



Town of Port Hedland

MINUTES

OF THE

AIRPORT COMMITTEE OF THE TOWN OF PORT HEDLAND COUNCIL

HELD ON

**FRIDAY 13 DECEMBER 2013
AT 12:30PM**

IN

**COUNCIL CHAMBERS
MCGREGOR STREET, PORT HEDLAND**

***“A nationally significant, friendly city, where people want
to live and are proud to call home”***

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*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 Serge Doumergue
Dr Ken King

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

Every 4 weeks

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:

- Friday, 13 December 2014
- Wednesday, 15 January 2014
- Wednesday, 5 February 2014
- Wednesday, 5 March 2014
- Wednesday, 2 April 2014
- Wednesday, 7 May 2014
- Wednesday, 4 June 2014
- Wednesday, 2 July 2014
- Wednesday, 6 August 2014
- Wednesday, 3 September 2014
- Wednesday, 1 October 2014

Responsible Officer

Director Engineering 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.)

OUR COMMITMENT

To enhance social, environmental and economic well-being through leadership and working in partnership with the Community.

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ITEM 1 OPENING OF MEETING**1.1 Opening**

The Presiding Member declared the meeting open at 12:42pm and acknowledged the traditional owners, the Kariyarra people.

ITEM 2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**2.1 Attendance***Elected Members:*

Councillor Gloria Jacob (Presiding Member)
Councillor Jan Gillingham (Deputy Presiding Member)
Mayor Kelly Howlett
Councillor Julie Hunt
Councillor Lorraine Butson

Officers:

Malcolm Osborne	Chief Executive Officer
Russell Dyer	Director Engineering Services
Gordon MacMile	Director Community Development
Clare Phelan	Director Corporate Services
Brett Reiss	Program Director Airport Redevelopment
Josephine Bianchi	Governance Coordinator/Minutes taker

2.2 Apologies

Ms Florence Bennett
Dr Ken King

2.3 Approved Leave of Absence

Mr Serge Doumergue

ITEM 3 RESPONSE TO PREVIOUS QUESTIONS – TAKEN ON NOTICE**3.1 Questions from Public at Airport Committee Meeting held on Wednesday 30 October 2013**

Nil

3.2 Questions from Committee Members at Airport Committee Meeting held on Wednesday 30 October 2013

Nil

ITEM 4 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 20.3 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 chairperson to do so'.

Presiding Member opened Public Question Time at 12:44pm

4.1 Public Question Time

Nil.

Presiding Member closed Public Question Time at 12:44pm

Presiding Member opened Public Statement Time at 12:45pm

4.2 Public Statement Time

Nil.

Presiding Member closed Public Statement Time at 12:45pm

ITEM 5 QUESTIONS FROM MEMBERS WITHOUT NOTICE**5.1 Councillor Gilligham**

On behalf of Mr Michael Jennings from PH School of the Air; do Town of Port Hedland staff that park in the short term carpark at the Airport pay a fee?

Director Engineering Services advised that staff don't pay parking but the Town of Port Hedland pays Fringe Benefit Tax on its vehicles; this information has been provided to Mr Jennings.

With regard to parking space in the new proposed plan presented to us today; is the purple marking all designated for rental carparking?

Program Director Airport Redevelopment advised in the affirmative.

Is there going to be enough car parking space in the red zone to accommodate the influx of more planes we are going to have? At the moment it seems that rental car parking is getting more precedence.

Program Director Airport Redevelopment advised that parking space is designed to be flexible and that the bollards in the car park are designed to be movable. There are an additional 45-50 bays encapsulated within the plan that should see the Town's Airport through the next 5 to 10 years and then if need be, the space can be reconfigured.

Will the staff parking in the green area of the plan be redesigned near the white airport building or will the airport building no longer be in existence?

Program Director Airport Redevelopment advised that the terminal will take away about a third of the operations building and the remainder will be demolished and used for parking so the plan encapsulates existing parking plus building.

The parking in the drop off zone is free for about seven minutes but how long will it be in the red zone?

Program Director Airport Redevelopment advised that a decision about this matter has yet to be made.

5.2

Mayor Howlett

Has the Town received any information on Qantas and its current financial situation and whether there is a potential it might affect its services?

Chief Executive Officer advised that the Town has not received an official message and that at today's date is doing business as usual with Qantas. The national press suggests that Qantas may be going through a tough time however this is what is often reported about the airlines industry. In terms of the Town's commercial arrangements with Qantas, there is an item on today's agenda about more check-in counters and Qantas pays fees based on the prescribed fees and charges that Council has adopted. There is a small issue with not having received the payments for the 2013/14 landing fees that Council has adopted but this an internal issue that is being addressed right now. The Perth to Port Hedland route is the most profitable for the commercial airlines but notwithstanding this Qantas needs to sort out its operating model and its debt capacity.

Program Director Airport Redevelopment advised this is a position that other airlines find themselves in with their share prices having gone to junk status and reaching a BB+ rating. Qantas was trying to guard its rating as it affects its cost of debt. However this does not mean that they are in operational trouble it is just an outlook put out by rating agencies to say that the outlook for the airline is expected to produce a \$300M loss. They have over \$3billion in cash in the bank so they can trade at a loss for quite some time. The issue is more about Qantas' policy that states that the company wants to maintain a 65% market share and this has meant a price war with Virgin; so Qantas could change its policy and return to profitability.

In terms of definition and terminology; is the South Hedland cemetery within the airport precinct?

Chief Executive Officer advised that the Town has looked at changing this terminology for a while, even with Precinct 3 coming out of the airport so now it is just a commercial land transaction. The cemetery is under a separate reserve and not covered under the original freehold land of the airport so there is a separate title and management order in place. The new boundary fence on the southern side of the airport will now become the new airport boundary.

Is there an opportunity to look at selling advertising on the Port Hedland International Airport website? The airport shuttle service company is keen to advertise and I thought this would be a good idea. Also, what about selling ad space on trolleys and around payment stations?

Chief Executive Officer advised that this question is taken on notice.

To get from the long term parking to the airport one has to drag a suitcase through dirt as there is no connection to a footpath; can the Town look into this?

Chief Executive Officer advised that in the short term the Mayor can lodge a works request form to address this. In the long term this way finding issue has to be addressed to make it a better experience for all passengers traveling through the airport.

Can we have an issues reporting box at the airport?

Director Engineering Services advised that he will look into it. Chief Executive Officer also advised that there have been discussions to create a front of house reference point.

5.3 Councillor Hunt

I recently traveled through Sydney and Auckland airports and they had some beautiful Christmas decorations; can the Town look at purchasing some for our airport?

Deputy Mayor advised that this question is taken on notice and that she would also like to see some decorations as the Town is lacking a Christmas feel.

Chief Executive Officer also advised that he believes the Town should look into developing a Christmas strategy not only at the airport but across the whole community. A standard budget needs to be developed for each year as with this climate the condition of the decorations will deteriorate quickly and will need to be replaced.

5.4 Councillor Gillingham

Will a new road structure and new parking along the front of the airport be in place by the end of January?

Director Engineering Services responded that before school starts a small footpath, cross walks and signage will be put in place at this location as discussed at a recent meeting with RFDS and the School of the Air.

ITEM 6 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

Councillor Jacob	Councillor Butson
Councillor Gillingham	Mayor Howlett

Cr Hunt did not have time to read the agenda in full.

ITEM 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

AC201314/029 Officer's Recommendation/ Airport Committee Decision

Moved: Cr Butson

Seconded: Cr Hunt

That the Minutes of the Airport Committee Meeting held on Wednesday 30 October 2013 be confirmed as a true and correct record of proceedings.

CARRIED 5/0

ITEM 8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Deputy Mayor advised that in a recent meeting with the Program Director Airport Redevelopment she discussed some minor changes to the committee meeting structure to allow for financials to be presented. If the Committee is talking about programming more than \$70M of improvements at the airport it should be made aware of financial information related to this. In order to give the Committee a more strategic outlook key stakeholders should also be regularly invited to present at meetings. In this way matters that will affect all parties involved can be discussed.

ITEM 9 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

9.1 *Brett Reiss, Program Director Airport Redevelopment*

Port Hedland International Airport program director airport redevelopment update

presentation to airport committee 13 December



overview

- redevelopment strategy
 - strategic review
 - engagement process
 - outcomes
 - concepts
 - strategic priorities
 - timeframes
- airport interim improvement program
- operational update





redevelopment strategy

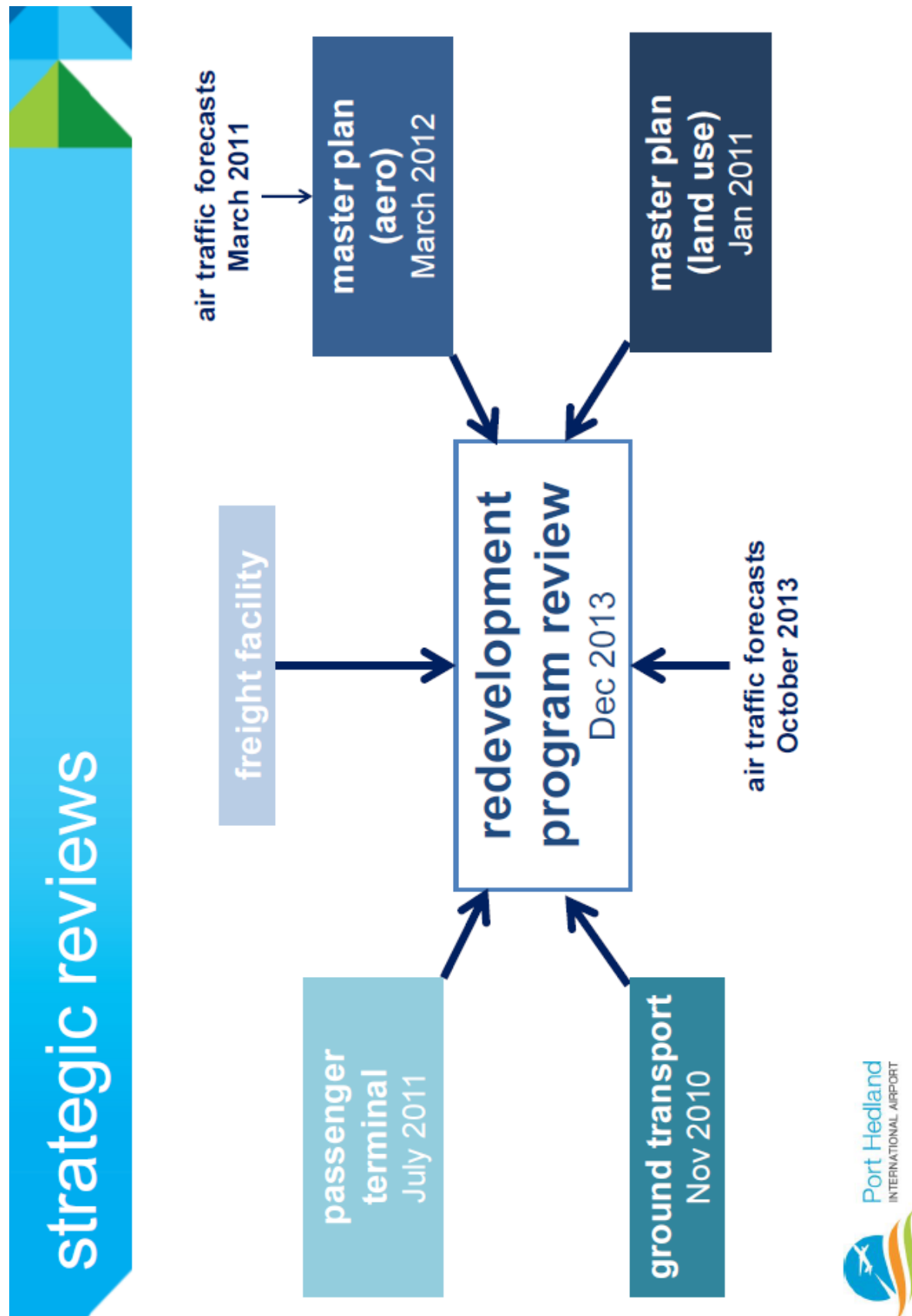


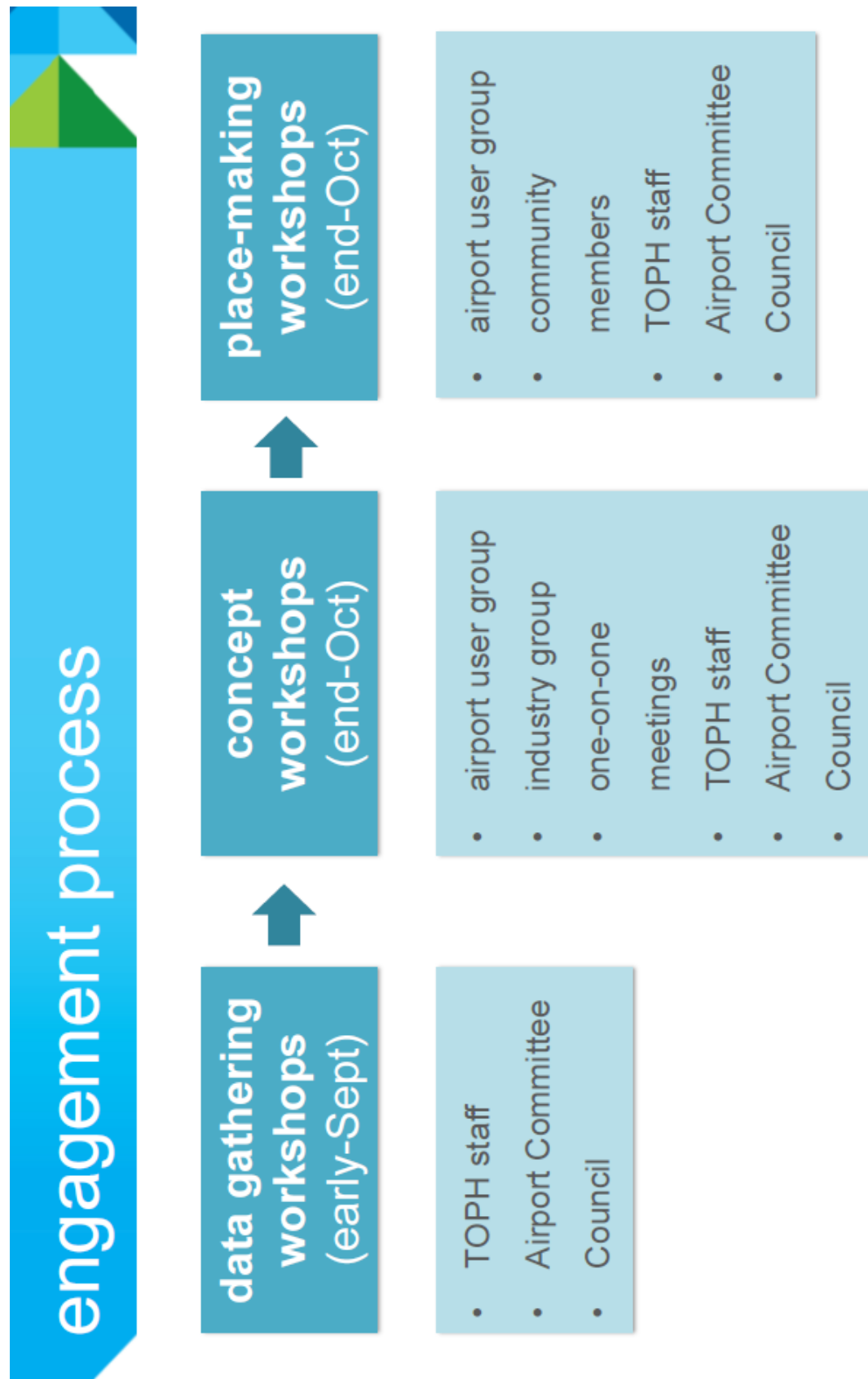
strategic reviews

- opportunity to revisit and confirm capital works program and priorities
- validate previous plans
 - ensure future growth and regional needs met
 - verify timing for infrastructure delivery
 - maximise economic, social, environmental benefits
- ensure integrated, holistic approach
- provide sound basis for investment

