



Vincent Street
CESSNOCK

1 March 2019

ORDINARY MEETING OF COUNCIL

WEDNESDAY, 6 MARCH 2019

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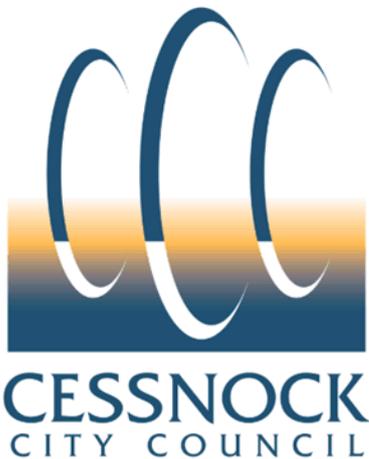
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GROWING LOCAL ECONOMIES CESSNOCK AIRPORT UPGRADE BUSINESS CASE

CESSNOCK CITY COUNCIL
DRAFT V1.1
28 February 2019



CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

KEY PROPOSAL DETAILS

PROPOSAL INFORMATION	
Proposal name	Cessnock Airport Upgrades to Unlock Business Investment Growth
Lead proponent (e.g. Council)	Cessnock City Council
Lead proponent ABN	60919148928
Proposal partners	
LEAD CONTACT	
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PROPOSAL SCOPE	
Proposal summary for publication <i>Please provide 150 words or less</i>	<p>This project significantly upgrades Cessnock Airport infrastructure to realise the community's vision of it being a well-planned and serviced facility that attracts economic development opportunities to the region. The project is a key component in the draft Regional Economic Development Strategy.</p> <p>The project comprises the widening and resealing of taxiways; provision of aprons and aircraft parking areas; improved fuel area access; runway extension and reconstruction; connection of water and sewerage to the western side of the site; future hangarage; and construction of aircraft storage facilities.</p> <p>This project will position Cessnock Airport as the Hunter region and NSW's premier General Aviation airport and a significant contributor to the local economy's sustainability post-mining, in particular as a major tourist and business gateway to the Hunter Valley.</p> <p>By unlocking the growth potential for Cessnock Airport, this project will have an enduring legacy – creating sustainable employment and increasing the economic resilience of the region in the medium to long term.</p>
PROPOSAL LOCATION	
Proposal address	Cessnock Airport, 455 Wine Country Drive, Pokolbin NSW 2320
Local government area	Cessnock
NSW electorate	Cessnock
Federal electorate	Hunter
SUPPORTING INFORMATION	
Attachments <i>Please list out all supporting information provided</i>	<p>Attachment A: Cessnock Airport Upgrades _Datasheet</p> <p>Attachment B: Airport Strategic Plan</p> <p>Attachment C: Regional Airport Study</p> <p>Attachment D: Australian Airport Association Media</p> <p>Attachment E: Pavement Services Report</p> <p>Attachment F: Support Letters</p> <p>Attachment G: Economic Assessment</p> <p>Attachment H: Runway Condition Summary</p> <p>Attachment I: GANNT Chart</p>

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

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1.1	Draft	28 February 2019	Rhiannon Stevens, Cessnock City Council

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1 EXECUTIVE SUMMARY

Cessnock City Council (Council) propose to undertake significant infrastructure upgrades to Cessnock Airport, referred to as “*Cessnock Airport Upgrades to Unlock Business Investment Growth*” (the project). The project will comprise the widening and resealing of taxiways; provision of aprons and aircraft parking areas; improved fuel area access; runway extension and reconstruction; connection of water and sewerage to the site; future hangarage; and construction of aircraft storage facilities and an aviation museum.

The project is expected to commence in mid-2019 and is scheduled for completion over an 18-month period, at an estimated construction cost of \$8,848,197.

The airport is owned and operated by Council. Cessnock Airport is a registered aerodrome and the following activities occur at the facility: flying schools, adventure flights, scenic flights, charter flights, airport transfers, medical transfers, recreational flying and aircraft maintenance.

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 exploited.

This project has been deemed a priority project due to a number of critical issues inclusive of the current deficient and rapidly deteriorating state of the airport runway pavement, and the opportunity to establish Cessnock as the entry port for the Hunter Region and a key aviation business hub.

By completing the project, it is envisaged a range of aviation businesses can be attracted to establish or relocate to the airport from outside the region. Particularly the opportunity to create a major aviation hub through the development of key industry supply chains.

The project has extensive support from a range of current and potential aviation operators, whose support is articulated in the supporting letters accompanying this application, each letter details the current deficiencies with the airport and the significant opportunities that can be unlocked once the upgrades are complete.

The upgrades proposed at Cessnock Airport align to an extensive number of State, Regional and Local strategies, plans and priorities. This is in addition to the findings of a study into general aviation (committed to by the then-Minister for Infrastructure and Transport, the Hon. Darren Chester MP). The Study concluded general aviation (GA) is a diverse sector playing an important role in Australian aviation including in serving regional communities.

GA is operating in an airport environment that has evolved over the last two decades. It is still an important part of most airports in regional Australia, but in some parts of Australia, GA aircraft operators have moved away from larger airports to other, more economically and operationally compatible airports outside urban areas.

Economic impact modelling (see Attachment G) determined the additional jobs likely to result from the upgrade will have significant annual impacts on the Cessnock LGA’s economy, inclusive of an additional \$22 million in direct revenue, with a total effect (inclusive of supply-chain and consumption effects) of \$32 million.

It is projected that an additional 55 jobs will be supported by businesses located at the upgraded airport, which will have a total effect of 91 jobs throughout Cessnock LGA (inclusive of supply-chain and consumption effects).

Preliminary cost benefit analysis, incorporating direct and indirect project costs (capital and ongoing) and expected benefits at a 4 per cent discount rate, estimates that for every dollar of costs associated with the *Cessnock Airport Upgrades to Unlock Business Investment Growth* project the local government area of Cessnock will benefit by up to \$1.48.

2 CASE FOR CHANGE

2.1 Background

Cessnock Local Government Area (LGA) is located in the Hunter Region of NSW, and covers an area of approximately 2,000km². Cessnock LGA is home to an estimated population of 57,521 (2017). The area has undergone significant population growth over the past decade with population in Cessnock LGA increasing 16.7% which is far higher than 9.8% across the Hunter Region and 13.2% for New South Wales (see Figure 2-1).

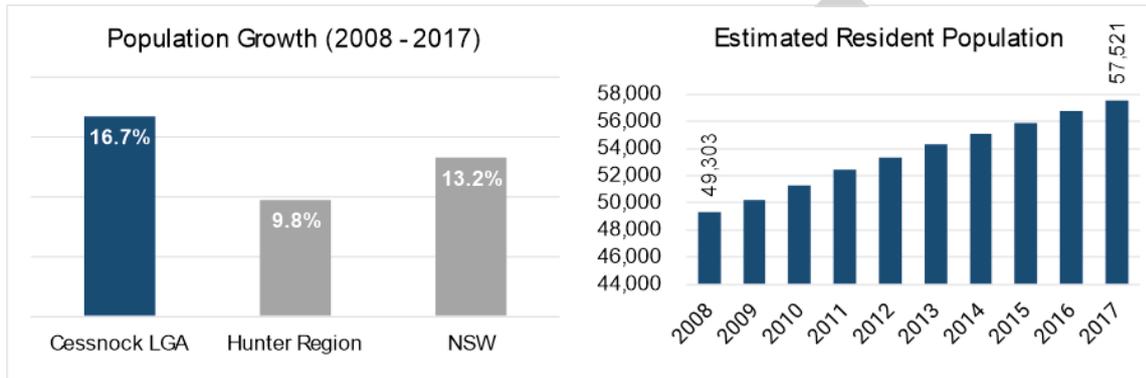


Figure 2-1 Population Change for Cessnock LGA
 Source: Australian Bureau of Statistics, Regional Population by Age and Sex, Australia, 2017, Cat. 3235.0.

Cessnock LGA is in the Lower Hunter along with Newcastle, Maitland, Port Stephens and Lake Macquarie LGAs. Together these LGAs comprise the greater urban area of Newcastle with this area having the potential to accommodate 160,000 more people over the next 25 years. The Hunter Regional Plan (2016) projects an additional 13,150 people and a need for 6,592 additional jobs. The Hunter Regional Plan advocates for Cessnock as a regionally significant centres location with potential for employment land clusters.

The Cessnock LGA has a long history of coal mining, manufacturing, construction, agriculture (e.g. grazing, poultry), viticulture and related tourism activities, all of which are still its primary employment sectors. With the decline in the prominence of traditional industries such as mining and manufacturing in the Cessnock LGA, diversification into the visitor economy has proven critical to rebuilding a sustainable and resilient community. As a result, tourism is now the largest employer in the Cessnock LGA.

The legacy of post mining booms are the long term impacts that have curtailed the economic prosperity of the LGA, impacted the ability of the Council to cope with infrastructure requirements, as well as instigated long term negative social impacts resulting in – strain on associated services and infrastructure. An indirect yet fundamentally critical impact of mining on the LGA is its key location in the supply chain/economic route substantiated by the Bureau of Freight Statistics in their analysis undertaken of LGAs with significant levels of mining truck activity, in which Cessnock was clearly identified. This level of heavy vehicle and associated general traffic has placed an unsustainable burden on the local road network, increasing the maintenance costs and the frequency rates that the Council has had to carry out its road maintenance programs. In addition, it has also contributed to a substantially reduced life of Councils infrastructure.

The economy of Cessnock LGA is transitioning from mining into service sectors with a focus on tourism, food and wine. However, the historic legacy of mining in the region and significant population growth in the past ten years (Figure 2-1) has meant that infrastructure in the area is inadequate to service the new population or to grow the tourism economy.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

Total gross revenue generated by businesses/organisations (economic output) in Cessnock is estimated at \$4.7 billion (2017) with tourism contributing \$509 million (or 10.7%)¹. The latest employment estimates put total employment at around 16,500 jobs, with tourism being the largest employer (2,400 jobs).

Tourism is far more specialised in Cessnock LGA compared to the Hunter Region and the State. In Cessnock LGA 16% of all jobs are tourism related, compared to just 6% in the Hunter Region and across New South Wales (see Figure 2-2).

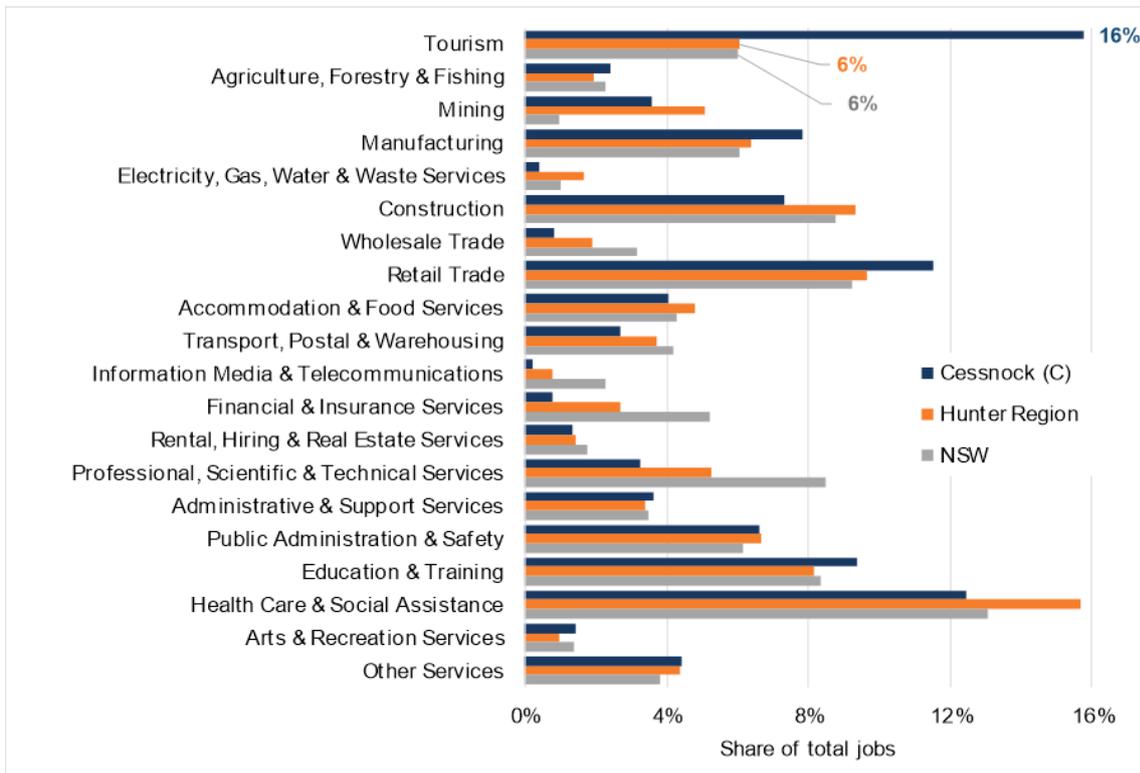


Figure 2-2 Cessnock (C) employment by industry
 Source: REMPLAN.

2.1.1 Cessnock Airport

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

Cessnock Airport is located on Wine Country Drive, approximately 5km north of the Cessnock CBD. 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.

The airport is owned and operated by Council. Cessnock Airport is a registered aerodrome and the following activities occur at the facility: flying schools, adventure flights, scenic flights, charter flights, airport transfers, medical transfers, recreational flying and aircraft maintenance.

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 exploited.

¹ REMPLAN Economic model of Cessnock (C), ABS 2016 Census Place of Work Employment (Scaled), ABS 2015 / 2016 National Input Output Tables, ABS June 2017 Gross State Product.

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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.

Cessnock Airport is well positioned to leverage off opportunities from surrounding regional airports, 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 operators 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 has 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.



Figure 2-3 Aerial image of Cessnock Airport (2018)

2.1.2 The Proposal

Currently the airport has deteriorating assets resulting in breaches of the integrity of the airport site and, which in the longer term will affect the ability of the runway to meet the future requirements prohibiting the airport from becoming certified and being the base for regular passenger transport and a strategically located freight hub.

The Cessnock Airport Upgrade project comprises the widening and resealing of taxiways; provision of aprons and aircraft parking areas; improved fuel area access; runway extension and reconstruction; connection of water and sewerage to the site; fencing; future hangarage; and construction of aircraft storage.

