



CESSNOCK AIRPORT STRATEGIC PLAN

Incorporating 5 year
Business Plan

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Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people and the Darkinjung people. We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to the Elders past and present. We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local government Area.

1 Mayors Foreword

BOB PYNSENT

MAYOR

Cessnock City Council is committed to continuing to achieving the aspirations of our community members which is gained through clear and direct planning with guidance by our community.

The strength of our current planning process underpins the success of our community to date and going forward.

Cessnock Airport was gifted to the people of Cessnock in the 1990's and comes with a wealth of history from use in the 2nd World war, to having NASA undertake research at this facility.

This plan articulates the main priorities, and sets clear objectives to achieve an improved position for the Cessnock Airport to ensure it remains a strong public asset, and reflects well on Cessnock Council overall vision to be a cohesive and welcoming community living in an attractive and sustainable rural environment with a diversity of business and employment opportunities supported by accessible infrastructure and services which effectively meet community needs.

Accomplishing all that the airport can be will require collaboration between Cessnock City Council, the NSW Government and the Federal government. It will also require a commitment from Government agencies, non-government organisations, airport users and the general community.

This Strategic Plan could not have been completed without the input of the Airport key stakeholders and the Cessnock community, and I would like to thank all those who have assisted in its preparation.



2 Summary

Cessnock Airport is a vibrant hub and an integral component to the Hunter community.

This Strategic Plan identifies ways in which the Airport can further develop as an aerodrome business hub that works with and contributes to the economic growth of the region.

The success of this Airport lies in the fact it already has a point of difference in the market place due to its central location to the vineyards of the Hunter Valley and the current varied user base, and this should be developed.

The key Principles upon which this Plan is based are;

- Implement a safe, secure and environmentally suitable airport;
- Construct a well-planned airport;
- Develop sound asset management and business practices;
- Ensure strong financial viability and sustainability factors; and,
- Focus on branding and marketing.

There are a number of key objectives that can be immediately implemented, and which are detailed along with specified actions that will result in the development of a dynamic, financially viable asset for the community.

Future development and growth should be investigated as funding opportunities arise, and a review of this plan is recommended every five years to determine whether market forces have changed or business opportunities have arisen that could benefit this Airport facility

3 Vision

A viable, user friendly and vibrant aviation hub to the Hunter region.



4 Regional Context

4.1. Cessnock Region

Location: 40 km west of Newcastle; 120 km north of Sydney

Area: 1,966 sq. km

Population: 57,512 (ABS 2017 ERP)

Population average annual growth rate 2006-2016: 1.97% (REMPPLAN 2018)

Census Population Density (persons / ha): 0.29

Gross Regional Product (\$M): \$2,492.366

Per Hectare Gross Regional Product (\$'000): \$12.683

Per Capita Gross Regional Product (\$'000): \$44.858

Per Worker Gross Regional Product (\$'000): \$160.860

Cessnock Local Government Area (LGA) is predominantly situated on the lands of the Wonnarua Nation, and within its boundaries are many significant Aboriginal sites. Wonnarua means "land of hills and plains".

European settlement occurred in the 1820's and saw the establishment of pastoral lands, the coal mining industry, the viticulture industry, and more recently tourism.

The area offers significant advantages as a region, located within NSW's powerhouse economy, the Hunter Region. Cessnock LGA is 153km (less than two hours' drive) north of Sydney and 40km west of Newcastle. Cessnock LGA is strategically situated close to ports, airports, residential growth areas, road and rail networks and Sydney.

Hunter Valley Wine Country, in Cessnock LGA is now one of the top tourism destinations in Australia. Food and wine products dominate the prominent visitor economy with diversification in the arts, agri-business, adventure tourism and aviation growing.

Cessnock LGA is a nominated growth area and has priority housing and development precincts identified in the Hunter Regional Plan 2036 and Greater Newcastle Metropolitan Plan 2036, with the population projected to grow to around 70,000 by 2036 (Department of Planning, Industry and Environment). Current trends show dwelling and population growth significantly exceeding projections.

4.2. Population Growth

Residential growth has fuelled opportunities and a rise in demand for construction trades and businesses servicing the local population. The city's population is on the rise and the LGA is ranked 16th highest rate of growth in NSW between 2006 and 2016, following the neighbouring Hunter population centre of Maitland (ranked 8th).

Official 2006-2016 data shows that Cessnock LGA experienced 19.7% growth in population over the ten years, where NSW only experienced 15.0%, and Australia 18%. Cessnock LGA's growth rate surpassed Greater Sydney with 18.2% where the rest of NSW saw only 9.0%.

4.3. Economic Activity

There is a diversity of economic activities in Cessnock LGA. Since the decline in local mining, other sectors contributed to the growth of the region, including manufacturing, construction, agriculture, wine, and tourism supported by emerging cultural and creative activities, transport, renewables and innovation as well as aged care.

The Hunter Valley vineyards is Australia's oldest wine region and one of the most famous. The vineyards of Pokolbin, Mount View and Allandale, with their rich volcanic soils tended by entrepreneurial vignerons, are also the focus of a thriving tourism industry.

The total output estimate (Total Gross Revenue) for Cessnock LGA is \$4.87 Billion (REMPPLAN 2018). Key industry sectors by output (\$M) include:

Industry	Total Gross Revenue (\$)	Total Gross Revenue (%)
Manufacturing	\$1,079.523	22.2%
Rental, Hiring & Real Estate Services	\$594.410	12.2%
Construction	\$550.568	11.3%
Mining	\$473.986	9.7%
Accommodation & Food Services	\$425.598	8.7%

Table 1: Total Gross Revenue for Cessnock LGA

The total employment estimate for Cessnock LGA is 15,494 jobs. Key industry sectors by employment (no. jobs) include:

Key Industry Sectors	Job Number	Job Numbers (%)
Accommodation & Food Services	2,589	16.7%
Retail Trade	1,963	12.7%
Health Care & Social Assistance	1,936	12.5%
Education & Training	1,485	9.6%
Manufacturing	1,304	8.4%

Table 2: Employment estimates for Cessnock LGA

The region has rich histories of convict, colonial and Aboriginal heritage, particularly in Wollombi Valley. Cessnock's natural environment has large expanses of untouched natural scenery bounded by National Parks and State Forests. The rural landscape provides beautiful scenery, with grazing and pastoral lands.

Cessnock LGA is a highly liveable area with an attractive setting, a great range of services and a location where affordability parallels a strong sense of community.

5 Background

5.1. History of Airport

Cessnock Airport (the Airport) was originally constructed on Commonwealth controlled land and was formally known as Pokolbin Aerodrome. (Cessnock had a separate aerodrome located south of the town, at Quorrobolong near the Cessnock race course). During the Second World War Pokolbin Aerodrome was referred to as RAAF Base Pokolbin, and had two runways, one which ran north-south and the other east-west, with a joining grass strip. A copy of the original plan of the airport is shown in **Enclosure 1**. It was renamed in 1948 to Cessnock Airport, and in 1992 the north-south airstrip and immediate surrounding land was gifted by the Commonwealth Government to Cessnock Council.

The Airport was subsequently operated under lease by an independent body from 1999, with Council taking back control of the Airport in December 2011. Council has managed the airport since this time.

5.2. Related Policies & Plans

Cessnock Airport Strategic Plan 2014

In January 2014 Cessnock City Council (CCC) adopted the Cessnock Airport Strategic Plan to lay the foundation for the future development of this valuable community asset.

The Strategic Plan articulated three objectives for Cessnock Airport:

- Be a safe and complying facility that minimises negative impacts on residential amenity;
- Promote economic and tourism development across the local government area; and
- Provide a sustainable revenue stream.

The 2014 Strategic Plan will be superseded once the current draft Strategic Plan and associated 5 year Business Plan comes into force.

Hunter Regional Plan 2036

Two directives within the Hunter Regional Plan reflect how opportunities identified within this document fit into the Regional Plan, including;

Direction 8 – Promote innovative small business and growth in the service sectors; and
Direction 9 – Grow tourism in the region

Greater Newcastle Metropolitan Plan 2036

The Airport Strategic Plan fits well with the Greater Newcastle Metropolitan Plan 2036 in part, as follows;

- *Pokolbin, Wollombi Valley and National Parks are tourism destinations for entertainment and tourism activity;*
- *Employment opportunities include intensive agriculture, manufacturing and freight and logistics industries that can benefit from access to national freight networks.*

The Cessnock Airport, through the initiatives identified within this Strategy, can help grow tourism and entertainment, and local to develop a freight and aeronautical industry utilising the airport as the central link.

