



## Notice of Meeting



**Notice** is hereby given that the **Special Meeting** of the **Whitsunday Regional Council** will be held at the **Proserpine Council Chambers, 83-85 Main Street, Proserpine, on Wednesday, 3 February 2016**, commencing at **9:00am**.

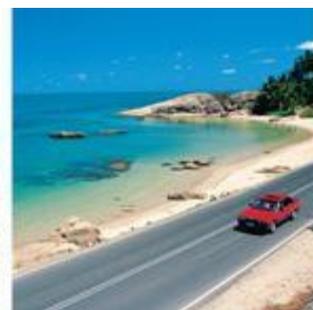
**Councillors:** Jennifer Whitney, Jan Clifford, John Atkinson, John Collins, Peter Ramage, Dave Clark & Andrew Willcox

*Local Government Regulation 2012*

### 258 Notice of Meetings

- (1) Written notice of each meeting or adjourned meeting of a local government must be given to each councillor at least 2 days before the day of the meeting unless it is impracticable to give the notice.
- (2) The written notice must state:
  - (a) the day and time of the meeting; and
  - (b) for a special meeting – the object of the meeting
- (3) A **special meeting** is a meeting at which the only business that may be conducted is the business stated in the notice of meeting.

**B Omundson**  
**Acting Chief Executive Officer**  
**Whitsunday Regional Council**



**Agenda of the Special Meeting to be held at  
Proserpine Council Chambers, 83-85 Main Street, Proserpine  
On Wednesday, 3 February 2016 commencing at 9:00am**

**Council acknowledges and shows respect to the Traditional Custodian/owners whose country we hold this meeting.**

**9:00 am**

- Formal Meeting Commences  
For the purpose of Airport and Aerodrome Business Unit Corporatisation and associated airport and aerodrome matters

Whitsunday Regional Council  
**Agenda of the Special Meeting** to be held at  
**Proserpine Council Chambers, 83-85 Main Street, Proserpine**  
**On Wednesday, 3 February 2016 commencing at 9:00am**

<b>10. OFFICE OF THE MAYOR AND CEO .....</b>	<b>4</b>
10.1 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – AUTHORISATION OF THE ESTABLISHMENT OF A MOBILE MACRO SITE	4
10.2 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – COMMUNITY CONSULTATION	6
10.3 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – FORMATION OF WHITSUNDAY COAST AIRPORT AND INFRASTRUCTURE PTY LTD	9
10.4 WHITSUNDAY COAST AIRPORT 2015 PASSENGER NUMBERS AND ACHIEVEMENTS	13

**14.1 OFFICE OF THE MAYOR AND CEO - CONFIDENTIAL MATTERS**

- 14.1.1 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – international operations whitsunday coast airport
- 14.1.2 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – Whitsunday coast airport commercial terminal leases, external apron, bus and car parking negotiations
- 14.1.3 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES - AIRPORT AND AERODROME RESERVE FREEHOLDING PROCESS
- 14.1.4 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES - REQUEST FOR BINDING BID UPDATE
- 14.1.5 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – mackay Whitsunday taxis CCTV INstallation
- 14.1.6 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – Novation of all contracts, leases, agreements, licences, memorandums of understanding and letters of intent
- 14.1.7 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – Whitsunday aeroclub inc.
- 14.1.8 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – Whitsunday heliport, Fixed Base Operation and General Aviation Facility

10. Office of the Mayor and CEO

10.1 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – AUTHORISATION OF THE ESTABLISHMENT OF A MOBILE MACRO SITE

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**RECOMMENDATION**

**That Council authorise Telstra and Urbis to establish a Macro Site on the Whitsunday Coast Airport Terminal roof as a low impact solution in upgrading the current mobile capability at the Whitsunday Coast Airport terminal.**

**Subject to the completion of requirements under the Telecommunications Act**

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The following report has been submitted for inclusion in Council's Special Meeting to be held on 3<sup>rd</sup> of February 2016, by Council's Office of the Mayor and CEO Department.

