

Town of  
Port Hedland



## **TOWN OF PORT HEDLAND**

### **AIRPORT COMMITTEE MEETING MINUTES**

**WEDNESDAY 3 JUNE 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 1:00pm

**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:

Councillor Gloria Jacob - Presiding Member

Councillor Jan Gillingham - Deputy Presiding Member

Councillor Lorraine Butson

Community Member:

Ms Florence Bennett

Mr Brad Pawlenko

Mr Jason Green

Officers:

Mal Osborne

Chief Executive Officer

Chris Linnell

Acting Director Community and Development Services

Brett Reiss

Program Director Airport Redevelopment

Grace Waugh

Minute Taker/ Governance Officer

Media 0

Members of the public 0

ToPH Officers 2

**3.2 Apologies**

Mayor Kelly Howlett

Mr Chris McMahon

**3.3 Approved Leave of Absence**

Councillor Julie Hunt

**ITEM 4 RESPONSE TO PREVIOUS QUESTIONS****4.1 Questions from Public at Airport Committee Meeting held on Wednesday 13 May 2015**

Nil

## 4.2 Questions from Committee Members at Airport Committee Meeting held on Wednesday 13 May 2015

### 4.2.1 Mayor Howlett

*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. It could be done for a trial period with permits issued to the parents. [School of the Air using two or three of the Airport operations car parking bays].*

Program Director Airport Redevelopment advised that he has discussed with Airport Terminal Manager and Airport Operations and Compliance Manager and it is still deemed unsafe for parents and students to use parking bays at the Airport Operations Building as this will still require parents and students to walk along the narrow slip lane. The three carparks at the located at the front of the Airport Operations building, facing the Terminal, are used as loading zones and the general car parks used for Airport Operations staff and Town of Port Hedland staff attending meetings at the airport. It has been suggested as an alternative that The School of the Air look at allocating their staff parking at the front of the School of the Air to parents and students and that staff use the staff parking at the top of the slip road.

*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.*

Program Director Airport Redevelopment advised that consideration is currently being given to incorporating the footpath improvements into the current car parking/ground transport interim improvement program such that it may be progressed as part of that program of works.

### 4.2.2 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?*

Program Director Airport Redevelopment advised that he has once again approached the café operator who has advised him that it is no longer viable to open the coffee station given the low number of people within the Terminal.



**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 1:04pm.

**5.1 Public Question Time**

Nil

Presiding Member closed Public Question Time at 1:04pm.

Presiding Member opened Public Statement Time at 1:05pm.

**5.2 Public Statement Time**

Nil

Presiding Member closed Public Statement Time at 1:05pm.

**ITEM 6 QUESTIONS FROM MEMBERS WITHOUT NOTICE****6.1 Councillor Gillingham - Deputy Presiding Member**

*After meeting briefly with the Program Director Airport Redevelopment on the weekend regarding presentation of the airport, have there been any further updates on this matter?*

Program Director Airport provided a summary from his meetings on the weekend. Program Director Airport advised at the South Hedland Shopping Centre he met with four members of the public. The first discussion was approximately an hour in length, discussing airport leasing, future development and economic opportunities.

The second member of the public enquired if the Town of Port Hedland needs to sell the Airport, as opposed to leasing. Program Director Airport advised there is no need to sell, and the Town of Port Hedland wishes to engage a commercially focused operator.

Two Aboriginal Elders approached Program Director Airport with questions. The first enquired if the leasing arrangement would result in an increase in Airport Parking charges. Program Director Airport advised there may be a variation in parking charges. The second enquired if the leasing could provide an opportunity to increase connectivity into the north-west and east coast. Program Director Airport answered the question, advising of improvements that are usually expected at privatised airports.

Program Director Airport commented that generally the feedback received at the South Hedland Shopping Centre was of a positive nature.

At the Port Hedland Boulevard, Program Director Airport was approached by a representative of the Port Hedland Riders Club. He was pleased to be offered a sub-lease. A representative from Polar Aviation questioned the future airport charges and aircraft training charges. Program Director Airport advised regarding charges normal processes would apply in consultation with regulation bodies. Program Director Airport advised training charges are likely to be in line with other airports with one single charge for an hour of touch and go.