Operational Policies and Guidelines

There are two current policies covering the site, being;

- Cessnock Airport Hangar Construction Policy; and
- Cessnock Airport Operational Policy & User Guidelines

Other documents reviewed include;

Cessnock 2027 Community Strategic Plan

A desired outcome of the Community Strategic Plan is:

'A sustainable and prosperous economy – achieving long term economic security through a mix of diverse business and employment options'.

Specific objectives identified within this plan include:

- Objective 2.3 Increase tourism and opportunities and visitation in the area
- Objective 4.1 Better transport links

Actions identified within the Airport Strategic Plan mirror the Community Strategic Plan, however they are centred within the confines of the airport boundaries.

Delivery Program 2017-21

Objective 4.1.6 under Better Transport Links identifies the need to 'Continue implementation of the Airport Strategic Plan'.

Economic Development Strategy

Priority 2 within the Economic Development Strategy 2014 is to:

Support and nurture existing economic activities – to encourage increased productivity, sustainability, growth and employment.

To do this the Economic Development Strategy proposes *“adopting a ‘growth from within’ approach”*.

This reflects the concepts that are developed through the actions of the Airport Strategy.

Long Term Financial Plan 2013-2024

The Long Term Financial Plan makes the statement that *'This document will help guide activities and decision making of the organisation into the future'*.

The Long Term Financial Plan identifies that *'A key part of Council's response to this assessment has been the adoption of a Financial Sustainability Initiative'*.

The Long Term Financial Plan has identified a preferred scenario reflecting Council's desire to be 'Fit for the Future', and incorporates the Financial Sustainability Initiative projects. Under this scenario Council meets the Fit for Future benchmarks.

6 Property

6.1. Property & Zoning Details

Cessnock Airport is located in Pokolbin, on an area of land indicated as being approximately 75 hectares in size. The land property description is Lot 2 DP1072432.



Figure 1: Aerial of Cessnock Airport - 2018

The airport land is zoned SP2 Infrastructure (Air Transport Facility) under the Cessnock Local Environmental Plan 2011 (LEP). The permitted land use is principally that identified within the zone description, an Air Transport Facility.

Council has an adopted Development Control Plan (DCP) chapter for the Airport, Chapter E7 Cessnock Aerodrome (Chapter E7). The Chapter E7 identified four areas, being:

1. Hangar areas and development area
2. Movement area
3. Terminal area
4. Associated land uses

To support the future potential growth of the airport and attractiveness as an investment destination, a review of the Cessnock Local Environmental Plan 2011(LEP) and the Cessnock Development Control Plan 2010 (DCP) should be undertaken. The review should focus on facilitating improved and streamlined development opportunities and processes. The review should consider development approval pathways, including opportunities for more exempt and complying development at the airport. In addition, the surrounding land uses should be reviewed to ensure the ongoing viability of the airport and to minimise development conflict and potential encroachment and adverse impacts to ongoing airport operations. This includes minimising residential development with reference to the Australian Noise Exposure Forecast (ANEF) areas to prevent amenity impacts on potential future residential areas which would adversely impact on airport operations.

6.2. Airport Details

The Airport is accessed from both the eastern and western sides. The main eastern access is via the common entrance with the Visitor Information Centre directly off Wine Country Drive. The western access is off Broke Road via De Beyers Road.

The Airport consists of a sealed runway aligned in a 17 & 35 direction. During daylight hours circuits are left hand off, while at night 35 has a right hand circuit and 17 remains left hand.

The runway length is 1097m with a width of 30m (23m centre sealed form). The runway is indicated as having a strength of 5.700/450 (65 PSI). Both the length and strength restrict the size of aircraft that can utilise the runways. The runway is equipped with pilot activated lighting, and the main apron has flood lighting. There is a full length parallel taxiway (with a 10m wide sealed pavement) on the western side with four connecting taxiways.

The main apron on the eastern side is 55m x 45m. There are also a number of unsealed and natural surface aprons which supply parking. There is opportunity to expand the aprons and increase income from additional parking and this should be investigated.

The runway has not been formally assessed for suitability and longevity. However, based on discussions with industry and Council staff it is considered the runway is likely to require resurfacing, strengthening and/or repair in the next 3-5 years. An action is identified in the attached 5 year business plan to investigate this further.

In order to ensure growth for the airport the extension of the runway is proposed, subject to funding. This will require further investigation into the current strength of the existing runway, and ensuring future development is controlled to a masterplan (refer later within this document).

Drainage within the airport site has been identified and is managed by pits and open swales draining to surrounding water courses.

Water, sewerage and power is available to the eastern side of the Airport. The western side water is via tanks, and sewerage is treated through individual on site sewerage management systems.

The airport would benefit from;

- Extension of the runway up to 1,400m;
- Improved infrastructure to the western side as funding becomes available;
- Increased power availability;
- Investigation of moisture potentially undermining sections of the airstrip;
- Review of the current open drainage swales.

A review of the ANEF map would be appropriate should the runway be extended.

6.3. Safety & Security

Safety and security of the airport is of paramount importance. Council staff ensure this through regular inspections and checking to meet CASA requirements. Security of the airport is maintained by fencing, camera surveillance, and management by Council personnel.

It is noted that safety improvement should continue to be progressed, including;

- improved signage identifying the airport;
- access between east and west areas;
- additional cameras; and
- upgrading perimeter fencing.

Improvement to environmental safety issues are underway and continue to meet CASA and other requirements. Progression of these aspects need to continue, including;

- reducing the incursion into the airport by kangaroos;
- controlling bird life within the airport precinct; and
- controlling surrounding trees and vegetative growth.

These matters are addressed in the attached 5 year Business Plan..

6.4. Licensing Arrangements

There is a number of license agreements over the site with varying terms, and a mix of different 'land only' and 'land and building' agreements. These need to be reviewed to ensure consistency and compliance with this Plan.

Council should review the current arrangements and frameworks and investigate the most effective arrangements to manage the airport for all users and ongoing viability – financial sustainability. It is in Council's interests to aim for arrangements that enable users to be viable and at the same time ensure a reasonable commercial return for the airport without causing fragmentation of land. Consideration of support for non-profit groups should be reviewed as part of this process.

6.5. Buildings

Currently there are a total of 26 buildings including two terminal structures located on the airport land. There are a number of different styles and design of hangar constructed around the Airport. Review of the design criteria to best enhance the airport would be beneficial to the future visual amenity of the area.

As identified in section 6.1 Property Details there are a number of areas available for expansion of hangars, and /or ancillary business use (including air show or similar) or sold to attract ancillary aircraft commercial/service providers. A Precinct Masterplan will aid in attracting future development.

The attached 5 year Business Plan addresses actions related to management of the assets at the airport.

6.6. Flight Information/Usage

The airport currently provides for;

- Own-use business aviation
- Sports & recreational flying
- Non scheduled passenger and freight transport charters
- Instructional flying
- Air ambulance
- Fire fighting

NB Sports & Recreational include - ballooning, fixed wing & rotary joy flights, parachuting, aero club, pleasure & personal transport.

The Airport currently sees around 14,000 flight movements per annum. The dominant use is landings, with touch and go, and practice approaches being the next 2 highest uses. Most activities are general aviation GA (82%) and charters (11%). The bulk of the GA is instructional flying, (59%).

The bulk of the activity is for Aircraft in the category B1-999 42% and C1000-1999 45%.

Airport usage is summarised in *Enclosure 4*.

6.7. Legislative/Authority Requirements

Legislation includes:

- Airports Act 1996

Relevant Government Departments and Industry Bodies include:

- Commonwealth Department of Infrastructure and Regional Services
- Civil Aviation and Safety Authority (CASA)
- AirServices Australia (ASA)
- Australia Airports Association (AAA)

6.8. Airports in the Region

Other airports within the local region include:

- Newcastle (Williamstown)
- Bankstown
- Central Coast/Warnervale
- Maitland
- Singleton
- Lochinvar
- Scone
- Taree

Newcastle and Bankstown have grown in recent years with the indication from the market that they have done so at the exclusion of smaller craft who are now seeking alternative sites to locate. This is seen as an opportunity to openly advertise space available at Cessnock Airport. Central Coast, Maitland and Singleton are all experiencing some degree of flux as the impact of residential development have started to impact upon the airport operations.

Cessnock Airport has excellent opportunities to capitalise on developing networks with other airports both within the Hunter Region and other adjoining regions, including metropolitan Sydney. Actions to progress these opportunities are identified in the 5 year Business Plan attached.

6.9. Environmental Sustainability Considerations

Airports around the world continue to investigate opportunities to better manage the environmental considerations of their airports. Cessnock Airport has the opportunity to undertake similar development of appropriate solar and wind power, recycling of storm water runoff, re-use of wastewater through a centralised collection system, and use of the undeveloped land for environmental benefit. Any opportunities progressed, should not impact on the ongoing operations or future economic activities at the airport

Consideration to a centralised waste water system on the western side may also be an option instead of connection to 'mains'.