**BACKGROUND**

The current mobile phone network reliability at the Whitsunday Coast Airport can be intermittent at peak times. Council Officers and Airport Stakeholders as customers of Telstra have continually lobbied Telstra over the past 6 months for an upgrade in services at the Whitsunday Coast Airport.

**REPORT**

Telstra currently provide an “in building coverage system” at the Whitsunday Coast Airport. At peak times within the Airport Terminal the system is unable to cope as the load does not only cover mobile phones, but also wireless technology solutions utilised by various stakeholders from Airlines to Security and Car Hire.

The solution that Telstra will deliver is the establishment of a Macro site on the Airport's rooftop. Other options for the infrastructure have been reviewed such as a tower within the car park or utilisation of existing telecommunication towers, however all other options have been deemed unsuitable.

Telstra will have classified the implementation as urgent, with its implementation a positive outcomes for all stakeholders at the Airport.

**STATUTORY MATTERS**

*Telecommunications Act 1997*

**CORPORATE PLAN REFERENCE**

*Economic Development*

*Objective - Our infrastructure enables economic development and facilitates investment opportunities.*

**OPERATIONAL PLAN REFERENCE**

*Economic Development*

*Strategies*

**2. Develop the Whitsunday Coast Airport as a significant transport and exports hub and regional economic driver.**

**BUDGET REFERENCE**

*Nil*

**CONSULTATION**

Scott Waters – Interim General Manager Commercial (Author)  
Tony Schulz – Airport Operations Manager  
Amanda Boorman – Terminals Manager

**ATTACHMENTS**

Authorisation Letter

10. Office of the Mayor and CEO
- 10.2 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – COMMUNITY CONSULTATION

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## RECOMMENDATION

**That Council receive the independent Whitsunday Coast Airport International Export Hub Project – Community Consultation Report by JTA Australia.**

**Noting that the Report has been provided to the State Government Department of Natural Resources and Mines and State Development as additional information requested in granting free hold title to Council over the Airport reserve.**

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The following report has been submitted for inclusion in Council's Special Meeting to be held on the 3<sup>rd</sup> of February 2016, by Council's Office of the Mayor and CEO Department.

## BACKGROUND

At Council's Special Meeting on the 22<sup>nd</sup> of October, Council resolved the following:

**That Council receive the advice from the Project Director Commercial Operations (CEO), with regard to current and ongoing fulfilment of Council's resolution of the 13<sup>th</sup> of May 2015 in conducting community consultation for the Whitsunday Coast Airport International Export Hub Project.**

At Council's Ordinary Meeting on the 13<sup>th</sup> of May, Council resolved the following:

**"That Council:**

- 1. Immediately engage with the State Government and seek the State's support for the growth and development of the Whitsunday Coast Airport; and**
- 2. Following that engagement, that the Chief Executive Officer be authorised to begin an Expression of Interest Process on a Joint Venture/Public Private Partnership basis for the development and growth of the Whitsunday Coast Airport International Export Hub and Council's other aviation assets with Council retaining the majority ownership of all assets; and**
- 3. Undertake an extensive community consultation before a decision is made."**

## REPORT

Specific Community consultation in relation to the growth and development of the Whitsunday Coast Airport has been ongoing since the formulation of the Corporate Plan – Whitsunday 2020. This initial consultation, albeit focused upon the entire region via the Corporate Plan identified the growth and development of the Whitsunday Coast Airport to International status as a strategic priority for Council to deliver on behalf of the community.

As Council has worked through the growth and development of the facility since 2010, it is now evident that to achieve the desire of the community that Council requires additional expertise and experience from the private sector.



This has been the key message that the recent community consultation plan has been focused upon delivering. The recent community consultation activities have included, but not been limited to:

- One on one meetings and conference calls
- Focus Groups
- Formal Briefing Sessions
- Informal Briefing Sessions
- Newspaper Advertising
- Meetings upon request
- Specific email address to receive and log requests in writing

Council's community consultation has been extensive and is ongoing throughout the project. Each concern raised by a member of the community has been addressed and when discussed with the correct information support has been provided.

