CM13.2. Albury Airport - Western Precinct Concept Design and Feasibility Study

DATE	30 April 2024	**FIL REFERENCE**	FIL21/01346
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Ambrose Glass Business and Lifestyle	**PHONE**	02 6023 8111
AUTHOR	Ambrose Glass		

Purpose of Report

To present the Albury Airport Western Precinct Concept Design and Feasibility Study to Council for noting and seek endorsement to publicly exhibit the preferred Concept Design for 28 days to seek further community feedback on the project.

Background

In 2018, Albury City Council in conjunction with the Albury Airport Users Advisory Committee, engaged the services of The Airport Group (TAG) to develop an Albury Airport Master Plan. This comprehensive plan strategically earmarked the Western Precinct, 16.5ha of vacant land, as a designated zone tailored for aviation-centric development, in particular for businesses or activities which require access to the runway, taxiway, and apron system.

Specifically, the area is expected to accommodate:

- Emergency services operations (i.e. aerial firefighting, aeromedical);
- Freight and related warehousing;
- Future and emerging aviation technologies;
- General Aviation hangars (private or business);
- Helipads;
- Aviation related business (i.e. aviation maintenance, aircraft painting); and
- Apron areas for parking of large charter and military aircraft.

Recent events including the 2019/2020 Australian Bushfires also saw considerable active use of Albury Airport by both the NSW Rural Fire Service (RFS) and what was then known as Victorian Department of Environment, Land, Water & Planning (DELWP) to support their aerial firefighting capabilities.

Following the devastating 2020 Bushfires, The Royal Commission into National Natural Disaster Arrangements was undertaken, and the subsequent report presented in October 2020 identified several recommendations, including the need for a national approach to bushfire resilience and recovery; development of a sovereign aerial firefighting capability; developing the aerial firefighting industry's capability; and, facilitating greater cooperation and the sharing of resources between states and territories.

Given the above, the development of a concept design and feasibility study provides the opportunity to review and further consider previously proposed recommendations for the Western Precinct as outlined in the Albury Airport Master Plan 2018 to ensure that any future development continues to align with the strategic vision and objectives of the Albury Airport, as well as how Albury Airport may support the recommendations of The Royal Commission into National Natural Disaster Arrangements.

The Master Plan has since informed the on-going development of the airport. In July 2021, Albury Airport received $2.675 million of Australian Government funding under the Regional Airports Program to support infrastructure recommendations that were identified in the Master Plan, including improvements to taxiways and aprons.

In March 2022, the Australian Government announced $5 million would be allocated to expand the Western Precinct at the Albury Airport as part of the Albury Wodonga Regional Projects initiative. The funding is targeted for aeromedical and emergency service aerial support infrastructure. The Master Plan together with the Albury Airport Concept Design and Feasibility Study (Attachment 1) will help inform the construction of the support infrastructure.

Following a competitive selection process Albury City Council appointed Ontoit Global Pty Ltd to undertake a Concept Design and Feasibility Study aimed at assessing the potential development of the western precinct of Albury Airport. Referred to as the Albury Airport Western Precinct (AAWP) Concept Design and Feasibility Study, this initiative will be identified in subsequent discussions as the Albury Airport Western Development (AAWD) to distinguish it from specific precincts within the development area.

The project encompassed several key process elements in the lead up to delivering the Concept Design and Feasibility Study, these are described below:

- Thorough background investigations were conducted to assess the site's characteristics, revealing minimal adverse physical design constraints to enable the expansion of the AAWD. The study identified an immediate opportunity to optimise the vacant land in the western and northern precincts with minimal alteration to the existing infrastructure, thereby reducing impact to normal operations.
- Comprehensive stakeholder engagement played a crucial role, focusing on understanding the evolving requirements and opportunities for AAWD to contribute to the local economy and national aviation framework, inclusive of emergency services for both Commonwealth Government and Victorian and New South Wales government departments and agencies.
- Incorporated technical business case studies covering aspects such as emergency management, freight, warehousing, logistics, emerging aviation technologies, general aviation, and a commercial business assessment.
- Several concept design options were developed and widely consulted both internally and externally leading to the identification of a preferred final concept design option. This option is presented in image 1.
- The study also provided a comprehensive financial assessment and estimation, defining both the current cost of a staged development and future construction cost escalation.

Issues

The key recommendations of the AAWD can be summarised as follows:

1. The AAWD should be staged and structured to allow for an uncertain funding environment where flexibility will enable rapid engagement.

2. The proposed works have been structured into 0-2 years, 2-5 years, and 5-10 years with firefighting and aeromedical proposed first, then major infrastructure followed by building works. The staging proposed allows for either the Aeromedical/Aerial Fire Fighting facilities or Hangar facilities to be built at the same time, or sequentially, depending on stakeholder interest in investment during the next 10 years.

