



AGENDA

CORPORATE SERVICES COMMITTEE

9 JUNE 2022

MEMBERSHIP: Councillors J Black, L Burns, S Chowdhury, M Dickerson, V Etheridge, J Gough, R Ivey, D Mahon, P Wells and M Wright.

The meeting is scheduled to commence at _____ pm.

	Page
CSC22/23 LEAVE OF ABSENCE (ID22/1122)	
CSC22/24 CONFLICTS OF INTEREST (ID22/1125) In accordance with their Oath/Affirmation under the Act, and Council's Code of Conduct, Councillors must disclose the nature of any pecuniary or non-pecuniary interest which may arise during the meeting, and manage such interests accordingly.	
CSC22/25 ECONOMIC DEVELOPMENT UPDATE: SKILLS ATTRACTION AND RETENTION (ID22/1119) The Committee had before it the report dated 30 May 2022 from the Manager Economic Development and Marketing regarding Economic Development Update: Skills Attraction and Retention.	3
CSC22/26 SUBDIVISION PLANNING APPROVALS PROCESS - SERVICE REVIEW UPDATE (ID22/992) The Committee had before it the report dated 19 May 2022 from the Manager Customer Experience regarding Subdivision Planning Approvals Process - Service Review Update.	7
CSC22/27 INVESTMENT UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT - MAY 2022 (ID22/1028) The Committee had before it the report dated 1 June 2022 from the Chief Financial Officer regarding Investment Under Section 625 of the Local Government Act - May 2022.	12

- CSC22/28 WELLINGTON AERODROME AND RECREATION PARK HANGAR LEASE FEES (ID22/1126)** 19
- The Committee had before it the report dated 31 May 2022 from the Manager Dubbo Regional Airport regarding Wellington Aerodrome and Recreation Park Hangar Lease Fees.



DUBBO REGIONAL
COUNCIL

REPORT: Economic Development Update: Skills Attraction and Retention

DIVISION: Strategy, Partnerships and Engagement
REPORT DATE: 30 May 2022
TRIM REFERENCE: ID22/1119

EXECUTIVE SUMMARY

Purpose	Seek endorsement Seek direction or decision	Provide review or update Other: Strategic Function update
Issue	<ul style="list-style-type: none"> Overarching view of Economic Development Services within Dubbo Regional Council. Presentation of current economic climate and future industry opportunities relating to skills attraction and retention 	
Reasoning	<ul style="list-style-type: none"> Dubbo Regional economic update Strategic direction of Economic Development Services relating to skills attraction and retention 	
Financial Implications	Budget Area	Economic Development and Marketing
	Funding Source	Operational budget
	Proposed Cost	
	Ongoing Costs	
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme:	3 Economy
CSP Objective:	3.2 Employment opportunities are available in all sectors of our economy
Delivery Program Strategy:	3.2.1 Employment opportunities for all sectors of the community that support economic growth are fostered
Theme:	3 Economy
CSP Objective:	3.2 Employment opportunities are available in all sectors of our economy
Delivery Program Strategy:	3.2.2 Traineeships and employment pathways are available for all sectors of the community

Theme:	3 Economy
CSP Objective:	3.3 The opportunities and benefits of living, working and visiting the region are promoted
Delivery Program Strategy:	3.3.1 Marketing programs encourage new residents and skill attraction

RECOMMENDATION

That Council note the presentation and support the focus of Economic Development to support skills attraction and retention including the sales and development of the 2022/2023 New Resident Guide.

Natasha Comber
Director Strategy, Partnerships and Engagement

JH
Manager Economic
Development and
Marketing

BACKGROUND

Previous Resolutions of Council

10 March 2022	That Council receive quarterly updates from the Economic Development and Marketing branch relating to economic performance of the Region.
---------------	---

REPORT

The Manager Economic Development and Marketing will deliver a presentation outlining the current economic environment for the Dubbo Region. The Dubbo Region has a long term low unemployment rate which is a key challenge in this current climate. Industry and State Government agencies have been consulted as part of the process of building programs in the attraction and retention of skilled people to combat this challenge.

The Manager will present the history of Council's new resident attraction programs and the successes and learnings from the focused skills attraction programs, as well as future opportunities.

Consultation

- Council engages a whole of organisation approach to economic development. The Economic Development and Marketing Branch works in partnership with areas of Council internally at all levels of responsibility with flexibly depending on the delivery required.
- Dubbo Chamber of Commerce and Industry: Consultation conducted on importance of skills attraction and level of focus required. Dubbo Chamber of Commerce and Industry identified skills attraction as a key challenge to Dubbo Region's continued growth and economic sustainability and supported the work of Council in both technical delivery and marketing assistance in strategic collaborative programs and also identified the need for the provision of assets for individual business use for employee attraction.
- NSW Government Agencies including; NSW Training Services, Department of Regional NSW, Transport for NSW, NSW Office of Regional Economic Development.
- All consulted agreed on the importance and impact of practical application of skills attraction to deliver sustainable economic growth in Regional NSW.

Resourcing Implications

Dubbo Regional Council Economic Development and Marketing Staff deliver the shared outcomes from the delivery program for economic development services which encompasses skills attraction and retention programs and activities.

Skills and new resident attraction has an identified budget in the operational budget for Economic Development and Marketing separate to Economic Development Projects. This funding allocation allows for focused resources to be apportioned to the overall delivery of economic development support and services.

