--|---|
| Terminal precinct – stage 1 (café, departures, ablutions, verge landscaping, shade structures) | \$1,910,000 | \$1,638,584 | \$1,443,635 | - Terminal building certification complete. - Landscaping concept plan and shade structures to be considered in conjunction with public art project and civil upgrades. Design incorporated in Cardno scope of work. | Landscaping and shade structure implementation timeframes under review in consideration of long term lease opportunity. |
| Terminal precinct – stage 2 (airside expansion and landside offices) | \$1,000,000 | \$1,000,000 | \$1,153,105 | - Confirmed OTS approval received. - Operational requirements complete for commencement of 4 April international flight. - New departures ablutions complete. - Landside office construction ongoing. - Reviewing drainage issues. | Full completion due end May. |
| Car park/ground transport reconfiguration | \$1,000,000 | \$1,000,000 | \$155,487 | - Cardno prepared transport and pedestrian report, under review. - Concept design to be prepared on outcome of report review. | Implementation timeframes under review in consideration of long term lease opportunity. |
| Electrical ring main | \$5,538,789 | \$2,538,800 | \$2,000,851 | - Substation 2 construction award issued to TEC Services, long lead time items procured. | All work expected to be completed and commissioned FYE15. |
| Perimeter fence security upgrade | \$1,500,000 | \$1,500,000 | \$2,916 | - Tender documentation under review, to be finalised early April. - Advertising of tender pending confirmation on whether to proceed with project. | Implementation timeframes under review in consideration of long term lease opportunity. |

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|--|--------------|-------------|-----------|--|---|
| Security access and CCTV upgrade | \$500,000 | \$500,000 | \$2,916 | <ul style="list-style-type: none"> - Draft scoping document prepared, under review prior to being inserted into tender documentation. - Advertising of tender pending confirmation on whether to proceed with project. | Implementation timeframes under review in consideration of long term lease opportunity. |
| Transport and logistics subdivision | \$8,360,000 | \$4,252,570 | \$488,976 | <ul style="list-style-type: none"> - Design review is 95% complete, pending finalising intersection with GNH to MRWA compliance requirements. - Substation 2 construction award issued to TEC Services, long lead time items procured. | Implementation timeframes under review in consideration of long term lease opportunity. |
| Water and sewer service upgrade | \$13,900,000 | \$2,675,000 | \$49,379 | <ul style="list-style-type: none"> - Developer agreement with Water Corporation has been executed. Water Corp project manager to be assigned. - Detailed design process underway. | Project to be staged over 2-3 years, pending approvals from Water Corporation. |
| Apron extension | \$4,000,000 | \$4,000,000 | \$47,195 | Reallocation of funds as this project is of lower priority than taxiway. Design phase to be carried out this year with balance of funds rolled over into 15/16 | Project has been reviewed and is no longer a priority. Funds to be reallocated towards taxiway repairs and ensure compliance. |
| Apron lighting upgrades | \$1,300,000 | \$1,300,000 | \$5,422 | Scope has been revised to concentrate on parking bays 1-5. Design Phase to be carried out 14/15 | Design phase commissioned 14/15 works rolled over to 15/16. Compliance issue. |
| Drainage strategy | \$100,000 | \$100,000 | \$2,916 | Consultant to be engaged to prepare stormwater drainage modelling and strategy for improvements | Project being reviewed in light of recent weather |

| | | | | | |
|--------------------------------------|------------------|------------------|------------|--|---|
| <p>Quarantine incinerator</p> | <p>\$600,000</p> | <p>\$600,000</p> | <p>\$0</p> | <p>Project has been reviewed and not deemed a priority. Funds to be reallocated.</p> | <p>Project not required as this stage. The funds are to be reallocated across taxiway and drainage works.</p> |
|--------------------------------------|------------------|------------------|------------|--|---|

STATUTORY AND POLICY IMPLICATIONS

The Town's Strategic Community Plan (section 2.2 A nationally significant gateway city and destination) outlines the goal to develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction.

Section 4.1 further outlines the goal to deliver responsible management of infrastructure, assets, resources and technology.

All procurement processes to deliver the Airport capital program and operational requirements are in accordance with the Council's Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016. Tenders are administered in accordance with the Local Government Act (1995) section 3.57 and the Local Government (Functions and General) Regulations 1996 part 4, division 2.

Aviation Security & Compliance

Compliance

There were no reported issues during the period. Ongoing airside maintenance is being carried out with the recent weather highlighting some areas that require addressing to ensure compliance. Budget is being reviewed following recent quarterly budget review to ensure adequate funds still available to carry out the works.

Security

There have been no reported security related incidents in the reporting period. Office of Transport Security have advised that a security audit of the international operations shall occur at the end of this month.

Operations, Safety and Security

Maintenance programmes have escalated with drainage and runway strip regrading works commencing.

The report into the terminal air conditioning report has been received and its recommendations reviewed. It is recommended that all units will need replacing and a replacement program is now being implemented. The total cost of replacement is \$750k, and the adopted approach will be to budget \$250k pa for an orderly replacement of all airconditioners over three years, which will incorporate regular reviews of airconditioning performance and ongoing program recommendations.

After completing a walk through review of the baggage belt systems with Glidepath it was confirmed that the baggage windowing issue could be resolved via a software fix. Glidepath has proposed that to ensure the problem is adequately resolved their software engineer will attend to rectifications while their maintenance teams are on site in June/July to coordinate onsite fine tuning. In the interim period Glidepath will maintain remote monitoring of the system to ensure it remains operable.

The Pavement inspection report has been received by Airport Management and is being assessed and actioned as a priority with recommendations being implemented as part of the works programme.

ATTACHMENTS

Nil.

4 April 2015

**ITEM 12 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/
COMMITTEE**

Nil

ITEM 13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 14 CONFIDENTIAL ITEMS

Nil

**ITEM 15 APPLICATIONS FOR LEAVE OF ABSENCE FOR THE NEXT
AIRPORT COMMITTEE MEETING**

Councillor Hunt will not be attending the next Airport Committee Meeting.

**ITEM 16 ATTENDANCE BY TELEPHONE/ INSTANTANEOUS
COMMUNICATIONS**

Nil

ITEM 17 CLOSURE

Presiding Member advised that it is Jenella Voitkevich's, Manager Infrastructure Development, last Airport Committee Meeting and would like to recognise her service to the Town of Port Hedland and to the Airport Committee.

17.1 Date of Next Meeting

The next Airport Committee Meeting of Council will be held on Wednesday 3 June 2015 at 12:30pm.

17.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 1:55pm.