Rehbein Airport Consulting engaged to critically review:

- master plan
- aero compliance
- terminal design
- car park/ground transport
- logistics/freight hub
- airside operations





review outcomes

- airside planning
 - Master Plan assumptions generally still relevant
 - pax and aircraft movements numbers reviewed - 20yr growth 4% to 5%
 - Change from power-in/power-out to power-in/push back operation & implement current design aircraft parking arrangements, but omit concrete aircraft parking positions to preserve maximum flexibility
 - Future expansion Southern freight apron to the south-west
 - Provision Code F taxiway connecting the Southern Apron to Taxiway B2 and Runway 14/32
 - Expansion of the GA apron

review outcomes

- land use
 - land-use strategy generally sound and lot layouts in precincts 2, 3 & 4 sound
 - lot layout Precinct 2 should be reviewed to preserving capability for ultimate expansion of freight and other major aviation support activities
 - Stakeholder feedback opportunity in short to medium term to develop international air freight hub
 - Relocation existing freight facilities essential to facilitate expansion of terminal to the east
 - Lot layout of freight logistics zone needed to be rationalised to facilitate common user international airfreight facilities

review outcomes

- Terminal
 - Retain existing passenger terminal location and reserve provision for future expansion
 - Undersized in relation to current peak period traffic levels, is operationally inefficient, and lacks the passenger comfort and amenities associated with modern airport terminal facilities
 - Expansion in a single phase to a total footprint of approximately 9,750m²
 - Incorporation of international departures facilities on a mezzanine
 - Provide extensive plaza area connecting terminal to ground transport arrangements
 - Provide covered walkway to the apron face of the terminal

review outcomes

- car park/ground transport
 - Shared-use pick-up/drop off zone, reconfiguration of the existing short-term car park entry and exit arrangements
 - long-term bus parking & interim facilities needed to park buses away from the terminal kerbside
 - expand short-term and rental car parking areas to north and south of the bus/coach parking area, with a flexible boundary
 - Retention of long term parking area without alteration
 - new seagull intersection with an extension of the existing service
 - Provide staff parking to the south of the Polar Aviation hangar
 - Provision new two-way access to the freight and logistics subdivision

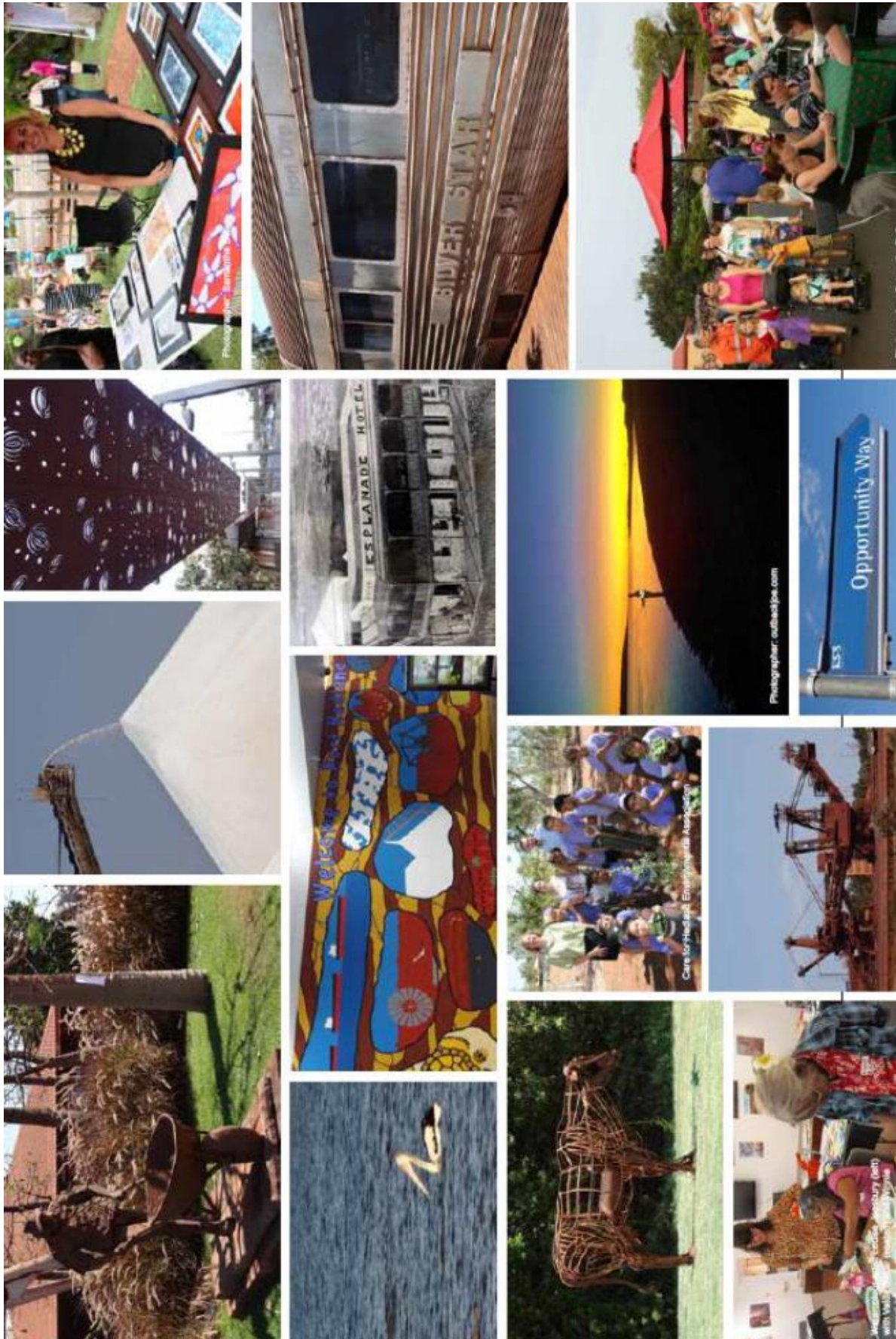
review outcomes

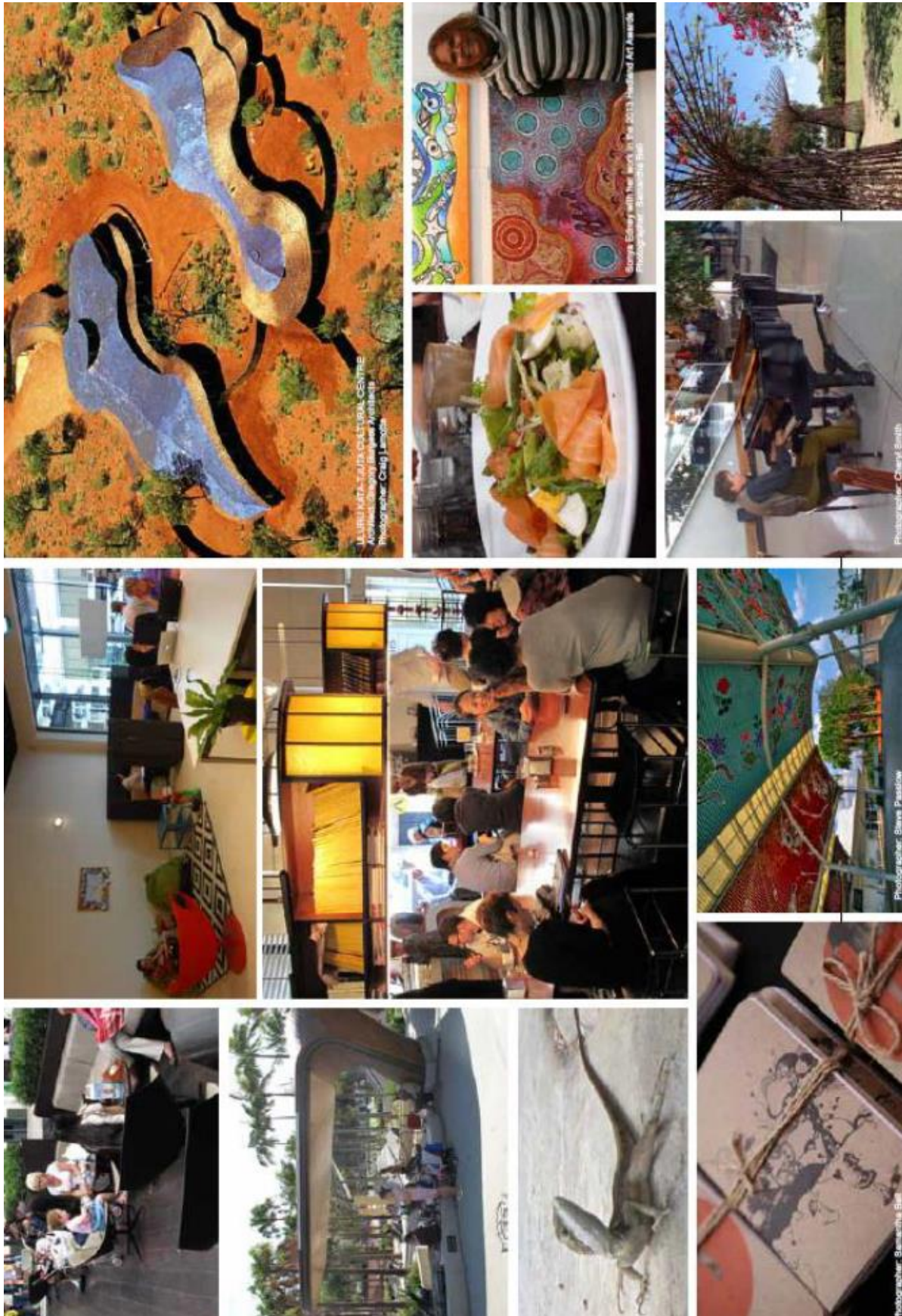
- freight/logistics zone
 - Retain the existing layout of Lots 1-8
 - Adjust road layout creating direct airside access from the Air BP site
 - Develop new lot immediately south of Air BP site for operational requirements
 - Consolidate proposed Lots 9 & 10 and 12 & 13 to provide larger lots with airside access
 - Identification of four (4) lots with direct landside and airside access suitable for development of international and domestic freight hub facilities, individually or in various combinations

place-making outcomes

- proudly sharing the stories and treasures of Port Hedland and the Pilbara
- a vibrant meeting place
- connecting the Port Hedland community
- enjoying the wait

- quintessential Port Hedland experience on arrival
- spacious, comfortable and flexible lounge areas for meeting and relaxing
- quality food and local products available from morning until evenings
- information about what's here and what's happening
- improved facilities and operations