Council's resolution of the 13<sup>th</sup> of May 2015, specifically in relation to extensive community consultation has been and continues to be delivered upon. Council has delivered an unprecedented level of community consultation, being in excess of 60 hours of direct consultation, in addition to local print (3 local newspapers) and radio advertising.

## **STATUTORY MATTERS**

N/A

## **CORPORATE PLAN REFERENCE**

### ***Economic Development***

***Objective - Our infrastructure enables economic development and facilitates investment opportunities.***

## **OPERATIONAL PLAN REFERENCE**

### ***Economic Development***

### ***Strategies***

***2. Develop the Whitsunday Coast Airport as a significant transport and exports hub and regional economic driver.***

## **BUDGET REFERENCE**

07000.0700

## **CONSULTATION**

Scott Waters – Interim General Manager Commercial (Author)

Barry Omundson – A/Chief Executive Officer

Councillors

JTA Australia

STW Group – Barton Deakin / Hawker Britton

## **ATTACHMENTS**

Community Consultation Report by JTA Australia

10. Office of the Mayor and CEO

10.3 WHITSUNDAY REGIONAL AIRPORTS/AERODROMES – FORMATION OF WHITSUNDAY COAST AIRPORT AND INFRASTRUCTURE PTY LTD

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### RECOMMENDATION

That Council notes the forming of Whitsunday Coast Airport and Infrastructure Corporation in fulfilling Council's resolution of the 22<sup>nd</sup> of October 2015.

Furthermore that in forming the Corporation Council approves:

The initial transitional Directors – Mr Barry Omundson, Acting Chief Executive Officer and Ms Suzanne Brown, Principal McKay's Solicitors

The interim Chief Executive Officer – Mr Scott Waters, with the position of Chief Executive Officer to be market tested and the appointment of a permanent Chief Executive to be approved by the board once established

The Acting Chief Executive Officer Mr Barry Omundson be authorised to form a transitional committee to deliver governance oversight and oversee the transition of Council's Airport Business Unit to the Whitsunday Coast Airport and Infrastructure Corporation

Council notes that the transition from Council Business Unit to a Corporatised entity will require the establishment of a working capital facility

Council notes that the initial transitional Directors and Interim Chief Executive Officer appointments are subject to, the Acting Chief Executive Officer being delegated the following:

- A. Effect an appropriate directors and officer policy to protect the interim directors with the corporation to pay the cost of such protection;
- B. That the Acting Chief Executive Officer negotiate with Ms Suzanne Brown an appropriate market directors remuneration;
- C. That Whitsunday Regional Council enter into a deed of indemnity with the Initial Directors and interim Chief Executive Officer to compensate the Initial Directors and interim Chief Executive Officer for any losses that may be sustained in their roles as Chief Executive Officer or Director.
- D. And notwithstanding any conflict of interest that McKays Solicitors are able to supply continued services including Suzanne Brown in her capacity as a Lawyer not a Director.
- E. Despite any conflict of interest as the Acting Chief Executive Officer Whitsunday Regional Council is able to give effect to matters as Initial Director of the Corporation;
- F. That the Acting Chief Executive Officer not be paid a Board remuneration.

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The following report has been submitted for inclusion in Council's Special Meeting to be held on 3<sup>rd</sup> of February 2016, by Council's Office of the Mayor and CEO Department.

### BACKGROUND

At Council's Ordinary Meeting on the 22<sup>nd</sup> of October, Council resolved the following:

1. The conduct of a beneficial enterprise as described in paragraph 2 below, is directed at benefiting, and can reasonably be expected to benefit, the whole or part of the Whitsunday local government area.

2. The beneficial enterprise is described as being for the purposes of, and in connection with, ownership and investment in the Whitsunday Coast Airport, the aerodromes at Bowen and Collinsville, their associated landholdings and infrastructure, and other assets (Airport Assets), in order to develop and expand the Whitsunday Coast Airport to an international standard and for the development, operation and management of the Airport Assets (beneficial enterprise).