The extension of the runway and the widening of the taxiways will enable use of the airport by a wider array of larger aircraft. The connection of water and sewerage services will unlock the development potential of the western side of the site; and the provision of additional aircraft storage and parking, along with enhanced security measures, will position the facility to cater for the future demand for a variety of complementary aviation services.

The proposed infrastructure upgrades would set Cessnock Airport apart from neighbouring aviation bases and support its positioning as the as the Hunter region and NSW's premier General Aviation airport. The project will catalyse the partnerships of major stakeholders and other airports boosting future collaborations and driving decisions around optimisation of activities and usership for growth.

2.2 Rational for investment

2.2.1 General Aviation in Australia

General aviation is an important part of the Australian economy, supporting large-scale agriculture and emergency services, providing personal and business connection to areas not serviced by airlines, training pilots and providing a source of recreation for many amateur pilots.

On 28 October 2016, the then-Minister for Infrastructure and Transport, the Hon. Darren Chester MP announced the Government's commitment to this study into general aviation in Australia. The Study² concluded general aviation (GA) is a diverse sector playing an important role in Australian aviation including in serving regional communities.

GA is operating in an airport environment that has evolved over the last two decades. It is still an important part of most airports in regional Australia, but in some parts of Australia, GA aircraft operators have moved away from larger airports to other, more economically and operationally compatible airports outside urban areas.

2.2.2 Cessnock Airport

By completing the proposed Cessnock Airport Upgrades project, it is envisaged a range of aviation businesses can be attracted to establish or relocate within the airport as previously stated above. Particularly the opportunity to create a major aviation hub through the development of key industry supply chains.

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 reconstruction (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.

Cessnock Airport is a centrally-located general aviation airport within the Hunter Region/ Greater Newcastle. The airport is currently being utilised for some adventure, scenic and charter flights, ballooning, recreational flying, several flying school operations and aircraft maintenance. However, the airport has deteriorating assets resulting in breaches

² Department of Infrastructure and Regional Development, Aviation: General aviation study, 2017 (https://bitre.gov.au/publications/2017/files/cr_001.pdf)

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of the integrity of the airport site which, in the longer term will prohibit the airport from becoming certified and being the base for regular passenger transport and a strategically located freight hub.

There is constant demand from within this industry state-wide for hangarage at Cessnock Airport which cannot currently be met. Cessnock urgently needs business investment and business growth to cope with the burgeoning increase in population and importantly to decrease the high levels of unemployment. It further needs vital investment into key infrastructure and services that will assist in broadening and diversifying our existing economic base in order to build critical, sustainable and resilient communities in the LGA, particularly those directly and/or indirectly impacted from mining or from legacy mining impacts.

Having greater aviation options supports attracting new businesses into NSW as well as encouraging further investment into the regions. Where aircraft must be currently turned away in most airports due to capacity, this project will provide the infrastructure to strategically enable these excess aircraft in NSW to use the Cessnock Airport.

Council and its communities continue to bear the rising costs of maintenance and repair of the local road network with this burden, a legacy of the resource sector in Cessnock LGA, becoming more onerous and unsustainable each year. Council cannot feasibly invest in other infrastructure such as the airport, without the support of external funding sources. Whilst the project would prove a significant enabler, it will also support overturning many legacy impacts and increase economic diversification and investment of new industries in the region – the many levels of community consultation to inform council's decision making within constrained budgets has forced council to sacrifice on improvements to supplementary assets and services in favour of basic needs such as roads and drainage. The community continues to bear this cost at a consequence of reduced opportunities, minimised community pride and resilience, as well as economic sustainability.

Council recognises the critical need for the upgrade of the airport and the resulting outputs in terms of employment and economic benefit overall. Council is therefore willing to provide significant funding towards this project, recognising that it will require entering into debt from loans.

2.2.3 Lack of Services on the Western Side

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

The connection of water and sewerage services will unlock the development potential of the western side of the site.

Currently the airport has around 127,761 square metres of undeveloped land in various areas of the facility. These areas would be opened up for leasing if developed with water and sewerage and supported by an extended runway as this project would offer.

2.2.4 Poor Condition of the Runway Pavement

The Airport consists of a sealed runway aligned in a 170° and 350° direction³. The runway length is 1,097m, and is indicated as having a strength of 5.700/450 (65 PSI). Both the length and strength limit 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.

Council engaged Douglas Partners Geotechnics (2001) and Pavement Management Services (2018) to undertake investigations into the condition of the Cessnock Airport Runway (17/35) (see Attachment E). Council has provided a summary of results in Attachment H.

³ General runway identification is based on the compass heading the aircraft is facing as it is landing or taking off. For example, Runway 17/35 is facing approximately 170° in one direction and 350° in the opposite direction. Even though a runway is a single strip of concrete, it is essentially treated as two separate runways by pilots and controllers.
(https://www.macnoise.com/sites/www.macenvironment.org/files/pdf/factsheet-4_how_are_runway_decisions_made.pdf)

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The runway length is too short for most aircraft that would be considered appropriate for regular public transport (RPT), however lengthening the runway to 1,400m meters only solves one of the determining factors for larger aircraft. Most RPT aircraft weigh in excess of 5,700kg and this poses a problem for the current strength of Cessnock Runway.

The Runway is exhibiting cracking, rutting and excessive deflection east of the Runway centreline and there are also further signs that pavement is failing, evidence of this is presented in Figure 2-4, Figure 2-5, and Figure 2-6 below.



Figure 2-4 Degraded wearing course and uneven patches



Figure 2-5 Pumping of material through wearing course

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Figure 2-6 Excessive cracking and pumping east of runway centreline

Testing conducted in 2001 and 2018 noted that resurfacing the Runway will help protect the existing gravel pavement and subgrade against moisture and might prolong the life of the pavement by a relatively short period. Resurfacing will not, however, increase the strength or stiffness of the pavement.

Pavement classification number (PCN) is a standard to indicate strength of a runway. The PCN is expressed as a five-part code, separated by forward-slashes example "80/R/B/W/T". The first part is the PCN numerical value, indicating the load-carrying capacity of the pavement. Figure 2-7, below, is a PCN heat map of Cessnock Airport Runway depicting the low and extremely low PCN rating over the majority of the runway.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH



Figure 2-7 Runway Pavement Strength (PCN) Heat Map
Source: Pavement Management Services, 2018

Overall the PCN rating for Cessnock Airport’s runway was “1/F/C/Z/T” indicating an extremely low pavement strength, a flexible pavement surface and a very low sub-grade strength.

The following statements by the investigators highlight the need for reconstruction:

“The deflection test results indicate that the pavement has reached a terminal condition and can only be properly rehabilitated by a complete reconstruction.”

- Douglas Partners, 2001

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

*“Further investigation is required on Runway 17/35 to accurately assess the pavement profile and Pavement material characteristics to obtain a better understanding of the pavement and its condition, **however, this investigation has revealed a weak pavement and should be considered for rehabilitation in the very near future.**”*

– Pavement Management Services, 2018

To increase the ability of Cessnock Airport in attracting larger aircraft the runway requires both a stronger and longer runway. However, even if the runway is lengthened to 1,400m from its current 1,097m, in its current state the runway will not be able to support the landing of over 5,700kg due to the failing pavement.

The main runway requires a total reconstruction to meet future demand, and the existing pavement does not have capacity to accommodate this growth.

The condition of the pavement is poor and there are stormwater drainage issues. Failure of the pavement has resulted in continued deterioration and the increasing presence of loose stones. Any debris poses a risk; however, loose stones are likely to cause damage to aircraft. Damage to aircraft from loose stones can go beyond simply repair or replacement of propellers and result in further works to ensure the aircraft is safe to fly, placing an additional cost burden on aircraft owners.

Due to subsidence heavy patching of the runway occurred in 2011 and 2018. Runway patching that occurred in 2018 also included repair of two patches made in 2011 due to subsidence of the original patch. At a minimum heavy patching costs Council upward of \$75,000 per patching event. Due to continued subsidence and deterioration of runway the frequency of patching will increase over time. Additionally, patching also damages the sealed surface which can result in further patching requirements as well as crack sealing.

Runway reconstruction would give the runway at least 10 years of patch free use and up to 15 years before major works would be required.

2.2.5 Lack of Aircraft Parking

As demonstrated by a 2019 Google Maps aerial image of Cessnock Airport, there is insufficient parking for aircraft (Figure 2-8).

The lack of pavement parking and line markings presents a safety issue for personnel and increases the risk of damage to aircraft. Manoeuvring into unmarked parking bays creates an issue for wing-tip clearance between craft and puts aircraft personnel (pilots and passengers) and airport staff at a safety risk.

Taxiing into the area, where other aircraft are parked, puts both taxiing and parked aircraft at a very real risk of hitting another aircraft and having to manoeuvre off the bitumen further risking aircraft damage.

Bituminising the current grassed apron space with secure tie down facilities will attract plane storage. It will also improve plane movement around the Airport.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH



Figure 2-8 Aerial View of Cessnock Airport

2.2.6 Lack of visibility / Airport Terminal

The visitor terminal building which is essentially a “gateway/port of entry” to the Hunter Region is in need of an upgrade to accommodate the growing number of charter passengers, the growing expectations of visitors to the region and to support further growth in the number of passenger flights operating out of Cessnock Airport.

There is a distinct lack of visibility of the airport from the main route, Wine Country Drive. Feedback from airport stakeholders (see Section 2.4.6) included the desire to see an improve presence on the Wine Country Drive, not only for the airport but to highlight the business operations on site.

Currently, the Hunter Valley Visitor Information Centre dominates the intersection of Wine Country Drive and the road to the airport (Figure 2-9).



Figure 2-9 Lack of Visibility from Wine Country Drive

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Figure 2-10 Location of Cessnock Airport Terminal

2.2.7 Lack of Suitable General Aviation in the Hunter Region

Other airports within the local region include:

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

An email of support received from Edwards Aviation (see Attachment F) outlined why some neighbouring airports were not suitable for purpose:

“Currently, the aviation access in the Newcastle and Hunter Valley region is quite restrictive and although there are a number of airports in the region, they present the following issues for us:

- *We have difficulty accessing Williamtown airport as it is a military airport which also does not have fuel for some of our aircraft. It is also expensive and requires permission which can be hard to organise at short notice*
- *Although Warnervale runway has been extended, it is still too narrow for our aircraft and does not have a sealed taxiway or lights. There is also no jet fuel. It requires prior permission as well.*
- *Lake Macquarie airport is too short and is not accessible at night. There is no fuel. It also requires prior permission.*
- *Maitland airport has a significant kangaroo problem and the runway lighting availability is limited. It is also too narrow for some of our aircraft and does not have jet fuel. “*

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Newcastle and Bankstown operators 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 has 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.

The proposed growth of Newcastle Airport (in terms of number of flights) will provide opportunities for smaller aviation operations to re-locate to Cessnock. Similarly, individuals and businesses forced out of Bankstown Airport may consider re-locating to Cessnock. Cessnock Airport is receiving constant aviation enquiries due to its proximal location, well positioned near major freight routes and population centres, and capacity to absorb growth for new and emerging industries, complimentary aviation businesses and reputation for pilot skills and training.

2.2.8 Lengthen the time spent by visitors

Cessnock Airport is centrally located in the Hunter Region as illustrated through the Hunter Regions' Visitor Centre being located on the site. The upgrade to the Airport will include a recreational vehicle (RV) waste dump point and an aviation museum.

Campervan & Motorhome Club of Australia (CMCA) works with local governments to expand the network of "RV Friendly Towns", which are towns recognised as supporting the road-based traveller through the provision of long vehicle parking, overnight stopping areas and a dump point for the discharge of onboard waste water. The support letter (Attachment F) states that in a recent survey undertaken by CMCA members stated they are more likely to visit and stop in towns and locations that are recognised as RV Friendly.

2.3 Strategic alignment

This section illustrates the projects alignment with State, Regional and Local strategies, plans and priorities.

2.3.1 Australian Government General Aviation Flight Plan

https://infrastructure.gov.au/aviation/general/flight_plan.aspx

The General Aviation Advisory Group (GA Advisory Group) was announced by the Australian Government in October 2016 to provide advice to the Minister for Infrastructure and Transport on matters affecting the General Aviation (GA) sector.

On 30 May 2018, the GA Advisory Group finalised its GA Flight Plan, the group's 2018–19 work plan for the GA sector. The Plan has three priorities:

- 1 Develop a broad long term strategic perspective for General Aviation
- 2 Propose how air safety regulation can support General Aviation through clear, consistently applied, and proportionally responsive administration
- 3 Maintain and enhance GA industry capability through workforce planning and access to airspace and infrastructure.

The proposed infrastructure upgrades to Cessnock Airport clearly align with the third priority of the Australian Government's GA Flight Plan by enhancing the quality and longevity of local aviation infrastructure thereby ensuring continued access by the general aviation industry in a highly sought after location with easily accessible airspace.

2.3.2 NSW Government Plans and Strategies

2.3.2.1 Hunter Regional Plan 2036

<https://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Hunter/Hunter-regional-plan>

The Hunter Regional Plan outlines the NSW Government's vision for the Hunter. The Plan details 27 actions (directions) to achieving that vision.

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This project falls within the key service area of Greater Newcastle. Cessnock LGA is identified as the focal point for the region's wine industry and a significant tourism destination and entertainment node. The Cessnock Airport upgrade will unlock business potential at the airport across a number of industry sectors and support job diversification and growth. The project aligns with a number of the Hunter Regional Plan's directions, including:

- Direction 5 – Transform the productivity of the Upper Hunter: through enabling the diversification of businesses at Cessnock Airport and supporting growth visitation and the tourism experience thereby supporting rural tourism in the Upper Hunter.
- Direction 8 - Promote innovative small business and growth in the service sectors: through expanding the tourism offerings at the airport and fostering the airport as an aviation training hub.
 - Action 8.2 "facilitate opportunities for incubator spaces for technology and non-technology early stage businesses and ensure opportunities for new and emerging enterprises are encouraged"
- Direction 9 – Grow tourism in the region: improving airport infrastructure will allow increased passenger and scenic flights.
 - Action 9.1 "Enable investment in infrastructure to expand the tourism industry, including connections to tourism gateways and attractions"
- Direction 14 – Protect and connect natural areas: Cessnock Airport is in the vicinity of the number of National Parks and State Forests, the Draft Cessnock Airport Strategic Plan (Attachment B) key principles include "Implement a safe, secure and environmentally suitable airport", design and development for future projects at the airport are being conducted under consideration of local environmental impact.
- Direction 16 – Increase resilience to hazards and climate change: the runway is currently deficient, the proposed upgrade will completely rebuild the pavement and improve resilience to extreme weather events (including heat and rain), the current condition of the sealed surface has led to the deterioration of the subgrade material as evidenced by excessive cracking and pumping of material.
- Direction 24 - Protect the economic functions of employment land.
 - The plan specifically states: The timely and coordinated delivery of infrastructure can make land more attractive for business and also contribute to market demand, specifically Action 24.1: Locate new employment land so that it does not conflict with surrounding residential uses. The airport is surrounded by rural zoned land which minimises potential of conflict with residential zoned land.
- Direction 25 (specifically Action 25.4) Maintain an adequate supply of employment land that is appropriately serviced and to respond to changing industry demands for land use, location and floor space.
- Direction 26 – Deliver infrastructure to support growth and communities: through partnership between the State Government and Council the Cessnock Airport will undergo upgrades directly aligning to a key action under this direction to "(26.5 Ensure growth is serviced by enabling and supporting infrastructure."
 - 26.4 Coordinate the delivery of infrastructure to support the timely and efficient release of land for development, including working with councils and service providers on inter-regional infrastructure and service delivery issues between growing areas.
 - 26.5 Ensure growth is serviced by enabling and supporting infrastructure.

