SCONE REGIONAL AIRPORT PROJECT

Project Overview
Upper Hunter Shire Council is undertaking a $23.5M upgrade of Scone airport involving:
• airside works to keep the airport compliant with safety regulations
• construction of a new terminal building, hangars and Warbirds Visitor Aviation Attraction
The project is due for completion by September 2020.

Airside Works
• Reconstruction of runway and full length runway overlay
• Removal of non-compliant runway end safety area
• Construction of stormwater drainage
• Construction of central helipads
• Construction of full length parallel taxiway
• Construction of taxiways and taxi lanes to hangars and parking areas
• Construction of light aircraft parking area
• Installation of compliant runway and taxiway lighting system
• Demolition of non-compliant existing parallel taxiway and reinstate with grass
• Construction of expanded apron
• Relocate Automated Weather Information System (AWIS) & Bureau Of Meteorology (BOM) infrastructure

Non airside infrastructure
• Construction of workshop and storage shed
• Construction of stormwater drainage
• Construction of wildlife fencing around the airport
• Relocation of existing services
• Construction of commercial and recreational aircraft hangars
• Construction of public carpark with capacity for 77 vehicles including coaches and RVs
• Construction of a terminal
• Construction of a Warbird Visitor Attraction which will hold more than a dozen vintage planes, some being rotated with other organisations. The building will include a function centre and theatre room on top level, and downstairs, a cafe, offices, and pilot facilities.
Why is the upgrade needed?

- To comply with Civil Aviation Safety Authority (CASA) rules and keep the airport open, including for emergency air services such as Air Ambulance and the Rural Fire Service.
- To make the airport financially sustainable
- To provide aviation and tourism jobs and economic growth for the Shire

The airport is an important community asset that provides an essential service. Council considers the potential closure of the airport to be unacceptable.

The airport currently operates at a loss, costing Council about $300,000 a year. The Warbirds Visitor Attraction and associated upgrades will enable the airport to be financially sustainable and will provide vital economic and tourism opportunities and valuable jobs for the Upper Hunter Shire.

How is it being funded?

The Scone Regional Airport upgrade has an estimated cost of $23.5M (the airside component is $13.5 million and the non-airside component $10 million which includes the warbird visitor attraction).

The NSW Government is contributing around $13M funds, which will be serviced by the operational activities of the airport and the warbird visitor attraction. In July 2019 it was announced that $6.5M funds from the NSW Government’s Drought Stimulus Package would go to the airside work. A grant of $6,257,000 from the NSW Government's Restart NSW Regional Growth - Environment and Tourism Fund will go toward the Warbird Aviation Attraction and Terminal building.

Council will take a $10.5M loan to cover the remaining required funds which will be serviced by the operational activities of the airport and the warbird visitor attraction.

The $23.5M project represents 25% of Council's Capital Works budget for 2019/2020.

How will the airport become financially sustainable?

By catering for increased demand, Council will generate additional revenues (via fees for landings, parking, fuel and leases for new hangars).

The upgrade will also facilitate economic growth by enabling existing businesses to grow and attracting new businesses to the region. Council is in discussions with a number of businesses who are interested in relocating to the airport and will bring new and specialised jobs to the area including new and existing apprenticeship opportunities.

The economic growth is realistic given existing demand is over and above the facility’s current capacity, along with pending closures of, or constraints on, other airports. The new facilities will attract and support industries associated with or synergistic with the warbird visitor attraction.

The warbird visitor attraction has potential to generate significant revenues and eliminate Council's subsidy of $300k per annum as well as further increase demand for the airport and facilitate economic growth in related businesses.

Flow on effects to the broader tourism industry will be significant as visitor attraction is forecast at 24,000 in the first year climbing to 50,000 in 10 years. This is based on visitor numbers at similar attractions and the interest in the Warbirds Over Scone events.

Why is this project a priority and who has approved it?

Council’s overarching Strategy, is the Community Strategic Plan (CSP) 2027. This provides a ‘roadmap’ of what is important to the community and where it wants to be in 10 years.

Community engagement led to 11 Community Priorities, to identify actions, budget and specific projects which would deliver them.

The Airport upgrade addresses two important Community Priorities
- a stronger economic base to attract and retain residents, particularly our young people.
- increased and innovative tourism and visitor opportunities.

An Airport Masterplan was completed in 2016 that identified the potential for growth at the airport.

The Airport Management Committee and Councillors supported the Masterplan and this project, to invest in the future of the Shire. The Masterplan was also approved by CASA.

The business case was examined through the Capital Expenditure Review, which can be viewed here upperhunter.nsw.gov.au/ashx/documents/temp/2019/UHSC-Capex-Review-Airport.pdf

The Office of Local Government (OLG) has reviewed and approved the Capital Expenditure Review.

The NSW Government has supported the project with a $13M investment through two grants.