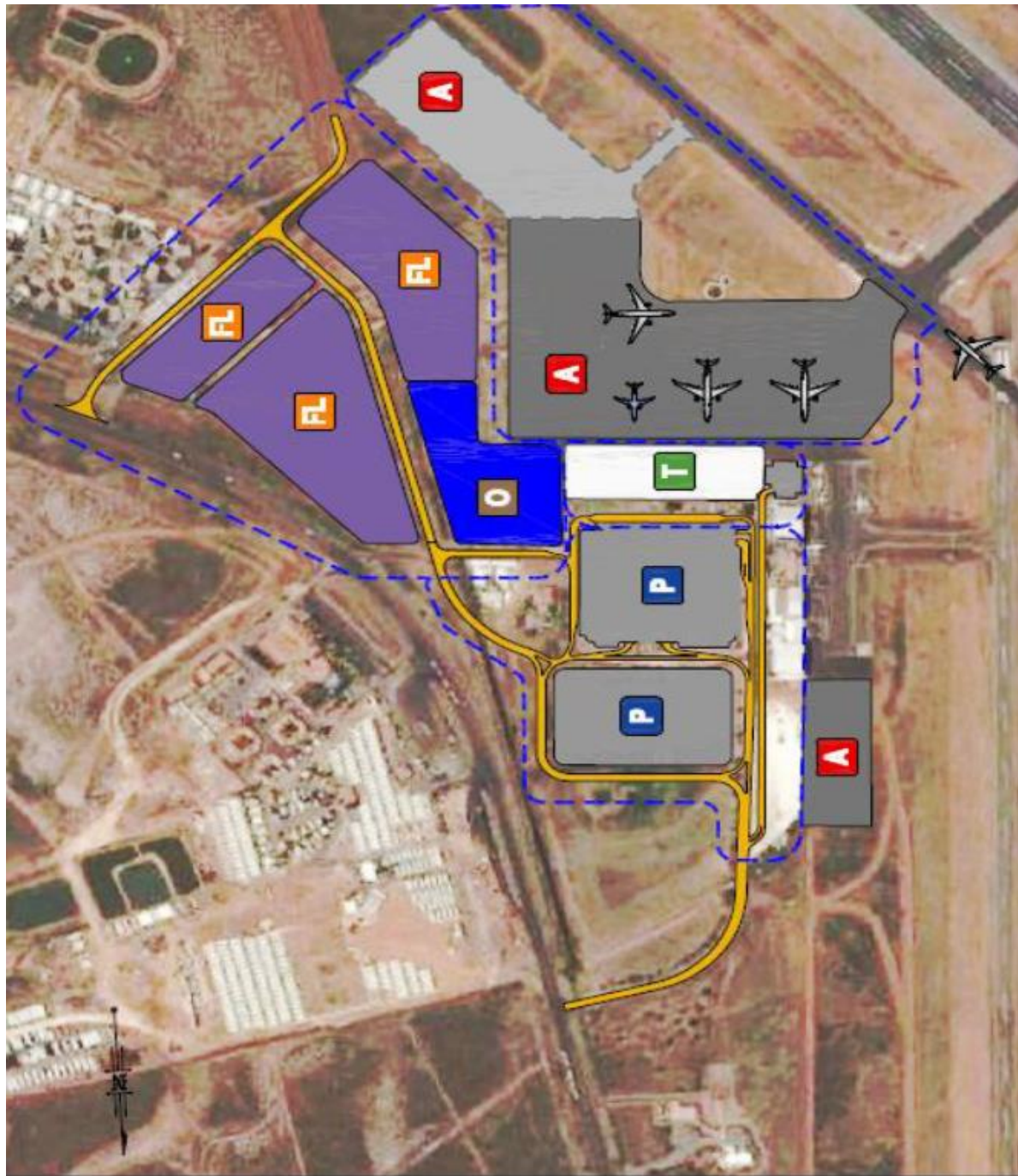




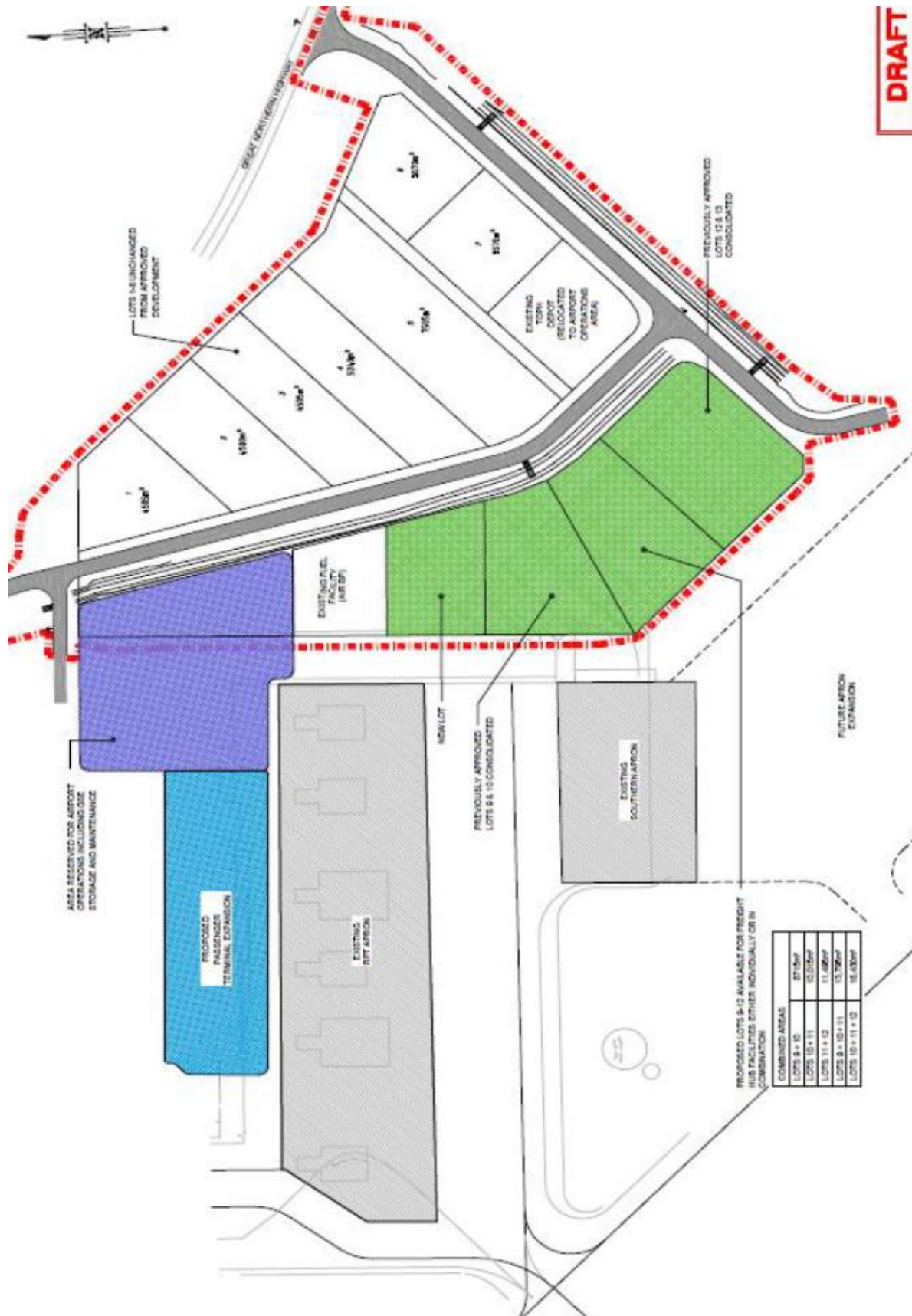
concepts

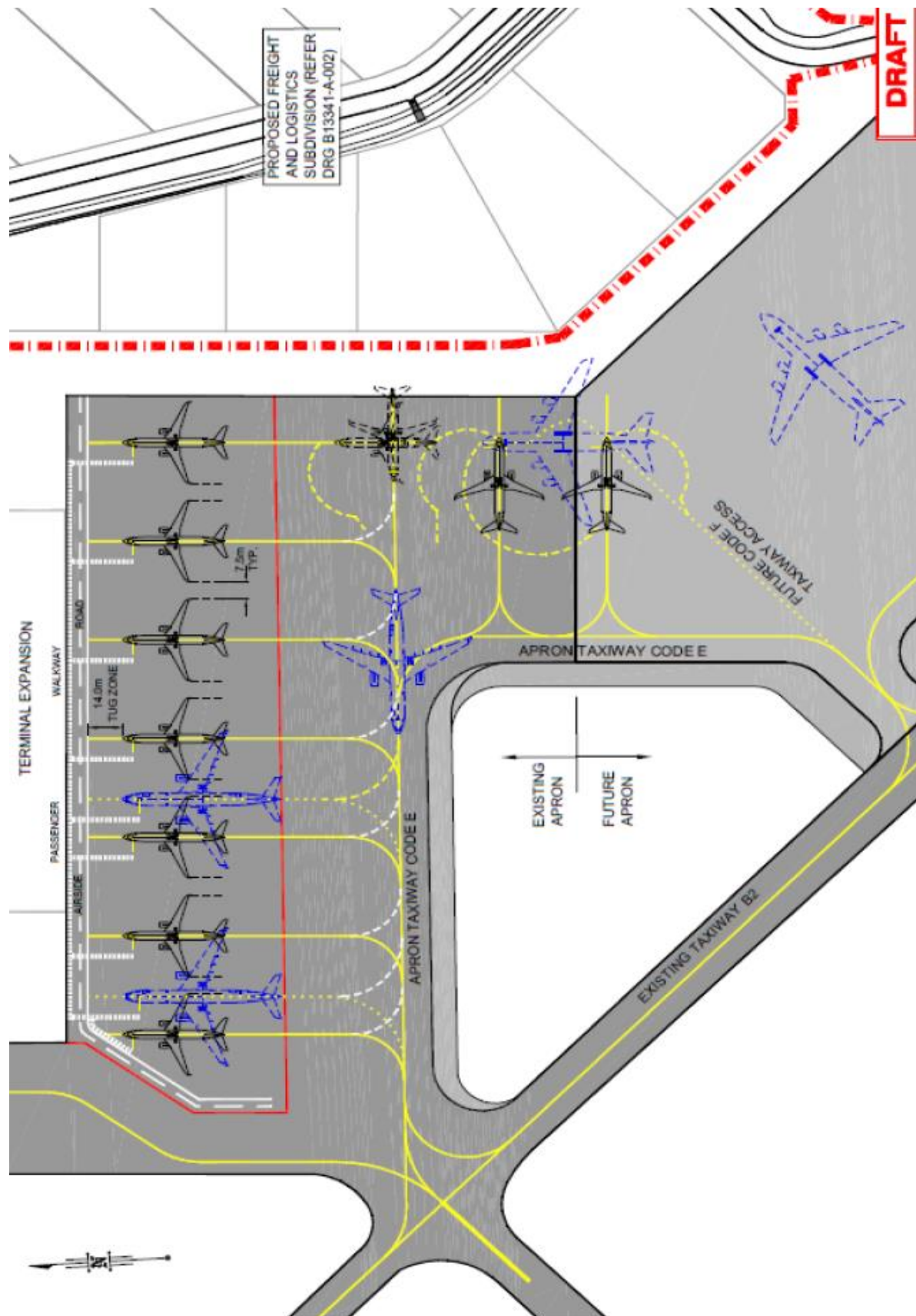
- freight/logistics
- airside operations
- apron extension
- terminal
- ground transport