The attached 5 year Business Plan has specific actions in this regard.

7 Principles, Objectives & Actions

A number of over-arching principles have been identified within this Strategic Plan, with corresponding actions highlighted to ensure these principles are achieved. The actions are further explored as part of an implementation plan within the associated 5 year Business Plan.

1. Ensure a safe and secure airport

Council operates the Cessnock Airport within stringent safety and security controls and guidelines which includes meeting various legislative and common law requirements. Ensuring this continues has been identified as a priority through stakeholder consultation, and are identified as follows.

Direction 1 - Ensure safe airport

Objective 1.1 <i>Meet legislative and CASA requirements</i>		
Action	1.1.1	Undertake a review of all legislative requirements, tabulate and ensure matters addressed as required;
	1.1.2	Arrange annual CASA inspection, identify issues, tabulate and arrange timeframes to resolve;
Objective 1.2 <i>Comply with safe practice</i>		
Action	1.2.1	Develop and enact Safe Work Method Statements for all areas of operation;
	1.2.2	Review height clearances around airport and recommend course of action where heights impact on flight path;
Objective 1.3 <i>Educate Airport users</i>		
Action	1.3.1	Annually supply airport licensees with copies of relevant guidelines;
	1.3.2	Prepare a welcome pack of information to all new licensees.
Objective 1.4 <i>Manage Flora and Fauna</i>		
Action	1.4.1	Undertake wildlife hazard assessment and develop an action plan to manage;
	1.4.2	Identify unsafe vegetation and arrange program for removal.

Direction 2 - Ensure secure airport

Objective 1.5 <i>Review security procedures</i>		
Action	1.5.1	Annually review and ensure safety procedures are current;
	1.5.2	Define security-fencing requirements with CASA.
Objective 1.6 <i>Identify risk issues</i>		
Action	1.6.1	Undertake risk review;
	1.6.2	Clarify all emergency procedures
Objective 1.7 <i>Update security</i>		
Action	1.7.1	Install additional security cameras around airport;
	1.4.2	Continue to install suitable fencing around perimeter.

2. Construct a well-planned airport

A well-planned airport ensures the best return for the expense incurred. To enable development and expansion to occur requires improved planning controls, and identification of operational requirements. This section identifies those objectives to achieve this.

Direction 3 – Identify planning control improvements

Objective 2.1 <i>Update planning controls</i>		
Action	2.1.1	Develop a detailed Precinct Masterplan;
	2.1.2	Update the relevant Development Control Plan Chapter to attract development;
Objective 2.2 <i>Review surrounding land use</i>		
Action	2.2.1	Investigate development options with adjoining land owners;
	2.2.2	Update Local Environmental Plan to control potential surrounding residential development;
	2.2.3	Review land use approval pathways (exempt and/or complying development) to improve approval processing;
	2.2.4	Investigate the extension of airport noise control zone.
Objective 2.3 <i>Identify expansion opportunities</i>		

Action	2.3.1	Review potential second runway options;
	2.3.2	Identify land acquisition possibilities;
	2.3.3	Develop detailed Precinct Masterplan

Direction 4 – Plan for the future of the Airport

Objective 2.4 <i>Clarify operational aspects</i>		
Action	2.4.1	Register the airport;
	2.4.2	Ensure adequate staffing and training/progression;
	2.4.3	Join Australian Airlines Association.
Objective 2.5 <i>Improve Entry Aspects</i>		
Action	2.5.1	Reorganise terminus to assist with flow of passengers;
	2.5.2	Develop a uniform signage strategy;
	2.5.3	Improve connection linkage between western and eastern aspects of airport.

3. **Develop sound asset management and business practices**

A fundamental to a successful business is ensuring the asset is effectively managed and best business practices followed. The actions identified here will assist in this process.

Direction 5 – Implement sound management processes

Objective 3.1 <i>Review management controls</i>		
Action	3.1.1	Investigate alternative airport ownership models;
	3.1.2	Obtain annual insurance details from all licensees.

Direction 6 – Develop the Airport

Objective 3.2 <i>Modify legal arrangements</i>		
Action	3.2.1	Standardise legal arrangements and investigate longer tenure;
	3.2.2	Improve/remove onerous legal conditions;
	3.2.3	License the fuel supplier.
	3.2.4	Consider leaseback/licence arrangements to allow adjoining development activities.
	3.2.5	Review rental arrangement to not for profit organisations.
Objective 3.3 <i>Improve operational aspects</i>		
Action	3.3.1	Develop GPS approach system;
	3.3.2	Investigate option for 2nd fuel supplier;
	3.3.3	Upgrade the entry and signage;
	3.3.4	Upgrade Bureau of Meteorology facilities;
	3.3.5	Increase apron parking areas;
	3.3.6	Construct water & sewer infrastructure to western aspect;
	3.3.7	Improve roadways around airport precinct
Objective 3.4 <i>Identify growth areas</i>		
Action	3.4.1	Review costs to extent and restrengthen runway;
	3.4.2	Implement a Development Plan to guide the development of the land;
	3.4.3	Actively attract aeroplane manufacturers/maintenance businesses;
	3.4.4	Investigate freight options out of the airport
	3.4.5	Consider greater linkages to Tourism and Information Centre and RV Opportunities.

Direction 7 – Focus on Asset Management

Objective 3.5 <i>Improve asset management practices</i>		
Action	3.5.1	Develop a detailed asset management plan;
	3.5.2	Prepare an Infrastructure Strategy;
	3.5.3	Arrange a valuation of the asset.

Direction 8 – Develop an environmentally sustainable airport

Objective 3.6 <i>Design improved environmental controls</i>		
Action	3.6.1	.Undertake an environmental audit;
	3.6.2	Engineer new stormwater management controls;
	3.6.3	Identify alternative wastewater management controls and re-use;
	3.6.4	Promote solar power options for licensees.
	3.6.5	Investigate stormwater recycling.

4. Ensure strong financial viability and sustainability

Essentially the financial viability of Airport and associated uses is measured by its long-term survival. Council has identified the need to make the airport financially viable so that it meets the criteria laid down by its Financial Sustainability Initiative. The directions outlined below are considered to assist achieve this outcome.

Direction 9 – Implement sound financial management processes

Objective 4.1 <i>Review financial controls</i>		
Action	4.1.1	Create a separate airport budget line into the Council Plan;
Objective 4.2 <i>Review financial opportunities</i>		
Action	4.2.1	Undertake annual pricing review of licenses and landing fees
	4.2.2	Investigate parking fee and associated charges

	4.2.3	Investigate suitable signage fees.
Objective 4.3 <i>Improve commercial viability</i>		
Action	4.3.1	Prepare a five year business plan
	4.3.2	Investigate potential for construction by Council of 1 or more hangars
	4.3.3	Review potential to attract suitably sized RPT.
	4.3.4	Undertake EOI for Charter linkages.
	4.3.5	Identify infrastructure development in conjunction with adjoining land owners

Direction 10 – Manage capital sustainability

Objective 4.4 <i>Focus of Grant Funding</i>		
Action	4.4.1	Seek all grant funding opportunities as they arise

5. Focus on Branding and Marketing

Today branding and marketing are pivotal to the success of a business. A company's brand represents their market identity – who they are, what they do, the quality of the enterprise, and their reputation. Cessnock Airport has its own identity however it will significantly benefit from placing a brand to that identity and then marketing to selected opportunities. The actions below identify how this may be undertaken.

Direction 11 – Focus on Branding

Objective 5.1 <i>Define Branding Requirements and secure name</i>		
Action	5.1.1	Develop a brand for the airport.

Direction 12 – Undertake marketing

Objective 5.2 <i>Clarify marketing opportunities</i>		
Action	5.2.1	Develop a marketing plan;
	5.2.2	Prepare a Signage Strategy

Objective 5.3 <i>Utilise online marketing</i>		
Action	5.3.1	Develop a website for the airport;
	5.3.2	Regain domain name;
	5.3.3	Investigate other social media options to promote the airport.

Direction 13 – Undertake marketing

Objective 5.4 <i>Formalise linkages</i>		
Action	5.4.1	Develop linkages and arrange regular meetings with relevant industry bodies
	5.4.2	Develop linkages and memorandums of understandings with other airports to attract business.

Direction 14 – Review event opportunities

Objective 5.5 <i>Review event opportunities</i>		
Action	5.5.1	Develop events in conjunction with tourism market.