2.3.2.2 Restart NSW

<http://www.infrastructure.nsw.gov.au/restart-nsw/>

The NSW Government established the Restart NSW fund to enable infrastructure projects to be funded and delivered throughout NSW.

The airport upgrade strongly aligns with the objectives of the Restart NSW Fund, which supports the 'Resources for Regions' program. In particular, the project aims to "improve the economic growth and productivity of the State" by building infrastructure that can act as the component for building economic resilience and post-mining jobs growth in the region. The project will enhance and support public infrastructure that can be utilised by local communities and visitors to the area.

2.3.2.3 NSW Government State Infrastructure Strategy 2018-2038

<https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/nsw-state-infrastructure-strategy/>

The State Infrastructure Strategy aims to identify the key infrastructure investments for NSW over the next 5, 10 and 20 years to support jobs, housing and services for over 9 million people. The Strategy identifies the challenges regional communities face with rapid population growth in respect of congestion, safety and amenity. The Strategy recommends that targeted investments are made to improve local infrastructure in coal community towns. The benefits of the project

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previously discussed would support the objectives and recommendations of the NSW State Infrastructure Strategy.

2.3.2.4 NSW Premier's 12 Priorities for NSW

<https://www.nsw.gov.au/your-government/the-premier/media-releases-from-the-premier/premiers-priorities-update-2/>

The Premier's "12 Priorities for NSW" are part of the Government's broader 30 State priorities across a range of social and economic issues. The proposed project relates to the following priorities:

- Creating Jobs – by building on the regional tourism offering and enabling the expansion of currently operating businesses and attracting new businesses to the airport site.
- Infrastructure delivery – upgrade of the airport will improve the environmental and economic resilience of a key council owned piece of infrastructure.

2.3.2.5 Regional Development Framework

<https://www.nsw.gov.au/improving-nsw/regional-nsw/regional-development-framework/>

The Regional Development Framework is based around a model of investment in regional NSW that is captured by three programs:

1. Providing quality services and infrastructure in regional NSW: The proposed project will address current deficiencies at the airport ensuring the longer-term sustainability of the airport and reduce current annual maintenance costs.
2. Aligning effort to support growing regional centres: The proposed project will support jobs growth in a region which has undergone strong population growth.
3. Identifying and activating economic potential: The economic potential at Cessnock Airport is well documented in the Draft Cessnock Airport Strategic Plan (see page 29 of Attachment B).

2.3.2.6 Greater Newcastle Metropolitan Plan 2036

<https://www.planning.nsw.gov.au/Plans-for-your-area/Greater-Newcastle-metropolitan-planning>

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 support local business to develop a freight industry utilising the airport as the central link.

2.3.3 Regional Plans and Strategies

2.3.3.1 Hunter Regional Economic Development Strategy 2018-2022

<https://www.dpc.nsw.gov.au/assets/REDS/6bc087d009/Hunter-REDS.pdf>

The Hunter Regional Economic Development Strategy 2018–2022 (REDS) sets out a long term economic vision and associated strategy for the Hunter Functional Economic Region (Hunter, the Region). REDS was formed in collaboration with the local councils (Cessnock City, Dungog Shire, Maitland City, Muswellbrook Shire, Port Stephens, Singleton and Upper Hunter Shire), key stakeholders and the broader regional community and with support from the NSW Government's Centre for Economic and Regional Development (CERD).

The Strategy identifies three core strategies to capture the opportunities, manage risks and deliver on the vision:

1. Improve inter and intra-connectivity of the Region to boost business opportunities in the 'engine' industries of Agriculture, Mining and Manufacturing
2. Manage transitions and risks to the Coal Mining and Electricity Generation sectors and diversify the Region's economy to build resilience
3. Improve infrastructure, services and amenities to fully realise and sustain the Region's growth potential

Under the second core strategy upgrading Cessnock Airport is clearly identified (page 16) as an action required to diversify the Region's economy to build resilience.

2.3.3.2 Hunter Valley Visitor Economy Destination Management Plan

<https://advancecessnock.com.au/wp-content/uploads/2015/07/Part-B-Destination-Management-Plan-Final-Copy-1.pdf>

In response to the changing dynamics of tourism businesses, the Singleton Council and Cessnock City Council and the Hunter Valley Wine Country Wine Tourism Association developed the Destination Management Planning which identified a number of opportunities and actions require to maximise those opportunities.

This proposed project will attract new businesses and enhance the visitor experience of arriving in Cessnock Airport and expand the visitor experiences (primarily around increased scenic flight options and establishment of the museum).

This directly aligns with action 4.2 "Develop the Hunter Valley's Destination Experiences".

2.3.3.3 Maitland City Council Strategic Plans

<https://www.maitlandmercury.com.au/story/5871989/draft-airport-plan-first-class-for-maitland-and-cessnock/>

Maitland City Council is currently preparing a destination management plan and in a recent media report in the Maitland Mercury (28 January 2019) Cr Baker stated an aviation hub (as proposed in the airport's draft plan) would open up the Hunter for more visitors and jobs, which would benefit Maitland given the City's proximity to Cessnock.

2.3.4 Cessnock Council Plans and Strategies

2.3.4.1 Cessnock Airport Strategic Plan 2014

In January 2014 Council 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.

2.3.4.2 Draft Cessnock Airport Strategic Plan and Business Plan

<http://www.cessnock.nsw.gov.au/community/exhibition/draftairportstrategicplan>

Council has developed a Draft Cessnock Airport Strategic Plan and 5-year business plan (Attachment B). This plan identifies a vision for Cessnock Airport to be a viable, user friendly and vibrant aviation hub to the Hunter region.

At the meeting of Council on 12 December 2018 Council resolved to place the Draft Cessnock Airport Strategic Plan on Public Exhibition.

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 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.

The proposed project directly supports a number of objectives identified in the Strategic Plan, and covers key elements of the Precinct Masterplan (see page 25), which has identified a number of specific precincts and development opportunities:

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Table 2.1: Precinct Masterplan

Precinct	Development Opportunity
Precinct 1	Runway extension Proposal for grass runway/inclusion of gliders
Precinct 2	Additional hangars, reconstruction and lengthening of runway and inclusion of historical aviation museum (if external funding available).
Precinct 3	Area for Commercial Business Opportunities (Aviation or related i.e. 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

Source: Page 25, Draft Cessnock Airport Strategic Plan.

2.3.4.3 Cessnock 2027 Community Strategy

<http://www.cessnock.nsw.gov.au/council/cessnock2027>

The Local Government Act, 1993 requires all New South Wales local councils to develop a long term community strategic plan. The Cessnock Community Strategic Plan identifies the community's main priorities and aspirations for the future and to identify strategies for achieving these goals.

The proposed Cessnock Airport Upgrade project will enable expansion of current businesses and the establishment of new businesses on the airport site. Interest in the site has been indicated from a range of business types including innovative freight, manufacturing and charter businesses. The diversification of businesses on the airport site will support sustainable jobs growth.

Thereby the proposed project directly supports the following objectives identified in the Cessnock 2027 Community Strategy:

- Objective 2.1 – Diversifying local business options
- Objective 2.2 – Achieving more sustainable employment opportunities
- Objective 2.3 – Increasing tourism opportunities and visitation in the area
- Objective 4.1 – Better transport links

2.3.4.4 Cessnock Delivery Program 2017-21

http://www.cessnock.nsw.gov.au/resources/file/Publications/2017/Delivery%20Program%202017-21%20_%20Adopted%20_%2021%20June%202017.pdf

The delivery program is a statement of how Council aims to achieve the outcomes developed by the community in the Community Strategic Plan Cessnock 2027, by implementing relevant actions, ensuring adequate resources, monitoring progress, advocating on behalf of the community, building partnerships and ensuring accountability in everything Council does.

Continued implementation of the Cessnock Airport Strategic Plan is identified (page 46 of the Delivery Program) in achieving the objective of better transport links and is incorporated in the delivery program for Council. The proposed upgrades to the airport are a key component of achieving the outcomes identified in the Draft Cessnock Airport Strategic Plan.

2.3.4.5 Cessnock Economic Development Strategy

<http://www.cessnock.nsw.gov.au/community/business/economicstrategy>

The Cessnock Economic Development Strategy provides the direction and framework to encourage and facilitate economic development within Cessnock LGA. The Economic Development Strategy incorporates three priorities for economic development within the LGA:

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- Priority 1: To ensure that the foundation 'blocks' needed to support and stimulate economic development are in place.
- Priority 2: To support and nurture existing economic activities – to encourage increased productivity, sustainability, growth and employment.
- Priority 3: To target new businesses and economic activities.

The Cessnock Airport Upgrade project supports each of these priorities. The airport is a significant piece of local community infrastructure, owned and operated by Council, the proposed upgrades will ensure the economic sustainability of the airport and enable further diversification of business types (including new and innovative industry activities) operating at the site, thereby supporting jobs growth.

2.3.4.6 Vineyards District Community Vision

<http://www.cessnock.nsw.gov.au/planning-and-development/publications/vvstmt>

The Vineyard District Vision (adopted by Council in 2012) includes fostering a mix of diverse businesses and employment options and the provision of high-quality infrastructure to meet visitor needs. The upgrades proposed for Cessnock Airport support these key objectives through enabling business opportunities, jobs growth and enhancement of the visitor experience through more visitor experience offerings at the airport and the visitor terminal upgrade.

2.4 Stakeholder & community support

2.4.1 Maitland City Council

<https://www.maitlandmercury.com.au/story/5871989/draft-airport-plan-first-class-for-maitland-and-cessnock/>

The Maitland Mercury (28 January 2019) reported recently that the Maitland City Mayor Loretta Baker expressed support for the Draft Cessnock Airport Strategic Plan which incorporates the proposed upgrades to Cessnock Airport.

Maitland City Council is currently preparing a destination management plan and Cr Baker stated an aviation hub (as proposed in the airport's draft plan) would open up the Hunter for more visitors and jobs, which would benefit Maitland given the City's proximity to Cessnock.

2.4.2 Hunter Valley Wine and Tourism Association

As outlined in the Hunter Valley Wine and Tourism Association's (HVWTA) supporting letter (Attachment F) the organisation is actively involved at a strategic level with council through two regional partnerships called Advance Cessnock City and the Hunter Valley Wine & Tourism Alliance. The partnerships were established to bring together economic development stakeholders to capitalise on our advantages as a region and to realise a shared vision of the region's future.

The letter states the wine tourism industry employs 2800 people in the Hunter Valley and brings 1.4 million overnight visitors to the region each year. In 2017, we saw over \$502 million economic benefit to the region and the state of NSW's economy derived from the wine tourism industry and we are optimistic about the future.

The HVWTA states the project will position the facility as a significant contributor to grow the local economy sustainability post-mining, in particular as a major tourist and business gateway to the Hunter Valley.

2.4.3 BASAIR Aviation College

A letter of support (Attachment F) from the Director of Hunter Valley Aviation states:

"Operating an average of 1,500 flying hours per month with the current airport infrastructure was extremely challenging and created a lot of inefficiencies in operations. These factors as well as other minor factors lead us to conclude that we could not realistically operate out of Cessnock Airport."

The letter describes how current deficiencies at the airport (which are subject of the proposed upgrades) resulted in the aviation college relocating, however the letter goes on to describe Cessnock as being an advantageous location

for a flying school due to the availability of airspace and rural surroundings in addition to the townships and visitor attractions appealing to visiting students.

2.4.4 Hunter Aerospace

A letter of support (Attachment F) from the Director of Hunter Aerospace states:

“the current deficiencies at Cessnock Airport include:

- *No navigation IFR approach facility for aircraft to land safely in poor weather*
- *Length and width of the runway to accommodate performance requirements of bigger aircraft*
- *Refuelling facilities*
- *Hangarage and manufacturing workshops*
- *Sewer and water infrastructure on the western side of the airport*
- *Lack of adequate passenger facilities and an urgent need to upgrade the terminal.”*

The letter goes on to state upgrading Cessnock Airport would also provide a catalyst to create an Aviation Manufacturing Hub and attract a cluster of specialised aircraft services and maintenance providers, with the opportunity to support Newcastle Airport as an overflow facility.

This letter clearly demonstrates support for the proposed project and highlights the business opportunities for Hunter Aerospace post-upgrade, including supporting 15 additional jobs (inclusive of aircraft painters, ground support staff, maintenance crew, avionics and overflow general staff providing services within the airport).

2.4.5 Edwards Aviation

Edwards Aviation (Attachment F) outlines Cessnock Airport’s advantages over other airports in the region, such as:

“Currently, the aviation access in the Newcastle and Hunter Valley region is quite restrictive and although there are a number of airports in the region, they present the following issues for us:

- *We have difficulty accessing Williamtown airport as it is a military airport which also does not have fuel for some of our aircraft. It is also expensive and requires permission which can be hard to organise at short notice*
- *Although Warnervale runway has been extended, it is still too narrow for our aircraft and does not have a sealed taxiway or lights. There is also no jet fuel. It requires prior permission as well.*
- *Lake Macquarie airport is too short and is not accessible at night. There is no fuel. It also requires prior permission.*
- *Maitland airport has a significant kangaroo problem and the runway lighting availability is limited. It is also too narrow for some of our aircraft and does not have jet fuel. “*

The email identifies Cessnock Airport as a great facility due to 24 hour lighting and access to fuel. However, due to lack of an instrument approach access in bad weather, particularly at night, makes access the airport extremely difficult.