Planned Communications

- Skills and new resident attraction; collaborative program delivery with engaged partnering NSW Government Agencies where able and appropriate.
- Industry engagement through planned advertising and sales engagement strategy for development of the New Resident Guide.
- Engagement delivered through personal contacts and one on one stakeholder engagement and through digital and paid traditional media.



DUBBO REGIONAL
COUNCIL

REPORT: Subdivision Planning Approvals Process - Service Review Update

DIVISION: Strategy, Partnerships and Engagement
REPORT DATE: 19 May 2022
TRIM REFERENCE: ID22/992

EXECUTIVE SUMMARY

Purpose	Strategic Project Update	Provide review or update
Issue	<ul style="list-style-type: none"> There is a perception, by industry, that Council's approval of subdivisions takes longer than necessary. Customer Experience has been tasked to provide an independent review of current subdivision planning approval processes. 	
Reasoning	<ul style="list-style-type: none"> To engage with internal and external stakeholders to understand the issues faced through the subdivision planning approval process. Respond to the housing deficit in the Local Government Area (LGA) by ensuring Council has a quality and efficient planning approval service to the community. Understand in detail the process from when the customer lodges an application and identify inefficiencies and opportunities to improve the approval pathway. Also to assess any potential capability and capacity gaps in all parts of the process including parties internal and external to Council. 	
Financial Implications	Budget Area	There are no financial implications arising from this report. Process will occur within current staffing capabilities.
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
CSP Objective: 4.3 The resources of Council are appropriately managed
Delivery Program Strategy: 4.3.1 The organisation displays the elements of sound management and strategic planning

Theme:	4 Community Leadership
CSP Objective:	4.3 The resources of Council are appropriately managed
Delivery Program Strategy:	4.3.8 Council is financially sustainable and has the ability to maintain infrastructure and deliver services at the adopted service levels as agreed with the community

RECOMMENDATION

That the information contained within the report of the Manager Customer Experience, dated 19 May 2022, be noted.

Natasha Comber
Director Strategy, Partnerships and Engagement

CC
Manager Customer
Experience

BACKGROUND

Previous Resolutions of Council

24 March 2022	<ol style="list-style-type: none">1. That Council adopt the proposed Service Review program.2. That the Service Review program be put to Council's Audit and Risk Management Committee for consideration, endorsement and subsequent oversight of the adopted program.3. That it be noted that performance improvement activities will still be delivered by functional areas of Council at an operational scale that is lesser in scope than service reviews.
---------------	--

REPORT

As listed in the report provided to the March meeting, The Subdivision Planning Approvals Process review was initiated to;

- Respond to industry feedback that subdivision approvals take longer than necessary, as perceived by industry, to be approved by Council.
- To engage with internal and external stakeholders to understand the issues faced through the subdivision planning approval process.
- Respond to the housing deficit in the local government area by ensuring Council has a quality and efficient planning approval service to the community.
- Understand in detail the process from when the customer lodges an application and identify inefficiencies and opportunities to improve the approval pathway. Also to assess any potential capability and capacity gaps in all parts of the process including parties internal and external to Council.

The review will involve a mixed methods approach, including a review of best practice planning approval methods from similar local government, as well as:

- Analysing current Service Operations and Performance - review of Councils current service level agreements, process plans and internal cross divisional strategies and output measures for the Subdivision approval process, including process mapping.
- Review of external communication processes - a review of current information available on digital media channels, including adopting an agreed upon service level agreement which includes external communications at certain points of the process.
- Internal and external online surveys distributed to key stakeholders.
- Face-to-face interviews conducted with key stakeholders.
- Data analysis in order to understand strategic alignment of the service, budget allocation, resourcing, levels of internal and external service provision and any areas already identified for improvement.

Consultation

- Internal and external online surveys conducted - included views about current strengths and areas for improvement in practice and explored service delivery issues such as internal communications, partnerships with other departments, service planning and suggestions for improvement.

- Directors and managers interviews - identified strengths and weaknesses in their current processes and ways to improve service outcomes for their functions, staff and the community.
- Internal stakeholder interviews - identified strengths and weaknesses in their current processes and ways to improve service outcomes for their functions, colleagues and the community.
- Detailed Service Analysis Workshops – mapping process from start to finish to identify gaps and current state.
- Meeting held with key stakeholder MAAS seeking feedback on the effectiveness of the current process and timelines.

Resourcing Implications

- Special Projects Officer -Customer Experience is leading this service review and is required to focus full time on this review, removing a resource from Customer Experience.