3. The following site improvements and introductions are recommended based on the initial stakeholder engagement which was further refined through the business case studies and site optioneering:
    - Infrastructure upgrades
        - New taxiway construction.
        - Enlarge apron areas.
        - Power/cabling infrastructure when staging allows.
        - Sewer, Wastewater and Water infrastructure.
        - Western Road access.
    - Emergency Services Precinct, including;
        - Patient transfer facilities.
        - Aerial firefighting base.
    - General Aviation Precinct
        - GA hangars including maintenance.
        - Aviation related businesses.
    - Freight
        - Minor hangar space for (cold) warehousing/storage (unless partner can be found for investment).
    - Sustainability
        - Works should ensure zero carbon principals to target net zero carbon with any proposed development.

The recommendations are broadly consistent with suggestions in the 2018 Masterplan report. Several of the requirements for infrastructure upgrades are common to enable most of the development opportunities and this has important implications for funding.

The relocation of the Aeromedical apron from the eastern side of the Regular Public Transport (RPT) apron into the AAWD will enable future expansion of the RPT apron to coincide with increased demand. It is expected that locating the aeromedical apron into the AAWD will provide improved accessibility for emergency vehicles and improved patient amenity opportunities once fully developed. In contrast to the Master Plan, the Concept Design and Feasibility Study recommends that the emergency service apron be located adjacent to Taxiway Bravo rather than on the boundary of the airport. Taxiway Bravo is the only high-strength taxiway that services the AAWD. By locating the emergency service apron close to Taxiway Bravo it minimises the need for additional extensive

taxiways thus reducing cost. It also improves the ability of the apron to be expanded in a staged approach as demand increases and funding is secured.

The preferred concept design is presented below with details contained within image 1.

Image 1. Preferred Concept Design



Staging

The report identifies that the proposed works will need to be carefully staged to enable alignment with current funding, without immediately relying on future stage funding and completion. The progression of each component will also be dependent on preliminary design, cost benefit analysis, the availability of grants and/or funding by others, and detailed design and approvals. The AAWD is forecast to take at least 10 years to complete construction. If progressed in accordance with the concept plan, there are three distinct stages for the construction. Based on funding currently available and the recommendations of the Feasibility Study, AlburyCity would anticipate the following staged activities in the next five years:

0-2 Years

- Detailed design and planning of aeromedical apron (AWRP funded elements).
- Construction of new weather station.
- Further liaison and advocacy to State and Federal Governments.
- Grant applications/securing government funding contributions.

2-5 years

- Design and construction of aeromedical precinct apron and buildings.
- Design and construct road access and car parking to service the aeromedical apron.
- Detailed design for Hangar Precinct.
- Further liaison and advocacy to State and Federal Governments.
- Grant applications/securing government and private funding contributions.

5-10 years

- Design and construction of aero-firefighting precinct apron and buildings.
- Construct new helipads.
- Design and construct portion of the General Aviation Hangar precinct, including associated service connections.

Cost Summary

The total estimated construction cost of AAWD is forecast to be $138,710,688. The total costs are separated into the distinct construction stages within the feasibility study, although AlburyCity has consistently raised with the consultant concerns about the alignment between forecast expenditure and works to be completed within each of the three stages.

The construction costs for the AAWD were derived through a comprehensive estimation process based on three key areas. Firstly, the delivery strategy envisioned the project being executed through competitive tendering via construction contracts with lump sum pricing. Certain client activities, such as approvals, liaising with third parties, and procurement and maintenance of client insurances, were excluded from the cost estimate. These costs were excluded given the in-house capability within Council to deliver these services.

Cost breakdown structure was developed to align the capital cost estimate with the main elements of construction, categorising costs into direct such as labour, plant, materials, and sub-contract costs, and indirect encompassing preliminaries, site facilities, project management, and traffic management.

Various cost estimating techniques, including notional rates from comparable projects and current market data adjusted for local conditions, were employed based on the nature and design information available for each activity.

Financial

It is important to note the majority of the components of the Western Precinct Concept Plan, or AAWD, will be subject to further planning, design and approvals, as well as financial contributions by

way of either grants (airport infrastructure) or partnership funding (emergency services infrastructure) from other levels of government or investment by the private sector (hangars). The AAWD Concept Design is intended to be a guiding document that assists in forward planning for infrastructure investment, in consultation with other levels of government. An advocacy program will need to be developed in order to secure future funding opportunities, with a focus on relevant state and national government agencies. The financial assessment reveals a net present value of -$93 million for the investment. However, the report highlights a positive net present value of $18.3 million if an external funding source could be identified to cover the capital costs.

Economic benefit

The proposed investment has the potential to bring valuable benefits to Albury. Improved airport operations with anticipated safety enhancements and reductions in congestion are expected outcomes. Additionally, the investment aims to enhance the region's ability to combat bushfires, offering an improved infrastructure for firefighting and other emergency response agencies. Furthermore, the development is set to improve air transit treatment for vulnerable and high-risk patients transported by air ambulance services. While the cost-benefit analysis has not quantified these benefits in monetary terms, their importance in enhancing regional community well-being and safety is undeniable.