3. To conduct the beneficial enterprise, and to participate with an association:  
a. which may consist of one or more special purpose vehicles; and  
b. which may be any one or more of the following (but not as an unlimited partner of a partnership or with an unlimited corporation):

- i. a partnership;
- ii. a corporation limited by shares but not listed on a stock exchange;
- iii. a corporation limited by guarantee but not listed on a stock exchange; or
- iv. another association of persons that is not a corporation (including a trust),

4. Council is satisfied on reasonable grounds that conducting the beneficial enterprise, participating with an association, and entering into following financial arrangements are necessary and convenient for performing its functions under the *Local Government Act 2009* (Qld):

- a. entering into a joint venture, partnership or trust;
- b. forming, or participating in forming, a corporation;
- c. acquiring, consolidating, dealing with, disposing of, holding or issuing bonds, debentures, inscribed stock, shares, stock or other securities of any statutory body or corporation;
- d. entering into an arrangement, covenant, guarantee, promise or undertaking to meet liabilities or obligations incurred by or to a person, whether or not the person is a party to the arrangement, covenant, guarantee, promise or undertaking;
- e. borrowing an amount;
- f. lending an amount;
- g. investing an amount;
- h. taking land or an interest in land;
- i. acquiring, consolidating, dealing with, disposing of or holding buildings or other structures, for providing infrastructure or other facilities for the public or part of the public;
- j. granting or taking a lease, or letting or taking on hire for a period, a building, equipment, land, machinery, plant or other property, including a finance lease, as lessee, lessor, hirer, owner or tenant;
- k. granting financial accommodation by or to a person, whether or not the person is a party to the arrangement;
- l. accepting, discounting, drawing, endorsing or issuing a bill of exchange, promissory note, payment order or other negotiable instrument, other than a cheque within the meaning of the *Cheques Act 1986* (Cth), section 5(1) or 10;

- m. holding property as a trustee or agent;
- n. acquiring, consolidating, dealing with, disposing of, holding or reissuing foreign currency; and
- o. any other type 1 or type 2 financial arrangement under the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

5. Council resolves to prepare a submission to the Treasurer seeking approval under section 70 of the *Statutory Bodies Financial Arrangements Act 1982* (Qld) for it to exercise the power to enter into the financial arrangements identified above.

6. Council resolves to delegate to the Chief Executive Officer all powers and functions necessary to support the conduct of the beneficial enterprise, including:

- a. the preparation of the submission to the Treasurer;
- b. to give effect to the Treasurer's approval, including any conditions attached to that approval; and
- c. the establishment of the beneficial enterprise.

## REPORT

Key elements of the resolution of the 22<sup>nd</sup> of October 2015 are in the process of being delivered as the Airport project moves through major milestones. The critical step has been in forming the Corporation. It must be made clear that any percentage divestment of the Corporation and its assets will require further approval and resolution of Council as well as approval of the unit trust structure by the Treasurer of the State Government of Queensland.

The transitioning of the Airport Business Unit from Council to the wholly Local Government owned Corporation is a necessary step in the Airport's future development. This will provide the Airport with the ability to act commercially and create cost efficiencies across the operation as overheads and internal charging will be significantly reduced.

Given the complex nature of the transition it is viewed that this element of the current Airport project will last until the end of this financial year. As a result a working capital facility will be required, with the Corporation then commencing full operations by the 1<sup>st</sup> of July 2016 at the latest.

To ensure a high level of governance and oversight a transitional committee will be formed by the Acting Chief Executive Officer. This committee will remain in place until a permanent board is established and will provide governance oversight during the transition process. The committee's permanent members will be the initial transitional directors and interim Chief Executive Officer, with further members added as required.

The day to day operations of the Airport Business Unit will be transitioned from Council to the Airport Corporation over the next 5 months, (until the end of the financial year). This process will run concurrently with the Request for Binding Bid (RFBB) process.