8 Precinct Masterplan

A proposed Precinct Masterplan has been developed for Cessnock Airport, and is attached in **Enclosure 5**. It is a high-level plan, and is intended to identify the development areas and lay the foundation for the future growth of the Airport.

The Development Plan has identified a number of specific precincts and development opportunities, as follows:



Precinct 1	Runway extension Proposal for grass runway/inclusion of gliders
Precinct 2	Additional private hangars the length of the runway Historical museum area Extension of Runway (if external funding available)
Precinct 3	Area for Commercial Business Opportunities (Aviation or related e.g. . Accommodation) Area for maintenance/workshops Area for aeroplane construction business Area for additional hangars Area for Helicopter/RFS or similar expansion Area for additional hardstand parking
Precinct 4	Area for additional apron/hardstand parking Upgrade of terminus for future charters
Precinct 5	Expansion of fuel services as required
Entranceways	Upgrade of signage

Table 3: Precincts

9 Business Plan

Cessnock Airport is considered ripe for development and increased business growth opportunities. Recent interest from a wide source of both private and commercial operators, as well as the continuing growth of tourism and population growth into the Hunter region will continue to offer opportunity for the development of the airport.

10.1. Marketplace

The airport industry in Australia is relatively small and most operators are known to each other. The Airport Association of Australia (AAA) keeps detailed information and the key success factors for all individual airports which is available to interested parties.

The open nature and availability of information allows fees to be regularly reviewed in line with comparable airports.

A review of relevant industry documents has identified:

- In the NSW State Government Lower Hunter Regional Strategy, and subsequent Hunter Regional Plan 2036, major growth is planned for Cessnock City;
- The Australian Airports Association noted in its document 'Australia's Regional Airports – Facts, Myths and Challenges' the following;
 - As many as 50% of regional airports operate at a loss;
 - Regional aviation will remain challenging;
 - The conservative conclusion is that a general downward trend in General Aviation, especially in Own-Use Business Activities, is likely to continue. However, own-use business aviation cannot be ignored, as increasing pressures at other airports will result in increased demand for aircraft parking and hangarage.
 - Regional Passenger Transport (RPT) facilities, if required, are best considered as an extension of charter opportunities;
 - Maintaining and developing the capacity of a regional airport so that it is able to be used by RPT aircraft (i.e. 18-30 seaters) is not only expensive but carries a high degree of risk that assets may be 'stranded';
 - Airport infrastructure, whether terminal facilities or runway works, are among the most expensive forms of commercial and civil construction.
 - Growth opportunities exist in instructional flying and charters (particularly tourism related);
- Cessnock Airport data reveals the following;
 - Cessnock Airport usage trend has stabilised in the last 2-3 years at around 14,000 movements per annum.

The key outcome from industry discussions is that the country airports making money are doing so either because they have a point of difference, i.e. they have regular RPT's or an

industry on site that generates considerable cashflow, or they are selling assets to assist cashflow i.e. selling unwanted land. The concept of 'small is beautiful' may actually apply in this market place when a facility has a point of difference.

The market place has also identified some unusual business opportunities including the potential to allow for on-site accommodation for an owner with their plane.

Joint partnership arrangements are also being investigated by various airports. Foreign investors are seeking suitable sites in which to invest on the proviso they control and benefit from the larger aircraft utilising the site.

Several country NSW airports has revealed that most are incurring a loss however the airports are, in all cases, considered essential to the community and a critical asset to be maintained.

The most successful aerodromes are those actively seeking business. A review of available airport strategies highlighted the following opportunities:

- Land development opportunities
- Rezoning adjoining private land
- Lease arrangements (Public Private Partnership PPP)
- Airside maintenance (expansion/extension of runways)
- Aviation Passenger Services
- Attract Fly in Fly out
- Regional Partnerships (Government/Training)
- Engagement (Events)

An Airport Economic Sustainability report completed for North Central Texas General Aviation identified the following market expansion strategies:

- Service Improvements – improve amenities
- Partnerships with Private Enterprises (PPP)
- Partnerships with Other Public Agencies
- Incentives
- Retention of existing clients
- Airport Branding
- Rates/Charges
- Development of non-aeronautical real estate
- Airside Infrastructure improvement
- Landside facility improvements (i.e. hangar storage)
- Fuel

It would be opportunistic to arrange regular visitations to smaller regional airports within NSW to see what developments are occurring and how these operators/Councils are seeking airport business opportunities.

10.2. Financial Analysis

The Cessnock Airport currently makes an annual financial loss and that there a number of large-scale operational and capital works that are also required to be undertaken in the foreseeable future. However, the value adding of the airport into the Cessnock economy because of the airport is considered to offset any negative aspects, and continues to reflect a wise investment in the future of the Hunter Valley.

The review of the Cessnock Airport and surrounding region revealed the following main points:

- Extensive areas of developable land exist at the Airport;
- There is a likely need for additional hangar space;
- Runway update (and extension if possible) is required in the immediate term;
- Projected increase in the population may result in improved opportunities;
- Likely growth in tourism should assist future opportunities;
- Charters should be promoted; and
- Signage, marketing and branding is a must for the site.

The following basic financial considerations should be undertaken;

- Drive rent income;
- Introduce parking fees;
- Renegotiate all leases and licenses; and
- Establish additional aircraft parking contingent on the introduction of parking fees.

The asset values for the airport are shown in **Enclosure 6**.

10.3. Key Risks

Operating an Airport comes with some inherent risk. This cannot be avoided unless the Airport is disposed to a third party. Even then some risks can be expected to remain given Council initiated various licenses on the site which would need to be honoured.

The key risks are:

- Reputational risk – poor performance or misuse by an operator
- Illegal activity or use of land
- Financial cost impacting upon Councils overall position
- Environmental risk from fuel spills
- Crash or injury

10.4. Options Review

In moving forward the following options exist for Council:

- Sell the Airport

The Cessnock Airport offers significant financial benefit to this region through tourism, jobs, and business opportunities. However, it must be acknowledged that the Airport costs money to operate and maintain.

Sale would remove this cost, though once sold it is unlikely Council would be in a position to construct a new facility, nor benefit from the potential opportunities that this facility can offer.

As the facility offers region wide benefits and the opportunity remains to develop and grow income streams, it is considered that the sale option should not be investigated further at this time.

- Maintain the Airport 'as is'

Council could continue to operate the airport under current arrangements and not seek new business opportunities. No benefit to Council or the Community will be gained from this approach, and it potentially reduces the improved relationship that has been built in recent times by the Airport Coordinator and others.

- Undertake specific improvements to maximise income

This is considered the most appropriate option. By accepting, a more pro-development approach coupled with strategic capital works it is considered that improved revenue can be achieved.

- Undertake significant capital works to attract business

Council could seek to borrow considerable funds and undertake significant capital works to extent and widen the runway in the hope that this will generate additional business, including RPT services. There is no guarantee that this would work, and is likely to only add to the ongoing maintenance costs in future years. Seeking RPT's could potentially also require improvements to the navigational system and runway lighting. Further, the increased size of aircraft is likely to cause issues with surrounding residents.

- Joint Arrangement/Management/Corporatisation of the Facility

Council could look to seek a joint partner into the Airport, corporatize, or even lease the facility out to offset some of the operational costs.

Historically leasing out the site has proven difficult to manage and resulted in significant cost to Council. A joint arrangement is a relatively untried area and potentially complicated unless it is well managed. Corporatisation could work subject to effective management by Council, including stringent works programs. Ultimately, it is considered that such an arrangement could diminish Councils control of the airport, increase unwarranted traffic and potentially result in increased cost. However this is an option which could be investigated beyond the 5 year horizon of this Plan.

- Mix of above

Council could look to pick aspects of the options above and integrate into an alternative Plan. However with real and active opportunities in front of Council at this time it is considered that this strategy should be progressed at the earliest opportunity.

10.5. Business Strategies

There are a number of business opportunities waiting to be developed for this site, and should be acted upon. These include:

Storage

There is a real need for additional plane storage both as hangar space and open tarmac storage. Both should be developed, either with Council as the developer and/or allowing private construction of more hangars.

Market discussions indicate the most appropriate purpose built hangar is a 'T' hangar, which allows for maximum space utilisation through planes parking back to back. Costs for a 9 plane hangar are around \$500,000 with normal return on investment (when fully licensed) of around 7 years.

As a minimum, an additional T hangar should be constructed. In order to achieve the best financial position licenses should be arranged 'off the plan' with no construction should commence until there are at least seven pre-signed license arrangements so an immediate return is achievable.

There is adequate space in Precinct 3 for Council (or a private developer) to construct a T hangar.

Private hangars should also be allowed so as to attract the smaller aviators who wish to maintain their own facility.