Despite many of their clients requesting to fly to Cessnock the charter company is unable to offer the service and instead have to fly to Williamtown which is an inconvenience and additional cost to both client and the operator.

2.4.6 McNeil Aviation & Colonial Airways

McNeil Aviation (Attachment F) outlines support for upgrades to Cessnock Airport. Following the upgrades McNeil Aviation intend to operate out of Cessnock Airport as an Aviation Business due to the Airport having the potential to become a gateway / port of entry for the Hunter.

The supporting letter identifies the upgrades will provide critical land for emerging cluster of aviation manufacturers, such as their business. The letter states the following:

“Once the airport upgrade project is complete we would expect to increase the number of flights in the following 2 to 5 years to accommodate an 200% increase in passengers which would be a vital infusion

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to the local Tourist industry Indeed my Company McNeil Aviation and Colonial Airways are ready to commit to/ expand our operations to Cessnock Airport as a result of this project.

If this project proceeds, I would like to build my own facility and potentially bring increased employment and jobs to Cessnock Airport. I have forecasted that there is potential for my annual turnover to grow by 25 to 50%. Should my business relocate/expand to Cessnock Airport, I believe more advanced or niche aviation manufacturers will also be attracted to expand or establish here."

2.4.7 Campervan & Motorhome Club of Australia

Campervan & Motorhome Club of Australia (CMCA) works with local governments to expand the network of "RV Friendly Towns", which are towns recognised as supporting the road-based traveller through the provision of long vehicle parking, overnight stopping areas and a dump point for the discharge of onboard waste water. The support letter (Attachment F) states a in recent survey undertaken by CMCA members stated they are more likely to visit and stop in towns and locations that are recognised as RV Friendly.

CMCA supports installation of an RV dump point, designated overnight parking, and the establishment of an Aviation Museum as supporting Cessnock LGA's visitor economy.

2.4.8 Kurri Kurri District Business Chamber

The Kurri Kurri Business Chamber has expressed strong support for the proposed upgrades to Cessnock Airport (Attachment F). The Business Chamber actively works with Council to drive business growth and investment.

The Chamber recognises the upgrades will improve opportunities for Council to attract business and support of growth of the aviation industry in Cessnock LGA, in additional to positioning the facility as the Hunter Region's tourism and business gateway.

2.4.9 Towns With Heart

Towns With Heart actively collaborate with Council through the regional partnership Advance Cessnock City. Towns With Heart recognise the need to boost business investment and growth in the region to address high levels of unemployment and to assist in servicing the growing population. The organisation states (see Attachment F):

"This project will have an enduring legacy – creating sustainable employment and increasing the economic resilience of the region in the medium to long term."

2.4.10 Survey responses

Cessnock Council conducted a survey of key airport stakeholders between December 2018 and January 2019. The responses are detailed in Attachment F. There is overwhelming support for the project from each respondent and the survey results highlighted a number of deficiencies currently present at the airport and how that impacts running of their aviation-based businesses.

Feedback clearly identifies the potential for expansion for currently operating businesses, and potential for attracting new businesses to Cessnock.

Key comments include:

- *"We have engaged many airline clients for cadet programs and just recently Air China have expressed interest in Cessnock. The major issue there is infrastructure for aircraft parking and larger hangars for maintenance and storage of new aircraft."*
- *"We would love to see the airport grow and develop, items such as increasing visibility from the road for tourists could add enough value to employ an extra staff member, if there was facilities to our new hangar site it would also greatly improve the prospects of growing our business."*
- *"Speciality aircraft are operations are currently limited due runway, length, width and direction."*

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- *[Following the upgrade Cessnock Airport] .." would be the only fully functional GA airport in the lower Hunter."*
- *"We used to operate a school there that was 4 times the size it is now. We tend to get most of our students choosing Brisbane due to the facilities there over Cessnock."*

2.4.11 Cessnock City Council

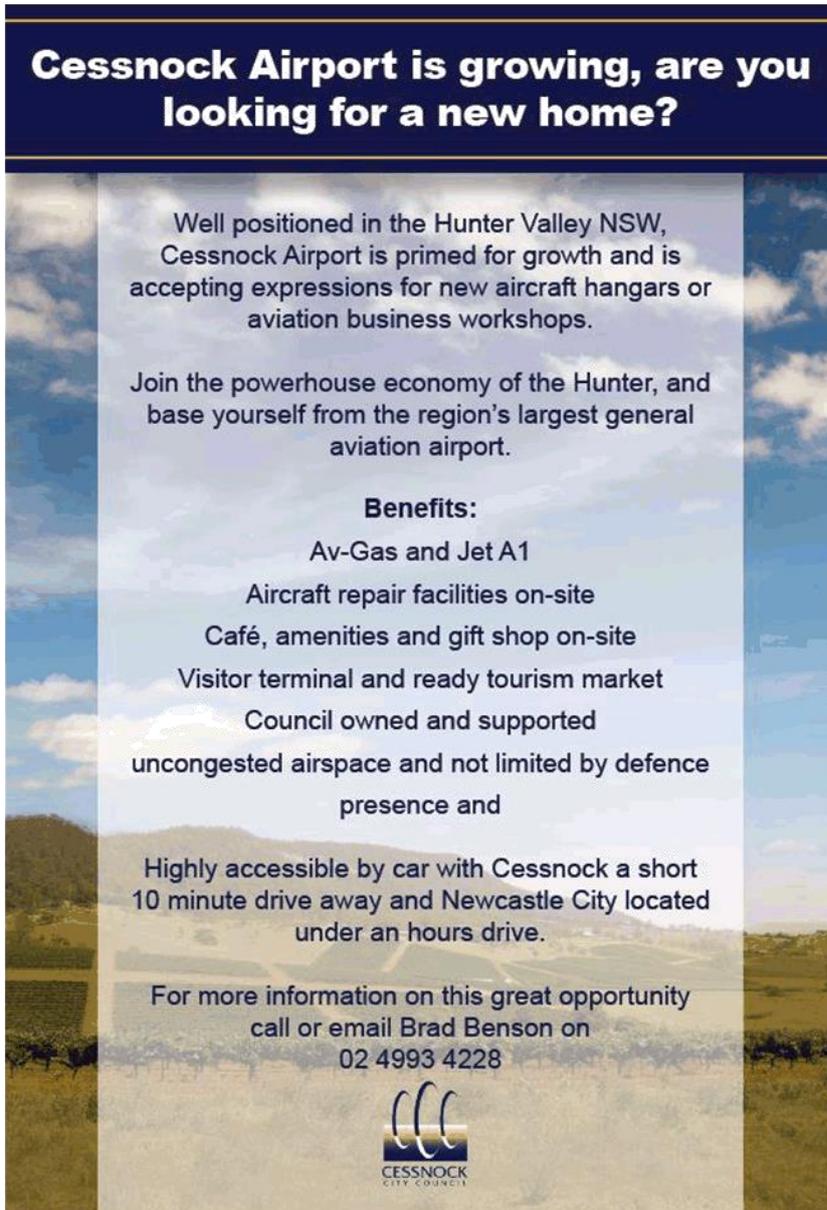
Council has identified the proposed upgrades to Cessnock Airport as a key priority and critical to achieving the vision for Cessnock airport as articulated in the Draft Cessnock Airport Strategic and Business Plan (see Attachment B).

One of Council's stated goals is to actively foster the creation of employment and sustainable development opportunities acceptable to community and environmental standards.

Council proactively works extensively to support and increase opportunities for local businesses, and attract new business opportunities to the region to advance the regions' economic growth in our region by forming strategic partnerships and developing joint projects.

Cessnock Airport is an important public asset and Council continues to drive economic opportunities at the site as demonstrated by Figure 2-11.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH



Cessnock Airport is growing, are you looking for a new home?

Well positioned in the Hunter Valley NSW, Cessnock Airport is primed for growth and is accepting expressions for new aircraft hangars or aviation business workshops.

Join the powerhouse economy of the Hunter, and base yourself from the region's largest general aviation airport.

Benefits:

- Av-Gas and Jet A1
- Aircraft repair facilities on-site
- Café, amenities and gift shop on-site
- Visitor terminal and ready tourism market
- Council owned and supported
- uncongested airspace and not limited by defence presence and

Highly accessible by car with Cessnock a short 10 minute drive away and Newcastle City located under an hours drive.

For more information on this great opportunity call or email Brad Benson on 02 4993 4228



Figure 2-11 Cessnock City Council advertisement

2.5 Expected outcomes

2.5.1 Reduced maintenance

Significant runway maintenance:

- Drainage repair - 2001
- Heavy patching - 2011
- Heavy patching - 2018
- Crack sealing - 2018

Due to subsidence heavy patching of the runway occurred in 2011 and 2018. Runway patching that occurred in 2018 also included repair of two patches made in 2011 due to subsidence of the original patch. At a minimum heavy patching costs Council upward of \$75,000 per annum. Due to continued subsidence and deterioration of runway the frequency of patching will increase over time. Additionally, patching also damages the sealed surface which can result in further patching requirements as well as crack sealing.

Runway reconstruction would give the runway at least 10 years of patch free use and up to 15 years before major works would be required.

2.5.2 Economic benefits

Figure 2-12 (below) is taken from a recent Regional Airport Study (see Attachment C) and demonstrates the benefits of airports and aviation.

There are important forward-linkage benefits that airports facilitate in the wider economy and society – positive developments in other industries that would not take place, or would be smaller, if there was no aviation or airports:

- Tourism
- Regional business
- Government efficiency
- Social benefits

These benefits are in addition to the backward linkages that generate indirect, flow-on expenditures and employment.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

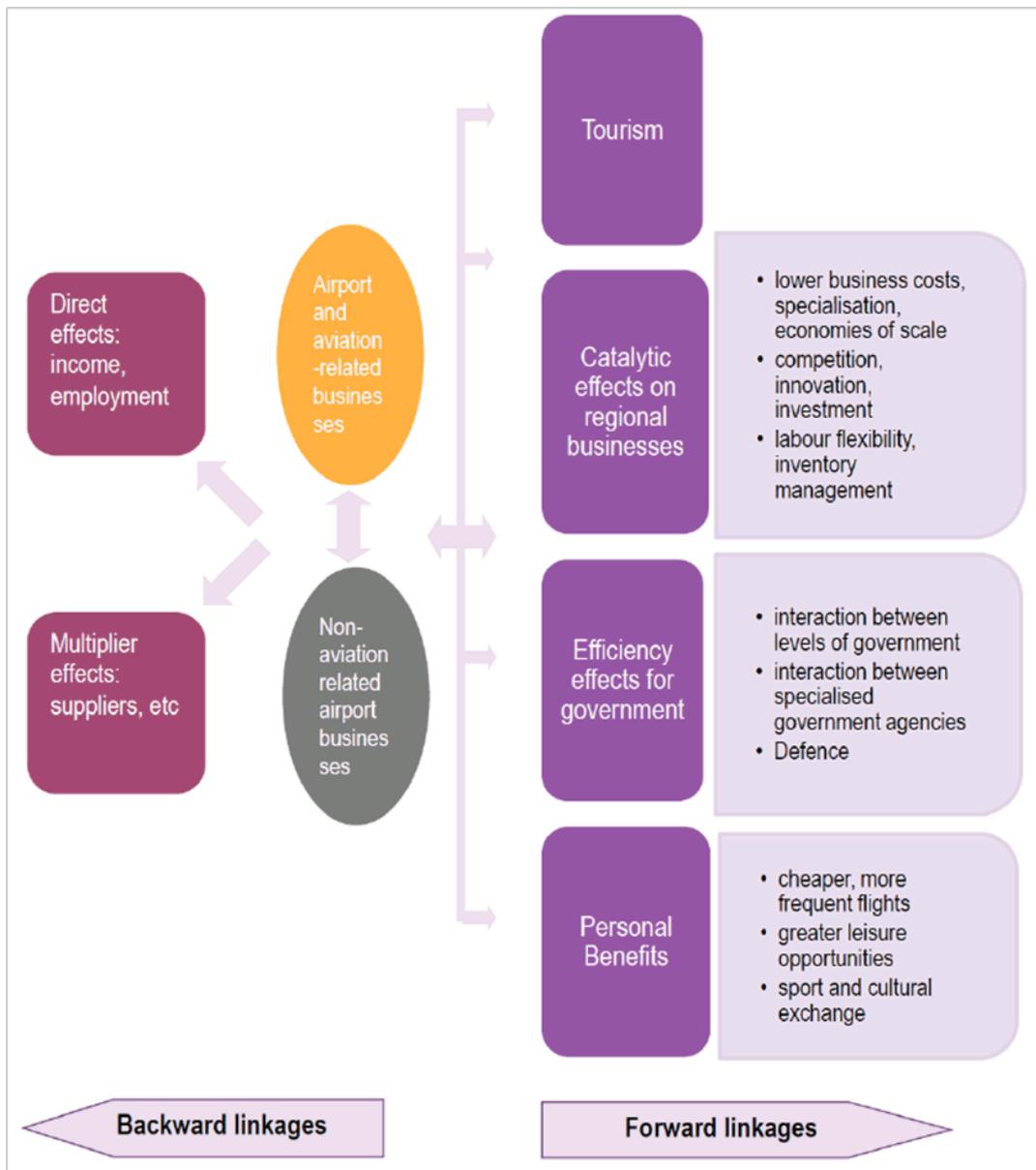


Figure 2-12 Benefits of Airports and Aviation – forward and backward linkages
 Source: Acil Allen Consulting, Regional Airport Infrastructure Study.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

The project is anticipated to result in improved economic outcomes for the townships and broader region. As outlined above, it is important to consider this project as part of a broader (existing and planned) network that will develop over time rather than an isolated initiative.

Anticipated economic benefits relate to:

- Growing the tourism offering
- Increased visitor expenditure
- Business growth
- Future opportunities

Growing the tourism offering

Tourism is an amalgam of activities covering industries such as accommodation of food services, some manufacturing, transport, retail and arts and recreation. Tourism is a key sector in the Cessnock economy. As a combined sector, tourism is the largest employing industry for the municipality and is growing in importance. In 2011 the tourism sector provided is 14.1% of all employment while in 2016 it provided 16.1%.