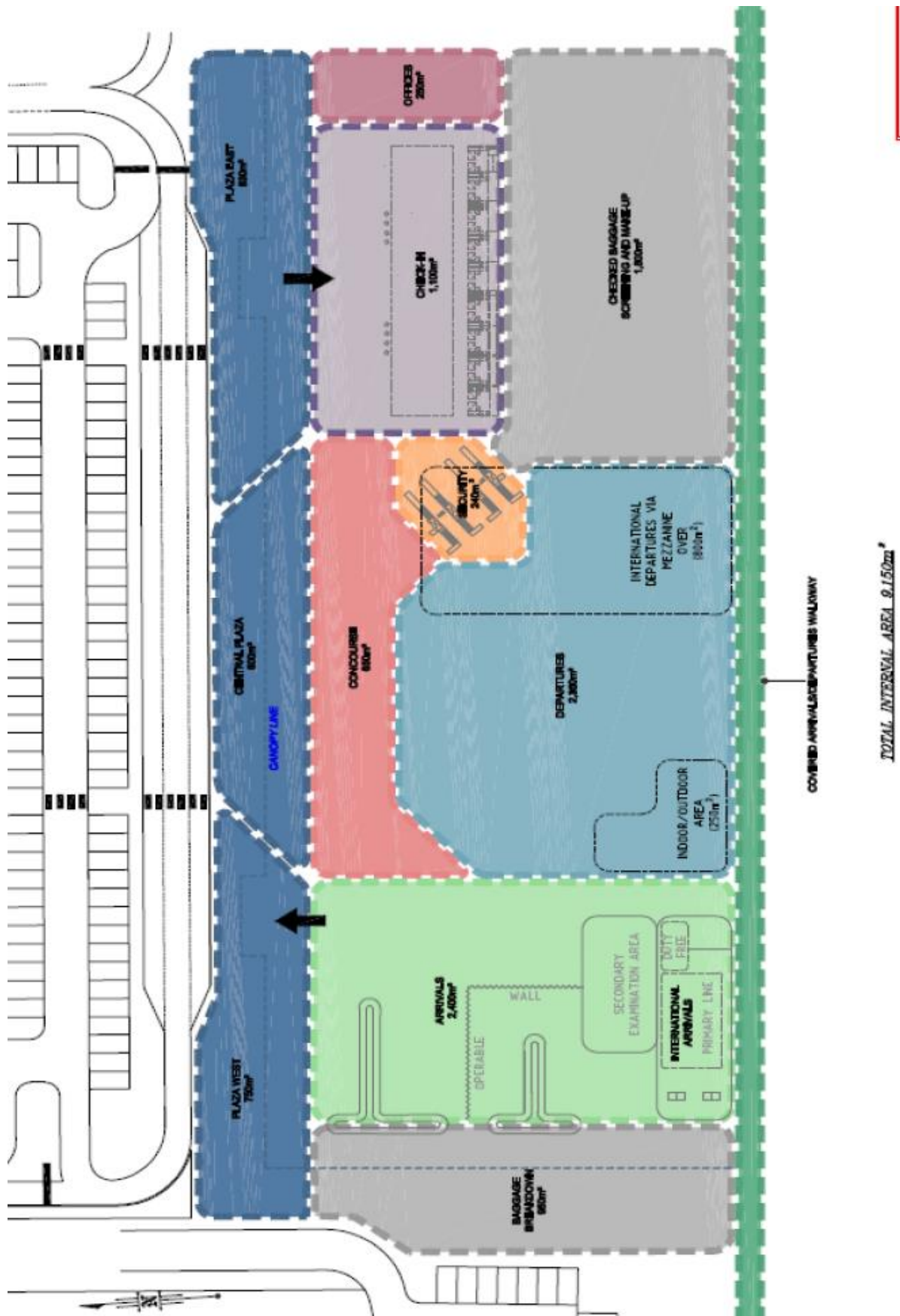


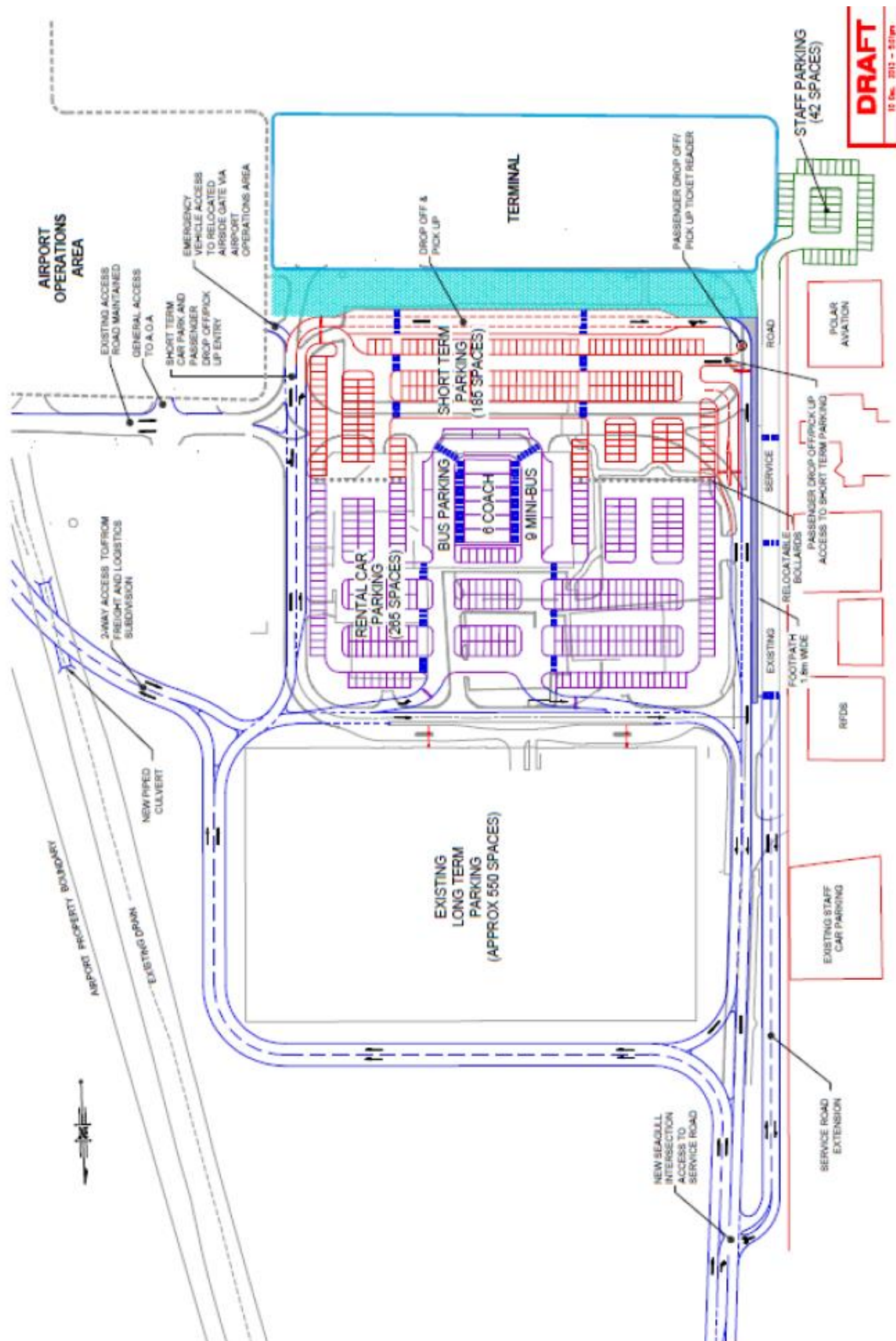
**LEGEND**

P	CARPARK EXPANSION
FL	FREIGHT & LOGISTICS SUBDIVISION
T	TERMINAL EXPANSION
A	APRON EXPANSION
O	AIRPORT OPERATIONS









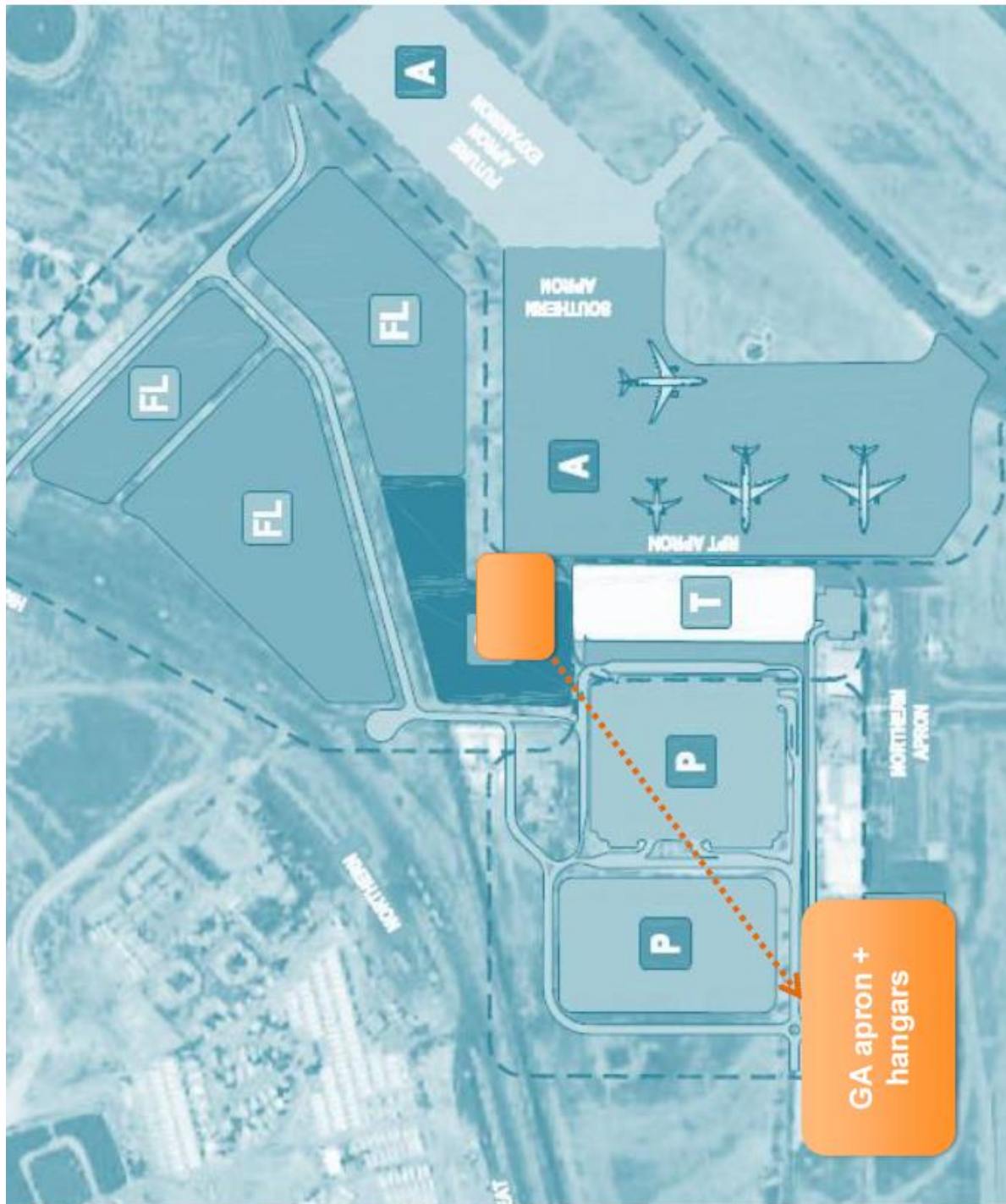
strategic priorities

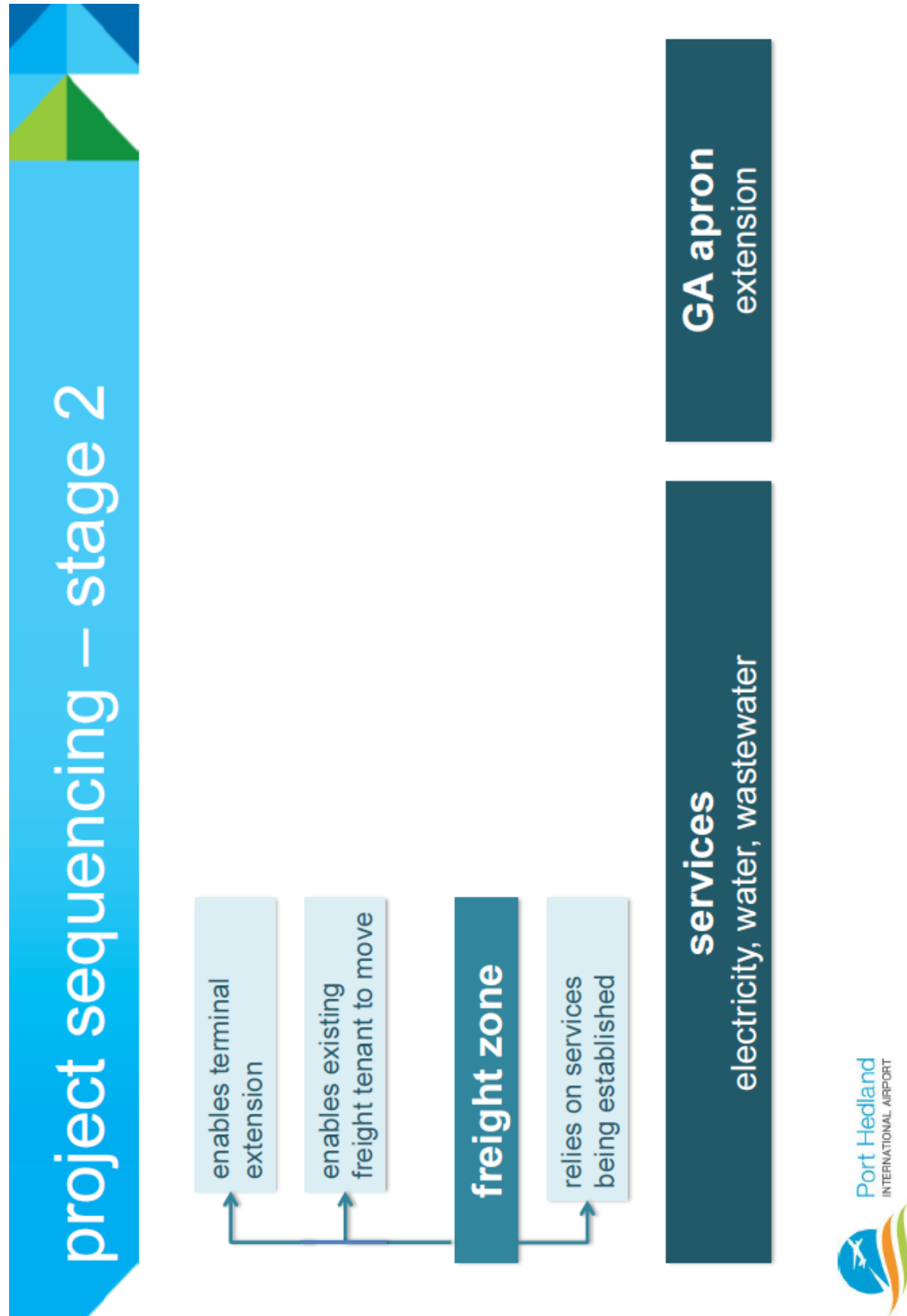
- services
- general aviation/northern apron
- freight zone
- logistics zone
- terminal
- car park/ground transport