*On the weekend I enquired as to figures from other smaller airports, is that information still to come?*

Program Director Airport advised that he would take the question on notice.

## **6.2 Mr Jason Green**

*Qantas have an email distribution list that is utilised to communicate incidents relating to flights at Perth, Port Hedland and Karratha airports, would it be possible to implement a similar facility at the Port Hedland Airport?*

Program Director Airport advised that the Communications Team receive the said communications, and that received information is placed on Facebook.

*Could we get an email distribution list for the Port Hedland Airport so that we are able to communicate all incidents, from all providers?*

Presiding Member commented that the website provides updates on flight information. Presiding Member questioned if the information on the website is maintained.

Program Director Airport advised that North West Aviation update the Flight Information Display System within half an hour of receiving a notification, and that information is mirrored onto the website for passengers to view. Presiding Member requested that confirmation that this is occurring be brought to the next meeting.

## **6.3 Councillor Butson**

*When will the financials requested at the previous meeting be available?*

Chief Executive Officer understood that Councillor Butson had been referred to the 2013/14 and 2014/15 Budgets.

*When the Manager Financial Services presented at a public meeting for rates, he stated that three years of Audited Financial Statements had been completed for the Airport Group. Is it possible for Councillors to receive a copy of this information?*

Chief Executive Officer advised that the information will be distributed to Elected Members as part of an agenda for June. Chief Executive Officer advised it was not distributed widely, as it does not contain capital expenditure. Chief Executive Officer advised that information on Airport profit and loss will be extracted from previous budgets and supplied to Councillor Butson.

Presiding Member commented that TAG will be briefing Council on the topic when the public period is complete.

#### **6.4 Councillor Jacob – Presiding Member**

*Are we able to enquire with Qantas as to the food and beverage service provided on Perth to Port Hedland route, and request that it at least be in line with virgin who provide complimentary beverages in the evening?*

Councillor Gillingham enquired as to which beverages Presiding Member refers. Presiding Member clarified that she is referring to complimentary alcoholic beverages, and clarified that she wishes to enquire with Qantas as to the standard in-flight service they provide.

*Can we also request that the PRC advocate this request?*

Program Director Airport commented that the in-flight service provided may be subject to the route length.

*Can we add to Airport Management Report a schedule of upcoming and current tenders?*

*As a priority when we consider works on the programming for the ground transport, can we please review the second exit in the car park where the boom gates are located? Can we also erect signs advising that payment is no longer accepted at the boom gate?*

*Can we implement an in terminal announcement welcoming commuters to Port Hedland and reminding commuters that payments must be made at the station?*

*When does WA Billboard Contract expire?*

Chief Executive Officer advised he believes the contract expires in 2016. Preliminary discussions have taken place in regards to purchasing the contract, to retain control.

*Can we be provided with an update as to if we intend to purchase the contract?*

Chief Executive Officer advised that discussions are unlikely to take place until after leasing has been finalised. If the Council does not engage in long term leasing, the contract will go out to tender.

*Please provide an update on the touch screens at the Visitor Centre for which a budget has been allocated?*

Chief Executive Officer advised that question will be taken on notice.

*When will the television screens be erected in the luggage collection area of the Airport?*

Program Director Airport advised that the screens are at the Airport, however a computer needs to be sourced to utilise the screens. Chief Executive Officer to provide an update at next meeting.

*If budget allows is it possible to get the bulkhead in the department lounge painted a lighter colour? Please advise at next meeting.*

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

Councillor Jacob - Presiding Member	Councillor Butson
Councillor Gillingham - Deputy Presiding Member	Mr Pawlenko
Ms Florence Bennett	Mr Green

**ITEM 8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**8.1 Confirmation of Minutes of the Airport Committee Meeting held on Wednesday 13 May 2015**

**AC201415/030 RECOMMENDATION/ AIRPORT COMMITTEE DECISION**

**MOVED: CR GILLINGHAM**

**SECONDED: CR BUTSON**

**That the Airport Committee confirm that the Minutes of the Airport Committee Meeting held on Wednesday 13 May 2015 are a true and correct record.**

**CARRIED 6/0**

**ITEM 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Presiding Member reminded attendees that the Business Plan Public Comment period ends on the 8 June. Presiding Member requested that attendees reiterate this date to their various networks. Presiding Member commented that feedback she has received has been positive, along with questions regarding where the revenue will be allocated, and if restrictions will be applied to prevent funds being allocated immediately without consideration for future generation benefit and infrastructure.