## STATUTORY MATTERS

*Statutory Bodies Financial Arrangements Act 1982*  
*Local Government Act 2009*

## **CORPORATE PLAN REFERENCE**

### ***Economic Development***

***Objective - Our infrastructure enables economic development and facilitates investment opportunities.***

## **OPERATIONAL PLAN REFERENCE**

### ***Economic Development***

#### ***Strategies***

***2. Develop the Whitsunday Coast Airport as a significant transport and exports hub and regional economic driver.***

## **BUDGET REFERENCE**

*07000.0700*

## **CONSULTATION**

Scott Waters – Interim General Manager Commercial (Author)

Barry Omundson – A/Chief Executive Officer

Councillors

McCullough Robertson Lawyers

McKay's Solicitors

## **ATTACHMENTS**

Nil

**10. Office of the Mayor and CEO**

**10.4 WHITSUNDAY COAST AIRPORT 2015 PASSENGER NUMBERS AND ACHIEVEMENTS**

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**RECOMMENDATION**

**That Council receive the 2015 end of year passenger number report and forecast analysis for the Whitsunday Coast Airport.**

**Noting that:**

- **the airport has achieved a record result in excess of 320 000 passengers for the first time**
- **the airport achieved the strongest growth out of the top 50 regional airports in the country, from July – November 2015**

**Furthermore, that additional domestic and international route development opportunities be explored in continuing the growth and development of the airport for the benefit of region's economy. Focusing upon job creation and economic confidence.**

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The following report has been submitted for inclusion in Council's Special Meeting to be held on the 3<sup>rd</sup> of February 2016, by Council's Office of the Mayor and CEO Department.

**BACKGROUND**

Whitsunday Regional Council is the owner operator of Whitsunday Coast Airport. The Whitsunday Coast Airport is a business unit of Council and is the primary asset of 4 aviation assets owned by Council within the region.

Airlines report their monthly passenger figures to Council for billing purposes. While individual airline passenger numbers are commercial in confidence the overall performance of the airport must be continually analysed and forecast. The report details analysis and forecast of the business unit and also details the achievements of the airport over the past 12 months

**REPORT**

The Whitsunday Coast Airport has processed 321 373 passengers during 2015, this represents a 21.5% increase on the 2014 results where 264 505 passengers were processed and a 31.2% increase on the 2013 results where 232 568 passengers were processed.

A significant factor in the Airport's growth has been the retention of all direct Brisbane services as well as the growth and attraction of Sydney and Melbourne services. The Commonwealth Government's Department of Infrastructure and Regional Development, in conjunction with the Bureau of Infrastructure, Transport and Regional Economics, publish the monthly Australian Domestic Aviation Activity. The Whitsunday Coast Airport has been recognised as the strongest growth Airport out of the Top 50 Airports in regional Australia between July – November of 2015.