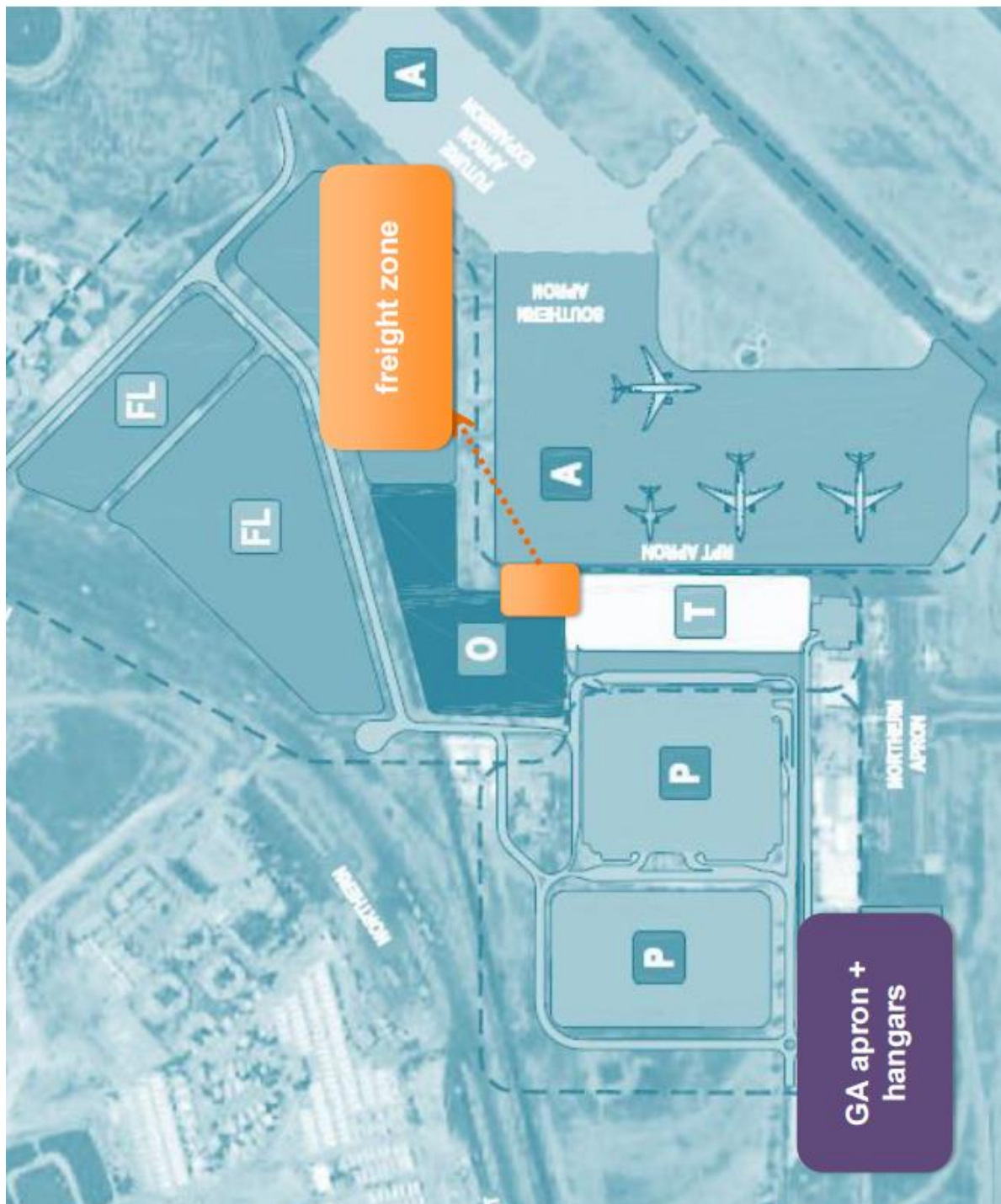
- governance model
- funding proposals

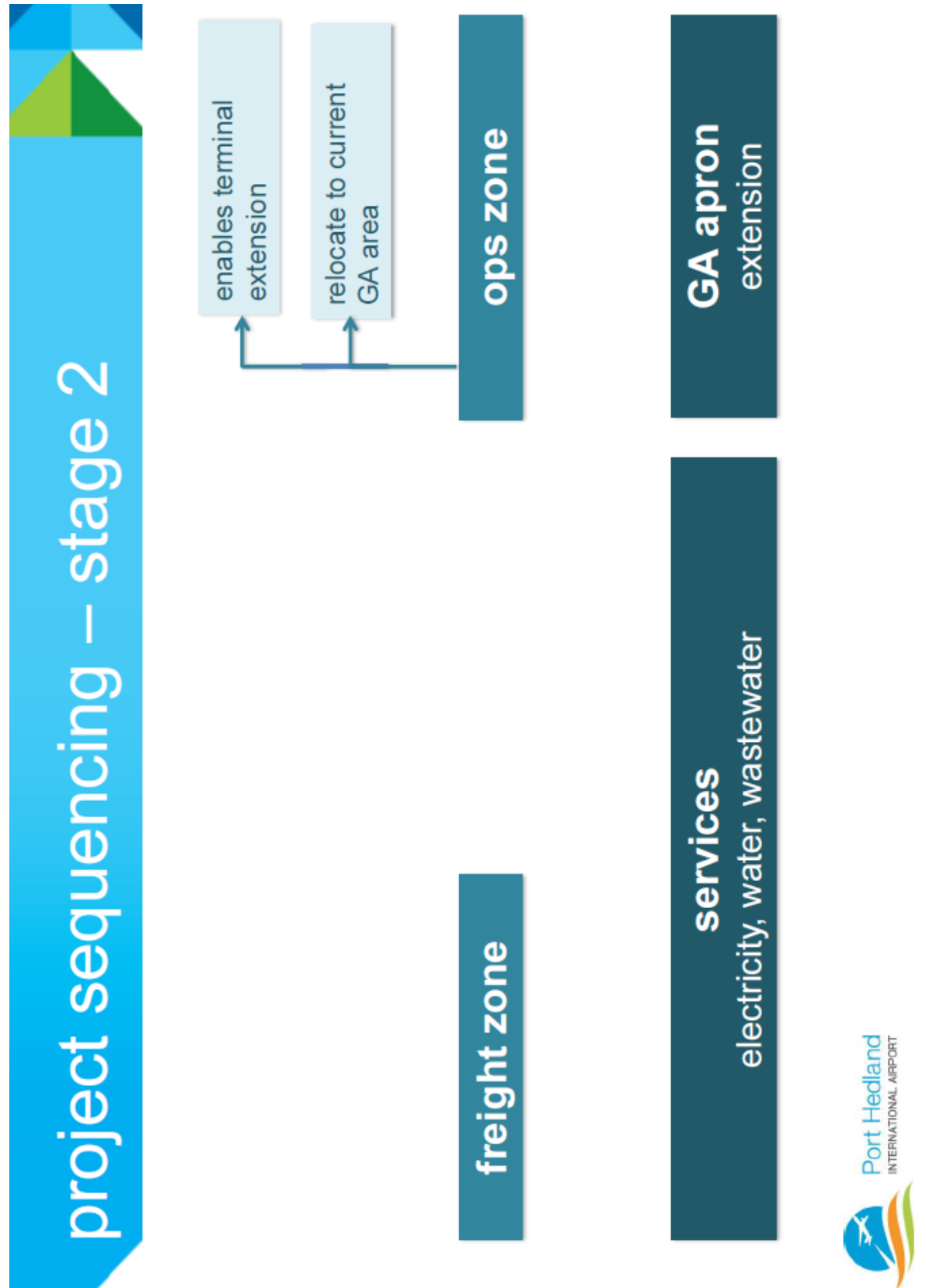
project sequencing – stage 1

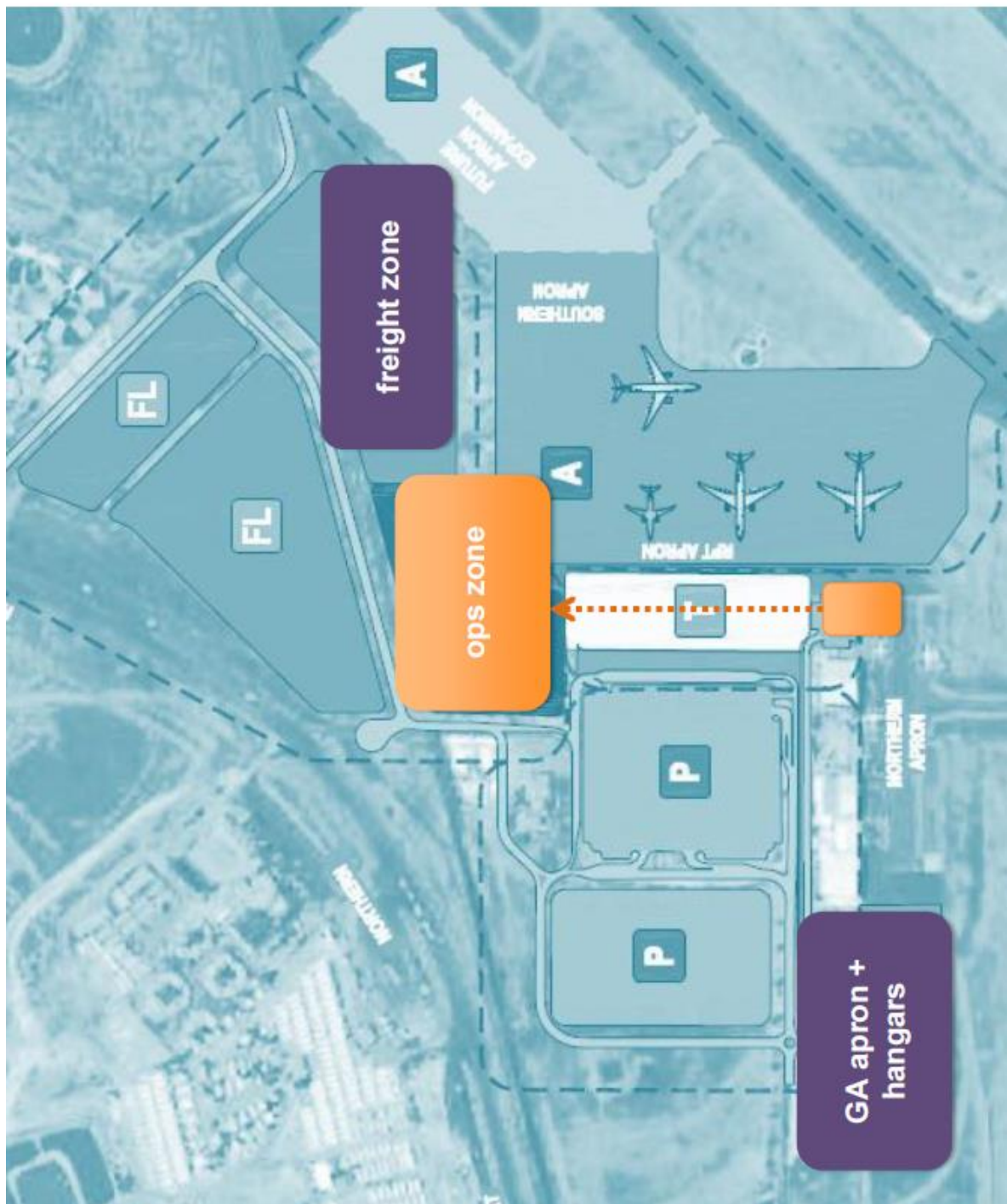


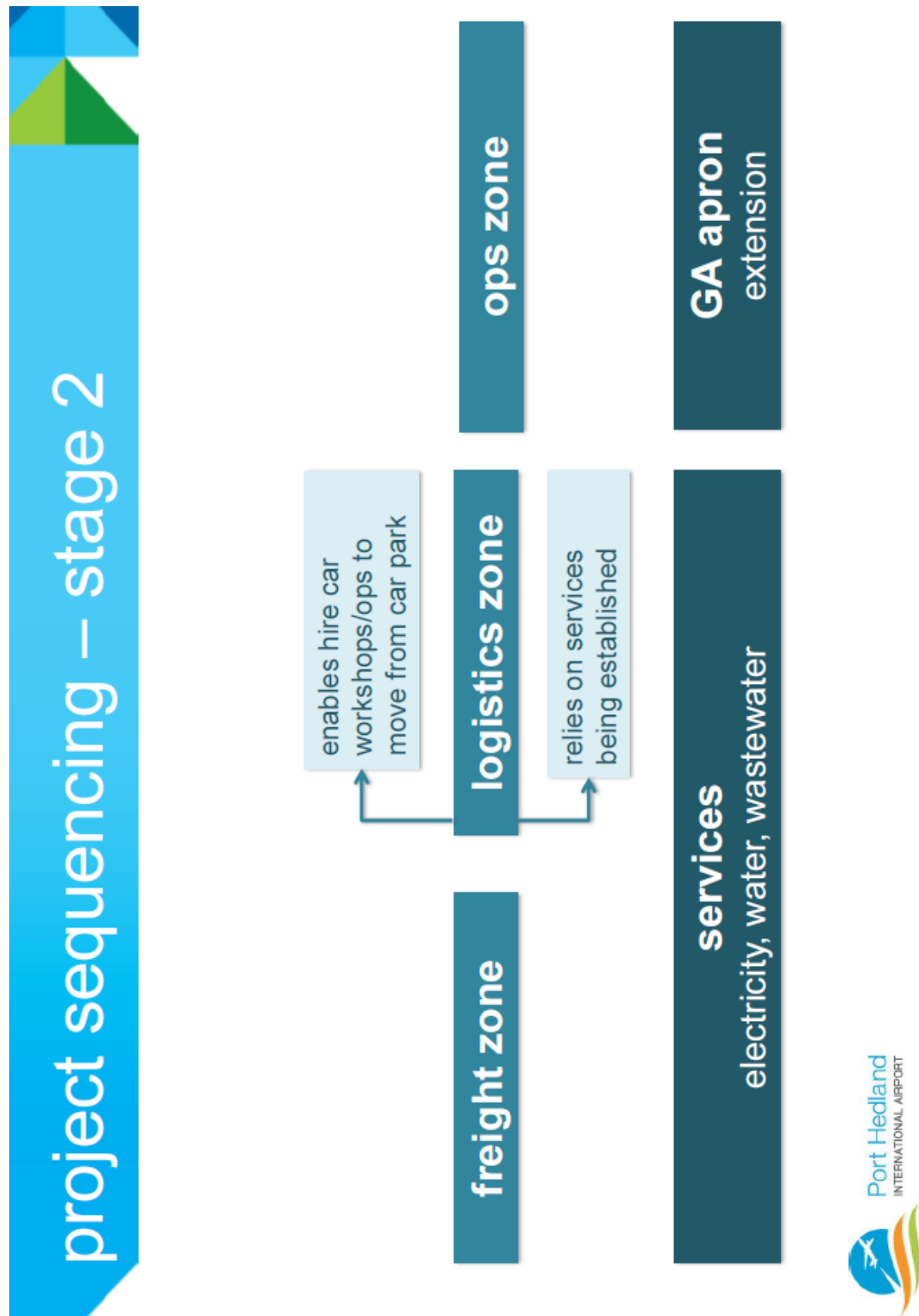


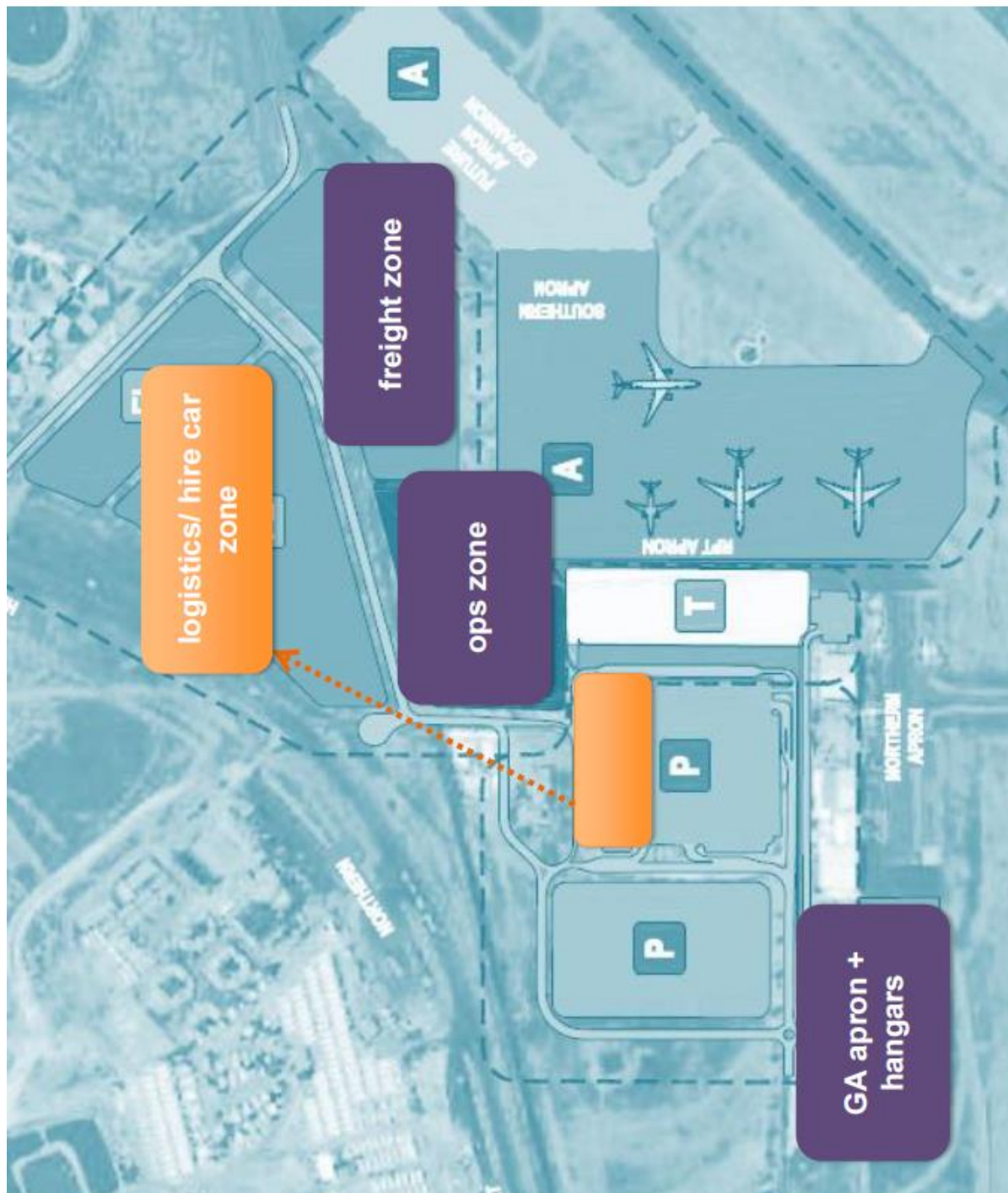












project sequencing – stage 3

car park

terminal

logistics zone

freight zone

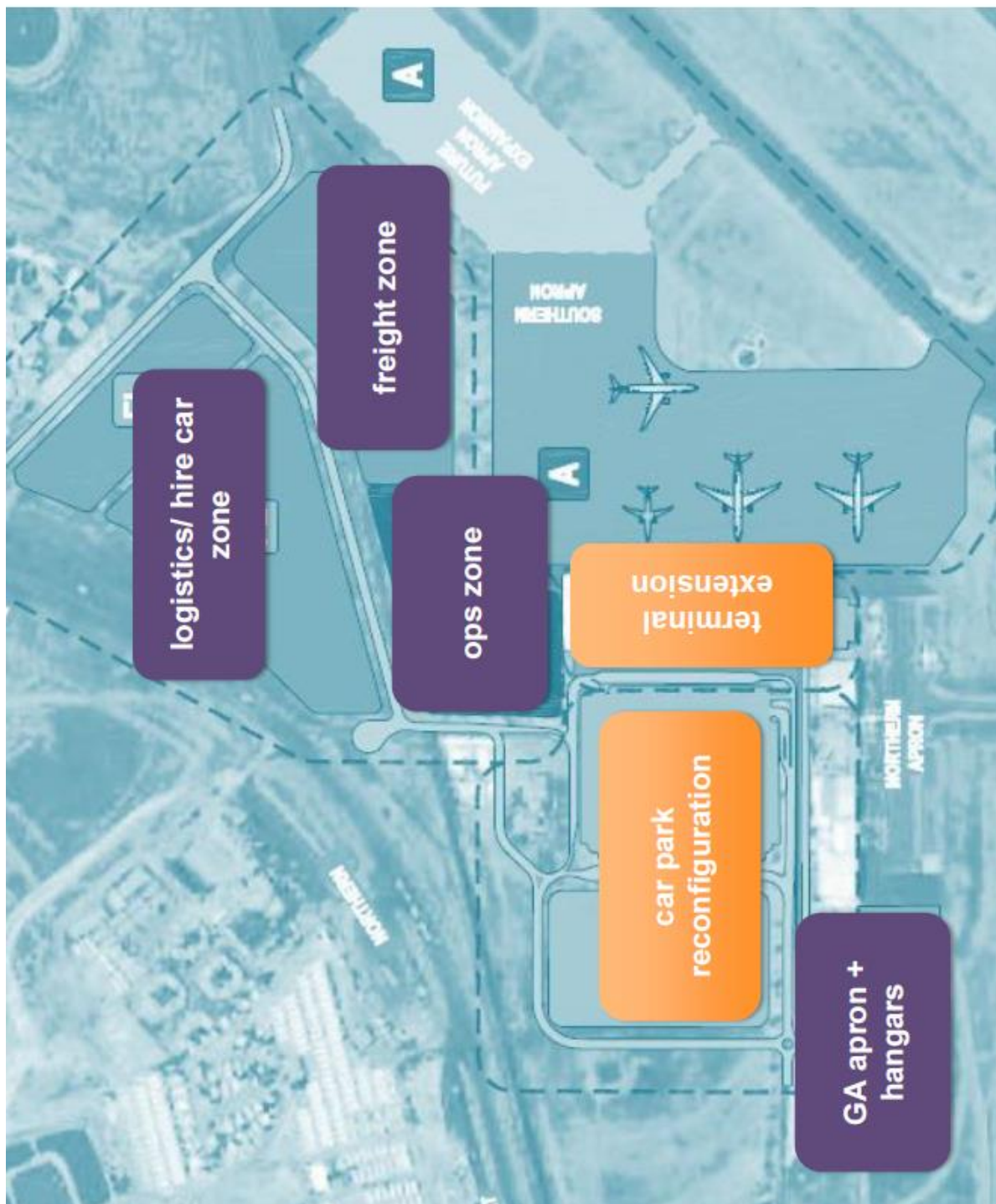
ops zone

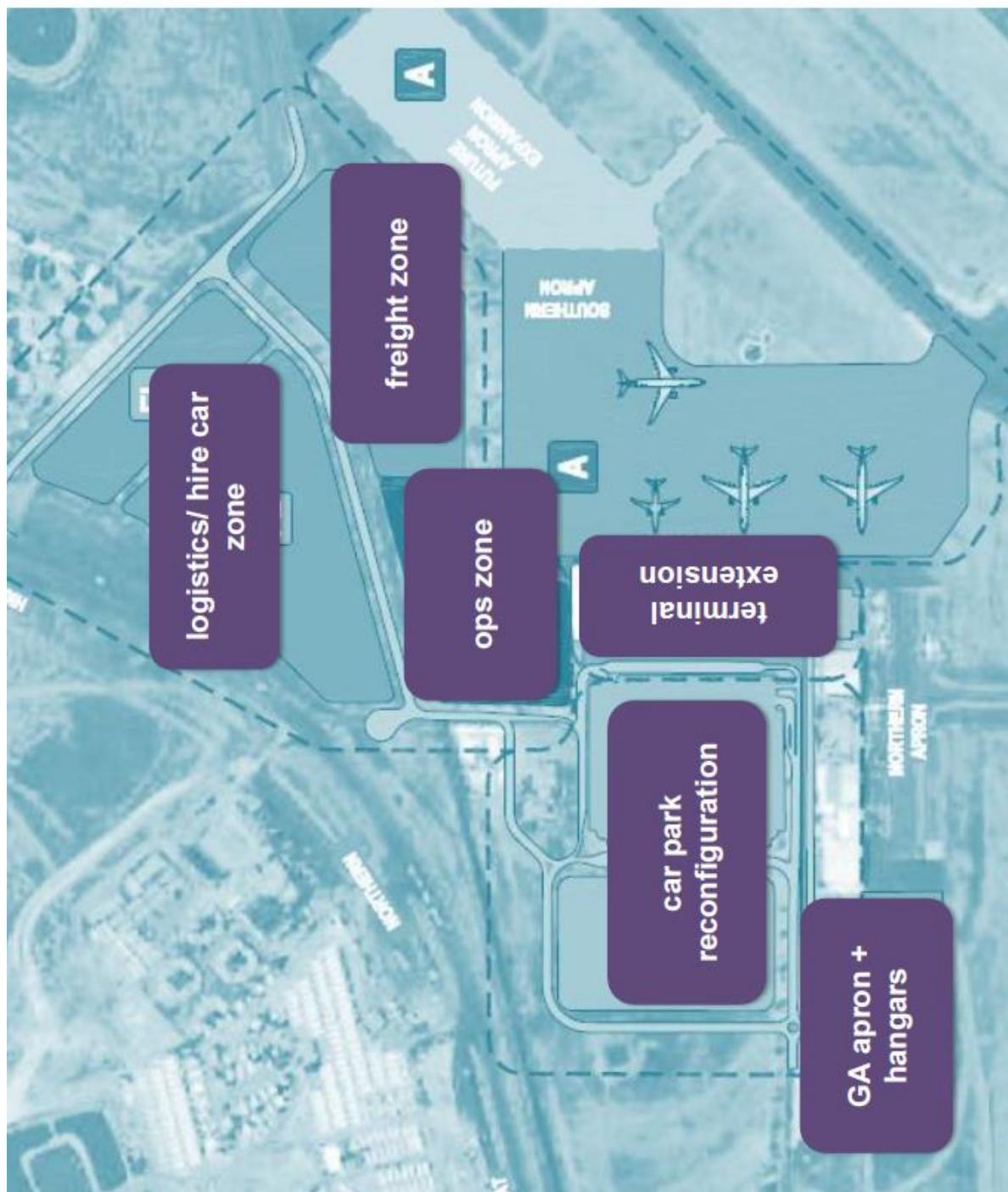
services

electricity, water, wastewater

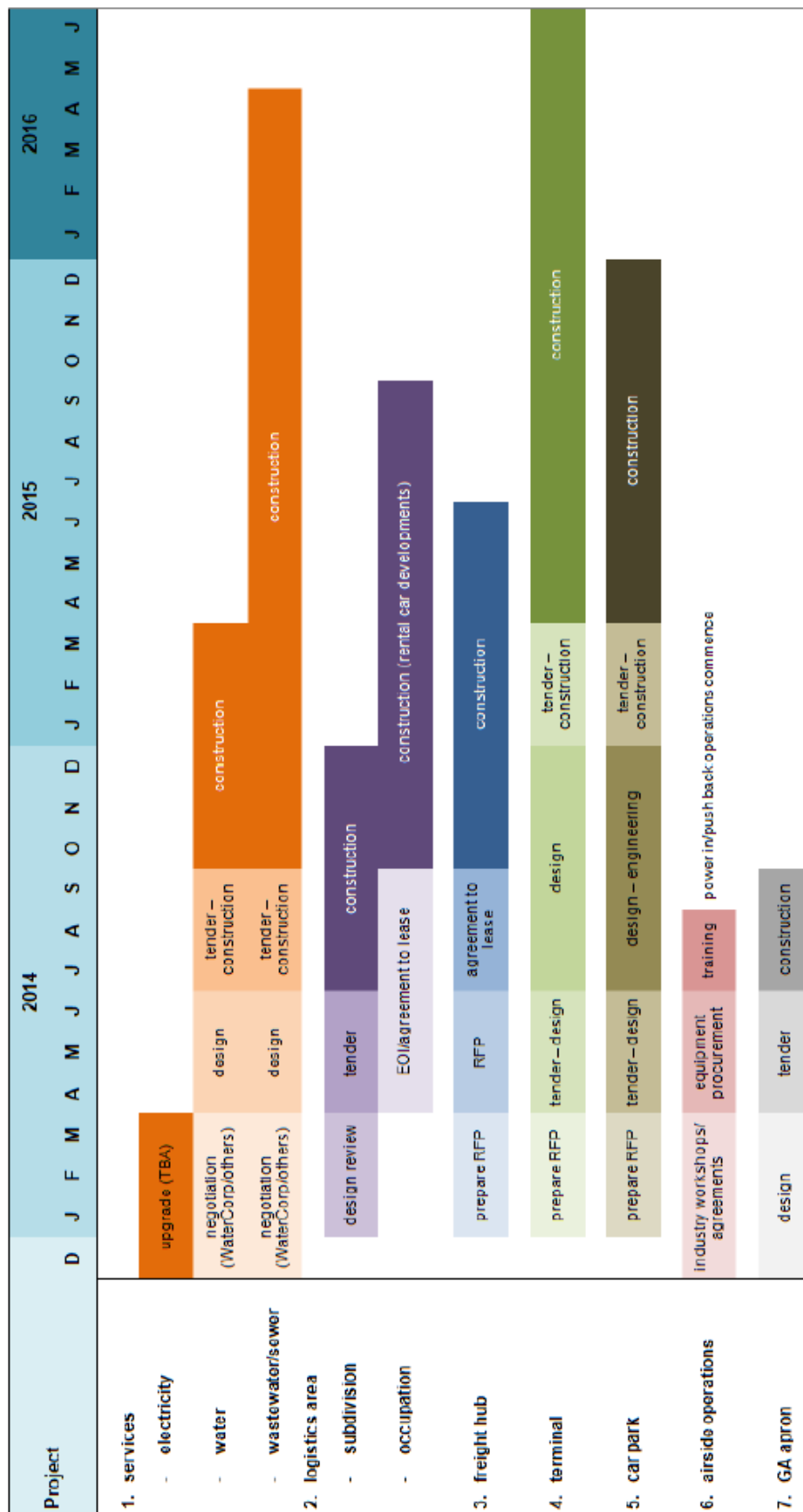
GA apron
extension







timeframes





interim improvement program



interim improvements strategy

- series of works have been identified to:
 - ease congestion within the terminal
 - improve the amenity of the precinct
 - start to position the airport as a welcoming gateway to the North West that reflects Port Hedland's unique sense of place
- recognises terminal redevelopment timelines
- draws on place-making directions

scope of works – internal

- extend secure area to incorporate café as part of departures area
- introduce “art wall” with 3-month installations from local artists and school children



scope of works – internal

- introduce visitor information
- improve terminal amenity and cleanliness
- introduce way finding and replace terminal and entrance signage



scope of works – external

- install public art front terminal wall
- paint exterior areas
- install shade sails front of terminal
- install shade structures on verge
- landscape verges (entrance road, between car park and terminal)
- remove smoking from front of terminal and within café



operational update



operational update

- security screening transition
- apron works

ITEM 10 REPORTS OF OFFICERS

**10.1 Port Hedland International Airport – Projects Update
November 2013 (File No.: 08/02/0025)**

Officer **Anna Duffield**
Airport Development
Officer

Date of Report 3 December 2013

Disclosure of Interest by Officer Nil

Summary

This agenda item provides an update on Port Hedland International Airport redevelopment projects.

Background

The Town of Port Hedland has committed to invest \$70.5 million over the next five years on the Port Hedland International Airport precinct's redevelopment. Major projects are being commercially tested and prioritised.

Consultation

Internal

- Program Director Airport Redevelopment
- Manager Airport Operations
- Manager Infrastructure Development

Statutory Implications

Nil

Policy Implications

Nil

Strategic Planning Implications

6.2	Economic
6.2.12	Gateway City & an attractive destination
	Develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction

Budget Implications

Projects are continuing within budget.

Officer's Comment

The Town of Port Hedland has committed to invest \$70.5 million over the next five years on the Port Hedland International Airport precinct's redevelopment.

Major projects are being commercially tested and prioritised and a series of strategic reviews have commenced.

An interim improvements strategy has been developed – refer to separate agenda item.

Operational infrastructure programs, such as apron extension works and electrical ring main upgrades, have commenced.

Attachments

1. Port Hedland International Airport projects update – December 2013

AC201314/030 Officer's Recommendation/ Airport Committee Decision**Moved: Cr Hunt****Seconded: Cr Gillingham**

That the Airport Committee note the Port Hedland International Airport projects update December 2013 report.

CARRIED 5/0

Airport redevelopment program – December 2013 update

Capital works program				
project	2013/14 budget	expenditure/ commitments (Nov 2013)	project status	expected completion timeframe
airport operations building (plus \$2.4M 2013/14)	\$0	\$ -	<ul style="list-style-type: none"> currently being reviewed as part of strategic review process 	<ul style="list-style-type: none"> reviews complete Dec 2013 construction to commence 2015
bus parking	\$400,000	\$345,740	<ul style="list-style-type: none"> alternative bus facility to be constructed on old Mobil site. works being undertaken by Town's depot team. meetings held with bus companies to discuss parking layouts project delayed due to groundwater issues which are being reviewed by engineers 	<ul style="list-style-type: none"> construction early 2014
car park lighting and CCTV	\$131,656	\$189,270	<ul style="list-style-type: none"> staff car park lights installed, long term car park lights delayed 	<ul style="list-style-type: none"> lighting completed end October 2013
car park/ground transport reconfiguration	\$160,000	\$95,012	<ul style="list-style-type: none"> currently being reviewed as part of strategic review process 	<ul style="list-style-type: none"> reviews complete Dec 2013 construction to commence 2015
electrical ring main (including runway lighting upgrade)	\$2,461,211	\$1,953,288	<ul style="list-style-type: none"> works commenced 	<ul style="list-style-type: none"> works anticipated completion early 2014
main apron extension	\$4,734,464	\$4,521,606	<ul style="list-style-type: none"> works underway 	<ul style="list-style-type: none"> due for completion end January 2014
quarantine incinerator	\$600,000	\$0	<ul style="list-style-type: none"> building repairs complete Department of Environment Regulation approval gained 	<ul style="list-style-type: none"> due for upgrade by May 2014
repair runway safety ends	\$350,000	\$7,552	<ul style="list-style-type: none"> to be completed with re-sheet works 	<ul style="list-style-type: none"> due for completion end January 2014
resheet runway and apron extensions	\$4,000,000	\$292,937	<ul style="list-style-type: none"> re-sheet works to commence following apron extension works (maximising when asphalt contractors are already on site) 	<ul style="list-style-type: none"> runway re-sheet under review
terminal precinct	\$310,000	\$134,443	<ul style="list-style-type: none"> currently being reviewed as part of strategic review process 	<ul style="list-style-type: none"> reviews complete Dec 2013 construction to commence end 2015
transport and logistics subdivision	\$0 (note CF of \$6,092,180 not in budget. To be confirmed at Sept budget review)	\$37,429	<ul style="list-style-type: none"> designs complete – final cost estimate for subdivision \$8.3M plus GST, contingency and service connections design guidelines and business plan progressing services investigation ongoing currently being reviewed as part of strategic review process 	<ul style="list-style-type: none"> reviews complete Dec 2013 Design modification required as outcome of draft review. Will be undertaken in 2013/14, with tender for construction to be advertised July 2014 once budget is adopted.