**ITEM 10 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS**

Nil

*Disclaimer*

*Members of the public are cautioned against taking any action on Committee decisions, on items on today'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.

**AC201415/031 RECOMMENDATION/ AIRPORT COMMITTEE DECISION**

**MOVED: MR PAWLENKO**

**SECONDED: MS BENNETT**

**That the Airport Committee notes the Airport Management Report.**

***CARRIED 6/0***

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**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 February period with an 11.9% drop in numbers being experienced over the prior comparable period. However the financial year-to-date figures remain positive with the airport experiencing 0.6% growth over the prior financial period.

Aircraft movements have also been softer in the January period with a 2.5% drop in movement numbers being experienced. The financial year-to-date figures have also remained negative with the airport experiencing a 4.9% drop in growth over the prior comparable period.

### Commercial Opportunities

The Virgin Australia 737/800 international Bali service has continued to meet turnaround expectations with on-time performance remaining above 90%. The initial passenger loads remain low at around 50%, but Virgin Australia continues to remain positive advising that the passenger numbers are consistent with the original charter service. Virgin has advised that it expects this will pick up over time. The stage two terminal works have now effectively been completed, and final minor rectification works should also be completed by the end of May.

The Airport Management Team continues to liaise with Qantas in regards to the prospect of a possible relocation of the Club Lounge into the external café area. As previously advised this 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. The Esplanade has advised they are in negotiations with Qantas on commercial terms.

The Airport Management team has also met with the Esplanade management team to resolve operational issues around opening times, customer service levels, security compliance matters and recent downturns in café revenues. The following outcomes and action items were agreed:

- Opening times were reviewed and it was apparent the café manager misunderstood the café lease requirements. This has now been resolved and it has been confirmed that the café will be opening in line with the leases terms and conditions.
- A recent customer complaint in regard to the serving of reheated food was noted and the café manager confirmed that this matter has been addressed through better staff instruction and customer compensation.
- It was noted that key café staff were still waiting on ASICs which are required for café staff to work in the terminal secure area. The café manager has been reminded that an ASIC holder must be present in the café at all times.
- Café management confirmed that over the past three months café revenues have been down by 27%, which can be partially attributable to passenger downturns. It was noted that since the beginning of the year there has been a passenger downturn of just over 10%, and it was suggested that the remainder of the downturn directly related to the ban on smoking in the café outside area. The café operator advised that about 30% of its customers were smokers, and that while the Qantas Club Lounge opportunity might assist in generating higher revenues it was the operator's preference to reopen the outside area to smokers. Airport management advised that the outside area would require further work before it could be used for this purpose and that the operator will need to formally raise its request providing clear impact evidence concerning the change in use and how it will address compliance with the Tobacco Products Control Act.

### Stakeholder Communications

With the terminal redevelopment reaching practical completion of the stage two works further stakeholder updates, website and Facebook updates have been posted.

Arrangements for the North Western Australian Airport's Forum have also continued in this period with formal contact being made with a range of stakeholders to confirm attendance at the forum and requesting feedback on topics that they would like to see discussed at the forum. As previously advised the theme for this year's forum is increasing connectivity in the North West. Airlines have therefore also need invited as well as an airline route development specialist to present on this topic, and Qantas and Three Consulting have already confirmed their attendance.

### *Airport Operations*

#### Bird & Animal Hazard Management

• 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

#### Commentary

A Mid-morning Qantas flight experienced a bird strike on landing, but no aircraft damage was reported.

#### Airport Infrastructure

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

With the 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. Permanent solutions are also being considered.

Underground fuel tanks have been identified at a number of sites and airport management is working with relevant state agencies to determine appropriate mitigation strategies.

A number of hazards have been identified recently in connection to the terminal upgrades. 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.