Similarly, tourism's contribution to value added is also increasing. Between 2013 and 2017 the contribution of tourism increased from 7.5% (\$169.5 million) to 9.9% (\$221.9 million) of regional value added. This growth is even more important given the decline experienced in other key sectors of mining and manufacturing over the same period (mining decreasing from 19.3% to 8.8% and manufacturing decreasing from 17.8% to 10.2%).

This project will enhance the visitor experience, particularly if arriving through the upgrade airport terminal, but will also expand the range of visitor experiences by ensuring the runway remains operational and scenic flight (and charters) continue to operate and expend services at Cessnock Airport.

Increased Visitor Expenditure

Operating a flying school at Cessnock Airport is advantageous due to the flying training area being primarily rural and the significantly large airspace (see Supporting Letter from BASAIR Aviation College). However, the condition of the runway and lack of an instrument landing system are key deterrents to current flight schools expanding operations.

The upgrade will directly address these deficiencies and support the number of flight school students to increase. The current operator has stated in their letter of support they "*had more than 90 full-time students... Today we operate at about a quarter of those numbers*" (see Attachment F). Currently flight students are able to take advantage of the surrounding attractions contributing to total visitor expenditure. Therefore once the upgrades are complete and the number of flight students increase a direct effect will be an increase in visitor expenditure by these additional students and the indirect flow-on effects to tourism related industries.

Business growth

This project is a significant infrastructure upgrade of Cessnock Airport to realise the community's vision of it being a well-planned and serviced facility that attracts environmentally-responsible economic development opportunities to the region. The project is required to unlock and allow necessary access to employment lands suitable for business growth and investment. Council have advised that they are currently unable to meet demand for hangarage, turning away an average of 4-8 aviation inquiries per month for hangar space.

Cessnock Council conducted a survey of key airport stakeholders between December 2018 and January 2019 (see Section 2.4.6). There is overwhelming support for the project from each respondent and the survey results highlighted a number of deficiencies currently present at the airport and how that impacts running of their aviation-based businesses.

Feedback clearly identifies the potential for expansion for currently operating businesses, and potential for attracting new businesses to Cessnock. Key comments received include:

- "*We have engaged many airline clients for cadet programs and just recently Air China have expressed interest in Cessnock. The major issue there is infrastructure for aircraft parking and larger hangars for maintenance and storage of new aircraft.*"

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

- *"We would love to see the airport grow and develop, items such as increasing visibility from the road for tourists could add enough value to employ an extra staff member, if there were facilities to our new hangar site it would also greatly improve the prospects of growing our business."*
- *"Speciality aircraft operations are currently limited due runway, length, width and direction."*
- *"[Following the upgrade, Cessnock Airport] would be the only fully functional GA airport in the lower Hunter."*
- *"We used to operate a school there that was 4 times the size it is now. We tend to get most of our students choosing Brisbane due to the facilities there over Cessnock."*

Council has advised REMPLAN that the Airport is receiving constant aviation enquiries due to its proximal location, well positioned near major freight routes and population centres, and capacity to absorb growth for new and emerging industries, complimentary aviation businesses and reputation for pilot skills and training.

In addition, letters of support for the project (see Section 2.4) indicates Cessnock as a preferred location for aviation activity pending the proposed upgrades.

It is envisaged the upgrades to Cessnock Airport will attract a range of aviation businesses to establish or relocate to the airport. Having greater aviation options will attract new businesses into Cessnock therefore enabling further investment into the region.

Operational efficiencies for Cessnock City Council

The condition of the pavement is poor and there are stormwater drainage issues. Failure of the pavement has resulted in continued deterioration and the increasing presence of loose stones. Any debris poses a risk; however, loose stones are likely to cause damage to aircraft. Damage to aircraft from loose stones can go beyond simply repair or replacement of propellers and result in further works to ensure the aircraft is safe to fly, placing an additional cost burden on aircraft owners.

As identified in Section 2.5, reduced frequency and cost of maintenance will also occur.

Runway reconstruction would give the runway at least 10 years of patch free use and up to 15 years before major works would be required.

Future opportunities

It is important to establish the right foundations for future industrial growth, STEM and advanced manufacturing are considered very real possibilities for the airport site and are a priority for Cessnock LGA's Business Investment Attraction and growth programming remains to be in jobs-rich sectors which provide good return on investment for local employment.

Cessnock City offers a range of opportunities for investment and economic growth. Having greater aviation options supports attracting new businesses as well as encouraging further investment into the greater region. Among the key industries and activities that Council has researched to be ideally suited to thrive in the region are to be propelled forward by the Airport project including specifically Aviation services and airport-based businesses but also Construction trades, Transport and logistics, Manufacturing and fabrication, Tourism and tertiary support businesses.

3 ANALYSIS OF THE PROPOSAL

3.1 Objectives & indicators

Table 3.1 outlines the objectives and the associated indicators of the airport upgrade, based on the problems and opportunities identified in previous section.

Table 3.1: Proposal objectives

Key problem/issue	Key proposal objective	Key success indicator
Deficient pavement	Complete rebuild of runway	Completion of project and increased aviation activity including more frequent and larger aircraft
Business growth	The connection of water and sewerage services will unlock the development potential of the western side of the site	Establishment of new businesses on western side of airport site
Lack of visibility	Increase visibility for airport as an aviation business cluster and a gateway to Hunter Region	Increased number of passengers through terminal
Increase visitation	Increase visitation to Cessnock LGA	Retail, food service and accommodation providers indicating increased number of customers
Lack of suitable general aviation in the Hunter Region	Upgrades to Cessnock Airport will attract GA businesses currently being turned away	Establishment of new businesses on western side of airport site

3.2 The base case

The base case is the 'do-nothing' scenario. Cessnock Airport will continue to operate and support the businesses currently operating on site. However, the longevity of the runway is in doubt. Douglas Partners (2001) stated the runway "pavement can be considered to be in a terminal condition. The only option for the upgrade is full reconstruction...". While the more recent investigation undertaken by Pavement Management Services (2018) concluded "this investigation has revealed a weak pavement and should be considered for rehabilitation in the very near future".

Without this proposed project proceeding runway maintenance will increase in cost and frequency. Due to continued subsidence and deterioration of runway the frequency of patching will increase over time. At a minimum heavy patching costs Council upward of \$75,000 per annum.

Overtime further deterioration of the runway and taxiway will increase the risk of damage to aircraft due to loose stones and debris and increase the safety risk associated with landing aircraft on an unstable surface.

The increased risk to aircraft will deter new aviation based businesses from establishing operations at Cessnock Airport and may result in businesses currently operating on site to seek alternate airports with more suitable infrastructure, thereby resulting in jobs loss for Cessnock LGA.

3.3 Other options considered

Council undertook an options review to inform the development of the Draft Cessnock Airport Strategic and Business Plan (see Attachment B). The following options currently exist:

1. 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.

2. 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., nor does it address the growing issue of compliance due the poor condition of the runway.

3. 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 maximum revenue can be achieved.

4. Undertake significant capital works to attract business

Council could seek to borrow considerable funds and undertake significant capital works to extend 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 also require improvements to the navigational system and runway lighting. Further, the increased size of aircraft is likely to cause issues with surrounding residents.

5. 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 of the site has proven difficult to manage and resulted in significant cost to Council. A joint arrangement is a relatively untried area and potentially fraught with danger unless it is well managed and controlled. Corporatisation could work subject to strong management by Council, including stringent works programs. Ultimately, it is considered these styles of arrangement could diminish Councils control of the airport, increase unwarranted traffic and potentially result in increased cost.

However, the cost of making the airport an attractive investment would be similar to what is proposed as the best option for a commercially viable offer to private sector.

6. 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 project should be progressed at the earliest opportunity.

3.4 Information about the proposal

3.4.1 Scope Of Works

This project is a significant infrastructure upgrade of Cessnock Airport to realise the community's vision of it being a well-planned and serviced facility that attracts environmentally-responsible economic development opportunities to the region. As such the project has been highlighted in the draft Regional Economic Development Strategy.

The project comprises:

- the widening and resealing of taxiways;
- provision of aprons and aircraft parking areas;
- improved fuel area access;
- runway reconstruction and extension;
- connection of water and sewerage to the site;
- installation of an RV dump point and designated overnight parking,
- construction of aircraft storage facilities.

Table 3.2: Project Cost Components

Project Component	Cost estimate
Widening and Resealing of taxiway	\$284,860
Fuel Area taxiway and apron	\$53,708
Reconstruction of Runway and Extension	\$1,850,000
Sewer Connection and Water Connection (all phases)	\$3,664,000
Aviation museum hangar	\$500,000
RNAV/GPS approach	\$38,233
Hangarage/Aircraft Storage	\$400,000
Aircraft parking areas	\$550,000
Terminal upgrade	\$150,000
Project Management, investigations etc..	\$357,450
Sub-total	\$7,848,251
Contingency	\$999,946
Total	\$8,848,197

3.4.2 Proposal Exclusions

The costs already incurred by Council for the preliminary investigation and concept design undertaken are not included in this grant application. The extent of co-funding provided by Council does not include in-kind contributions that will be provided covering executive project control, project governance and project management.

3.4.3 Related Projects

Various projects and actions are identified in the Draft Cessnock Airport Strategy and Business Plan to assist in developing the airport as a regional aviation hub. The proposed Cessnock Airport Upgrade project as outlined in this submission is not contingent on any related project. The proposed upgrades are identified as critical to unlocking business investment growth.

3.5 Projected costs

This section is to be read in conjunction with Attachment G which presents the detailed economic assessment.

3.5.1 Projected Capital Costs

Project costs are presented in Table 3.2. The estimated cost of \$8,848,197 has been built up from first principles by Council's engineering staff using a work breakdown structure and allowing a contingency in each phase based on the level of associated risk. Costs already incurred by Council for preliminary investigation and concept design are not included in this application.

A project specific budget has been developed based on estimates of the predicted final cost including risk-based contingencies and a forecast cash flow will record, monitor and manage cost.

A 10% contingency allowance has been incorporated, and an escalation factor (inflation) of 2% has been applied in 2019-20 (Table 3.3).

Table 3.3: Projected capital costs inclusive of contingency (\$000s)

Stage	2019-20	2020-21	Future Years	Total
Base cost estimate	\$3,602	\$4,246	\$0	\$7,848
Contingency	\$500	\$500	\$0	\$1,000
Escalation	\$0	\$95	\$0	\$95
Nominal cost	\$4,102	\$4,841	\$0	\$8,943

3.5.2 Catalytic Capital Costs

It has been conservatively assumed three new businesses will be attracted to Cessnock Airport once the upgrades are complete. The businesses are Aircraft maintenance, Charter / Scenic Flight Operator and Aviation Museum.

As detailed in Table 3.4 It is assumed the Charter / Scenic Flight Operator and the Aircraft maintenance business will be required to undergo capital expenditure of \$150,000 in Year 3 (see Attachment G for further information).

Table 3.4: Catalytic capital costs (\$000s)

Stage	2019-20	2020-21	2021-22	Future Years	Total
Capital cost	\$0	\$0	\$300.0	\$0	\$300.0
Escalation Factor	1.00	1.02	1.04	-	-
Nominal cost	\$0	\$0	\$312.1	\$0	\$312.1

3.5.3 Projected Ongoing Costs

Council⁴ provided historical and projected income and expenses for airport operations. The projected financial figures were determined under the assumption that the Cessnock Airport Upgrades proceed.

Ongoing costs incurred by Council include general maintenance, routine repair work, utilities etc.

⁴ Cessnock City Council, Draft Cessnock Airport Strategic Plan.

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The marginal increase in costs incurred by Council as presented in Table 3.5 below and reflects the difference in costs “with” project and “without” project scenarios.

A general operating expense ratio has been adopted at 0.70 and has been applied to business operations at the airport post-project.

These estimates of operational expense have been applied to both existing businesses (to account for the marginal increase in trade) and new businesses attracted to Cessnock Airport due to upgrades.

Table 3.5: Projected ongoing costs (\$000s)

	Marginal increase in operational costs incurred by Council	Marginal increase in operational costs incurred by existing businesses located at airport	Operational costs incurred by new businesses located at airport	Escalation factor	Total by year (inclusive of escalation)
2019-20	\$133.8	\$0.0	\$0.0	1.00	\$133.8
2020-21	\$538.3	\$0.0	\$538.3	1.02	\$1,098.1
2021-22	\$133.4	\$661.1	\$1,076.6	1.04	\$1,946.7
2022-23	\$138.3	\$1,322.2	\$6,033.0	1.06	\$7,952.1
2023-24	\$183.4	\$1,983.2	\$10,989.4	1.08	\$14,240.6
2024-25	\$123.4	\$2,644.3	\$15,945.9	1.10	\$20,661.3
2025-26	\$143.5	\$3,305.4	\$20,364.0	1.13	\$26,817.2
2026-27	\$52.6	\$3,355.0	\$24,782.1	1.15	\$32,381.1
2027-28	\$52.7	\$3,405.3	\$24,782.1	1.17	\$33,087.7
2028-29	\$75.3	\$3,456.4	\$24,782.1	1.20	\$33,837.6
2029-30	\$95.4	\$3,508.2	\$25,029.9	1.22	\$34,904.2
2030-31	\$125.5	\$3,560.9	\$24,779.6	1.24	\$35,393.9
2031-32	\$125.6	\$3,614.3	\$25,275.2	1.27	\$36,798.1
2032-33	\$75.7	\$3,668.5	\$25,022.5	1.29	\$37,212.7
2033-34	\$95.8	\$3,723.5	\$25,522.9	1.32	\$38,716.4
2034-35	\$125.9	\$3,779.4	\$25,267.7	1.35	\$39,262.9
2035-36	\$126.0	\$3,836.1	\$25,773.0	1.37	\$40,819.9
2036-37	\$76.1	\$3,893.6	\$25,515.3	1.40	\$41,286.1
2037-38	\$96.2	\$3,952.0	\$26,025.6	1.43	\$42,952.8
2038-39	\$126.3	\$4,011.3	\$25,765.4	1.46	\$43,562.9

3.6 Cost-benefit analysis

This section is to be read in conjunction with Attachment G which presents the detailed economic assessment. The information presented in this section has been replicated as requested in Attachment A: Cessnock Airport Upgrade_Datasheet.

The key costs associated with this project include capital costs and contingency (as identified in Section 3.5), and the marginal increase in ongoing maintenance and repair costs.