Council has undertaken all due diligence in planning, approvals and Government funding of this project. All of the relevant information including the Capital Expenditure Review, Safety Reports, Statement of Environmental Effects, traffic and noise assessment, and the 2016 Airport Masterplan are available via a link on the front page of Council’s website or upperhunter.nsw.gov.au/your-council/media/scone-airport-upgrade-updates.aspx
What would happen if the airport was not upgraded?

New airside infrastructure ($13.5M) needs to be in place by 22 August 2020 to enable the airport to continue to operate, under new legislation. Otherwise the airport would no longer be ‘certified’ and only light recreational aircraft would be able to utilise the airport. This would have a significant impact on emergency air services and many local businesses.

Existing airside infrastructure is deteriorated and does not meet the requirements of the Civil Aviation Safety Authority (CASA) Part 139 legislation and Manual of Standards Part 139 regulations (MOS139).

There are a number of safety and non-compliance items which need to be addressed under the current MOS139. Federal government amended the MOS139 in February 2019 which comes into force on 22 August 2020. The new MOS requires the Scone Regional Airport to become a ‘certified’ airport. To do this the existing safety and non-compliance items need to be addressed as well as ensuring all airside infrastructure meets the requirements of the new MOS.

Who uses the airport?

**Emergency Services**

Lifesaving services that use the airport include Air Ambulance, Westpac Rescue Helicopter, Child Flight, Rural Fire Service and NSW Police.

On average two landings a day relate to emergency functions, such as, police, fire services and medical flights including patient transport and organ donation.

If the airport is not certified these services will no longer be able to be provided.

**Businesses**

The airport currently services many local business activities – with 7,227 ‘movements’ in the 2018 - 2019 financial year. This has more than doubled in the last four years, from 3,563 movements in 2014-2015.

There are a number of aviation related businesses operating on the airport or within the Upper Hunter Shire that would be significantly affected if the airport was not able to continue to support commercial activities. These businesses employ around 80 people all of which would be out of a job if the business could not continue to operate. Given most of these are specialised jobs, these people would be leaving the local region taking many families from our local government area.

Council considers the closure of the airport to be unacceptable. The airport is an important community asset that provides an essential service.

How will the airport become financially sustainable?

**Airshows**

An Independent Project Feasibility Study for the biannual Warbird Over Scone airshow, projects attendee numbers to increase from 8,000 in 2020 to 15,000 by 2028. Expenditure does not increase at the same rate as most of the costs are fixed (e.g. advertising and insurance).

**Warbird Visitor Aviation Attraction**

Visitor numbers for the Warbird Aviation Centre are assumed to start at 20,000 to 25,000 a year (more in years when a major airshow is held) and increase to 30,000 to 50,000 per year over 10 years. Temora Aviation Museum attracts around 40,000 visitors a year and has a smaller population catchment than Scone. Assumptions for ticket prices for general admission (on non-airshow days) are lower than Temora’s. The increase in revenues in year 5 is partly due to continued growth in visitor numbers in the early years (growth is less in later years) coupled with a proposed 20% increase in ticket prices in year 5 (this is clearly identified in the Capital Expenditure Review).

Will landing or hangar fees increase?

The business case provides for an annual increase in landing fees of 3% (which is the current practice), and an increase in revenue as a result of increase in usage from new business operations and the tourism attraction.

An additional $2.5M investment is proposed in year 6 of the project to build more hangars (with loans to be repaid by lease fees) but this will be based on an assessment of demand at that time.

The majority of the proposed hangars are not for light aircraft, but commercial operations. Council has been in discussions with new commercial operators seeking hangar space at Scone Regional Airport. New businesses at the airport will also support the local economy and job growth.

When is the project happening?

The construction timeframe is:

**Tender process**
- Work has begun

**Preliminary works and setup**
- October 2019 - December 2019

**Main Construction Start**
- January 2020

**Construction Completion**
- September 2020
Are airport users and residents in the area being consulted?
The Airport Masterplan and this project has been overseen by the Airport Management Committee, which includes a number of users of the airport.

On 20 September 2019, seventy people attended a Community Information Session at the airport, where the project was explained and there was an opportunity to ask questions.

The Development Application for the project was put on public display, those immediately affected were notified, with written submissions invited up to the 25 September 2019.

Council will continue to provide updates on the project.

Will there be more noise from bigger planes using the airport?
There will always be a limit on the size of planes using Scone Regional Airport, determined by the distance between the runway and taxiway. Currently the largest plane that can use the airport is a 19 seater. After the upgrade there may be capacity for slightly larger planes.

A noise assessment has been done and shows that the allowed decibel limit will not be exceeded. This and other information were included in the Development Application.

Why is it called ‘Drought Stimulus’ funding?
The NSW Government’s $170 million Drought Stimulus Package funds shovel-ready infrastructure projects with the objective of “delivering economic stimulus for local economies experiencing the flow-on effects of the drought”. The Scone Airport project was assessed by the NSW government as supporting the community by generating local jobs and stimulating the local economy. The funding was provided specifically for the Airport and Council cannot allocate it to other projects.

Will the runway be closed during construction?
The runway will need to be closed for a period of time and Council will be communicating closure times with impacted users of the airport.