#### Airside Pavements

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



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

#### *Terminal Operational*

##### Customer Service

A recent customer complaint was noted for the café in regard to the serving of reheated food. The café manager confirmed that this matter has been addressed through better staff instruction and the customer was reimbursed and received a fresh replacement meal for free.

After several complaints have been received regarding the operating hours of the Export Bar and Café, opening times have been addressed with management and the Export Bar and Café will be open a minimum of one hour prior to arriving flights and a minimum of 30 minutes after departing flights.

The Coffee Cart still remains closed due to a technical fault which Café management assures will be tended to in the coming week.

##### Maintenance and Operations

The Airports six monthly fire safety equipment was carried out on May 22<sup>nd</sup> to meet Australian Standards AS1851-2012.

#### *People and Culture Report*

The airport is currently 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**

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.

#### *Financial and Business Performance Report*

##### Passenger traffic report

Actual passenger numbers for FYE14 were 504,659 and projected passenger numbers for FYE15 are currently 488,723. This represents a projected decrease in passenger numbers of 15,936, or 3.21%.

Aircraft movements report

Actual aircraft movements for FYE14 were 5,754 and projected aircraft movements for FYE15 are currently 5,569. This represents a projected decline in aircraft movement activity of 185, or 3.21%.

Aircraft load factors

Actual passenger aircraft load factors for FYE14 were 67% and projected passenger aircraft load factors for FYE15 are currently 68%. This represents a projected increase in passenger aircraft load factors of 1%.

Airport Budget Performance

Account Description	Original Budget	Current Budget	YTD Amended Budget	YTD Actuals	YTD Variance	Variance between YTD Actuals and Budget
	\$000's	\$000's	\$000's	\$000's		\$000's
Operating Revenue	23,253	25,153	23,057	15,936	-31%	7,121
Operating Expenditure	(12,328)	(14,306)	(13,113)	(9,119)	-30%	-3,995
Operating Surplus/(Deficit)	10,926	10,848	9,944	6,817	-31%	3,127
<b>Add Back Non Cash Items</b>						
Depreciation on Assets - Airport Maintenance	1,497	1,497	1,372	145	-89%	1,228
<b>Capital</b>						
Capital Expenditure - Infrastructure: Airport - Carpark : Ground Transport Reconfiguration - Airport Administration	(1,000)	(1,000)	(917)	(117)	-87%	-799
Capital Expenditure - Buildings: Airport - Terminal Precinct - Airport Administration	(1,000)	(1,639)	(1,502)	(1,437)	-4%	-65
Capital Expenditure - Infrastructure: Airport - Re:Site Quarantine Facility - Airport Administration	(600)	(600)	(550)	0	-100%	-550
Capital Expenditure - Work in Progress - Solar Farm Due Diligence & Feasibility - Airport Administration	0	(121)	(111)	(23)	-79%	-88
Capital Expenditure - Work in Progress - International Terminal Works Expansion - Airport Administration	0	(1,000)	(917)	(937)	2%	21
Capital Expenditure - Plant And Equipment: Airport - Plant Purchases - Airport Administration	(165)	(435)	(399)	(128)	-68%	-271
Capital Expenditure - Work in Progress - Water & Sewer Services - Airport Administration	(4,900)	(2,675)	(2,452)	(66)	-97%	-2,386
Capital Expenditure - Buildings: Airport - Staff Housing Refurbishment - Airport Administration	(15)	(12)	(11)	(12)	9%	1
Capital Expenditure - Buildings: Airport - Building Upgrades - Airport Administration	0	0	0	0		0
Capital Expenditure - Infrastructure: Airport - Bus Parking - Airport Administration	0	(270)	(248)	(270)	9%	23
Capital Expenditure - Infrastructure: Airport - Taxiway Overlay - Airport Administration	(5,000)	(4,000)	(3,667)	(31)	-99%	-3,635
Capital Expenditure - Infrastructure: Airport - Main Apron Strengthening - Airport Administration	(1,300)	(1,300)	(1,192)	(154)	-87%	-1,037
Capital Expenditure - Infrastructure: Airport - Perimeter Fence Upgrade - Airport Administration	(1,500)	(1,500)	(1,375)	(5)	-100%	-1,370
Capital Expenditure - Infrastructure: Airport - Runway Resheet : Northern Apron Extension - Airport Administration	0	(200)	(183)	(53)	-71%	-130
Capital Expenditure - Infrastructure: Airport - Electrical Infrastructure - Airport Administration	(2,539)	(2,539)	(2,327)	(1,497)	-36%	-830
Capital Expenditure - Infrastructure: Airport - Apron Lighting Upgrades - Airport Administration	(1,300)	(1,300)	(1,192)	(3)	-100%	-1,189
Capital Expenditure - Infrastructure: Airport - Storm Water Drainage - Airport Administration	0	(100)	(92)	(4)	-95%	-87
Capital Expenditure - Furniture & Equipment: Airport - CCTV Network - Airport Administration	(150)	(150)	(138)	(73)	-47%	-65
Capital Expenditure - Work in Progress - Freight & Logistics Zone - Airport Administration	(8,360)	(4,253)	(3,898)	(99)	-97%	-3,799
Capital Expenditure - Work in Progress - Power in Push Back Equipment - Airport Administration	(765)	0	0	0		0
Capital Expenditure - Work in Progress - Security Screening Equipment - Airport Administration	(500)	(500)	(458)	(180)	-61%	-279
Capital Expenditure - Work in Progress - Security Upgrades CTO - Airport Administration	(500)	(500)	(458)	(5)	-99%	-453
Gain on Sale of Asset - Plant: Airport - Airport Administration	15	15	14	0	-100%	14
Operating Grants Subsidies & Contributions - Government Grants - Airport Administration	8,000	50	46	0	-100%	46
<b>Funding</b>						
New Loan Borrowings	0	4,726	4,332	0	-100%	4,332
Capital Expenditure - Repayment of Debentures - Loan Principal Payments : Airport Housing (131) - Airport Administration	(42)	(42)	(38)	(21)	-46%	-18
<b>Movement in Airport Reserve (Transfer Required from the Airport Reserve)</b>						
Airport Reserve Opening Balance 1 July 2014	16,463	16,463		16,463		
Airport Reserve Forecast Closing Balance 30 June 2015	7,265	9,464		18,309		