For the purpose of determining a cost benefit ratio indirect costs have been included, such as:

- Catalytic capital costs, i.e. capital costs incurred by new businesses establishing operations at Cessnock Airport once the project is complete.
- Marginal increase in operating expense incurred by currently operating businesses due to expansion
- Operating expense incurred by newly established businesses

Once the upgrades to Cessnock Airport are complete, the benefits over the life of the asset will include:

- An increase in airport revenue including fees and charges, licences, lease income (associated with new hangars).
- Additional turnover generated by the expansion of currently operating businesses
- Turnover generated by new businesses established post-project
- Flight school students and increased visitor expenditure

The methodology used to determine the value of these benefits to the economy of the City of Cessnock is presented in detail in Attachment G: Economic Assessment.

Marginal change in Cessnock Airport operational income

Council⁵ provided historical and projected income and expenses for airport operations. The projected financial figures were determined under the assumption that the Cessnock Airport Upgrades proceed.

Airport operational income includes landing fees, apron parking revenue, leases and licences.

The marginal increase in operational income for Council as presented below in Table 3.7 reflects the difference in income "with" project and "without" project scenarios.

Increased turnover

This project is a significant infrastructure upgrade of Cessnock Airport to realise the community's vision of it being a well-planned and serviced facility that attracts environmentally-responsible economic development opportunities to the region. The project is required to unlock and allow necessary access to required employment lands suitable for business growth and investment. Council have advised that they are currently is unable to meet demand for hangarage, turning away an average of 4-8 aviation inquiries per month for hangar space.

Cessnock Council conducted a survey of key airport stakeholders between December 2018 and January 2019 (see Section 2.4.8). There is overwhelming support for the project from each respondent and the survey results highlighted a number of deficiencies currently present at the airport and how that impacts running of their aviation-based businesses.

Feedback clearly identifies the potential for expansion for currently operating businesses, and potential for attracting new businesses to Cessnock.

Council has advised REMPLAN that the Airport is receiving constant aviation enquiries due to its proximal location, well positioned near major freight routes and population centres, and capacity to absorb growth for new and emerging industries, complimentary aviation businesses and reputation for pilot skills and training.

⁵ Cessnock City Council, Draft Cessnock Airport Strategic Plan.

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In addition letters of support for the project (see Section 2.4) indicates Cessnock as a preferred location for aviation activity pending the proposed upgrades. In particular from Hunter Aerospace which outlines the business relocating to the airport once the project is complete.

It is envisaged the upgrades to Cessnock Airport will attract a range of aviation businesses to establish or relocate to the airport. Having greater aviation options will attract new businesses into Cessnock therefore enabling further investment into the region.

Based on the feedback and current employee numbers REMPLAN has assumed total new jobs due to expansion of business operations will reach 14.

It has been conservatively assumed three new businesses will be attracted to Cessnock Airport once the upgrades are complete. The businesses are Aircraft maintenance, Charter / Scenic Flight Operator and Aviation Museum and total employment is projected to reach 41.

Total supported employment is estimated at 55 new jobs.

Businesses currently operating at the airport are projected to incrementally reach total additional employment in Year 7 (i.e. Year 5 of operations), while due to the staggered construction, commencement of operations for the new businesses will be staggered. New businesses are projected to reach full employment 5 years after construction of their hangar.

Projected employment is presented in Table 3.6.

Table 3.6: Projected employment supported by new and expanding businesses

	Marginal increase in jobs for existing businesses	Jobs based in new businesses	Total
2019-20	0	0	0
2020-21	0	6	6
2021-22	3	12	15
2022-23	6	20	26
2023-24	8	28	37
2024-25	11	37	48
2025-26	14	39	53
2026-27	14	41	55
2027-28	14	41	55
2028-29	14	41	55
2029-30	14	41	55
2030-31	14	41	55
2031-32	14	41	55
2032-33	14	41	55
2033-34	14	41	55
2034-35	14	41	55
2035-36	14	41	55
2036-37	14	41	55
2037-38	14	41	55
2038-39	14	41	55

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

Based on estimates of the Cessnock (C) regional economy, REMPLAN has estimated the following turnover by applying a change in jobs to relevant industry sectors. The following estimates of turnover (Table 3.7) include fluctuations to account for potential increase and decrease demand.

Table 3.7: Marginal increase in income and turnover (\$000s)

	Marginal increase in operational income for Council	Marginal increase in turnover for existing businesses located at airport	Turnover generated by new businesses located at airport	Escalation factor	Total by year (inclusive of escalation)
2019-20	\$150.9	\$0.0	\$0.0	1.00	\$150.9
2020-21	\$236.9	\$0.0	\$769.0	1.02	\$1,026.0
2021-22	\$282.4	\$944.4	\$1,538.0	1.04	\$2,876.5
2022-23	\$286.6	\$1,888.8	\$8,618.6	1.06	\$11,454.7
2023-24	\$316.5	\$2,833.2	\$15,699.2	1.08	\$20,402.6
2024-25	\$316.1	\$3,777.6	\$22,779.8	1.10	\$29,670.5
2025-26	\$340.4	\$4,722.0	\$29,091.4	1.13	\$38,462.7
2026-27	\$324.4	\$4,792.8	\$35,403.0	1.15	\$46,545.0
2027-28	\$329.0	\$4,864.7	\$35,403.0	1.17	\$47,565.5
2028-29	\$339.0	\$4,937.7	\$35,403.0	1.20	\$48,616.0
2029-30	\$349.4	\$5,011.8	\$35,757.0	1.22	\$50,122.8
2030-31	\$360.1	\$5,086.9	\$35,399.5	1.24	\$50,787.4
2031-32	\$371.1	\$5,163.2	\$36,107.4	1.27	\$52,811.8
2032-33	\$382.4	\$5,240.7	\$35,746.4	1.29	\$53,515.8
2033-34	\$394.1	\$5,319.3	\$36,461.3	1.32	\$55,648.6
2034-35	\$406.1	\$5,399.1	\$36,096.7	1.35	\$56,394.4
2035-36	\$418.5	\$5,480.1	\$36,818.6	1.37	\$58,641.6
2036-37	\$431.3	\$5,562.3	\$36,450.4	1.40	\$59,431.8
2037-38	\$444.5	\$5,645.7	\$37,179.4	1.43	\$61,799.7
2038-39	\$458.0	\$5,730.4	\$36,807.7	1.46	\$62,637.2

Marginal increase in visitor expenditure by flight students

Operating a flying school at Cessnock Airport is advantageous due to the flying training area being primarily rural and the significantly large airspace (see Supporting Letter from BASAIR Aviation College). However, the condition of the runway and lack of an instrument landing system are key deterrents to current flight schools expanding operations.

Based on stakeholder feedback (see Attachment F) REMPLAN has assumed an increase of 68 flight students per course, one third of the students are assumed to be international students and the remainder are visiting from outside Cessnock (C). Each course is held three times a year over a period of 60 days.

The marginal increase in expenditure by visitor type is presented in Table 3-8.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

Table 3-8 Determination of Additional Visitor Expenditure

	Domestic Overnight	International	Total
Number of Visitors	45	22	67
Number of Nights	180	180	-
Estimated Expenditure per Visitor (\$)	\$48,060	\$10,440	-
Total Estimated Expenditure (\$)	\$2,162,700	\$229,680	\$2,392,380

Source: TRA and REMPLAN.

REMPPLAN has assumed the increase in flight students training at Cessnock Airport occurs incrementally from up to 5 years after project completion. Table 3.9 illustrates the annual increase in visitor expenditure over analysis period.

Table 3.9: Marginal increase in annual visitor expenditure due to increased flight students (\$000s)

	Marginal increase in visitor expenditure	Escalation factor	Total by year (inclusive of escalation)
2019-20	\$0.000	1.00	\$0.0
2020-21	\$0.000	1.02	\$0.0
2021-22	\$0.478	1.04	\$497.8
2022-23	\$0.957	1.06	\$1,015.5
2023-24	\$1.435	1.08	\$1,553.8
2024-25	\$1.914	1.10	\$2,113.1
2025-26	\$2.392	1.13	\$2,694.2
2026-27	\$2.392	1.15	\$2,748.1
2027-28	\$2.392	1.17	\$2,803.1
2028-29	\$2.392	1.20	\$2,859.1
2029-30	\$2.392	1.22	\$2,916.3
2030-31	\$2.392	1.24	\$2,974.6
2031-32	\$2.392	1.27	\$3,034.1
2032-33	\$2.392	1.29	\$3,094.8
2033-34	\$2.392	1.32	\$3,156.7
2034-35	\$2.392	1.35	\$3,219.8
2035-36	\$2.392	1.37	\$3,284.2
2036-37	\$2.392	1.40	\$3,349.9
2037-38	\$2.392	1.43	\$3,416.9
2038-39	\$2.392	1.46	\$3,485.2

Cost Benefit Ratio

As outlined in the attached Economic Assessment (Attachment G), in determining a net present value for the purpose of a cost benefit ratio, all costs and benefits have been indexed on an annual inflation rate (escalation factor) of 2%.

Under the CBA framework, the ratios of costs to benefits in net present value terms is presented below in Table 3.10.

Table 3.10: Cost Benefit Ratios

NPV Discount Rate	Cost	Benefit	Cost Benefit Ratios
4%	\$348,983,848	\$518,033,989	1 : 1.48
7%	\$249,326,853	\$367,026,886	1 : 1.47
10%	\$183,121,471	\$266,825,477	1 : 1.46

At a 4 per cent discount rate, it is estimated that for every dollar of costs, the *Cessnock Airport Upgrade Project* will deliver a benefit to the economy of Cessnock of \$1.48.

3.7 Financial appraisal

It is acknowledged that Cessnock Airport currently makes an annual loss, and that there a number of large scale operational and capital works that are also required to be undertaken in the foreseeable future. The forward financial projections (see Attachment B) also indicate negative net position over the next few years. It should be noted, however, that up to half of all regional airports operate at a loss (Australian Airports Association 'Australia's Regional Airports – Facts, Myths and Challenges').

The value of the cashflow into the 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.

A recent report (Acil Allen Consulting "Regional Airport Infrastructure Study" Attachment C) (page 21) found that of the 36 regional airports that provided 2014-15 financial data, 22 (or 61%) experienced deficits in 2014-15.

Furthermore, in a recent media release from the Australian Airports Association (AAA) (see Attachment D) calling for more support for regional airports, the AAA CEO, Caroline Wilkie, highlighted the financial burden airports place on Councils, with many regional airports expecting "persistent budget deficits over the next 10 years".

There are important forward-linkage benefits that airports facilitate in the wider economy and society – positive developments in other industries that would not take place, or would be smaller, if there was no aviation or airports. These benefits are in addition to the backward linkages discussed previously that generate indirect, flow-on expenditures and employment.

3.8 Proposed funding arrangements

The request for funding focuses on capital costs requirements.

The 25 percent co-contribution equates to \$2,212,049, with funding from the NSW Growing Local Economies application being \$6,636,148, for a total project cost of \$8,848,197.

In addition, Council will also undertake executive project control, project governance and project management.

Once the project is complete, operational costs will be covered under Council's Operational Plan. The assets being created or renewed as part of the Cessnock airport upgrade will be typically long-lived assets however a loan term of no more than 10 years would be prudent and more conservative. Such a 10-year loan at an annual interest rate of 4% would result in annual repayments approximately \$270,000 per annum.

The proposed capital funding contributions are detail below in Table 3.11

Table 3.11: Proposed capital funding contributions (\$000s)

Stage	2019-20	2020-21	Total
Proposal capital costs	\$4,102	\$4,746	\$8,848
Funding source			
NSW Government (subject of this request)	\$3,076	\$3,560	\$6,636
Council contributions	\$1,025	\$1,187	\$2,212
Industry contributions	-	-	-
Community contributions	-	-	-
Other government contributions	-	-	-
Other funding sources (please detail)	-	-	-
Sub-total	\$4,102	\$4,746	\$8,848

3.9 Financial health & support

Not applicable.

4 IMPLEMENTATION CASE

4.1 Program & milestones

The project delivery phase is expected to take approximately 18 months with all works due to be completed by February 2021.

Table 4.1 outlines the expected dates of the key milestones.

Table 4.1: Project Key Milestones

Event	Timeframe
Stage 1 Project Planning <ul style="list-style-type: none"> Design finalisation 	July 2019 to October 2019
Stage 2 Procurement <ul style="list-style-type: none"> Design and approvals Tendering 	August 2019 to February 2020
Stage 3 Construction <ul style="list-style-type: none"> Plans of management, safety, environment and quality. Ordering and off site work On site construction 	February 2020 to October 2020
Stage 4 Project Finalisation <ul style="list-style-type: none"> Project commissioning Quality records Work as Executed Financial finalisation 	October 2020 to January 2021

Please note Council has the flexibility to accelerate or defer Stages of the project in line with the requirements of Growing Local Economies required scheduling.

4.2 Governance

Council will operate three tiers of governance for proposed upgrades to Cessnock Airport.

Firstly, a Project Sponsor is appointed from Council's Executive Leadership Group to carry overall responsibility for on time delivery and financial control.

Secondly, as part of Council's Capital Works Program, which is overseen by the Capital Works Project Control Group (PCG), senior staff meet monthly to review the Program, and in particular progress against schedules and budgets. Risk is also a key consideration.

Thirdly, the PCG has been established to regularly review progress, provide specific direction and see that issues are managed and risks mitigated as planned. The appointed Project Manager, services the PCG and reports monthly on scope, time, cost, accomplishments, issues and risk status.

The PCG will meet monthly to receive monthly reports and updates on progress, of the Design and Construction Program. Drilling down into individual components at the various locations, the meeting is structured around the 10 functional areas of Council's Project Management Framework, including scope, time, cost, safety, environment, quality, procurement and risk.

A Project Sponsor, Project Director, Project Control Group and Project Manager have been appointed to direct, manage and deliver the works.

Responsibilities are as follows:

Role	Responsibility
Project Control Group:	Receive and approve Cost Plan monthly.
	Receive monthly updates on approved variations
Project Manager:	Review quantities against daily survey, calcs, and daily running sheets weekly.
	Assess variations (due to site conditions, document errors, or scope changes) monthly.
	Receive and assess Monthly Progress Payment Claims.
Construction Team:	Provide daily survey, calcs, and daily running sheets weekly.
	Update quantities against SoR prior to Weekly Site Meeting.
	Provide notice and details of Variations for assessment weekly.
	Submit progress payment claim monthly.