Airport redevelopment program – December 2013 update

Commercial projects		
project	project status	expected completion timeframe
business and investment opportunities	<ul style="list-style-type: none"> Pilbara Freight Terminal commenced operations 	<ul style="list-style-type: none"> Pilbara Freight Terminal commenced operations reviews complete Dec 2013
leases	<ul style="list-style-type: none"> lease negotiations continuing with: <ul style="list-style-type: none"> Qantas (being considered by tenant) lease executed for: <ul style="list-style-type: none"> Pilbara Cargo Terminal 	<ul style="list-style-type: none"> Qantas lease anticipated for execution end 2013
communication, marketing and stakeholder engagement	<ul style="list-style-type: none"> website usage steady: <ul style="list-style-type: none"> July: 3,566 visits August: 3,342 visits September: 3,538 visits October: 3,824 visits November: 3,539 visits stakeholder workshops held October communications strategy developed – tabled at ACM 11/12 	<ul style="list-style-type: none"> stakeholder engagement ongoing new flight information feed to be installed on home page end 2013 (currently pending supplier programming)

10.2 Port Hedland International Airport Redevelopment – Communications Strategy (File No.: 08/02/0025)

Officer Anna Duffield
Airport Development Officer

Date of Report 2 December 2013

Disclosure of Interest by Officer Nil

Summary

This agenda item outlines the proposed communications strategy for the Port Hedland International Airport redevelopment and how the Town will engage with passengers, the community, stakeholders and interested parties.

The strategy seeks to position the airport as a modern and well-serviced welcoming gateway to the North West. The airport is committed to being a vibrant meeting place that welcomes travellers to a friendly Hedland community and treasures of the Pilbara, coupled with its core business of providing efficient passenger and freight services to the North West.

The strategy seeks to build excitement and support for the airport's redevelopment. This item outlines the strategy, key messages, communication tools and proposed action plan.

Background

This communications strategy is an update to a presentation previously given at an airport committee in late 2012.

The airport has since launched its new brand and logo; launched and maintained a new website; implemented a children's art competition; and executed various media events and activities.

The communications strategy is complementary to the previously presented stakeholder engagement strategy.

Consultation*Internal*

- Program Director Airport Redevelopment
- Director Community Development
- Manager Marketing and Public Affairs
- Manager Airport Operations

Statutory Implications

Nil

Policy Implications

The Town's community engagement strategy is based on the International Association for Public Participation (IAP2) framework and outlines methods ways to engage with stakeholders. This ranges from an 'inform' basis where the community are provided information to 'empower' the final decision is in the hands of the community. While a supplementary stakeholder engagement program has been developed, this communications strategy is largely based around the stakeholders that will be 'informed'.

Strategic Planning Implications

6.1	Economic
6.2.12	Gateway City and an attractive destination
	Develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction

Budget Implications

Expenditure will be accommodated within existing budget allocation from general ledger account 1211282 public relations/promotion.

Officer's Comment

Port Hedland International Airport will soon transform into a modern and well-serviced welcoming gateway to the North West. The Town of Port Hedland has committed to invest \$70.5 million over the next five years on the Port Hedland International Airport precinct's redevelopment. It will include terminal renovations, new freight and logistics zone, revised ground transport arrangements and new commercial opportunities.

The proposed communications strategy outlines how the Town will engage with passengers, the community, stakeholders and interested parties. It seeks to position the airport as a modern and well-serviced welcoming gateway to the North West. The airport is committed to being a vibrant meeting place that welcomes travellers to a friendly Hedland community and treasures of the Pilbara, coupled with its core business of providing efficient passenger and freight services to and from the North West.

The strategy seeks to build excitement and support for the airport's redevelopment through key activities such as:

- launch and promotion of airport redevelopment program
- provide regular and timely information
- bring stakeholders, media and community along on the redevelopment journey
- mark and celebrate significant milestones
- maintain clear airport visual identity

The strategy seeks to build excitement and support for the airport's redevelopment through key activities such as:

- launch and promotion of the airport redevelopment program
- incorporate consistent and clear key messages into all communications
- maintain and leverage separate airport identity, yet consistent with TOPH vision
- mark significant milestones in redevelopment and general operations
- provide regular, timely and accurate information about the airport upgrade to stakeholders
- engage stakeholders and community in redevelopment
- incorporate public art into the airport environment and physical space
- create opportunities for direct engagement with a wide range of media
- provide a system for stakeholders to obtain further information and provide feedback on the project
- effectively manage issues as they arise
- acknowledge the involvement and contribution of key partners in the upgrade

Target audience, key messages, communication activities and activity schedule are detailed in the attached communications strategy. The strategy has been separated into distinct phases:

- establishing the vision
- building our new airport
- our airport is up and running

Attachments

1. Port Hedland International Airport communications strategy

AC201314/031 Officer's Recommendation/ Airport Committee Decision

Moved: Cr Hunt

Seconded: Cr Gillingham

That the Airport Committee note the Port Hedland International Airport communications strategy.