Strategic Alignment

To ensure strategic alignment, development of the AAWD considered a significant number of local, regional and national strategies. Particular consideration was given to the objectives and vision of *Towards Albury 2050*, the Albury Airport Master Plan and emergency management documentation for the respective services and agencies. The background literature review included:

- Albury Airport Master Plan 2018.
- Albury Airport Development Strategy 2005.
- Albury Airport Master Plan 1992.
- Royal Commission into National Natural Disaster Arrangements Report 2020.
- Australian Institute for Disaster Resilience's (AIDR) Handbook Collection.
- 2021 Australian Infrastructure Plan (August 2021).
- 2021 National Emerging Aviation Technologies Policy Statement (May 2021).
- International Air Freight Connectivity, KPMG, Pre-Feasibility Study (November 2019).
- Inland Rail Regional Opportunities, Ernst & Young, Full Report (March 2020).
- Albury Local Emergency Management Plan (June 2017).
- NSW State Emergency Management Plan (December 2018).
- Victorian State Emergency Management Plan (September 2020).
- Publications by the Bushfire & Natural Hazards Co-operative Research Centre.
- Albury – Wodonga Regional Economic Development Strategy 2018 – 2022.

Risk

- **Business Risk** – The cost summary reveals the potential for cost overruns or fluctuations in construction costs during the three identified stages. To address constant monitoring of project expenditures, ongoing market analysis for material and workforce costs, and

contingency planning for unexpected budgetary challenges. Airport management are to remain engaged with contractors and suppliers to gain cost predictability and help in identifying potential cost-saving measures without compromising the AAWD.

- **Corporate Risk** – The 10-year construction timeline of the AAWD introduces corporate risks, particularly in the realm of public perception and stakeholder engagement. The prolonged duration may lead to potential public dissatisfaction or concerns about the project's progress, impacting the community's perception of the Council's efficiency. To mitigate this risk, transparent and proactive communication strategies should be implemented. Regular updates, community forums, and accessible channels for inquiries will foster public understanding and maintain a positive perception. Where required, engaging stakeholders, including local residents, businesses, and community leaders, can help align the various project elements with community expectations and address concerns before they escalate.
- **WHS and Public Risk** – Workplace health and safety risks in the context of the AAWD construction project can encompass various factors associated with the construction. Regular safety audits, incident reporting systems, and continuous safety training will be essential to minimise exposure to WHS and Public risk events.
- **Environmental Risk** – Construction activities naturally inherit a wide range of risks associated with habitat disruption, water contamination, waste generation and noise pollution. These risks will be addressed prior to construction during a thorough environmental assessment. The Albury Airport has no significant heritage or cultural impacts.
- **Delivery Program Risk** – Undertaking the AAWD in three distinct stages spanning a 10-year period introduces inherent business risks associated with the extended construction timeline. The primary risk lies in the potential for external factors such as regulatory changes, economic downturns, or unforeseen challenges impacting each stage. To mitigate this risk, as project elements are further progressed, detailed risk management plans will be established, incorporating regular reviews and adaptability to address evolving circumstances and constraints.

Community Engagement

Extensive stakeholder engagement was undertaken to develop the Concept Design and Feasibility Study with representatives from all levels of government, and multiple government agencies particularly those involved in aviation, aeromedical and aero-firefighting event response. The Albury Airport Advisory Committee have been engaged and have provided feedback accordingly. The other industries that were engaged included Emerging Aviation, General Aviation and Freight as well as local business stakeholders. The engagement included 19 in-depth interviews and two group workshops.

The public exhibition of the Concept Design will be undertaken for a period of 28 days to garner any further feedback from the broader community. Promotion of the exhibition will be by:

- Public exhibition via existing AlburyCity channels.
- Direct emails to relevant stakeholders.
- Media release.

AlburyCity will use a range of communication mediums to inform the community and other airport stakeholders and users of the development as it progresses through the detail design phases.

Options

1. That Council:
    a. Receive and note the Albury Airport Western Precinct Concept Design and Feasibility Study; and
    b. Places the preferred Concept Design on public exhibition for a minimum of 28 days and, if no submissions are received, adopt the Concept Design as the basis for future development of the Western Precinct at Albury Airport. **Recommended.**

2. That Council seek further amendments to the Albury Airport Western Precinct Concept Design, prior to the exhibition of the Concept Design. **Not Recommended**.

Conclusion

The Albury Airport Western Development Concept Design and Feasibility Study represent a comprehensive and strategic effort to enhance the Western Precinct of Albury Airport, aligning with the broader objectives outlined in the Albury Airport Master Plan and various local, regional and national strategic objectives. The thorough background investigations, stakeholder engagement, and technical business case studies have informed the preferred concept design.

This report recommends a staged and structured approach to the development of the Western Precinct. The development of a robust advocacy program will facilitate future funding opportunities. By placing the Albury Airport Western Precinct Concept Design on public exhibition, it demonstrates a genuine desire to incorporate broader community input into future design decisions.

Recommendation

That Council:

a. Receive and note the Albury Airport Western Precinct Concept Design and Feasibility Study; and

b. Places the preferred Concept Design on public exhibition for a minimum of 28 days and, if no submissions are received, adopt the Concept Design as the basis for future development of the Western Precinct at Albury Airport.

Attachment

1. Albury Airport Western Precinct Concept Design and Feasibility Study (DOC24/92610).