Project Objectives and Potential Benefits

- Responding to industry feedback, creating streamlined processes which result in strengthened customer experiences.
- Establish, create and adopt Service Level Agreements throughout all touch points of the application and agreed timelines across the subdivision approval process. Not limited to solely the subdivision process but all applications submitted through the NSW Planning portal. Introduction of interdivisional process agreements across the whole of Council stakeholders.
- Reducing the number of external stakeholder complaints in relation to approval timelines and setting clear expectations with external stakeholders on the legislative framework and timeframes.
- Recommendations are made to improve the process including communications (website content, educational pages) as well as stakeholder engagement and communications at key milestones of the submission process. Technological integration will be reviewed for best practice with NSW Planning Portal, including research and engagement with Authority based similar councils and understanding their processes to ensure streamlined outcomes across councils.
- Identifying capability and capacity gaps in the organisation, such as resourcing and identifying opportunities to apply learnings, including review of legislation, benchmarking and knowledge management. Ensuring transparency in the decision making process.
- Avoiding loss of trust in the council and keeping applications controlled in house rather than other options such as Private Certifiers. Financials versus FTE. Market competition.
- Identify and establish clear accountability within the organisation, which may result in performance conversations if timelines are not met. Current state - no evidential enforcement in delivery timeframes.
- Potential benefits of reviewing the referral process, include opportunity to drive technology and communications with both internal and external stakeholders.
- Identifying potential silos within branches/divisions and making recommendations to improve those relationships for ongoing transparency and reduced delays.

- Building business continuity, succession planning and sharing of knowledge to ensure the framework is followed and not built on opinions rather, legislation.
- Recommending that conditions of consent are reviewed to ensure the Service Level Agreements and process are consistent and clearly outlined for developers.
- Council to develop an internal dashboard tracking performance, productivity and SLA's once agreed upon. Current state - information is not easily accessible nor understood.

Timeframe

Project Deliverables:	Tentative Timeline:	
Project Scope & Initial Consultation Senior Leadership		
Interview Director Infrastructure and Manager of Infrastructure Strategy and Design	15/02/22	15/02/22
Interview Director Development and Environment with Manager Building and Development Services	02/03/22	02/03/22
Creation of project plan	03/05/22	06/05/22
Definition of Services including Analysing current Service Operations and Performance		
Mapping process including Workshops with Internal Stakeholders		
Create short online survey questions to be sent to internal stakeholders	11/05/22	13/05/22
Create short survey online questions to be sent to external stakeholders	11/05/22	13/05/22
Communications		
Senior Leadership engagement through participation in the Survey and a detailed project brief communicated, outlining the review	16/05/22	23/05/22
Senior Leadership sharing survey with all identified internal stakeholders who would add value	16/05/22	23/05/22
Survey questions sent to external stakeholders for participation, outlining the review being conducted. Options for further consultation will be offered.	16/05/22	30/05/22
Key Stakeholder Face to Face Interviews		
Analyse data from the survey and communicate interview questions to interviewees both internally & externally	24/05/22	31/05/22
Interview key internal stakeholders. 1 hour sessions. Staff to be sent interview questions with the invite	01/06/22	10/06/22
Detailed Service Analysis		
Mapping workshops to be held with internal stakeholders. A series of 3 workshops across 3 days ensuring all key stakeholders attend	20/06/22	24/06/22
Collate data from the mapping process workshops	27/06/22	04/07/22
Inter-council collaboration. Interviews with other similar councils to understand best practice	06/05/22	04/07/22
Analysis of the service using the qualitative and quantitative evidence gathered, focusing on efficiency and effectiveness of the service. How may this change in the future.	04/07/22	15/07/22
Review Report		
Development and delivery of draft and final reports including recommendations for change and high level implementation plan	18/07/22	22/07/22
Delivery of report to CEO	25/07/22	25/07/22
Post Service Review Monitoring and Reporting		
Post Service Review survey to both internal and external stakeholders - 8 months		
Review execution of the recommended implementation plan		

Next Steps

- Continue with proposed timelines above.
- Development and delivery of draft and final reports including recommendations for change and high level implementation plan presented to CEO in two months' time.



DUBBO REGIONAL
COUNCIL

REPORT: Investment Under Section 625 of the Local Government Act - May 2022

DIVISION: Organisational Performance
REPORT DATE: 1 June 2022
TRIM REFERENCE: ID22/1028

EXECUTIVE SUMMARY

Purpose	Provide review or update	Fulfil legislative requirement/compliance
Issue	<ul style="list-style-type: none"> Investment Under Section 625 of the Local Government Act 1993 	
Reasoning	<ul style="list-style-type: none"> Section 212 of the Local Government (General) Regulation 2021 Section 625 of the Local Government Act 1993 Council's Investment Policy and Strategy 	
Financial Implications	Budget Area	Organisational Performance
	Funding Source	Interest Earned on Investment
Policy Implications	Policy Title	Investment Policy 2021
	Impact on Policy	There are no policy implications arising from this report

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
 CSP Objective: 4.3 The resources of Council are appropriately managed
 Delivery Program Strategy: 4.3.2 The system of raising revenue is regarded as equitable and revenue from grants and other income sources is maximised

RECOMMENDATION

That the information contained within the Investment under Section 625 of the Local Government Act report, dated 1 June 2022, be noted.

Dean Frost
Director Organisational Performance

MH
Chief Financial Officer

BACKGROUND

As required by Section 212 of the Local Government (General) Regulation 2021, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 31 May 2022.

Investments, when placed, have been done so in accordance with the Local Government Act, Local Government (General) Regulations 2021 and Council's Investment Policy and Strategy. Interest on investments for the month of May 2022 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of May 2022.

Interest earned on investments has been included within Council's 2021/2022 Operational Plan, with total income generated from the Investment Portfolio forecast to be in excess of \$2,554,280.00.

REPORT

Consultation

- Laminar Capital Pty Ltd appointed on 11 January 2021 provides advisory services to Council on any investment related decision.