Precinct 2 has adequate space to allow for hangars to be constructed by such aviators. Advertising should be considered immediately to allow for up to 4 new privately constructed hangars to be built. Further growth should be encouraged in this area.

Parking

Bituminising current grassed apron space with secure tie down facilities will attract plane storage. It will also improve plane movement around the Airport. Budget expenditure should be made to allow for this upgrade in the coming years.

Existing users

There is a small number of existing businesses on site which should be approached to determine their growth requirements. It may be that there are business opportunities within the existing users.

The GA operators should also be utilised to promote the Cessnock Airport and seek new opportunities. This could include offering incentives if they attract other users to the Airport.

Partnerships

The airport contains surplus land that should be made available for use by outside parties. This includes opportunities such as;

- Public-Private Partnership (PPP) arrangements; and
- Government linkages (such as an approach to the Rural Fire Service to house all their flight operations for this region at the Airport); and
- Linkages with other Airports.

In regard to the above the following is noted;

- Discussions have been ongoing between CCC and Newcastle Airport Limited (NAL).
- There has been significant growth in pilot training within Australia in recent years. Of note is the Qantas pilot school tender which is aimed at the larger airports, in comparison to the Glen Innes Airport partnership with a Chinese company which faltered leaving the Council out of pocket financially and trying to find a new lessee, with no success to date.
- The Rural Fire Service house some of their helicopters on site, depending on need. It is considered that an approach be made to RFS to house all their regional services at Cessnock Airport.
- Cessnock should be actively partnering with larger airports such as Bankstown, Newcastle, and other similar airports to take their overflow of smaller aircraft where the operations of these larger airports places limitations on smaller aircraft.

Business Opportunities

Concepts to be investigated include;

- Investigating whether gliders could be handled within the current facilities;
- Development of a Historical aviation museum area; and
- Development of aligned businesses including maintenance companies, light plane manufacturers, and even caravan park/ accommodation operators.

Bathurst Airport currently operates as a larger regional facility however, they also allow gliders to launch from their airport via a grass strip located within the airport precinct. There is ample opportunity for this to also occur at Cessnock Airport.

The inclusion of a historical or museum area into Precinct 2 would help attract new businesses that deal in that section of the market place. There is also the opportunity to cross sell to tourism, through visitations to the museum, and increase utilisation of the airport through joy flights.

The concept of developing land within Precinct 3 to include a caravan park opens the opportunity for increased caravan stays, accommodation for training, and potential for consideration of accommodation hangars. Infrastructure (sewer and water) will need to be upgraded or a suitable alternative environmental option resolved.

Land

There is opportunity for Council to develop areas within Precinct 2 or 3 for water recycling, solar power, or other adjunct opportunities. Should land become available around the airport then this should be acquired to assist with future expansion.

Marketing

It would be appropriate to develop a market name for the Airport to assist attract additional business. Names such as *Cessnock Light Aviation Hub* have a modern feel and help identify the type of business that is being attracted to the site. Consideration should also be given to whether to rename the airport itself.

There appears to be significant interest in the Airport generally and this should be capitalised. Marketing of hangar land, hangar space, and other business opportunities should be a priority. In addition a web site should be developed and social media avenues followed.

10.6. Financial Review

Table 1 below summarises the last 5 years financial data, and current budget for 2018/19.

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Income	271,563	321,337	309,540	296,750	307,200	259,100
Expenditure	484,141	384,864	508,198	455,896	512,400	500,300
Net Profit/Loss	-212,578	-63,527	-198,658	-159,106	-205,200	-241,200

Table 4: Historical Financial Data

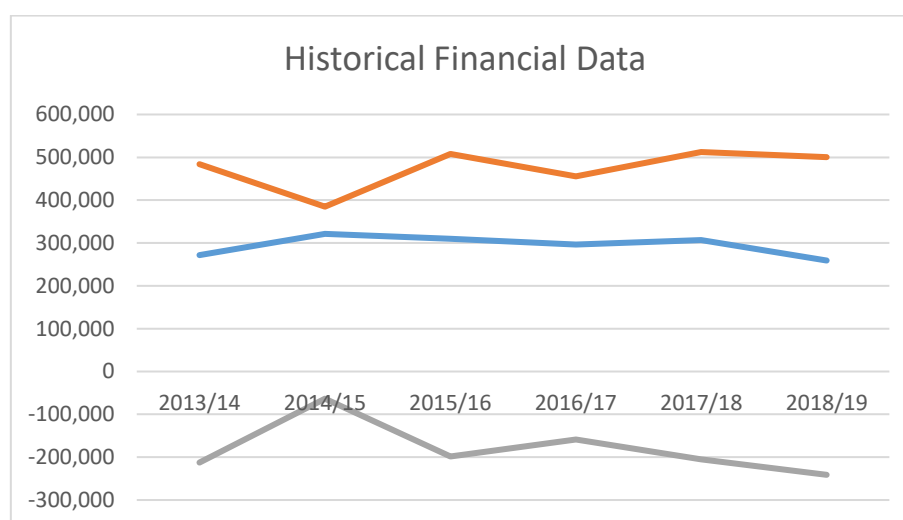


Figure 2: Historical Financial Data

The figures shown for the 2017/18 period are based on the operational budget for that period. The deficit of \$205,200 was identified to be met from the budget.

The 2019/20 budget is set at income of \$205,200 with expenditure at \$500,300. A shortfall of \$241,200 has been allocated to this years' budget.

Overall an average loss per financial year of \$180,044 is shown for the periods 2013/14 to 2018/19.

10.7. Projected Position/Analysis

In determining a projected financial position for the Airport there are a number of assumptions, as follows;

1. Actions within this plan are progressed;
2. All current vacant hangar space will be immediately marketed and filled;
3. The opportunity to license land for private hangars is fully taken up;
4. The construction of a T hangar will occur with 100% utilization;
5. Parking and other fees as outlined will be introduced and all areas available for parking utilized;
6. Attraction of commercial opportunities will be undertaken; and
7. Development of the surplus land will occur within the next 3-4 years with rental commencing at \$95,000 pa.

Enclosure 7 covers detailed historic data, as well as outlining the cash flow position from 2019/20 until 2024/25. It is based on the potential improved position should all opportunities within this plan be undertaken and achieved.

The cash flow calculations include;

1. Landing fees income grow at 3% per annum;
2. Apron/Parking revenue commences at \$15,000 growing to \$28,800 by the end of the second year as all planes are charged, then increasing at 3% pa;
3. Capital works of;
 - a. Signage/entranceway for \$20,000 occur in 2018/19;
 - b. Airstrip reseal costs of \$400,000 occur in 202/21;
 - c. BoM relocation costs of \$15,000 occur in 2021/22; and
 - d. Upgrade strip lights/GPS allowance of \$150,000 included at year 2023/24.
4. The income and associated expense of a T hangar are included from 2019.

Table 2 below shows the future anticipated cash flow net profit/loss position as follows:

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
-229,000	-172,200	-496,400	-51,900	-58,600	-80,000

Table 5: Anticipated cash flow

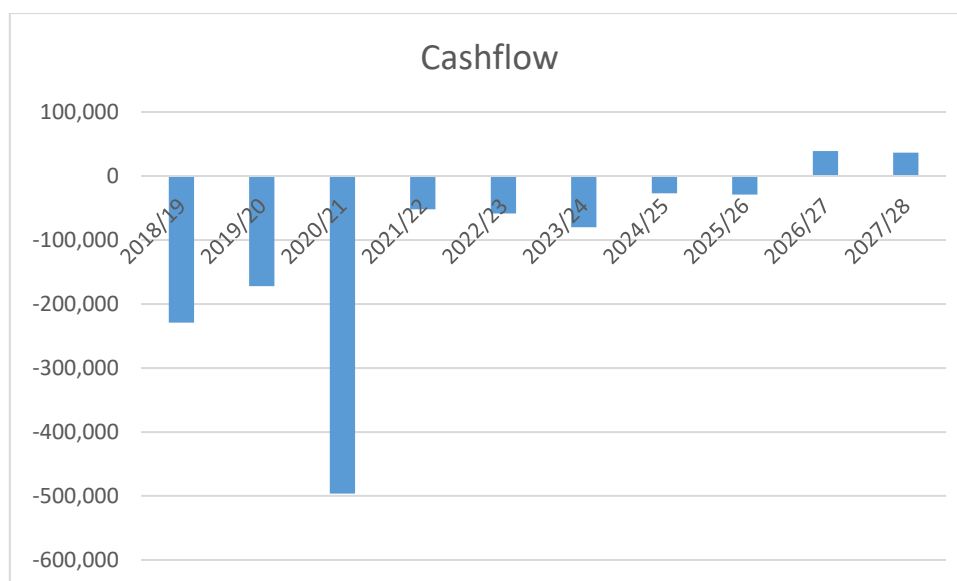


Figure 3: Anticipated Cash flow

In summary, based on the expected revenue it is considered a break even position can be achieved by 2026/27, excluding any unaccounted capital works. Though it is acknowledged this cashflow is optimistic it does reflect a realisable outcome subject to a positive approach to business opportunities being adopted by Council.