CARRIED 5/0

ATTACHMENT 1 TO ITEM 10.2



Port Hedland International Airport - communications strategy -



executive summary

Port Hedland International Airport will soon transform into a modern and well-serviced welcoming gateway to the North West. The Town of Port Hedland has committed to invest \$70.5 million over the next five years on the Port Hedland International Airport precinct's redevelopment. It will include terminal renovations, new freight and logistics zone, revised ground transport arrangements and new commercial opportunities.

This communications strategy outlines how the Town will engage with passengers, the community, stakeholders and interested parties. It seeks to position the airport as a modern and well-serviced welcoming gateway to the North West. The airport is committed to being a vibrant meeting place that welcomes travellers to a friendly Hedland community and treasures of the Pilbara, coupled with its core business of providing efficient passenger and freight services to and from the North West.

The strategy seeks to build excitement and support for the airport's redevelopment through key activities such as:

- launch and promotion of airport redevelopment program
- provide regular and timely information
- bring stakeholders, media and community along on the redevelopment journey
- mark and celebrate significant milestones
- maintain clear airport visual identity

This document further outlines the strategy, key messages, communication tools and proposed action plan. It should be noted that a supplementary stakeholder engagement program has been developed which complements this strategy.

vision

The airport has a vision to be a modern and well-serviced welcoming gateway to the North West. We are committed to being a vibrant meeting place that welcomes travellers to friendly a Hedland community and treasures of the Pilbara, coupled with our core business of providing efficient passenger and freight services to and from the North West.

strategic links

The Town of Port Hedland's strategic community plan notes 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 (6.2.12).

The Town's community engagement strategy is based on the International Association for Public Participation (IAP2) framework and outlines methods to engage with stakeholders. This ranges from an 'inform' basis where the community are provided information, to 'empower' where the final decision is in the hands of the community.

A supplementary stakeholder engagement program has been developed for the redevelopment program which complements this communications strategy. The engagement strategy is based around three categories of stakeholders – those that will be kept informed of the redevelopment program; those that will be consulted with their feedback acknowledged and responded to; and those that are actively involved with input directly reflected in the final redevelopment program. This communications strategy is largely based around the stakeholders that will be 'informed'.



Port Hedland International Airport - communications strategy -



goals + objectives

The goals of the communications strategy are to:

- position the airport as a modern and well-served welcoming gateway to the North West
- build excitement and support for the airport's redevelopment

The objectives are to:

- build community and industry awareness of the Town's vision for airport
- achieve favourable community feedback on the airport's redevelopment
- increase traffic movements from metropolitan and international centres

strategy

The strategy seeks to build excitement and support for the airport's redevelopment through key activities such as:

- launch and promote the airport redevelopment program
- incorporate consistent and clear key messages into all communications
- maintain and leverage separate airport identity, yet consistent with TOPH vision
- mark significant milestones in redevelopment and general operations – such as tender release, construction completion, sod-turning, ribbon-cutting, new air services etc
- provide regular, timely and accurate information about the airport upgrade to stakeholders
- engage stakeholders and community (school students, passengers, residents, aviation industry) in redevelopment
- incorporate public art into the airport environment and physical space
- create opportunities for direct engagement with a wide range of media
- provide a system for stakeholders to obtain further information and provide feedback on the project
- effectively manage issues as they arise
- acknowledge the involvement and contribution of key partners in the upgrade – ie airlines, industry partners and government agencies

target audience

The following audiences have been identified:

- passengers – domestic, international
- community – Port and South Hedland community members, FIFO workers
- airport tenants – hire car companies, WA billboards, cafe, RFDS, School of the Air, future retail
- airline industry – Airservices, airlines, freight providers



Port Hedland International Airport - communications strategy -



- business – local businesses, Chamber of Commerce, community groups
- industry – BHP, FMG, Rio Tinto, Atlas Iron
- government – local councillors, Federal Government, State Government, other local governments
- media – local, national, international, industry related (print, radio, TV and online journalists)
- tourism – tourists, visitors centre, caravan parks, hotels, WA tourism

key messages

The following messages will be articulated through all communication activities to provide clear, consistent messages:

- Port Hedland International Airport is a modern and well-serviced airport that provides a welcoming gateway to the North West
- we'll be a vibrant meeting place that welcomes travellers to a friendly Hedland community and treasures of the Pilbara, as well as provide efficient passenger and freight services to the North West
- we are investing more than \$70 million over next five years to redevelop precinct – it's one of our top priorities
- projects include building refurbishments, infrastructure upgrades, new subdivisions and new business opportunities
- upgrades will accommodate growing number of passengers – currently 515,000 and expected to grow
- there will be benefits to everyone (passengers, aviation, retailers, community)
- we want community to be involved – have your say on how you want your airport to look and operate

tools + activities

The following communication activities will be implemented:

- prepare communication material – flyers, image library, map of area and development, timeline of development
- install public art along exterior and within terminal
- produce and install displays (in airport and at other events) – story boards on development plans, design models
- develop visual identity guideline – public art, displays, signage etc
- participate at relevant events – exhibitions, conferences, business and consultation forums
- manage media/create opportunities – releases to launch redevelopment, mark milestones, profile operations staff
- utilise online – website, social media, links, apps
- issue stakeholder communication – letters, database

activity schedule

The activity schedule details planned communication activities and is separated into distinct phases – establishing the vision; building our new airport; and our airport is up and running.



Port Hedland International Airport

- communications strategy -



phase 1 – establishing the vision		
milestone	communication tools	key messages
launch redevelopment program Jan-2014	<ul style="list-style-type: none"> media release/interviews stakeholder launch event public displays at airport and other events briefings at relevant events stakeholder alerts/correspondence visual identity guideline 	<ul style="list-style-type: none"> Port Hedland International Airport is a modern and well-served airport that provides a welcoming gateway to the north west we are investing more than \$70 million over next five years to redevelop precinct projects include building refurbishments, infrastructure upgrades, new subdivisions and new business opportunities upgrades will accommodate growing number of passengers there will be benefits to everyone we want community to be involved
release tenders early- 2014	<ul style="list-style-type: none"> media release inviting submissions stakeholder alerts/correspondence site briefing media site event website updates 	<ul style="list-style-type: none"> we're creating a modern and well-served airport that will provide a welcoming gateway to the north west it's one of our top priorities and we want to hear what the world has to offer we want community to be involved – we will be conducting community information sessions in the coming months
public art program early-2014	<ul style="list-style-type: none"> media release announcing program stakeholder alerts/correspondence opening event 	<ul style="list-style-type: none"> we'll be a vibrant meeting place that welcomes travellers to friendly Hedland community and treasures of the Pilbara we want to showcase our talented local artists and reflect our unique sense of place... get involved



Port Hedland International Airport

- communications strategy -



phase 2 – building our new airport		
milestone	communication tools	key messages
contract awarded mid-2014 (detailed design contracts) early-2105 (construction contracts)	<ul style="list-style-type: none"> media release announcing successful tenderer contract signing ceremony update websites 	<ul style="list-style-type: none"> we're creating a modern and well-serviced airport that will provide a welcoming gateway to the North West pleased to announce <company x> have been awarded tender to build new freight facility, operations building and expand terminal
construction commences mid-2015	<ul style="list-style-type: none"> temporary signage/model at airport outlining timeframe and "excuse our mess" media release event to mark "sod turning" with key government and industry stakeholders stakeholder alerts/correspondence website updates 	<ul style="list-style-type: none"> we're creating a modern and well-serviced airport that will provide a welcoming gateway to the north west passenger disruption will be as minimal as possible please be patient while construction is underway
phase 3 – our airport is up and running		
milestone	communication tools	key messages
key milestones (ie new services, ribbon cutting, tour of VIPs) 2016	<ul style="list-style-type: none"> media release/e-news event with stakeholders stakeholder alerts/correspondence website updates 	<ul style="list-style-type: none"> relevant to each milestone
profiles of staff/ travellers ongoing	<ul style="list-style-type: none"> media partnership to profile operations staff and travellers profiles online 	<ul style="list-style-type: none"> behind the scenes of managing an airport these are our dedicated staff

**10.3 Response to Draft WA Aviation Strategy
(File No.: 08/02/0025)**

Officer Anna Duffield
Airport Development Officer

Date of Report 2 December 2013

Disclosure of Interest by Officer Nil

Summary

This agenda item provides an update on the draft WA aviation strategy and outlines the Town's response to consultation process.

Background

The State Government has released its draft WA aviation strategy for public comment. It is aimed at supporting the economic and social development of WA through the provision of safe, affordable, efficient and effective aviation services and infrastructure.

The draft strategy highlights current deficiencies in the State's aviation infrastructure, airport governance and levels of aviation service competition and provides recommendations to progress these challenges.

It notes that extraordinary growth at WA airports is driven by high levels of economic and population growth which has put unprecedented pressure on airport infrastructure, such as Port Hedland.

The draft strategy proposes a suite of actions where the State will work in partnership with airports, airlines, local governments and resources and energy sector to ensure adequate services meet the State's demands.

Public comment closes on 23 December 2013.

Consultation*External*

- Australian Airports Association

Internal

- Program Director Airport Redevelopment
- Director Engineering Services
- Manager Airport Operations

Statutory Implications

Nil

Policy Implications

Nil

Strategic Planning Implications

6.1	Economic
6.2.12	Gateway City and an attractive destination
	Develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction

Budget Implications

Nil

Officer's Comment

The draft strategy's vision for WA to have a world-class aviation network and infrastructure that supports and promotes State's economic and social development, is appropriate and should be supported by the Town.

Port Hedland, like the rest of the State, has experienced unprecedented growth which has placed enormous pressure on its aviation infrastructure. Port Hedland International Airport, like other airports, has been impacted by previous underestimates of growth.

The strategy details challenges with existing governance models for airports noting funding limitations. Governance models will be further reviewed as part of the airport redevelopment strategy.

The strategy notes a number of actions which should be supported, such as aviation forecasting improvements and investing in infrastructure planning and development at regional airports.

However there are a number of issues that require further consideration such as establishing a common approach to master planning, land-use planning controls, training challenges and regional security screening. These are further detailed in the response to the strategy, as per attached.

The strategy notes a revised policy position for regional airport development scheme (RADS) funding noting that airports, such as Port Hedland, with large passenger numbers will no longer be beneficiaries to RADS funding.

This is a significant concern for the Town as while Port Hedland experiences large passenger numbers, it does not self-sustain the large capital expenditure spends required to cater for the kind of growth being experienced in the Pilbara.

Attachments

1. Town of Port Hedland response to draft WA aviation strategy

AC201314/032 Officer's Recommendation/ Airport Committee Decision**Moved: Mayor Howlett****Seconded: Cr Hunt**

That the Airport Committee note the Town's response to the draft WA aviation strategy.

CARRIED 5/0

ATTACHMENT 1 TO ITEM 10.3



State Aviation Strategy
Department of Transport
GPO Box C102
PERTH WA 6839

Your Ref:
Our Ref: 30/08/0025
Enquiries: Mal Osborne
Direct Line: (08) 9158 9313



ATTENTION: Sue McCarrey

**TOWN OF PORT HEDLAND RESPONSE TO THE DRAFT WA
AVIATION STRATEGY**

Dear Ms McCarrey,

Thank you for the opportunity to provide comment on the draft WA Aviation Strategy.

The Town of Port Hedland welcomes the strategy and the government's leadership in aviation issues across the State. As a key Pilbara airport, the Town supports the vision for WA to have a world-class aviation network and infrastructure that supports and promotes State's economic and social development.

Port Hedland, like the rest of the State, has experienced unprecedented growth which has placed enormous pressure on its aviation infrastructure. Like others, Port Hedland International Airport has been impacted by previous underestimates of growth.

The Town supports the opportunity to review governance models and will be exploring this further as part of its redevelopment strategy. It also supports the majority of key actions from the strategy, such as aviation forecasting improvements and investing in infrastructure planning and development at regional airports, and would welcome the

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opportunity to provide further input into the development of these strategies.

More specifically the Town has noted there are a number of issues that require further consideration as detailed below.

- The Town supports the government's commitment to liaise and cooperate with the Commonwealth in seeking to allow charter flight operators to offer seats to the general travelling public. The Town believes that this initiative would foster greater competition and would contribute greatly to the route economics of charter operations.
- The Town acknowledges the desire for a common approach to master planning across all airports, however further regulation and red tape should be discouraged. The Town suggests that airports should be encouraged to adopt a best practice approach and perhaps the State could provide guidelines for such with a focus on airport accessibility planning, land use and growth planning for such airport operations. It is noted that RADs funding applications already seek information on an airport's master plan, however it is noted this could be stipulated as a pre-requisite which would provide an incentive for airports to adopt a "best practice" master plan framework.
- The Town notes the State's intention to review existing land-use planning controls for land around airports to ensure airports are not constrained by inappropriate development and encourages the State to adopt the set of guidelines developed by the National Airports Safeguarding Advisory Group titled the National Airports Safeguarding Framework (NASF). The Town suggests that these guidelines should be adopted in their entirety as a best practice approach to planning around and near airports.
- Training, particularly in remote areas such as Port Hedland, is a challenge and should be encouraged for the entire industry, and

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not just pilot training. It should be noted that with an aging workforce and no new supply of aircraft mechanics/technicians to meet future demands poses challenges for the industry.

- The Town notes that managing regional screening is a challenge – particularly with Qantas' withdrawal from being the screening agent. A suggested approach would be for the State or Commonwealth to become the screening authority and provide a network service similar to Airservices for ARFF. Charges would be networked, however the Town would only be supportive of such an initiative if considerable economies of scale were achieved, it being noted that there would be additional challenges with Pilbara Airports effectively subsidising smaller regional airports. The State has already noted the high cost of air travel within WA and any initiative which adds to this cost burden is to be discouraged.
- The Town is disappointed by the State's approach to RADS funding and noted policy position of *"RADS are intended to better prioritise projects in a way that maximises benefits to regional communities, so RADS funding is directed where it is most needed, especially to regional RPT airports that do not have sufficient passenger throughput to make them financially self-sustaining"*. This is a significant concern for the Town. While Port Hedland experiences large passenger numbers, this does not self-sustain the large capex spends required to cater for the kind of growth being experienced in the Pilbara. The Town has reviewed the current and future requirements to cater for passenger/freight throughput and has noted there will be considerable challenges in funding the currently planned capital program. This could mean possible delays in capital upgrade programs should the Town be unable to access future RADS funding.

The Town has also noted that separate to this strategy the State has developed its WA Regional Freight Transport Network Plan, which principally deals with road, rail and ports. It is disappointing that

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airfreight and airfreight infrastructure was not encapsulated within this plan it being noted that while the vast majority of freight travels through the WA's ports, roads and rail infrastructure an economically significant proportion of freight travels by air. Airfreight makes an important contribution to the Western Australian economy, and it is critically noted from a Pilbara regional sense when considering high value time critical items needed within the mining sector.

The Town of Port Hedland has recognised this importance and is positioning itself as the Pilbara airfreight hub, it being noted that planning is under consideration to establish dedicated domestic and international airfreight operations at Port Hedland International Airport. The Town therefore encourages the State to consider including additional detail for an airfreight strategy within its State Aviation Strategy framework.

If you require additional information, please contact Program Director Airport Redevelopment Brett Reiss on 0418 537 159 or pdar@porthedland.wa.gov.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mal Osborne'.