Resourcing Implications

- The management of Council's investment portfolio is a primary activity of a staff member within Council's Financial Operations branch.

Portfolio Overview

The below table details Council’s current investment portfolio:

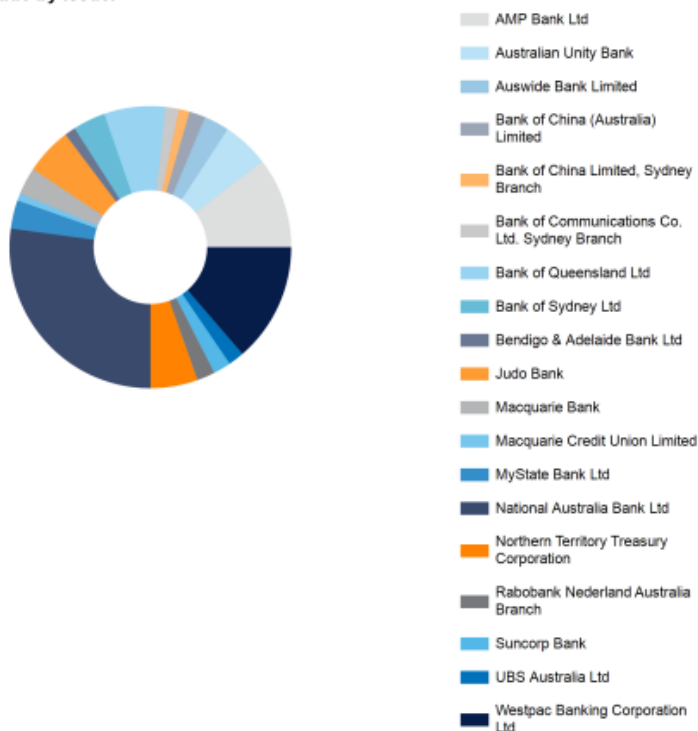
Issuer	Market Value	% Total Value
AMP Bank Ltd	25,174,677.99	10.38%
Australian Unity Bank	13,035,978.07	5.38%
Auswide Bank Limited	6,988,550.00	2.88%
Bank of China (Australia) Limited	4,505,460.39	1.86%
Bank of China Limited, Sydney Branch	2,983,050.00	1.23%
Bank of Communications Co. Ltd. Sydney Branch	3,755,362.50	1.55%
Bank of Queensland Ltd	17,039,763.72	7.03%
Bank of Sydney Ltd	9,048,242.45	3.73%
Bendigo & Adelaide Bank Ltd	3,032,087.67	1.25%
Judo Bank	13,063,936.98	5.39%
Macquarie Bank	7,546,880.00	3.11%
Macquarie Credit Union Limited	2,005,030.14	0.83%
MyState Bank Ltd	7,922,480.00	3.27%
National Australia Bank Ltd	65,831,480.21	27.15%
Northern Territory Treasury Corporation	13,109,310.00	5.41%
Rabobank Nederland Australia Branch	5,031,400.00	2.07%
Suncorp Bank	4,870,700.00	2.01%
UBS Australia Ltd	4,412,115.00	1.82%
Westpac Banking Corporation Ltd	33,121,872.54	13.66%
Portfolio Total	242,478,377.66	100.00%

^Portfolio overview represents total market value. Investment face value is \$240,656,479.48

^ NAB is inclusive of Councils cash account.

^AMP is inclusive of Councils 31 day notice saver account.