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*Airport Capital Expenditure Program*

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 further refinements to the 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 Cathie Cresswell, Xander Rood have been appointed to undertake the public art work along the landside external façade of the terminal. Work on the design is progressing well, and a local community art workshop has been scheduled with Cathie for the beginning of June. Actual works installations will commence in early to mid-July.

*Capital Infrastructure Projects May 2015*

<b>Project</b>	<b>Project Status</b>	<b>Completion Timeframe</b>
<b>Terminal precinct – stage 1 (café, departures, ablutions, verge landscaping, shade structures)</b>	<ul style="list-style-type: none"> <li>- Terminal building certification complete.</li> <li>- Landscaping concept plan and shade structures to be considered in conjunction with public art project and</li> </ul>	Landscaping and shade structure implementation timeframes are being finalised.

	civil upgrades. Design incorporated in Cardno scope of work.	
<b>Terminal precinct – stage 2 (airside expansion and landside offices)</b>	<ul style="list-style-type: none"> <li>- Confirmed OTS approval received.</li> <li>- Operational requirements complete for commencement of 4 April international flight.</li> <li>- New departures ablutions complete.</li> <li>- Landside office construction near completion.</li> <li>- Reviewing drainage issues.</li> </ul>	Full completion due early June.
<b>Car park/ground transport reconfiguration</b>	<ul style="list-style-type: none"> <li>- Cardno prepared transport and pedestrian report, under review.</li> <li>- Concept design has been prepared and further refinements are under review.</li> </ul>	Implementation timeframes being established.
<b>Electrical ring main</b>	<ul style="list-style-type: none"> <li>- Substation 2 construction award issued to TEC Services, long lead time items procured.</li> </ul>	All work expected to be completed and commissioned FYE15.
<b>Perimeter fence security upgrade</b>	<ul style="list-style-type: none"> <li>- Tender documentation has been finalised in this period.</li> <li>- Advertising of tender to proceed this month.</li> </ul>	<p>Implementation timeframes are as follow:</p> <p>Tender issue and award 6 weeks – estimated completion date 30 June 2015</p> <p>Tender evaluation and Town approval 6 weeks – estimated completion date 11 August 2015</p> <p>Construction period 5 months – estimated completion date 15 January 2016</p>
<b>Security access and CCTV upgrade</b>	<ul style="list-style-type: none"> <li>- Draft scoping document prepared, under review prior to being inserted into tender documentation.</li> <li>- Advertising of tender pending confirmation on whether to proceed with project.</li> </ul>	<p>Implementation timeframes are as follows:</p> <p>Tender issue and award 6 weeks from 30 June 2015– estimated completion date 14 August 2015</p> <p>Tender evaluation and Town approval 6 weeks – estimated completion date 18 September 2015</p> <p>Construction period 4 months, estimated completion date 15 January 2016</p>
<b>Transport and logistics subdivision</b>	<ul style="list-style-type: none"> <li>- Design review is 95% complete, pending finalising</li> </ul>	Implementation timeframes under review in consideration of