Mal Osborne
Chief Executive Officer

3 December 2013

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10.4 Port Hedland International Airport – Interim Improvements Strategy (File No.: 08/02/0025)

Officer Anna Duffield
Airport Development Officer

Date of Report 2 December 2013

Disclosure of Interest by Officer Nil

Summary

This agenda item outlines the proposed interim improvement strategy for the Port Hedland International Airport. It also seeks endorsement to recommend to Council the reallocation of \$800,000 from the freight facility general ledger account to the terminal precinct general ledger account fund interim works.

The Town of Port Hedland has committed to invest more than \$70 million over the next five years on the Port Hedland International Airport precinct's redevelopment. Major projects are being commercially tested and prioritised, however it is likely that the terminal redevelopment will be completed by end-2016 at the earliest.

In the interim, a series of works have been identified to ease congestion within the terminal, improve the amenity of the precinct and start to position the airport as a welcoming gateway to the North West that reflects Port Hedland's unique sense of place.

Works have been identified to create a larger departures area, introduce public art and visitor information, improve terminal cleanliness and appearance and improve seating options. External to the terminal, works include installing shade sails across front of terminal, new signage and painting.

Background

The Town of Port Hedland has committed to redevelop the Port Hedland International Airport precinct's redevelopment. Major projects are being commercially tested and prioritised, however based on current estimates it is likely that the terminal redevelopment will be completed by end -2016 at the earliest.

The terminal currently experiences congestion issues and lacks amenity and sense of place. Subsequently an interim improvements strategy has been developed to start to overcome these challenges.

Consultation*External*

- Village Well

Internal

- Program Director Airport Redevelopment
- Director Engineering Services
- Director Corporate Services
- Manager Airport Operations
- Manager Infrastructure Development
- Coordinator Community and Youth Development

Statutory Implications

Nil

Policy Implications

Nil

Strategic Planning Implications

6.1	Economic
6.2.12	Gateway City and an attractive destination
	Develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction

Budget Implications

An estimate of \$800,000 has been identified for the program.

It is proposed that this is funded from a reallocation of existing line items within the airport budget.

An allocation of \$4.5 million is within the 2013/14 budget for freight facility development (general ledger account 1210485). As the redevelopment program has been delayed and the proposed approach for developing the facility has changed, it is unlikely that these funds will be expended this financial year.

Therefore it is proposed that \$800,000 is transferred to general ledger account 1210410 to fund the interim works program.

Officer's Comment

Port Hedland International Airport will soon transform into a modern and well-serviced welcoming gateway to the North West.

Placemaking directions

A place-making exercise was undertaken as part of the redevelopment strategy review to identify what makes Port Hedland special and how this could be reflected in the airport.

Guiding principles were identified to shape future redevelopment as well as interim improvement works. These include proudly sharing the stories and treasures of Port Hedland and the Pilbara; a vibrant meeting place; connecting the Port Hedland community; and enjoying the wait.

Examples of how these principles translate to practical place-making outcomes are noted in the attached interim improvements strategy.

-

Scope of works

A series of works have been identified to ease congestion within the terminal, improve the amenity of the precinct and start to position the airport as a welcoming gateway to the North West that reflects Port Hedland's unique sense of place.

Works have been identified to create a larger departures area, introduce public art and visitor information, improve terminal cleanliness and appearance and improve seating options. External to the terminal, works include installing shade sails across front of terminal, new signage and painting.

It is important that the community, passengers and key stakeholders are engaged with the project and their views reflected in the outcomes. The Town believes there is a need to enhance the amenity and identity of public spaces such as the airport.

This interim improvement strategy includes activities such as:

- extend secure area to incorporate café as part of departures area
- introduce "art wall" with 3-month installations from local artists and school children
- introduce visitor information
- improve terminal amenity and cleanliness
- introduce way finding and replace terminal and entrance signage
- install public art along front terminal wall
- paint exterior areas
- install shade sails along front of terminal
- install shade structures on verge
- landscape verges
- remove smoking from front of terminal and within café

Attachments

1. Port Hedland International Airport interim improvement strategy

AC201314/033 Officer's Recommendation/ Airport Committee Decision

Moved: Cr Gillingham

Seconded: Cr Hunt

That the Airport Committee recommend that Council:

- 1. Note the Port Hedland International Airport interim improvement strategy; and**
- 2. Approve the reallocation of \$800,000 from general ledger account 1210485 to general ledger account 1210410 to fund the interim works program.**

CARRIED 5/0

ATTACHMENT 1 TO ITEM 10.4

Town of
Port Hedland

Port Hedland International Airport interim improvement strategy

executive summary

Port Hedland International Airport will soon transform into a modern and well-served welcoming gateway to the North West. Its redevelopment will include terminal renovations, new freight and logistics zone, revised ground transport arrangements and new commercial opportunities.

The Town of Port Hedland has committed to invest \$70.5 million over the next five years on the Port Hedland International Airport precinct's redevelopment. Major projects are being commercially tested and prioritised as part of a strategic review program. The terminal redevelopment is anticipated to be completed by end -2016 at the earliest.

A series of works have been identified to ease congestion within the terminal, improve the amenity of the precinct and start to position the airport as a welcoming gateway to the North West that reflects Port Hedland's unique sense of place.

Works have been identified to create a larger departures area, introduce public art and visitor information, improve terminal cleanliness and appearance and improve seating options. External to the terminal, works include installing shade sails across front of terminal, new signage and painting.

vision

The airport has a vision to be a modern and well-served welcoming gateway to the North West. We are committed to being a vibrant meeting place that welcomes travellers to friendly Hedland community and treasures of the Pilbara, coupled with our core business of providing efficient passenger and freight services to the North West.

strategic links

The Town of Port Hedland's strategic community plan notes 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 (6.2.12).

place guidelines

A place-making exercise was undertaken as part of the redevelopment strategy review to identify what makes Port Hedland special and how this could be reflected in the airport.

Guiding principles were identified to shape future redevelopment as well as interim improvement works. These include proudly sharing the stories and treasures of Port Hedland and the Pilbara; a vibrant meeting place; connecting the Port Hedland community; and enjoying the wait. Examples of how these principles translate to practical place-making outcomes are noted below:

- Quintessential Port Hedland experience on arrival... engage local artists to produce prominently positioned artwork; ensure outside terminal has generous shading
- Spacious, comfortable and flexible lounge areas for meeting and relaxing... enable passengers and their families to congregate in lounge areas; provide smoking area away from terminal
- Quality food and local products available from morning until evenings... ensure local food produce is available in cafes/outlets
- Information about what's here and what's happening... develop an online information bulletin
- Improved facilities and operations... provide efficient, future proofed passenger facilities catering for peak periods



Port Hedland International Airport interim improvement strategy

scope of works

A series of works have been identified to ease congestion within the terminal, improve the amenity of the precinct and start to position the airport as a welcoming gateway to the North West that reflects Port Hedland's unique sense of place.

Works have been identified to create a larger departures area, introduce public art and visitor information, improve terminal cleanliness and appearance and improve seating options. External to the terminal, works include installing shade sails across front of terminal, new signage and painting.

It is important that the community, passengers and key stakeholders are engaged with the project and their views reflected in the outcomes. The Town believes there is a need to enhance the amenity and identity of public spaces such as the airport. This interim improvement strategy will assist in achieving the following:

- improve the amenity and passenger experience of the Port Hedland International Airport
- present a modern and professional image
- enhance the sense of place by encouraging public art that reflects Hedland's unique environment and community

program of works

The following program of works have been identified to spruce up the terminal:

- extend secure area to incorporate café as part of departures area
- introduce "art wall" with 3-month installations from local artists and school children
- introduce visitor information
- improve terminal amenity and cleanliness
- introduce way finding and replace terminal and entrance signage
- improve seating options
- install public art along front terminal wall
- paint exterior areas
- install shade sails along front of terminal
- install shade structures on verge
- landscape verges (entrance road, between car park and terminal)
- remove smoking from front of terminal and within café

budget

An estimate of \$800,000 has been identified for the program. This is to be funded from a reallocation of existing funds within the airport budget.

Officer **Anna Duffield**
Airport Development Officer

Date of Report **19 November 2013**

Disclosure of Interest by Officer Nil

Summary

This agenda item seeks Airport Committee endorsement to obtain Council approval to amend the lease term with Qantas Airways Limited (Qantas) for self-check-in kiosks at Port Hedland International Airport.

Qantas have requested an amendment to the term following Council consideration of the self-check-in kiosk licence at its 22 May 2013 meeting.

The item seeks Airport Committee endorsement to revoke the 22 May 2013 decision and endorse new lease terms.

Background

At its Ordinary Council Meeting on 22 May 2013 it was decided (decision number 201213/392) that Council:

1. Agree to dispose a portion of the Port Hedland International Airport terminal to Qantas by way of lease in accordance with section 3.58 (3) of the Local Government Act 1995 (private treaty) on the following terms and conditions:
 - a. Initial lease area of 5m², noting a reduction or increase in area may occur by mutual written consent;
 - b. A base rental of \$1,500 per square metre per annum, exclusive of GST. At the date of execution, the lessee will install five kiosks for \$7,500 per annum, exclusive of GST;
 - c. An annual increase to the base rental by the Consumer Price Index, Perth as published by the Australian Bureau of Statistics;
 - d. Market Valuation every three years during the term as well as Redevelopment Market Valuation on the practical completion of the terminal redevelopment;
 - e. A term of five years commencing on 1 July 2013;
 - f. Option to extend for five years; and
 - g. For the permitted use of the operation of check-in kiosks.

should no submissions be received during the requisite advertising period.

CARRIED 8/0

Subsequent to the consideration by Council, Qantas have requested a reduction in term to two years with one extension option.

Consultation

External

- Qantas – Manager Airports Commercial Projects
- Qantas – Manager Infrastructure Assessment
- Qantas – Specialist Category Procurement & Supplier Relationship (Leasing)

Internal

- Program Director Airport Redevelopment
- Manager Airport Operations
- Manager Investment and Business Development

Statutory Implications

Local Government Act 1995 (WA) Section 3.58 – Disposing of Property in accordance with the Local Government Act 1995 (as amended) specifically in reference to giving local public notice of the proposed disposition for a period of fourteen (14) days.

Policy Implications

Nil

Strategic Planning Implications

6.2	Economic
6.2.2	Gateway City and an attractive destination
	Develop the Port Hedland International Airport as a leading regional airport in the area of passenger and freight movements and customer satisfaction
6.4	Local leadership
6.4.1	Strategic
	Deliver responsible management of infrastructure, assets, resources and technology

Budget Implications

Council resolved to dispose portion of terminal space based on \$1,500 per kiosk. As per the proposed lease agreement this equates to \$7,500 exclusive of GST in annual revenue. This will be attributed to GL code 1210326.

Originally the lease term was for five years with a five year extension option. However as per Qantas' request, it is recommended that this is reduced to two years with a two year extension option.

Officer's Comment

Subsequent to Council's 22 May 2013 consideration, Qantas have requested a reduction in term to two years with one extension option.

During lease negotiations Qantas provided a counter offer of \$750 per kiosk exclusive of GST. As per Council's decision this offer was rejected and the kiosk space was to be leased at a rate of \$1500 per kiosk exclusive of GST.

Qantas have agreed to the \$1500 per kiosk rate, however have requested a reduction in lease term.

This will allow the Town to review the terms of the agreement within a shorter timeframe once the kiosks are more established.

It is recommended that the lease term is amended to two years, plus a two year extension option.

Proposed lease

Should Council agree to amend the lease term for the portion of the Port Hedland International Airport terminal, the disposal would be locally advertised for public comment for a requisite period of two weeks.

Should no submissions be received within the requisite advertising period, a lease will be offered to Qantas on the following terms and conditions:

- a. Initial lease area of 5m², noting a reduction or increase in area may occur by mutual written consent
- b. A base rental of \$1,500 per square metre per annum, exclusive of GST. At the date of execution, the lessee will install five kiosks for \$7,500 per annum, exclusive of GST
- c. An annual increase to the base rental by the Consumer Price Index, Perth as published by the Australian Bureau of Statistics
- d. Market Valuation every three years during the term as well as Redevelopment Market Valuation on the practical completion of the terminal redevelopment
- e. A term of two years commencing on 1 July 2013
- f. Option to extend for two years
- g. For the permitted use of the operation of check-in kiosks

Conclusion

Based on the above information, it is recommended that Council revoke its 22 May 2013 decision and endorse the new lease term of two years, plus a two year extension option.

Attachments

Nil

AC201314/034 Officer's Recommendation/ Airport Committee Decision

Moved: Mayor Howlett

Seconded: Cr Gillingham

That the Airport Committee recommend that Council:

- 1. Revoke decision 201213/392 of Agenda Item '11.2.1.1 Request to Lease Portion of Port Hedland International Airport Terminal to Qantas Airways Limited for Self-Check-in Kiosks' presented to Council's Ordinary Meeting of 22 May 2013 and recorded on page 260 of those minutes that states:**

"1. Agree to dispose a portion of the Port Hedland International Airport terminal to Qantas by way of lease in accordance with section 3.58 (3) of the Local Government Act 1995 (private treaty) on the following terms and conditions:

- a. Initial lease area of 5m2, noting a reduction or increase in area may occur by mutual written consent;***
- b. A base rental of \$1,500 per square metre per annum, exclusive of GST. At the date of execution, the lessee will install five kiosks for \$7,500 per annum, exclusive of GST;***
- c. An annual increase to the base rental by the Consumer Price Index, Perth as published by the Australian Bureau of Statistics;***
- d. Market Valuation every three years during the term as well as Redevelopment Market Valuation on the practical completion of the terminal redevelopment;***
- e. A term of five years commencing on 1 July 2013;***
- f. Option to extend for five years; and***
- g. For the permitted use of the operation of check-in kiosks.***

should no submissions be received during the requisite advertising period."

2. Agree to dispose a portion of the Port Hedland International Airport terminal to Qantas by way of lease in accordance with section 3.58 (3) of the *Local Government Act 1995* (private treaty) on the following terms and conditions:
 - a. Initial lease area of 5m2, noting a reduction or increase in area may occur by mutual written consent
 - b. A base rental of \$1,500 per square metre per annum, exclusive of GST. At the date of execution, the lessee will install five kiosks for \$7,500 per annum, exclusive of GST
 - c. An annual increase to the base rental by the Consumer Price Index, Perth as published by the Australian Bureau of Statistics
 - d. Market Valuation every three years during the term as well as Redevelopment Market Valuation on the practical completion of the terminal redevelopment
 - e. A term of two years commencing on 1 July 2013
 - f. Option to extend for two years
 - g. For the permitted use of the operation of check-in kiosks

should no submissions be received during the requisite advertising period.

CARRIED 5/0

ITEM 11 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/AIRPORT COMMITTEE

Nil

ITEM 12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 13 CONFIDENTIAL ITEMS

Nil

ITEM 14 APPLICATIONS FOR LEAVE OF ABSENCE

AC201314/035 Airport Committee Decision

Moved: Cr Hunt

Seconded: Mayor Howlett

That the following applications for leave of absence:

- **Councillor Gillingham from 2 January to 2 February 2014;**
- **Councillor Butson from 23 December 2013 to 11 January 2014;**
- **Councillor Hunt from 20 to 27 December 2013; and**
- **Councillor Jacob from 19 December 2013 to 10 January 2014**

be approved.

NOTE: Mayor Howlett suggested that another item be inserted in the Airport Committee agendas following the 'Applications for Leave of Absence' item to prompt members to indicate whether they will require to attend the next committee meeting via way of teleconference. All other committee members were in agreement and this practice will commence with the January agenda.

ITEM 15 CLOSURE**15.1 Date of Next Meeting**

The next Airport Committee Meeting of Council will be held on Wednesday 15 January 2014.

NOTE: Presiding Member thanked staff and committee members for their work over the past year and wished everybody a safe and Merry Christmas.

15.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 1: 40pm.

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