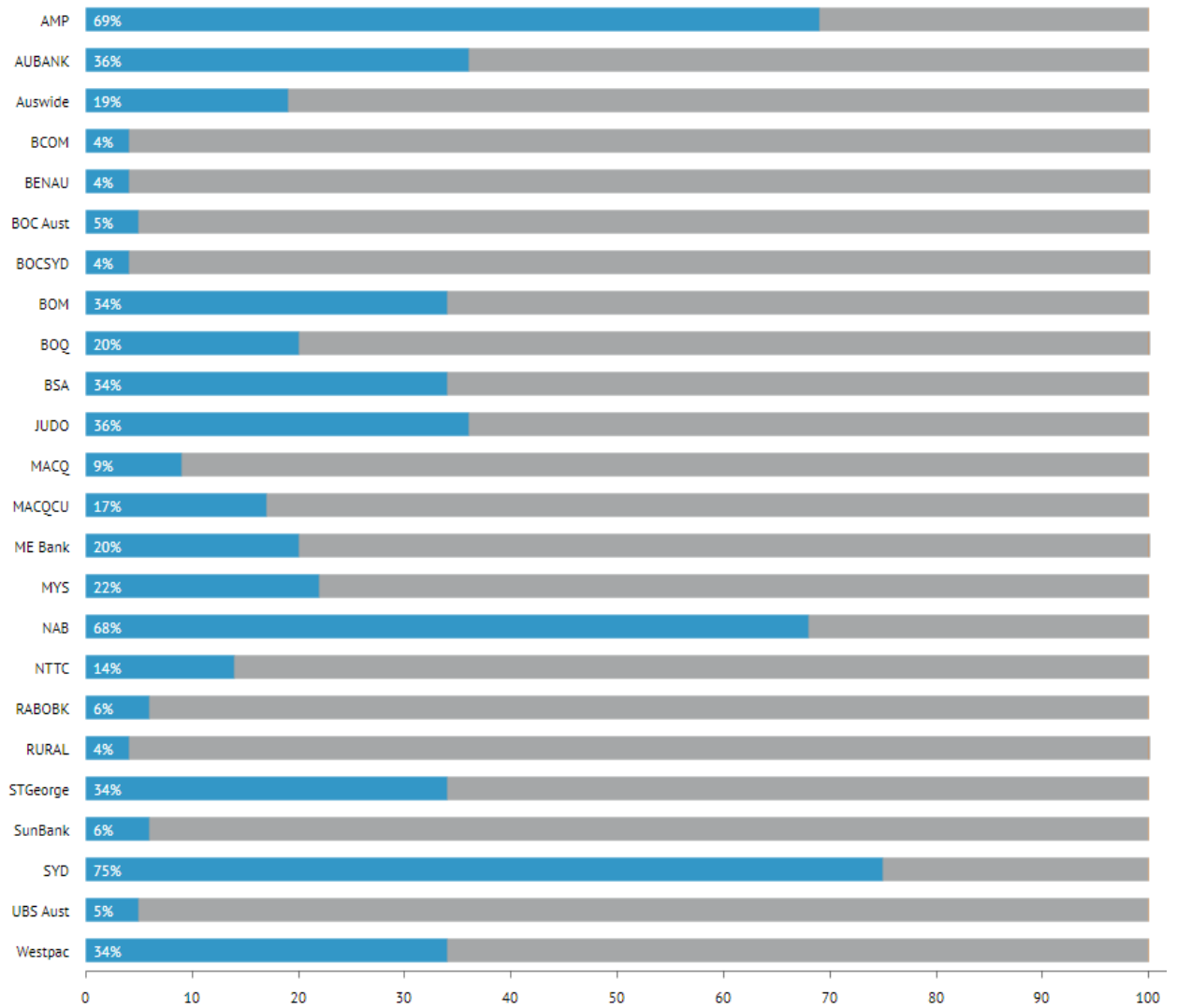
Market Value by Issuer



Investment Compliance

The following table shows that Councils investments are compliant with the revised Investment Policy that was adopted at the Ordinary Council meeting held 22 March 2021.

Issuer Limits As At Tuesday, 31 May 2022



Interest Income

The below table details payments of interest paid to Council between 1 May 2022 to 31 May 2022.

Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional
BOC Aust 0.8512 06 Nov 2023 1095DAY FRD	Bank of China (Australia) Limited	IEI219747	6 May 2022	4,500,000.00	10,122.23
BOQ 0.63 06 May 2026 FRN	Bank of Queensland Ltd	IEI219748	6 May 2022	5,000,000.00	8,438.36
RABOBK 4.25 12 May 2026 Fixed	Rabobank Nederland Australia Branch	IEI221031	12 May 2022	5,000,000.00	106,250.00
CACUJ 0.86 25 May 2022 181DAY TD	Ilawarra Credit Union Ltd	IEI224767	25 May 2022	2,000,000.00	8,529.32
UBS Aust 0.5 26 Feb 2026 FRN	UBS Australia Ltd	IEI225430	26 May 2022	4,500,000.00	6,218.95
NAB At Call In	National Australia Bank Ltd	IEI225835	31 May 2022		29,280.57
Westpac 3.07 31 May 2022 1826DAY TD	Westpac Banking Corporation Ltd	IEI225859	31 May 2022	2,000,000.00	15,476.16
					184,315.59

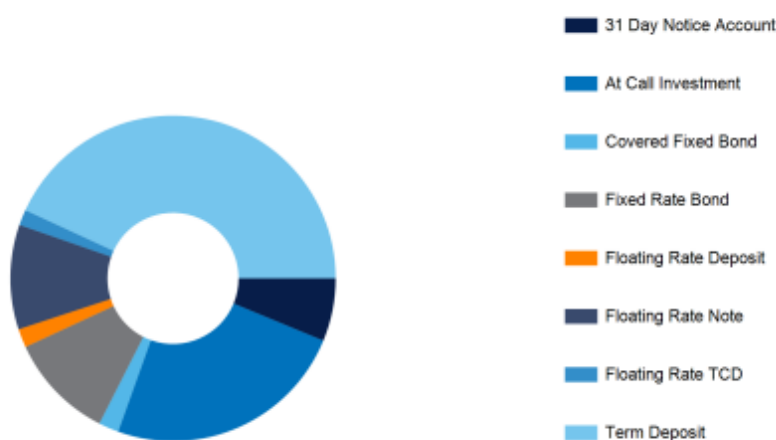
^ Interest received consists of payments made to Council's allocated bank account and are exclusive of accruing interest.