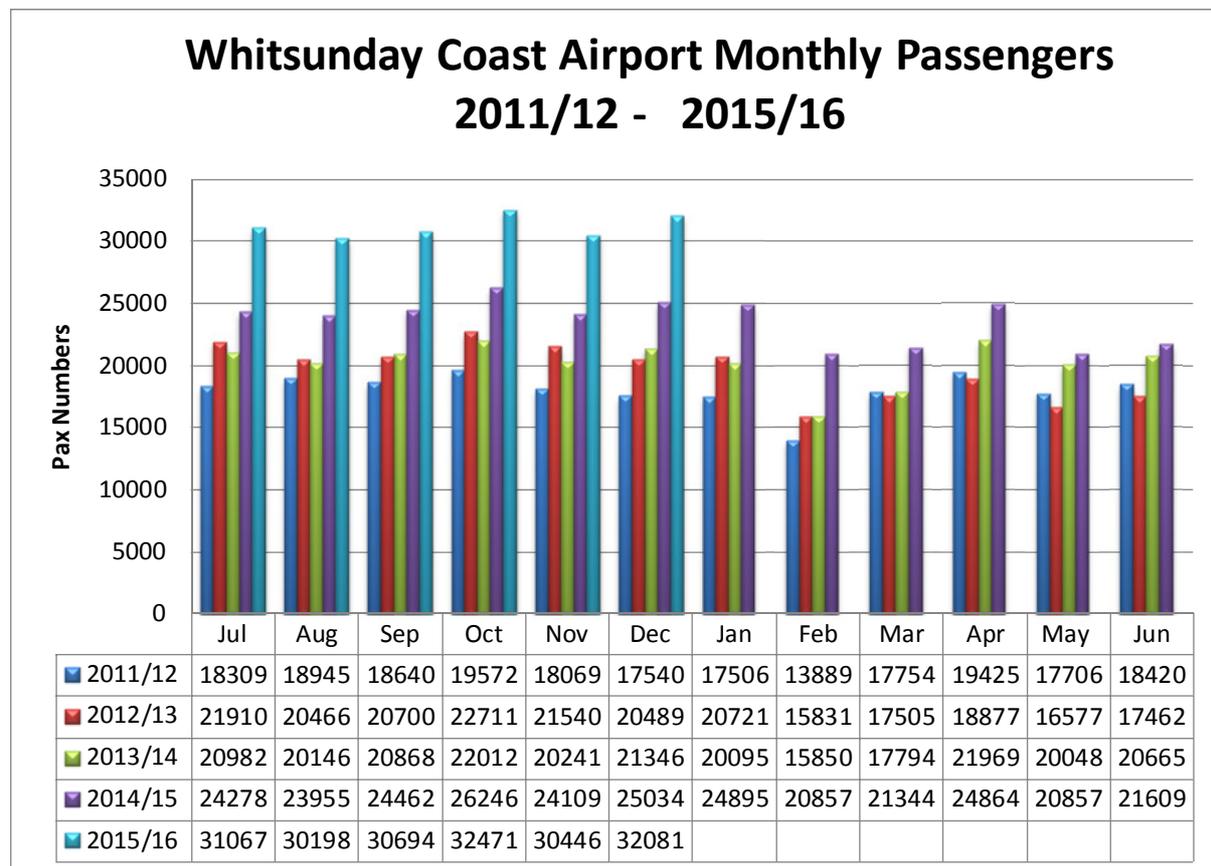
The Whitsunday Coast Airport is now placed within the Top 20 Airports in regional Australia by way passenger numbers. This has been a phenomenal result given the Airport was in



negative growth between 2007/08 – 2010/11 Financial Years and ranked 33<sup>rd</sup> by way of passenger numbers in the 10/11 Financial Year.

Throughout the year the Airport has performed exceptionally well in that average load factors to and from the Airport averaged 83%. With the current projections and forecast for the end of financial year to deliver;

EOFY projections: Low 337 000, Medium 367 000, High 397 000, Forecast 350 000.



The below graph provides the monthly passenger numbers over the past 4 and a half years, noting Oct 15 (highest month on record) and that each month of the 15/16 FY has achieved in excess of 30 000 passengers.

Future growth and route development will focus upon the following:

- BRISBANE ROUTE – evening service
- SYDNEY ROUTE – continued growth to daily
- MELBOURNE ROUTE – continued growth to daily
- QUEENSLAND COASTAL CONNECTIONS – services connecting the Whitsundays with Queensland Regional Cities