4.3 Key risks

Project Risk Register

The culmination of these processes is preparation and maintenance of the Risk Register, which forms the central repository to record the hazards and risks identified along with agreed mitigation measures, responsibilities and ultimately the budget and/or program contingency that may be required to effectively manage the risks.

Table 4.2: Key proposal risks

Hazards and Risks	Mitigation
<p>SCOPE Requests for change leading to scope creep. Latent site conditions leading to increased scope.</p>	<p>Monitor Scope Change Register Use Variation Request approval process Conduct thorough site investigations. Include Variation and Schedule of Rates provisions in Contract Documentation Provide appropriate budget contingency</p>
<p>TIME Poor performance leading to program slippage. Latent site conditions leading to delays.</p>	<p>Monitor and report on performance monthly Monitor Project Program Use contractual Extension of Time approval process.</p>
<p>COST Unforeseen items leading to cost increases. Latent site conditions leading to claims.</p>	<p>Prepare detailed estimates and tender schedules Monitor expenditure against budget monthly. Use contractual variation approval process.</p>
<p>SAFETY Design choice leading to manual handling. Construction activities leading to injury.</p>	<p>Conduct safety and buildability review of design Mandate safety performance through Tender Documents and contract administration Monitor safety compliance on site</p>
<p>ENVIRONMENTAL Unknown constraints leading to damage. Poor geotechnical conditions. Wet weather.</p>	<p>Conduct Review of Environmental Factors using qualified consultant Observe REF requirements and recommendations Incorporate geotechnical advice in design and construction technique Prepare site for wet weather Allow contingency time in program</p>
<p>PROCUREMENT Standard of contractors leading to unfavourable tender results. Contractual disputes leading to time and cost blow outs.</p>	<p>Prepare Contract Development Plan including use of selective tenders for prequalified contractors Prepare standard form of contract selected to suit nature and scale of work Resource experienced PM and contract administrator to oversee work and contracts</p>
<p>Key Service Risks Road closures leading to traffic interruption.</p>	<p>Develop Works Method Plans to minimise disruption Consult key stakeholders Disseminate prior notice of changed traffic conditions Liaise with media to raise public awareness about the works</p>
<p>Key Financial Risks Unforeseen circumstances leading to exceeding budget.</p>	<p>Include contingency Reflect market conditions in estimates</p>

4.4 Legislative, regulatory issues & approvals

Environmental Planning and Assessment Act 1979

Potential issues include native flora and fauna and indigenous heritage. Criteria for the project includes: preservation, protection and enhancement of the natural and cultural environment.

Initial investigation will identify and report on Environmental Constraints based on the works proposed for specific locations will be prepared for all works to ensure that environmental risks are mitigated and environmental sensitivities are managed.

The Project Manager will manage environmental issues by:

- Meeting Council obligations under the EP and EPA Acts and other relevant legislation,
- Maintaining a fully documented Environmental Management System,
- Ensuring Consultants and Contractors have an Environmental Management System,
- Auditing Consultants and Contractors for compliance with their Plans,
- Requiring the Construction Contractor submit an Environmental Management Plan,
- Requiring compliance with Statutory Requirements and Council Standards Specifications,
- Audit on site use and compliance with the Environmental Management Plan.

Procurement

All procurement will be carried out in accordance with the provisions of the following:

- Local Government Act 1993
- Local Government (Tendering) Regulation 1999
- Cessnock City Council Procurement Manual

The Project Manager shall be responsible for the following:

- Management of the Documentation Consultant
- Managing Consultants carrying out investigations
- Management of the construction process
- Successful handover of the project to Council for operation, care and control

Workplace Health and Safety Act 2011

The Project Manager will manage WH&S by:

- Meeting Council obligations under the WH&S Act 2011 and other relevant legislation,
- Reviewing designs in accordance with NSW WorkCover CHAIR/Safety in Design systems,
- Maintaining a fully documented Safety Management System,
- Ensuring that Consultants and Construction Crew have a Safety Management System,
- Requiring the Construction Crew to submit a Safety Management Plan,
- Auditing Consultants and Construction Crew for compliance with their Plans,
- Monitoring the use of SWMS and the condition of the construction site, and
- Requiring compliance with Australian Standards, Codes of Practice, OHS Regulations and Council Standards Specifications.

4.5 Proposed management activities

4.5.1 Risk Management

Risk Management

Risk will be managed in accordance with an AS/NZS ISO 3100:2009 compliant strategy to remain focused, provide timely and appropriate responses, and proactively use risk management tools.

Council is committed to a systematic structured approach to management of risk throughout the project cycle in order to promote and demonstrate good project governance, minimise loss and improve project outcomes.

As part of Council's project management methodology, a project specific Risk Register, identifying hazards, assessing risk ratings, and proposing mitigation measures, will be developed and monitored during the project. In turn, the mitigation measures inform the allocation of appropriate project contingencies.

Risk Strategy

Council's strategy to manage risks is a disciplined, systematic approach following six major processes:

- Risk Management Planning
- Risk Identification
- Risk Analysis
- Risk Evaluation;
- Risk Response / Treatment; and
- Risk Monitor, Control and Review.

Risk Workshop

To be held with key stakeholders to collectively:

- identify inherent and project specific hazards and potential risks,
- rate risks according to likelihood and consequence, and
- propose mitigation or eradication measures.

Issues Management

To ensure that the risk management process is not impeded by lesser issues an issues management method will be used. Matters, which are not resolved as routine by the Project Manager are to be recorded on the Issues Register for resolution. The Register records the issue, the possible action required, the responsible person, and close out. The Register is tabled and reviewed regularly at Project Control Group meetings. Issues remaining unresolved are escalated as possible risks.

4.5.2 Asset Management & Operations

Operation and maintenance cost

An Operation and Maintenance Manual for the asset will be prepared as part of the construction phase, that will guide management of the individual asset for its design life. The cost of operation of the asset will be funded from Council's annual operating budget.

The required maintenance regime will also be budgeted for in Council's annual operating budgets. There will be savings to Council and the community in maintenance and renewal costs of other footways.

Asset Management

Council's Asset Management Plans provide long term planning for the maintenance and renewal of Council assets.

Operational costs for this project are covered within the Operational Plan and will achieve the longer term plans set out in the Delivery Program and Community Strategic Plan.

CESSNOCK AIRPORT UPGRADES TO UNLOCK BUSINESS INVESTMENT GROWTH

The whole-of-life costs of this project's infrastructure will be managed through these plans. Ongoing operational costs for this project are incorporated in Council's Long-Term Financial Plan and future operational budgets.

Council has a well developed methodology of prioritising asset renewals. The proposed works are identified in the future works under the renewal program for repairs, however the works required now to enable the benefits and reduce Council's liability. The proposed works will be undertaken renewing deteriorated assets and decreasing maintenance costs. The proposed works also include an upgrade that is required to maintain the capacity and functional requirements of the road network.

These principles are designed to limit the whole of life cost for the roads and the most effective use and management of the asset.

DRAFT

136 Wollombi Road, Cessnock

received 29.12.18



NSW POLICE FORCE
HUNTER VALLEY POLICE DISTRICT

Muswellbrook Police Station
26 William Street,
Muswellbrook NSW
Tel: (02) 6542 6999
Fax: (02) 6542 6911

Kerry PORTER
Senior Planning Assessment Officer
Cessnock City Council
62-78 Vincent Street,
Cessnock NSW 2325

DA: Development Application 8/2018/459/1
Applicant: Australia Hotel
136 Wollombi Rd, Cessnock NSW 2325
Proposal: Extended Gaming Trading Hours from 12:00 am (midnight) until 2:00am
Monday to Saturday

Dear Sir/Madam,

In accordance with the development application protocol between New South Wales Police Hunter Valley Police District & Cessnock City Council, facilitating Crime Prevention through Environmental Design (CPTED) principles, we have been invited to make comment in relation to the above development.

After perusing this application considering both the applicant's wishes & needs of the community New South Wales Police Hunter Valley Police District wish to formally **oppose** the development;

New South Wales Police Hunter Valley Police District are currently making inquiries with Liquor & Gaming New South Wales to ascertain if the applicant's newly constructed gaming room actually forms part of the hotel's authorised premise & whether or not it forms a restrict 'bar area' as per the requirement of gaming legislation;

Section 68A Gaming Machine Act 2001 - Location & Operation of Gaming Machines In Hotels

(1) A hotelier must not:

(a) keep an approved gaming machine in the hotel unless the gaming machine is located in a bar area (within the meaning of the Liquor Act 2007) of the hotel, or

(b) permit an approved gaming machine in the hotel to be operated at any time other than a time when liquor may be lawfully sold or supplied under the Liquor Act 2007 in the bar area in which the gaming machine is kept or when the continued provision of services and facilities such as gambling activities is authorised by or under that Act at such a time.

New South Wales Police Hunter Police District are not in receipt of any correspondence from the applicant seeking changes to the hotel's authorised licensed area nor have preliminary inquiries made with Liquor & Gaming New South Wales discovered same. At the time of writing Police are of the opinion the applicant's gaming room & gaming machines within same are not authorised.

From the documentation submitted with this development application, namely Social Impact Assessment & Statement of Environmental Effects. It clearly depicts the applicant's intension is to solely operate gaming machines during the proposed extended hours of 1200am until 200am Monday to Saturday. Police submit in its current form the applicant's

136 Wollombi Road, Cessnock

proposal is prohibited by both liquor & gaming legislation;

Section 15 Liquor Act 2007 - Hotel Licence (General Provisions)

(1) The following provisions apply in relation to a hotel licence (the hotel primary purpose test):

(a) except as provided by section 15A, the primary purpose of the business carried out on the licensed premises must at all times be the sale of liquor by retail,

(b) the keeping or operation of gaming machines (as authorised under the *Gaming Machines Act 2001*) on the licensed premises must not detract unduly from the character of the hotel or from the enjoyment of persons using the hotel otherwise than for the purposes of gambling.

(2) The authorisation conferred by a hotel licence does not apply unless the hotel primary purpose test is complied with in relation to the licensed premises.

Section 68A Gaming Machine Act 2001 - Location & Operation of Gaming Machines in Hotels

(1) A hotelier must not:

(b) permit an approved gaming machine in the hotel to be operated at any time other than a time when liquor may be lawfully sold or supplied under the *Liquor Act 2007* in the bar area in which the gaming machine is kept or when the continued provision of services and facilities such as gambling activities is authorised by or under that Act at such a time.

The applicant's very own Social Impact Assessment paints a very bleak picture of the Cessnock Local Government Area (LGA). It identifies Cessnock as a vulnerable, disadvantaged & low socio-economic community. Crime rates including domestic violence, theft, break & enter, motor vehicle theft, malicious damage, domestic assault & assault are well above the New South Wales state averages. In most cases crime categories are a staggering 150-300% above the state average.

Police submit the introduction of more gaming machines and/or availability of same, will only further exploit the vulnerable community of Cessnock & may in fact contribute to increased levels of crime through vulnerable persons committing crimes to support gambling habits.

Despite Police's position, should Cessnock City Council approve this development application then Police request the following conditions be imposed to assist with the operation & management of the licensed premise also assist Police investigate incident of crime;

Conditions of Consent

1. **Any approval shall be subject to review after twelve (12) months of operation.**
2. **A copy of the premise's Development Approval shall be kept on the premise at all times and shall be immediately produced to Council Inspector and/or Police upon request.**

(Reason: Assist with enforcement of DA conditions)

(Capacity)

3. **The maximum number of patrons permitted within the following area(s) at any one time shall not exceed;**
Lounge Bar - XXX
TAB Area - XXX
Sports Lounge - XXX
Gaming (indoor) - XXX
Gaming (outdoor) - XXX
Etc.

(Reason: Reduce fears of overcrowding during entertainment events, therefore Police ask that Council stipulate the maximum numbers of patrons/staff permitted within the venue.)

136 Wollombi Road, Cessnock

(Quiet & Good Order)

4. No person shall be permitted to remove glass or open containers of liquor from the premises at anytime. In particular, patrons are not permitted to drink on the footpath outside the premise.
(Reason: Public Safety, ensure patrons do not contravene Alcohol Free Zones, reduce noise omitted by patrons - maintain quiet & good order of neighbourhood)
5. Entertainment (including, though not limited to, live performers, bands, musicians, disc jockeys or amplified music) shall ceased by 12:00am (midnight).
(Reason: maintain quiet & good order of neighbourhood)
6. Whenever the premise is utilised for entertainment (including, though not limited to, live performers, bands, musicians, disc jockeys or amplified music) all external windows and doors shall be closed.
(Reason: maintain quiet & good order of neighbourhood)
7. The LA10* noise level emitted from the licensed premises shall not exceed the background noise level in any Octave Band centre Frequency (31.5Hz - 8kHz inclusive) by more than 5dB at the boundary of any affected residence.

Notwithstanding compliance with the above, the noise from the licensed premises shall not be audible within any habitable room in any residential premises between 12:00am midnight and 700am daily.

(Reason: maintain quiet & good order of neighbourhood)

(CCTV)

8. CCTV surveillance cameras shall be strategically installed, operated and maintained throughout the premises with particular coverage to:
 - All principal entrance/s and exits (including fire doors)
 - All areas within the premises occupied by the public (excluding toilets)
 - The area within 50m radius external to the public entrance/s to the premises.
 - Approved outdoor area(s) (including car parks)
9. CCTV recording equipment video tapes, discs and or hard drive recordings shall be retained for **28 days** before being re-used, destroyed or deleted. Time and date shall be auto recorded on the video tape, disc or hard drive. Video tapes and or disc must be handed to Council, Police or Special Inspectors upon request. Recordings must include the premise's CCTV software.
10. It is requested that all video equipment and cameras be of high-grade digital quality so as to facilitate identification and adjudication of patrons, offenders and incidents occurring within the subject premise.
11. That all CCTV recording devices and cameras shall be checked daily to ensure the equipment is operating correctly. This daily checking activity shall be maintained within the premise's incident register or book that meets the standards required by NSW Police and Council.
12. That all CCTV recording devices and cameras shall be operated 24 hours per day 7 days per week or all trading hours plus one (1) hour after closure of the premise if it does not trade 24 hours per day.

(Security)

13. The applicant shall submit in writing to the relevant New South Wales Police Force District Commander, or their representative, an adequate 'SECURITY MANAGEMENT PLAN' ensuring any public safety concerns is addressed.

136 Wollombi Road, Cessnock

Reason: Public Safety - ensure adequate security response is in place to eliminate public safety /
property damage / traffic management concerns.