10 Business Plan

This report considers that there is real opportunity within the current market to take the airport forward through both short and medium term actions which are considered the most appropriate and financially prudent approach to grow the Airport business.

The table below highlights the priority for each action, as follows:

Table 6: Business Plan

High Priority		
<i>Ensure a safe and secure airport</i>		
1.1.1	Undertake a review of all legislative requirements, tabulate and ensure matters addressed as required;	May 2020
1.2.1	Develop and enact Safe Work Method Statements for all areas of operation	June 2020
1.2.2	Review height clearances around airport and recommend course of action where heights impact on flight path	March 2020
1.4.1	Undertake wildlife hazard assessment and develop an action plan to manage	April 2020
1.6.1	Undertake risk review	August 2020
1.6.2	Clarify all emergency procedures	August 2020
Construct a well-planned airport		
2.1.1	Identify ways to streamline hangar development	May 2020
2.1.2/2.2.3	Review Development Control Plan to free up approval process/review land use requirements	June 2020
2.3.1	Review potential for second runway	November 2020
2.3.2	Identify land acquisition opportunities	November 2020
2.3.3	Develop detailed Masterplan	June 2020
2.4.1	Register the airport	June 2020
2.4.3	Join Australian Airlines Association	June 2020
2.5.2	Develop a uniform signage strategy	October 2020
Develop sound asset management and business practices		
3.2.3	License the fuel supplier	April 2020
3.2.4	Consider hangar leaseback arrangements to adjoining owners	May 2020
3.2.5	Review rentals to NFP's	May 2021
3.3.4	Upgrade Bureau of Meteorology facilities	March 2021
3.4.1	Investigate costs to extend and improve runway	March 2020
3.4.5	Consider greater linkages to Tourism	
3.5.1	Develop a detailed asset management plan	May 2020
3.5.3	Arrange a valuation of the asset	April 2020

3.6.1	Undertake environmental audit	May 2021
Ensure strong financial viability and sustainability		
4.2.2	Investigate parking fee and associated charges	April 2021
4.2.3	Investigate suitable signage fees	May 2020
4.3.1	Prepare a five year business plan	Dec 2020
4.3.2	Investigate potential for construction by Council of 1 or more T hangars	May 2020
4.4.1	Seek all grant funding opportunities as they arise	March 2020
4.4.2	Prioritise infrastructure and runway upgrades	March 2020
Focus on Branding and Marketing		
5.1.1	Develop a brand for the airport	January 2021
5.2.1	Develop a marketing plan	May 2021
5.2.2	Prepare a signage procedure	June 2020
5.3.1	Develop a website for the airport	May 2021
Medium Priority		
1.1.2	Arrange annual CASA inspection, identify issues, tabulate and arrange timeframes to resolve	July 2020
1.2.2	Review height clearances around airport and recommend course of action where heights impact on flight path	September 2020
1.3.2	Prepare a welcome pack of information to all new licensees	July 2020
1.4.2	Identify unsafe vegetation and arrange program for removal.	August 2020
1.5.2/1.7.2	Define security fencing requirements with CASA	July 2020
1.7.1	Install additional security cameras around airport	September 2021
2.2.1	Investigate development options with adjoining land owners	October 2020
2.2.2	Update Local Environmental Plan to control potential surrounding residential development	July 2021
2.2.4	Investigate the extension of airport noise control zone	July 2020
2.5.1	Reorganise terminus to assist with flow of passengers	September 2021
2.5.3	Improve connection linkage between western and eastern aspects of airport	December 2021
3.1.1	Investigate alternative airport ownership models	October 2021
3.2.1/3.2.2	Standardise legal arrangements and investigate longer tenure	July 2020
3.3.1	Develop GPS approach system	October 2021
3.3.2	Investigate option for second fuel supplier	January 2021
3.3.3	Upgrade the entry and signage	February 2021
3.3.5	Increase apron parking areas	March 2021
3.3.6	Construct water & sewer infrastructure to western aspect	March 2021
3.3.7	Improve roadways around airport precinct	June 2021

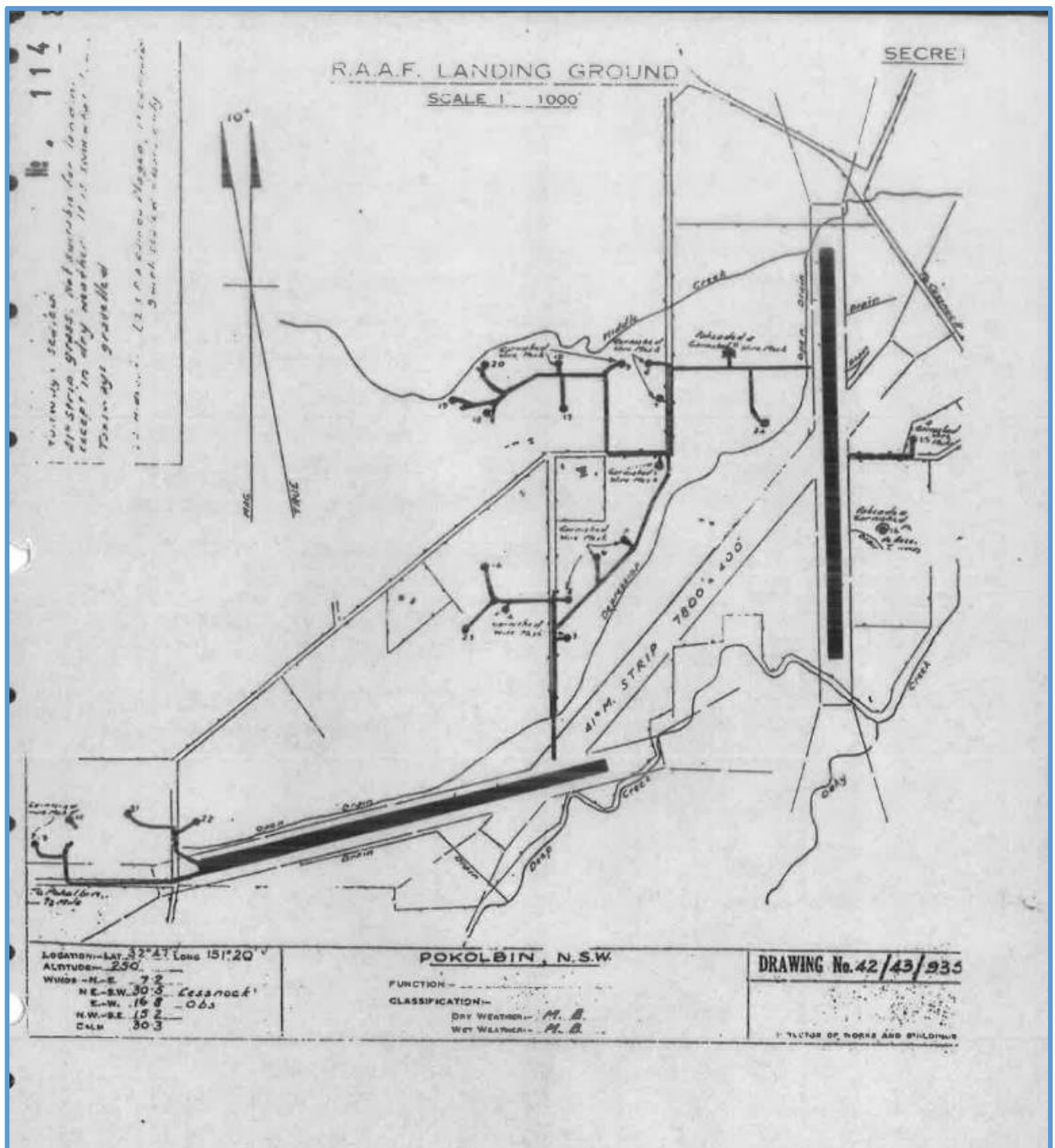
3.4.3	Actively attract aeroplane manufacturers/maintenance businesses	June 2020
3.4.4	Investigate Freight options out of the airport	December 2021
3.5.2	Prepare an infrastructure plan	September 2020
3.6.2	Engineer new stormwater management controls	July 2021
3.6.3	Identify alternative wastewater management controls and re-use	July 2020
3.6.4	Promote solar power options for licensees	July 2020
3.6.5	Investigate stormwater recycling	December 2021
4.1.1	Create a separate airport budget line into the Council Plan	July 2020
4.3.3	Review potential to attract suitable sized RPT	June 2022
4.3.4	Undertake EoI for Charter businesses	June 2022
4.3.5	Identify infrastructure development in conjunction with adjoining land owners	January 2022
5.3.2	Regain domain name	July 2020
5.3.3	Investigate other social media options to promote airport	September 2020
5.4.2	Develop linkages/MoU's with other airports to attract business	October 2020
Ongoing Annual		
1.3.1	Annually supply airport licensees with copies of relevant guidelines	
1.5.1	Annually review and ensure safety procedures are current	
2.4.2	Ensure adequate staffing and training/progression	
3.1.2	Obtain annual insurance details from all licensees	
3.4.2	Actively develop site utilising Masterplan	
4.2.1	Undertake annual pricing review of licenses and landing fees	
5.4.1	Develop linkages and arrange regular with relevant industry bodies	
5.5.1	Develop events in conjunction with market	