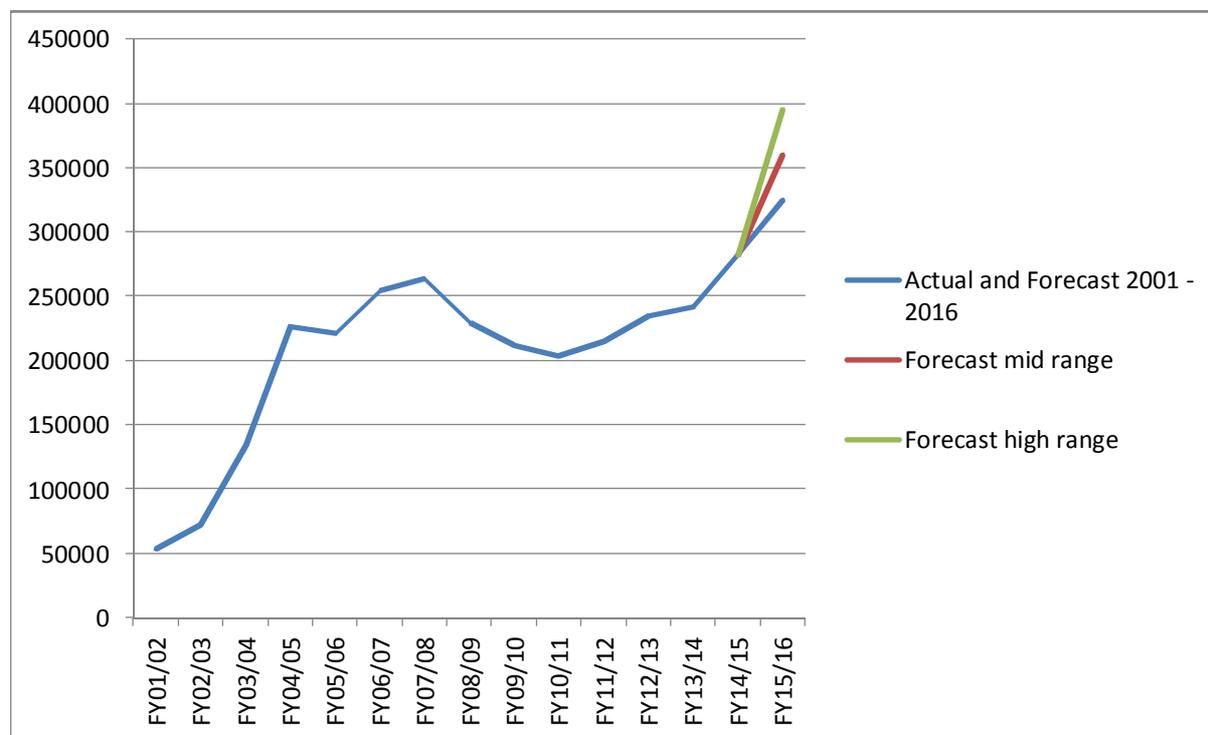
Potential new services and International charter flights:

- DARWIN ROUTE
- ADELAIDE ROUTE

International charter proposals for direct New Zealand as well as SE/NE Asia are currently under development.



The below provides the current high, medium and low passenger forecast projections for the current financial year and actual passenger numbers since 01/02FY.



## STATUTORY MATTERS

*Nil*

## CORPORATE PLAN REFERENCE

*Economic Development*

***Objective - Our infrastructure enables economic development and facilitates investment opportunities.***

## OPERATIONAL PLAN REFERENCE

*Economic Development*

***Strategies***

***2. Develop the Whitsunday Coast Airport as a significant transport and exports hub and regional economic driver.***

## CONSULTATION

Scott Waters – Interim General Manager Commercial (Author)

## ATTACHMENTS

*Nil*

[https://bitre.gov.au/publications/ongoing/files/Domestic\\_aviation\\_%20November\\_2015.pdf](https://bitre.gov.au/publications/ongoing/files/Domestic_aviation_%20November_2015.pdf)

[https://bitre.gov.au/publications/ongoing/files/Domestic\\_aviation\\_%20October\\_2015.pdf](https://bitre.gov.au/publications/ongoing/files/Domestic_aviation_%20October_2015.pdf)

[https://bitre.gov.au/publications/ongoing/files/Domestic\\_aviation\\_%20September\\_2015.pdf](https://bitre.gov.au/publications/ongoing/files/Domestic_aviation_%20September_2015.pdf)

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[https://bitre.gov.au/publications/ongoing/files/Domestic\\_aviation\\_%20July\\_2015.pdf](https://bitre.gov.au/publications/ongoing/files/Domestic_aviation_%20July_2015.pdf)