Yours Faithfully

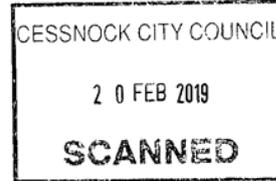
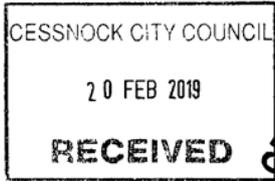
Derek HAIN
Senior Constable
Licensing Coordinator
Hunter Valley Local Area Command

Disclaimer

NSW Police has a vital interest in ensuring the safety of members of the community and their property. By using
recommendations contained within this document, any person who does so acknowledges that:

- It is not possible to make areas evaluated by NSW Police absolutely safe for the community and
their property.
- Recommendations are based upon information provided to, and observations made by NSW Police
at the time the document was prepared.
- The evaluation/report is a confidential document and is for use by the person/organization
referred to on page one.
- The contents of this evaluation/report are not to be copied or circulated otherwise than for the
purposes of the person/organization referred to on page one.

NSW Police hopes that by using the recommendations contained within this document, criminal activity will be
reduced and the safety of members of the community and their property will be increased. However, it does not
guarantee that all risks have been identified, or that the area evaluated will be free from criminal activity if its
recommendations are followed.



PRESIDENT
Darren Watson: 0434 175 985

VICE PRESIDENT
John Douglass

SECRETARY
Dave Porteus

TREASURER
Ian Melville

**Cessnock City Council
Vincent Street Cessnock
N.S.W. 2325**

19/2/2019

**Mr. Robert Maginnity
Director Corporate and Community Services**

Dear Sir,
Following correspondence with Council regarding Cessnock Clay Target Clubs rates classification we wish to apply for a granting of a Rates Subsidy to Community Organisations under Section 356, Local Government Act 1993, as amended.
Cessnock Clay Target Club is a non-profit sporting Club run by volunteers and has been part of the community for over 50 years. In these difficult financial times we seek assistance from Council in this matter and we look forward to your favourable response.
On behalf of CCTC Members and Committee.

Kind Regards

Ian Melville Treasurer

CESSNOCK CLAY TARGET CLUB Inc.

ABN 78 418 801 463

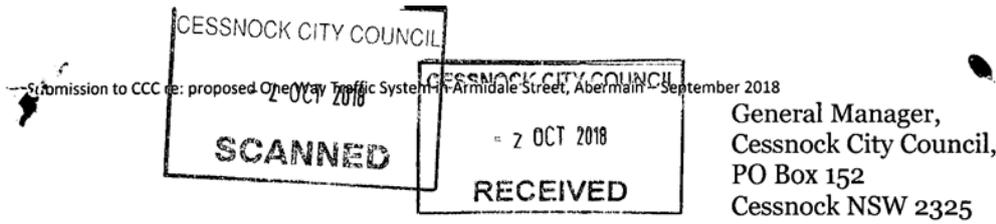
PO Box 613 CESSNOCK NSW 2325

Club Location: Corner Maitland Rd & Duffy Drive, Cessnock NSW

Ph: 02 4990 7711 • email: darren.watson1@bigpond.com

SUBSIDY LISTING

Assessment	Organisation	Subsidy
5173	Cessnock Masonic Hall	\$ 1,721.09
17178	Country Womens Association	\$ 2,196.12
40386	RSL Hall - Maitland St, Branxton	\$ 1,987.11
45260	Challenge Disability Services	\$ 2,775.66
59204	Cessnock Homing Pidgeon Club	\$ 1,255.56
80028	RSL Hall - Wollombi Rd, Cessnock	\$ 1,417.07
123596	Paxton Masonic Hall	\$ 1,464.58
132696	RSL Hall - Cessnock Rd, Weston	\$ 910.69
139378	Weston Pre-School	\$ 1,217.56
139907	Weston Masonic Hall	\$ 1,407.57
157156	Cessnock Mini-Bike Club	\$ 980.05
176263	Greta Pre-School Kindergarten	\$ 1,911.11
191502	Kurri Kurri Motor Cycle Club	\$ 625.67
198655	Aberdare Pre-School	\$ 2,300.63
198861	Bellbird Pre-School	\$ 1,768.60
252916	Richmond Vale Preserv. Co-op Soc.	\$ 3,117.68
275529	Cessnock Pistol Club	\$ 3,545.21
286674	Branxton Preschool	\$ 1,768.60
291963	Kurri Kurri Early Childhood Centre	\$ 2,452.64
312710	Cessnock Multipurpose Children's Centre Ltd	\$ 1,873.10
312728	Cessnock Multipurpose Children's Centre Ltd	\$ 3,402.70
	Total Subsidy	\$ 40,099.00



Re: Proposed One Way Traffic System in Armidale Street, Abermain

We the undersigned, are satisfied with the existing road conditions and see little need for a change. This has been a safe and quiet traffic area, for many years.

The provision of "No Standing" areas would unacceptably restrict visitor parking. This is a quiet village road, not a major traffic hub. Furthermore; these restrictions would negatively impact households who have multiple cars.

Traffic density is low, as are speeds. The chance of "head-on" collisions is remote, at best.

Children do play on this road but we are not aware of any adverse incidents happening due to current traffic conditions.

It can probably be assumed that traffic is generated equally between residents on the North and South of the park. Therefore; traffic passing any given house is about half of the total. The proposed changes would mean that all traffic would pass all houses, doubling the impact on residents and increasing safety risks.

There is also a chance of increased speeds, due to impatience with not being able to take a direct route.

We believe that the current situation is satisfactory, and that the proposed changes are unnecessary.

Thank You,

Yours Sincerely,

Name	Address	Signature
BARRY SMITH	78 ARMIDALE ST; ABERMAIN	[Signature]
ANN GRACE SMITH	78 ARMIDALE ST ABERMAIN	[Signature]
Sandra Stoker	76 Armidale St. Abermain	[Signature]
ALLAN STOKER	76 ARMIDALE ST ABERMAIN	[Signature]
PAULEN VASSALLO	82 ARMIDALE ST ABERMAIN.	[Signature]
R THOMPSON	99 ARMIDALE ABERMAIN	[Signature]
L. WISEMAN	97 ARMIDALE ST ABERMAIN	[Signature]
C WISEMAN	" " " "	[Signature]
K BARKER	93 ARMIDALE ST ABERMAIN	[Signature]
D. YOUNG	87 ARMIDALE ST ABERMAIN	[Signature]
M Tookerman	83 Armidale street abermain	[Signature]
D JURJ	101 Armidale street Abermain	[Signature]
K. SIOLBOTTOM	103 ARMIDALE ST. ABERMAIN	[Signature]



18 September 2018

«Owners»
«Address_Line_1»
«Address_Line_2»
«Address_Line_3»

Contact: Warren Jeffery
Our Ref: DOC2018/077302
Your Ref:

Armidale Street Abermain - Proposed One-Way Traffic System

Council wishes to advise that in response to numerous community requests, consideration is currently being given to the implementation of a one-way traffic system on the circular section of Armidale Street, Abermain, west of Goulburn Street.

The proposed one-way traffic system would enable travel in a clockwise direction only, necessitating a 'left only' movement upon entry to the western end of Armidale Street.

A one-way traffic system would make efficient use of the available road reserve for the driving and parking of motor vehicles and reduce the likelihood of head-on crashes between vehicles travelling around the relatively narrow circle in opposite directions, as is currently the practice. The safety of pedestrians and bicyclists will also be enhanced, as these vulnerable road users will generally only need to be alert to motor vehicles approaching in a single direction.

The major restrictive impact of the proposal would be that drivers / riders wishing to access residential dwellings on the eastern end of the circle will no longer be able to turn right and make a direct approach; they will instead be required to travel around the circle to lawfully access their destinations.

A concept sketch of the proposed one way traffic system is attached for your reference.

In considering this proposal, Council would like to invite you to make comment or raise any issues or concerns you may have, prior to the matter being referred to the Local Traffic Committee for further consideration. Should you wish to make comment on the matter, please forward your written comments to:

General Manager,
Cessnock City Council,
PO Box 152,
Cessnock NSW 2325

Endorsed: "Proposed One Way Traffic System in Armidale Street, Abermain."

Comments should be lodged within 28 days of the date of this letter.

t: 02 4993 4100 f: 02 4993 2500
p: PO Box 152 Cessnock NSW 2325 or DX 21502 Cessnock
e: council@cessnock.nsw.gov.au w: www.cessnock.nsw.gov.au
ABN 60 919 148 928

Page 2

Please be advised that full copies of submissions (including petitions) may be made available to the public including your name and address, unless Council receives a request for personal details to be suppressed.

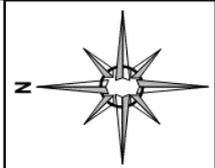
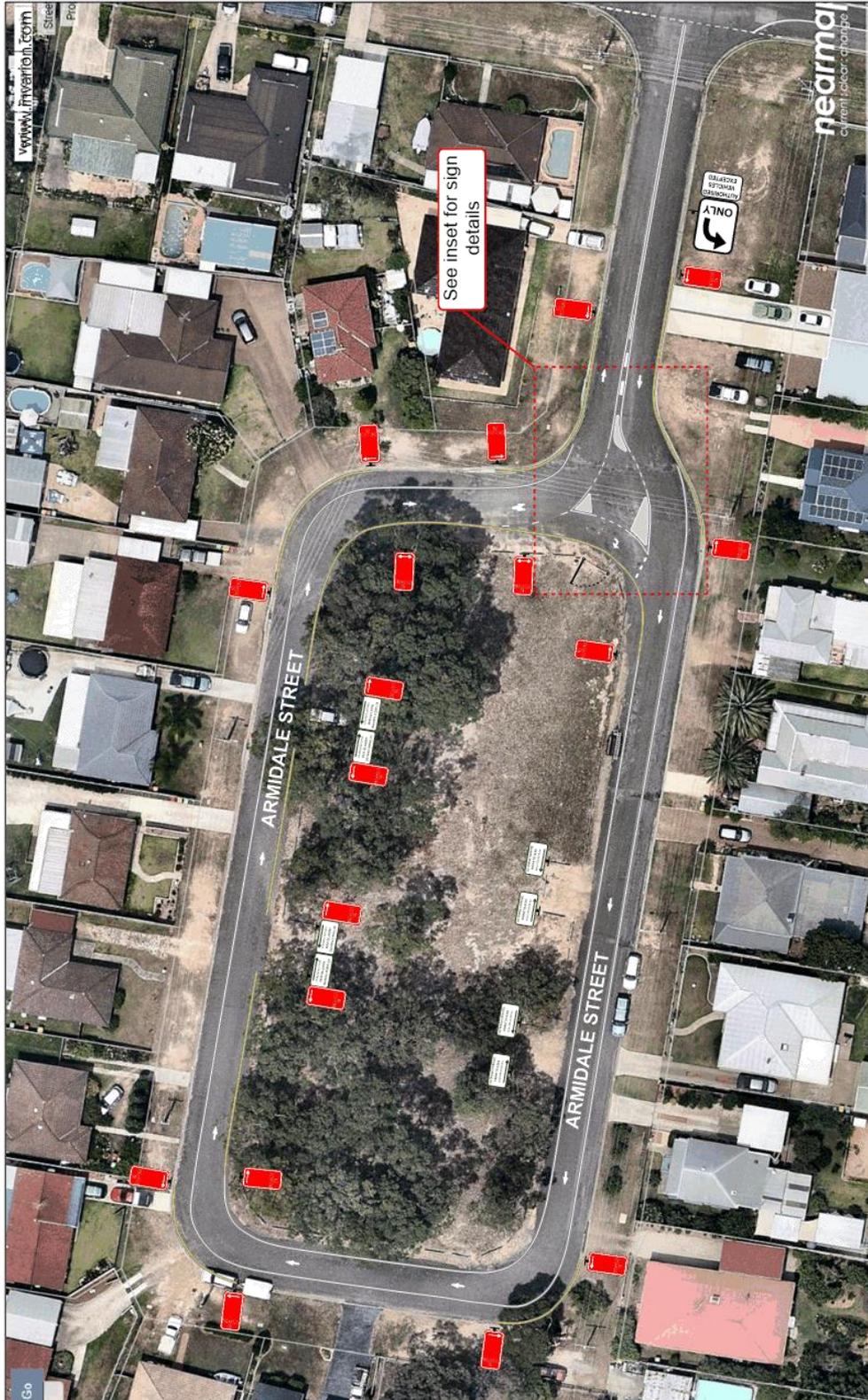
If you require any further information, please do not hesitate to contact Customer Service on telephone 02 4993 4100.

Yours faithfully



Warren Jeffery
Roads Safety Officer

Enc.



Date: 4/09/2018
Author: Nathan Goodbun
Project: Armidale Street Abermain - One Way Treatment

Notes:





7 May 2018

Stephen Glen
General Manager
Cessnock City Council
DX21502
CESSNOCK NSW 2325

Review of Road Classifications – Hunter Expressway Project

Dear Mr Glen

As you would be aware, Roads and Maritime Services (RMS) and council staff have been working closely on the review of the road connection options between the Loxford Interchange at the Hunter Expressway and the adjacent State Road network.

Following meetings held with council staff, it was agreed that the most appropriate road connection is from the Loxford interchange to Cessnock Road at Abermain via Hart Road, Gingers Lane, Frame Drive and Orange Street. A map of the proposed route is attached.

The current route is a local road and it is proposed that this section of road become an unclassified Regional Road. One of the requirements for becoming a Regional Road is that the route is available to freight vehicles and that no load limit is imposed on the route by council.

I understand RMS met with council staff in September 2017 and 13 April 2018 to discuss road safety considerations along the proposed connection route and agreed that improvements need to be developed for the Hart Road/ Sawyers Gully Road/ Government Road/ Gingers Lane intersection. It was agreed that council would address all of the other issues raised in the safety audits. RMS will provide council with an intersection improvement proposal within the next couple of weeks for further discussion.

RMS is now seeking council's concurrence to the proposed road connection route and classification and confirmation that no load limit would be imposed along the route.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anna Zycki'.

Anna Zycki
Hunter Regional Director

Roads and Maritime Services

Level 8, 266 King Street, Newcastle NSW 2300
Locked Bag 2030, Newcastle NSW 2300 DX7813 Newcastle

www.rms.nsw.gov.au | 13 17 82

Map of proposed road connection to Loxford Interchange, Hunter Expressway