11 Enclosures

Enclosure 1	RAAF Base Pokolbin Layout Plan	1942
Enclosure 2	Infrastructure Development Costings	2017
Enclosure 3	Airport Usage Data	2018
Enclosure 4	Precinct Masterplan	2018
Enclosure 5	Asset Value summary	2018
Enclosure 6	Historic Data/Future Cash flow	2018



Enclosure 1: Enclosure 1 RAAF Base Pokolbin Map



Source : RAAF & USAAF Airfields in Australia and SWPA During World War Two, Australian War Memorial, Canberra

Enclosure 2: Infrastructure Development Costings



Memo

From: Hannah McCauley
To: Martin Johnson
Subject: Community Infrastructure Ideas Register – Scoping the need
Date: 3 November 2017
Reference: DOC2017/076396

Background:

The Australian Local Government Association (ALGA) is developing a register of potential community infrastructure projects around Australia. ALGA will draw on this register in building the evidence base to strengthen the case for a Commonwealth funding program to assist councils to undertake vital projects to meet community needs. We need your help. To demonstrate the strong need for Commonwealth funding the register needs to contain at least 3 projects from every council in Australia. Register your project ideas by completing the form below.

https://alga.asn.au/tecms/forms/community_infrastructure_ideas/registration.aspx

Cessnock Airport Projects:

The following airport related projects were registered on 3 November 2017.

These projects were found in a document called *Cessnock Airport – Potential Grant funding projects – March 2016* located in the folder [K:\MGM\Integrated Planning\Bronwyn\AIRPORT](#).

A copy of this original document can be viewed below:

Project 1: Cessnock Airport – Instrument Approach

State: NSW

Council: Cessnock City Council

Council Contact:

Title: Mr

First Name: Martin

Last Name: Johnson

Position: Strategic Planning Manager

Address 1: 62 – 78 Vincent Street

Address 2: PO Box 152

Suburb/City: Cessnock

Postcode: 2325
Phone: 02 4993 4229
Email: martin.johnson@cessnock.nsw.gov.au

Project Name: Cessnock Airport – Instrument Approach

Brief Description: To improve access to Cessnock Airport (for the increasing number of charter aircraft) in low visibility conditions (such as heavy rain and/or very low cloud)

Category of Project: Airports, aerodromes, and air strips

Estimated Total Cost: Under \$100K (Cost estimate: **\$45,000**)

Project Status: Real Potential

Project Type: Renewal

Photograph:



Project 2: Cessnock Airport – Fuel Area Access

State: NSW

Council: Cessnock City Council

Council Contact:

Title: Mr

First Name: Martin

Last Name: Johnson

Position: Strategic Planning Manager

Address 1: 62 – 78 Vincent Street

Address 2: PO Box 152

Suburb/City: Cessnock

Postcode: 2325

Phone: 02 4993 4229

Email: martin.johnson@cessnock.nsw.gov.au

Project Name: Cessnock Airport – Fuel Area Access

Brief Description: To improve access to the automatic 24/7 fuelling facility at Cessnock Airport by developing sufficient apron capacity for entry and egress.

Category of Project: Airports, aerodromes, and air strips

Estimated Total Cost: Under \$100K (Cost estimate: \$63,243)

Project Status: Real Potential

Project Type: Renewal

Photograph:



Project 3: Cessnock Airport – Revised Planning Instruments and Policies

State: NSW

Council: Cessnock City Council

Council Contact:

Title: Mr

First Name: Martin

Last Name: Johnson

Position: Strategic Planning Manager

Address 1: 62 – 78 Vincent Street

Address 2: PO Box 152

Suburb/City: Cessnock

Postcode: 2325

Phone: 02 4993 4229

Email: martin.johnson@cessnock.nsw.gov.au

Project Name: Cessnock Airport – Revised Planning Instruments and Policies

Brief Description: Strategic planning projects to update Cessnock Airport planning instruments and policies in line with the Airport Masterplan.

Category of Project: Airports, aerodromes, and air strips

Estimated Total Cost: Under \$100K (Cost estimate: \$40,000)

Project Status: Real Potential

Project Type: New

Photograph:



Project 4: Gateway to the Hunter Valley – Cessnock Airport Infrastructure Upgrade

State: NSW

Council: Cessnock City Council

Council Contact:

Title: Mr

First Name: Martin

Last Name: Johnson

Position: Strategic Planning Manager

Address 1: 62 – 78 Vincent Street

Address 2: PO Box 152

Suburb/City: Cessnock

Postcode: 2325

Phone: 02 4993 4229

Email: martin.johnson@cessnock.nsw.gov.au

Project Name: Gateway to the Hunter Valley – Cessnock Airport Infrastructure Upgrade

Brief Description (500 character limit):

This project is a significant infrastructure upgrade of Cessnock Airport.

The project comprises:

- the widening and resealing of taxiways;
- provision of aprons and aircraft parking areas;
- improved fuel area access;
- runway extension and resealing;
- connection of water and sewer to the site;
- fencing;
- future terminal provision; and
- construction of aircraft storage facilities.

Category of Project: Airports, aerodromes, and air strips

Estimated Total Cost: Under \$100K (Cost estimate: \$7,661,212)

Project Status: Real Potential

Project Type: New

Photograph:



Notes/Additional Information: In 2015 Council prepared an Expression of Interest for this project for the Hunter Infrastructure and Investment Fund. Additional documentation can be provided if required.

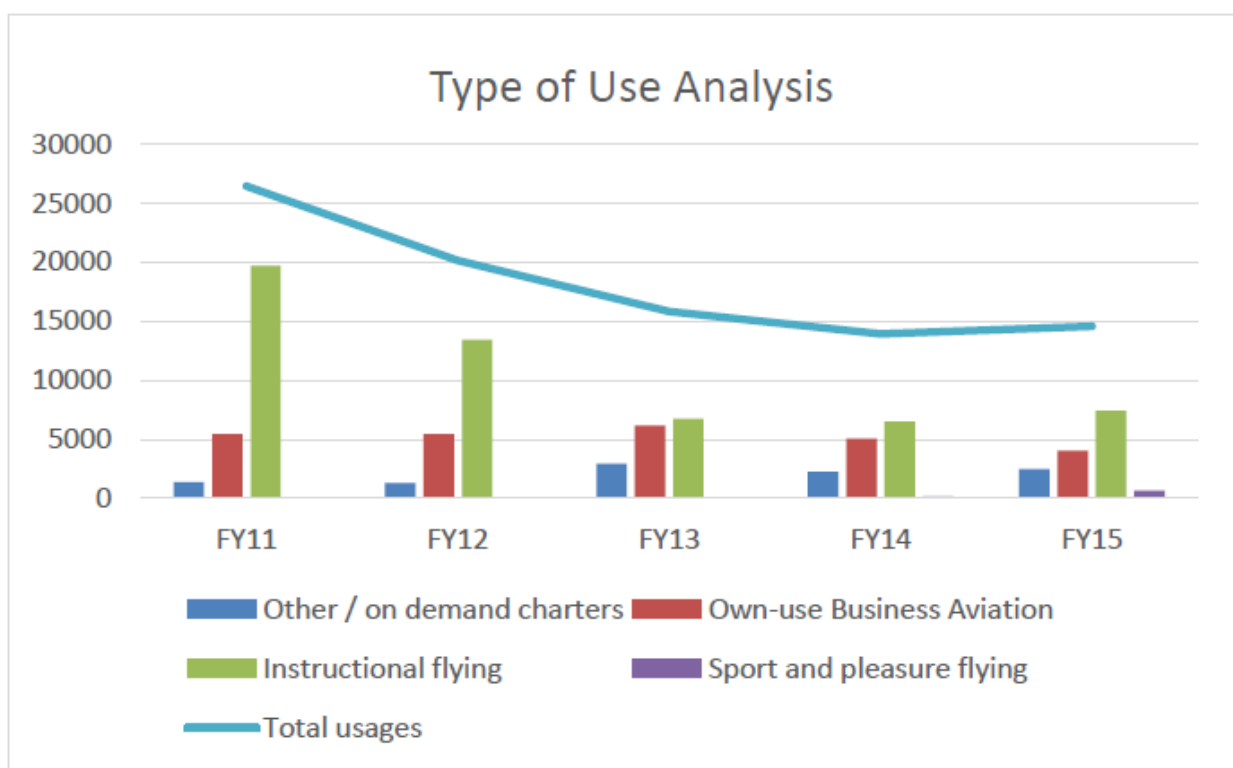
Internal Reference: See DOC2015/045110 and DOC2015/045105 for further detail on information submitted with Project 4.