	<p>intersection with GNH to MRWA compliance requirements.</p> <ul style="list-style-type: none"> <li>- Substation 2 construction award issued to TEC Services, long lead time items procured.</li> </ul>	long term lease opportunity.
<b>Water and sewer service upgrade</b>	<ul style="list-style-type: none"> <li>- Developer agreement with Water Corporation has been executed. Water Corp project manager to be assigned.</li> <li>- Detailed design process underway.</li> </ul>	Project to be staged over 2-3 years, pending approvals from Water Corporation.
<b>Apron extension</b>	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.
<b>Apron lighting upgrades</b>	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.
<b>Drainage strategy</b>	Consultant to be engaged to prepare stormwater drainage modelling and strategy for improvements	Project being reviewed in light of recent weather
<b>Quarantine incinerator</b>	Project has been reviewed and not deemed a priority. Funds to be reallocated.	Project not required as this stage. The funds are to be reallocated across taxiway and drainage works.

### 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.

*Operations, Safety and Security*

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

As advised previously the report into the terminal air conditioning serviceability has been received and its recommendations reviewed. It is recommended that all units will need replacing and the total cost of replacement has been estimated at \$750k. The adopted approach and program requires \$250k pa be spent for an orderly replacement of all airconditioners over three years, which will incorporate regular reviews of airconditioning performance and ongoing program recommendations. The initial \$250k for 2015/16 has now been budgeted and the program will commence in this period.

After the recent flooding events a review of stormwater capacity issues and carpark surface upgrades will be undertaken. It has been noted that apart from there being a need for stormwater maintenance and improvement, the high water table at the airport has also contributed to greater flooding. This high water table has also contributed to landside and aside pavement failures and the acting airport general manager has therefore met with a dewatering company to discuss dewater solutions. An initial assessment of the airport's dewatering requirements will be undertaken as part of the proposed review of stormwater needs to help improve pavement performance and stormwater outflows.

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.

*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

On the 8<sup>th</sup> of May in the early hours of the morning a group of individuals crossed the airside area from the South Hedland side of the airport. It is expected they crossed the runway. As it was after the normal hours of operation and there were no aircraft operation during this period. This group were captured on CCTV crossing airside from gate one across bay number five and exiting at gate two. After exiting the airside area this group proceeded to vandalise a number of rental car vehicles and eventually stole a rental vehicle and left the airport. Police are undertaking their investigations of the car break-ins.

Airport management have been investigating the implementation of a 24 hour CCTV surveillance service through MSS, and are now reviewing this as a priority matter.

The Office of Transport Security have advised that a security audit of the international operations shall occur at the end of this reporting period.

#### **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**

Nil

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

Nil

**ITEM 17 CLOSURE**

**17.1 Date of Next Meeting**

The next Airport Committee Meeting of Council will be held on Wednesday 1 July 2015 at 12:30pm.

**17.2 Closure**

There being no further business, the Presiding Member declared the meeting closed at 1:30pm.

**DECLARATION OF CONFIRMATION OF MINUTES**

I certify that these Minutes were confirmed by the Airport Committee at its Ordinary Meeting held on \_\_\_\_\_.

CONFIRMATION:

\_\_\_\_\_  
PRESIDING MEMBER

\_\_\_\_\_  
DATE