Investment by Asset Class

The following table details Councils investment holdings by investment type:

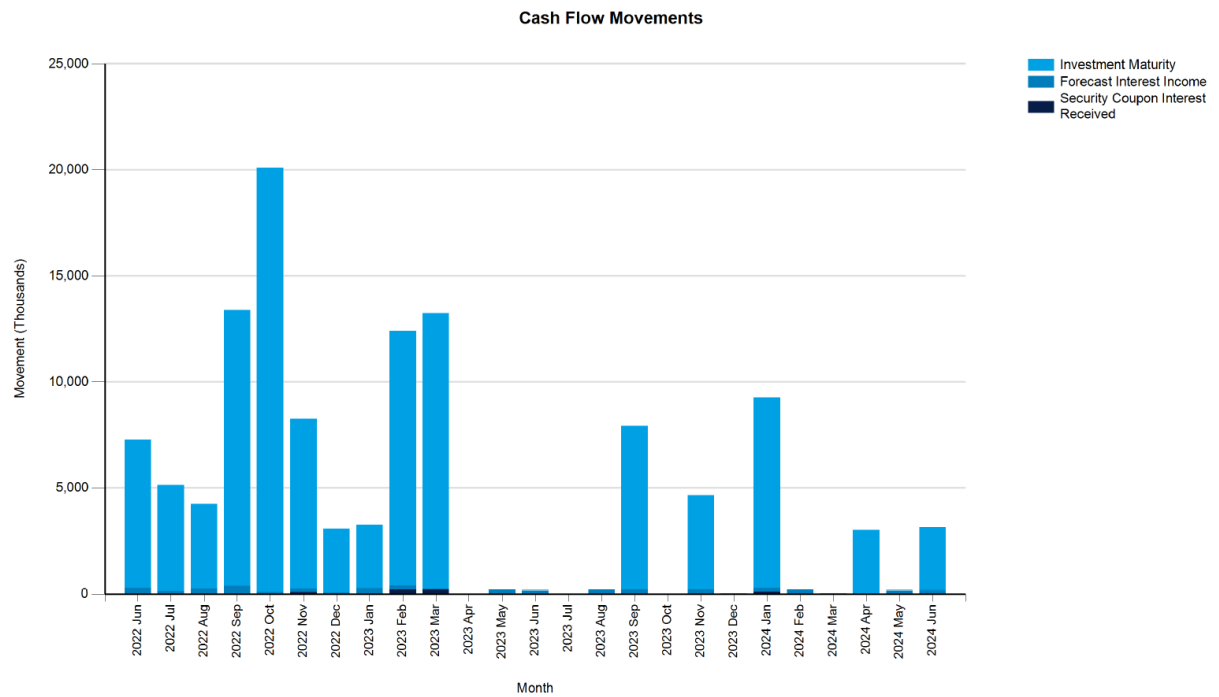
Security Type	Market Value	% Total Value
31 Day Notice Account	15,143,171.15	6.25%
At Call Investment	58,758,000.78	24.23%
Covered Fixed Bond	4,870,700.00	2.01%
Fixed Rate Bond	25,687,590.00	10.59%
Floating Rate Deposit	4,505,460.39	1.86%
Floating Rate Note	25,201,545.00	10.39%
Floating Rate TCD	3,755,362.50	1.55%
Term Deposit	104,556,547.84	43.12%
Portfolio Total	242,478,377.66	100.00%

Market Value by Security Type

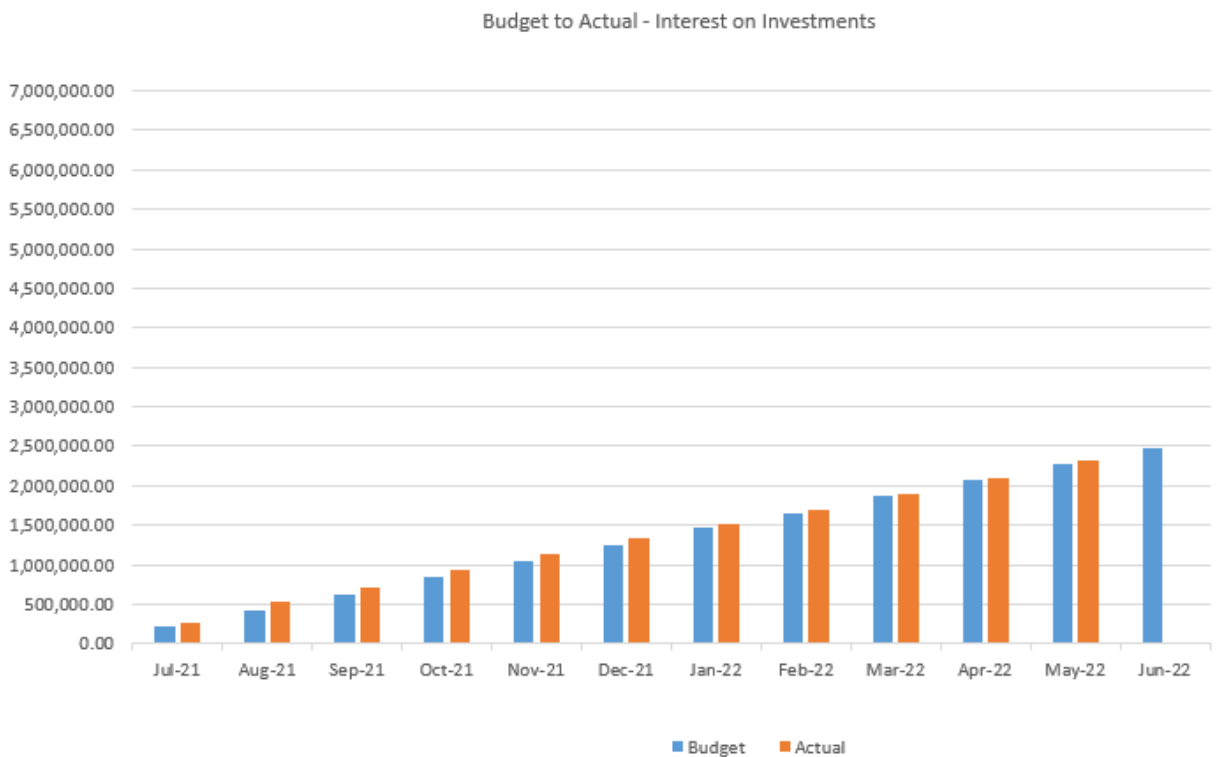


Future Maturity Cash flow

The below table details the expected cash flow of future investment maturity:



Budget to Actual – Interest on Investments



Summary

Cash Account

Council outperformed the 11.00 am Official Cash Rate market benchmark for one month annualised return of 0.35%, achieving a return of 0.50% for its At Call investments for the month of May 2022.

Investment Portfolio

Council outperformed the one month annualised Bloomberg AusBond Bank Bill Index of 0.03%, with an average return of 1.2307% for its overall portfolio return.



DUBBO REGIONAL
COUNCIL

REPORT: Wellington Aerodrome and Recreation Park Hangar Lease Fees

DIVISION: Organisational Performance
REPORT DATE: 31 May 2022
TRIM REFERENCE: ID22/1126

EXECUTIVE SUMMARY

Purpose	Seek endorsement	
Issue	<ul style="list-style-type: none">Review of hangar lease rates in consideration of supporting sustainable service provision and equity between lessees.	
Reasoning	<ul style="list-style-type: none">To introduce a consistent approach to the lease fees and charges at the Wellington Aerodrome and Recreation Park.	
Financial Implications	Budget Area	Dubbo Regional Airport
	Funding Source	Dubbo Regional Airport operations
	Proposed Cost	NA
	Ongoing Costs	NA
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 2 Infrastructure

CSP Objective: 2.4 Our transportation networks are planned to accommodate future growth and development of the Local Government Area

Delivery Program Strategy: 2.4.2 Community and business have convenient air access to a variety of destinations

RECOMMENDATION

- That future non-powered hangar sites at Wellington Aerodrome and Recreation Park be leased with a 5 + 5 year option, at \$1.50 per square meter, with CPI applied annually.**
- That it be noted that this rate represents 25% of the Dubbo Airport fees.**

Dean Frost
Director Organisational Performance

JP
Manager Dubbo Regional
Airport

BACKGROUND

In December 2020 the Wellington Aerodrome and Recreation Park (WARP) Review was presented to Dubbo Regional Council. The report provided Council with a summary of the current operational environment of the Aerodrome and Recreation Park and included information regarding the levels of landing usage, lease arrangements and the resulting income and expenditure. This information was provided to inform Council's future considerations regarding the facility's long-term future and the priority for investment in coming years.

The recommendation, adopted in December 2020, ensured measures were immediately implemented to mitigate strategic and operational risks, with instruction that a further 12 month review of Wellington Aerodrome and Recreation Park be undertaken.

A subsequent report was submitted to the April 2022 Council Meeting.

Previous Resolutions of Council

7 December 2020	<ol style="list-style-type: none"> 1. That the information in the report from the Director Culture and Economy dated 10 November 2020, be noted. 2. That strategic and operational risk mitigation measures be implemented. 3. That a further 12 month review of Wellington Aerodrome and Recreation Park be undertaken with a report to November 2021 Council meeting.
<p>14 April 2022 (Culture and Community Committee)</p> <p>28 April 2022 (Ordinary Council)</p>	<ol style="list-style-type: none"> 1. That the information contained within this report, including financial impacts and corporate risk related to operation of the facility be noted. 2. That Council continue to manage the Wellington Aerodrome and Recreation Park as a multi-use facility in partnership with key user groups. 3. That Council consider the separate report regarding grant opportunities and funding strategies for renewal of the sealed runway at Wellington Aerodrome and Recreation Park.

In response to the recommendation 2 of April 2022, and in consideration of the actions within this option, Council agreed to *ensure equity of user pays principal, where all users must pay in accordance with adopted fees and charges*, a further review of hangar leases has been conducted.

There are currently four hangar site leases at Wellington Aerodrome and Recreation Park, each pay an annual rent of \$550 per annum, with nil contribution towards outgoings. Council has had three recent enquires regarding leasing of land at WARP.

As per **Table 1** below, a review of the annual lease rates payable by similar aerodrome facilities has been undertaken. The airports examined included Cootamundra, Young, Barraba, Balranald, Cowra and Narromine with these airports being of similar size,

registration and capability. It should be noted that some airports sell the land to private owners whilst others lease sites. Consistency in the management approach of smaller and similar size aerodromes is not common.

Location	Population	Hangar Fee
Cootamundra	6782	Don't lease – privately owned, council has nothing to do with the hangar sites only the Airport.
Young	10295	Only lease land currently – the most recent was about \$550 p.a, there is a proposal to lease more but hasn't gone anywhere for the last year.
Barraba	1500	Leased areas (undeveloped site) – per square metre/per year \$6.99 Building leases – based on 10% – 30% of valuation of building and taking into account conditions and amenities – per square metre/per year \$153.00 (Same as Tamworth rates)
Balranald	2827	Inclusive Hangar Charges - per week (or Part) \$55.00 Inclusive Hangar Charges - per month (or Part) \$200.00 Inclusive Hangar Charges - per year (or Part) \$2,000.00
Cowra	10063	Only for sale - \$68K - \$249K
Narromine	6500	For sale from \$101K

Table 1. Annual release rates comparison

Previously Dubbo Regional Airport had a range of lease fees that did not have a consistent square meter rate. In 2019, a valuation report was undertaken to determine a square metre lease rate at Dubbo Regional Airport. Based on findings in that report it was recommended that leases in the new general aviation precinct, without aprons, be at \$6.00 a square meter, and that this be increased by CPI annually.