Submission receipts

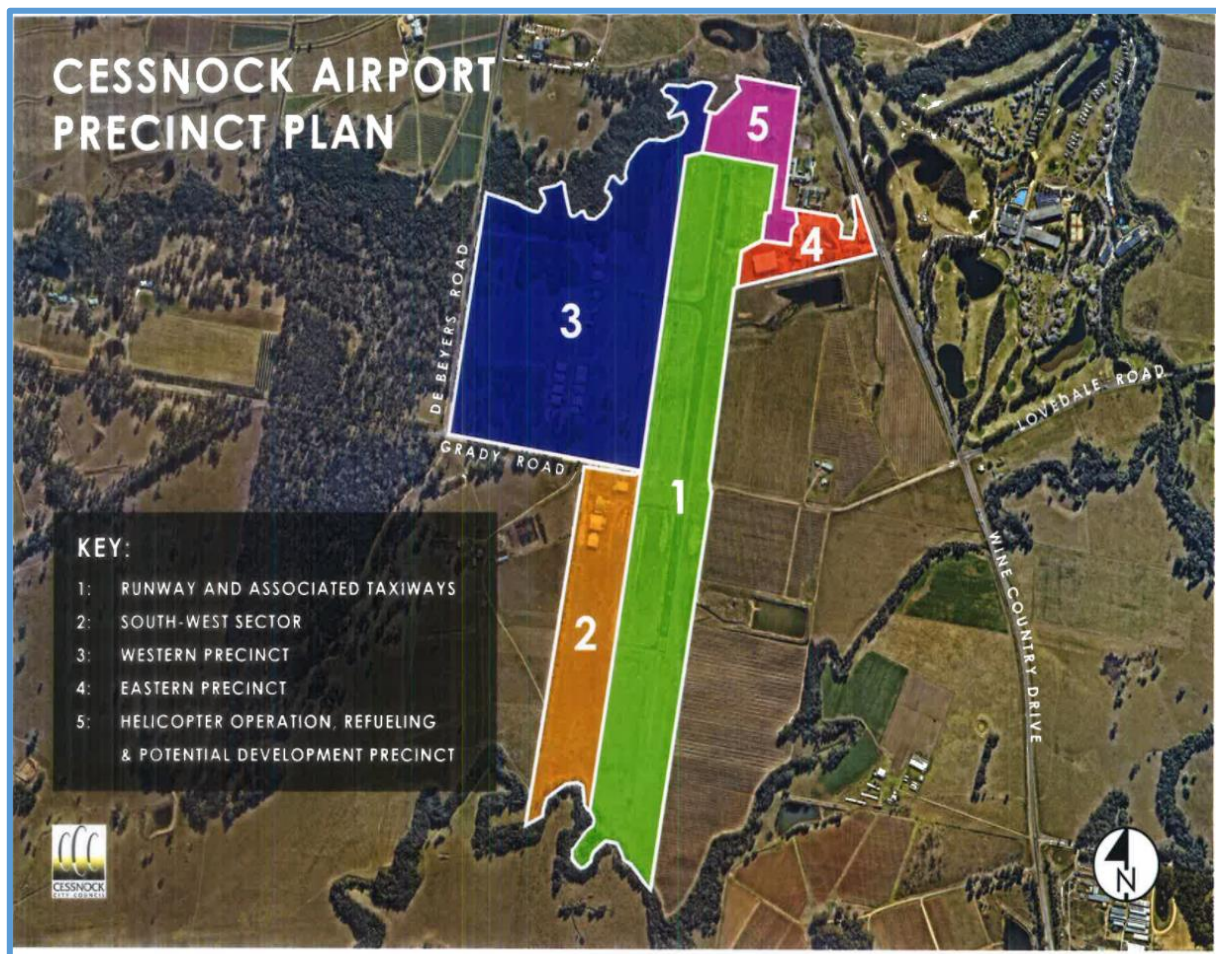
Thank you for submitting your project to the Community Infrastructure Ideas Register. ALGA will draw on this register in putting the case to the Commonwealth for a funding program to assist councils deliver vital infrastructure renewal projects.

If you have any questions or would like any further information, please contact ALGA on (02) 6122 9400.

Enclosure 3: Airport Usage Data



Enclosure 4: Precinct Masterplan







Enclosure 5: Asset Value Summary

Cessnock Airport Assets Summary		
Asset Type	Current Replacement Value	Comments
Fences & Gates	\$419,346.26	
Lighting	\$359,856.00	
Signage, Outdoor furniture, Garden Surrounds, Rubbish bins	\$96,762.00	
Footpaths	\$10,152.00	
Runways & Taxiways	\$5,570,929.30	This includes surface, base, sub base
Carparks	\$299,832.00	This includes surface, base, sub base
Buildings	\$6,193,596.82	Revaluation this FY and replacement value is predicted to be \$7,981,648.88



Enclosure 6: Financial Information

Historical data

Historical data		2013-14	2014-15	2015-16	2016-17	2017-18	Average \$	2018-19 Budget
Income								
Fees & Charges		100,561	123,392	126,919	116,473	104,234	114,316	
Licenses		19,722	35,537	36,215	52,399	78,075	44,390	
Rentals		151,280	156,863	146,406	127,918	118,541	140,202	
Restricted Assets		0	5,545	0	0	0	1,109	
Total Income		271,563	321,337	309,540	296,790	300,850	300,016	
Expenses							0	
Maint & Ops		56,397	77,732	120,816	116,128	97,452	93,705	115,200
Employee Costs		128,867	133,148	138,406	114,276	195,986	142,137	138,600
Major Works		181,298	80,159	104,658	99,877	114,650	116,128	163,800
Admin		63,135	41,668	89,357	46,332	104,260	68,950	48,400
Utilities		54,444	52,157	54,961	79,283	68,129	61,795	78,000
Other		0	0	0	0	0	0	
Total Expenses		484,141	384,864	508,198	455,896	580,477	482,715	544,000
Surplus/deficit		-212,578	-63,527	-198,658	-159,106	-279,627	-182,699	

Cashflow Summary forward projections

Headings	Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Income											
Landing Fees		116,000	119,000	123,000	127,000	131,000	135,000	139,000	143,000	147,000	151,000
Apron/Parking Revenue		15000	28800	30000	31000	32000	33000	34000	35000	36000	37000
Leases/Licenses		198000	204000	210000	216000	222000	229000	236000	243000	250000	258000
New T Hangar		0	84000	87000	90000	93000	96000	99000	102000	105000	108000
Other		6000	23000	104000	145000	145000	170000	165000	185000	165000	165000
Total Income		335,000	458,800	554,000	609,000	623,000	663,000	673,000	708,000	703,000	719,000
Expenses											
Maintenance & Operations		115200	93000	115800	119300	122900	126600	130400	134300	138300	142400
Employee Costs		138600	142800	147100	151500	156000	160700	165500	170500	175600	180900
Major Works		143800	114000	117400	105900	109100	112400	115800	119300	122900	126600
Administration		48400	49900	51400	57900	59600	61400	63200	65100	67100	69100
Utilities		78000	80300	87700	90300	98000	100900	103900	107000	110200	113500
P&I To Loan			121000	121000	121000	121000	121000	121000	121000	0	0
Legal		20000	30000	10000	0	0	0	0	0	0	0
Total Expenses		544000	631000	650400	645900	666600	683000	699800	717200	614100	632500
Gross Position		- 209,000	- 172,200	- 96,400	- 36,900	- 43,600	- 20,000	- 26,800	- 9,200	88,900	86,500
Capital Works		20000	0	400000	15000	15000	60000	0	20000	50000	50000
Net Position		- 229,000	- 172,200	- 496,400	- 51,900	- 58,600	- 80,000	- 26,800	- 29,200	38,900	36,500



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