In addition to reviewing hangar lease fees there will also be work undertaken to review other license and hire rates for WARP to best ensure appropriate cost recovery to support long term asset management. This work will be undertaken following upcoming renewal work on the runway, based on the value of the renewed asset. This process, as part of developing a sustainable pathway forward for the facility will also consider operational costs and resourcing needs.

Due to the current interest in new leases at WARP, a decision regarding rates for leases need to be made in the immediate future to assist investors in their decision making.

REPORT

Consultation

Six NSW Regional Airports of similar population bases and aerodrome landing areas were consulted. Feedback is detailed in the above table, noting that multiple management approaches are undertaken, with some Councils opting to sell hangar sites whilst others lease sites. Consistency in the management of the smaller aerodromes is not common and all

facility owners experience challenges relating to operational issues of unsupervised facilities as well as constantly looking for ways to manage related costs

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	17,525	17,551	17,577	17,891	18,339	18,797
b. Operating expenses	34,500	25,500	25,500	26,010	26,010	26,660
c. Operating budget impact (a – b)	-16,975	-7,949	-7,923	-8,119	-7,671	-7,863
d. Capital Expenditure	0	700,000*	0	0	0	0
e. Total net impact (c – d)	-16,975	-707,949	-7,923	-8,119	-7,671	-7,863
Does the proposal require ongoing funding?	No					
What is the source of this funding?	N/A.					

Table 2. Ongoing financial implications

Options Considered

The below scenarios were considered (rates are per annum)

1. \$6 per square meter - comparative square meter rates with Dubbo Regional Airport; noting that services provided are not the same e.g. fuel, pavement condition, café.
2. Current flat rate of \$550 per hangar site ; regardless of total square meters
3. \$1 per square meter for the Hangar Site.
4. \$1.50 per square meter for the Hangar Site.
5. \$2 per square meter for the Hangar Site.

The financial impact of the above options are identified in the table below using the existing leases for comparison. The lease fee for the existing hangars will continue to operate under the \$550 + CPI until 2027. The establishment of a new lease fee structure would be applied to future leases.

Hangar Site	Site m2	Hangar Size m2	Options for lease fee structure				
			\$6.00 per m2 Rate of new small sites at Dubbo	Current Annual Site Rate Flat Fee Was \$100 a year for first five years of current leases	\$1 per m2 20% of the Dubbo rate	\$1.50 per m2 25% of Dubbo rate	\$2 per m2 33% of Dubbo rate
A1	900	446	\$5,400.00	\$550.00	\$900.00	\$1,350.00	\$1,800.00
A4	750	126	\$4,500.00	\$550.00	\$750.00	\$1,125.00	\$1,500.00
A5	500	157	\$3,000.00	\$550.00	\$500.00	\$750.00	\$1,000.00
B1	432	188	\$2,592.00	\$550.00	\$432.00	\$648.00	\$864.00
Total current / or Annual Income			\$20,892	\$2,750	\$3,482	\$5,223	\$6,964

Table 3. Financial impact of options

- There is no standard for aerodrome lease fees and it is difficult to draw comparisons between facilities. Dubbo Regional Airport and WARP both facilitate recreational flying the facilities are inherently different.
- Historically, lease fees for WARP have been extremely low at only \$100 a year, which was increased to \$550 with those taking up the addition five year option earlier this year.
- In discussion regarding long-term future of WARP, Council has expressed desire to ensure a considered level of user pays at WARP as a multi-use facility.
- Council wants to support development at WARP however needs to ensure that the development via lease fees, and usage via landing fees is appropriately contributing to maintenance and long-term asset renewals.
- In considering lease options, it is understood that WARP does not have the same facilities as Dubbo Regional Airport including access to fuel. Equally, the open airspace, minimal recreational aircraft and congestion is of appeal and value to recreational flyers.
- Whilst the low level of use is appealing to people establishing at WARP, the level of development and use does mean that the facility runs at an operating loss.

Preferred Option

It is proposed that future leases for WARP be based on \$1.50 per square meter

- A square metre rate provides greater equity between leases. Currently one lease is paying \$0.61 a square meter and another payee \$1.30 a square meter.
- \$1.50 a square meter is approximately 25% of the per square meter fee paid for Dubbo
- This is an increase on the historically low annual rates and the current rates of \$550.
- Larger hangar, such as the Wellington Aero Club would likely have multiple users that would contribute to the lease fee.

Planned Communications

- All current lease holders will be advised by email that whilst the structure of lease fees for undeveloped land at WARP has been changed this will not affect their current lease with Council. The same communications will also highlight Council's direction that multi-use at the facility be supported.
- Parties that have expressed interest in leases land at WARP will be provided with information on rates to assist them in their decision making.