

AGENDA

1. Acknowledgement to Country	2
2. Apologies / Leave of Absence	2
3. Confidential Business (Committee of the Whole)	2
3.1 Updated Funding Strategy for City Hub - CONFIDENTIAL.....	3
Presentation Only - No report.....	3
4. Pecuniary Interest and Conflict of Interest Declarations.....	3
5. Addresses to Council	3
6. Reports	3
6.1 Construction of a Purpose Built Aeromedical Facility at the Illawarra Regional Airport (10000955)	4
7. Committee of the Whole in Closed Session: Adjournment	13
8. Committee of the Whole: Consideration of Adoption of Decisions Reached in Closed Session	13

1. Acknowledgement to Country

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting and pays its respects to Elders past and present.

Webcasting Comment

The public gallery should note that Council records and webcasts its Council Meetings live to enhance the accessibility of Council Meetings to the broader Shellharbour City Community.

Council Meetings can now be viewed live via webcast, downloaded from Council's website for later viewing, or purchased from Council for viewing on a computer.

At the appropriate time during the meeting pre registered or invited members of the gallery may Address the Council at which time their image, comments or submissions will be broadcast live and recorded.

Council accepts no responsibility for any defamatory or offensive statements.

Please ensure that mobile phones and other electronic devices are turned off or are in silent mode for the duration of the meeting.

2. Apologies / Leave of Absence

3. Confidential Business (Committee of the Whole)

In accordance with the *Local Government Act 1993*, and the *Local Government (General) Regulation 2005*, in the opinion of the General Manager, the following business is of a kind as referred to in Section 10A(2) of the Act, and should be dealt with in a Confidential Session of the Council meeting closed to the press and public.

Set out below is Section 10A(2) of the Local Government Act 1993, in relation to Confidential Business:

10A(2) Which parts of a meeting can be closed to the public? The matters and information are the following:

- (a) personnel matters concerning particular individuals;
- (b) the personal hardship of any resident or ratepayer;
- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business;
- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or

- (ii) confer a commercial advantage on a competitor of the council, or
- (iii) reveal a trade secret,
- (e) information that would, if disclosed, prejudice the maintenance of law;
- (f) matters affecting the security of the council, councillors, council staff or council property;
- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.

CONFIDENTIAL ITEMS

3.1 Updated Funding Strategy for City Hub - CONFIDENTIAL

Presentation Only - No report

Reason for Confidentiality

This item is classified CONFIDENTIAL under the provisions of Section 10A(2)(c), (d)(i) and (d)(ii) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following:

- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business;
- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council

This item has been classified confidential as it contains Commercial in Confidence information on the updated funding strategy for City Hub which, if disclosed, would be contrary to the public interest and could prejudice the commercial position of the person who supplied it.

4. Pecuniary Interest and Conflict of Interest Declarations

Note: Councillors who declare a Pecuniary Interest at the Council Meeting are also required to complete a Pecuniary Interest Declaration form.

5. Addresses to Council

6. Reports

6.1 Construction of a Purpose Built Aeromedical Facility at the Illawarra Regional Airport (10000955)

To the General Manager

Directorate: Shellharbour Enterprises

Department: Shellharbour Enterprises

Manager: Bruce Green - Director Shellharbour Enterprises

Author: Mark Henning - Business Performance & Development Manager

Summary

The Shellharbour City Council proposal for the construction of a purpose built Aeromedical Facility at the Illawarra Regional Airport has been short listed for Restart NSW Illawarra Infrastructure Fund.

The purpose of this report is to make the Council aware of the requirements of applying for the necessary funds and why the location has been chosen over other locations.

Background

On 26 August 2013, shortlisted organisations seeking funds were provided with a briefing in the next stage of the process and what is expected in the submissions. Projects will be assessed against criteria set out in the Restart NSW Infrastructure Fund: Expression of Interest Guidelines 2013-2014.

The Proposal

The Aeromedical facility consists of two elements, the hangar to house two helicopters with storage and workshops and an operations building.

The hangar is approximately 35 meters wide and 35 meters deep with the operation building being, approximately 26 meters wide and 11.5 meters deep. Attached is a typical layout for a facility and there is some flexibility available for building orientation.

As part of the project, there will need to be hardstand areas in front of the building and car parking. These elements will be factored into the costs. Services are also a consideration.

Project Delivery

Fortunately we have a standard design to work with that could be put to the market as a design and construct tender, including the provision of parking. Hardstands within the airport would be done using a separate contractor,

It is suggested that the facility could be delivered within 15 months of the date of approval providing there are no unforeseen planning issues.

Ambulance Service

Council Officers have had a number of discussions with the Ambulance Service and they are excited about the prospect of replacing an inadequate facility with a purpose built facility. The Ambulance Service has:

- Provided standard designs. (They are building similar facilities at other regional locations)
- Provided access to their cost planners for the facility.
- Accepted that there will be a lease and rent payable. Preliminary work has commenced on a Lease Agreement to reflect their arrangement.

Discussions will be ongoing in coming weeks.

Status of the Terminal

As you are aware, the Terminal was destroyed by fire on 20/5/2013

There is a clause within Councils insurance policy headed **REINSTATEMENT VALUE CASH SETTLEMENT**. This clause has the effect that Council can claim the actual cost of the notional reinstatement (inclusive of any extra costs due to new regulations) without the necessity of actually carrying out the work. The clause indicates that the payment shall be made as soon as the total cost of reinstatement has been ascertained and certified by an architect acting on behalf of the insured.

In this instance a quantity surveyor has been used to ascertain the costs by the insurer combined with advice from a structural engineer. We have on the part of Council engaged a structural engineer/ building consultant to advise on the cost. We do not believe that the architect will be required to allow a payment to be made if a figure can be amicably agreed with the insurers.

We are currently in the final stages of negotiations with Councils insurers regarding a cash settlement for the Aviator Lounge fire.

Location for Aeromedical Facility

Attachment A show four locations considered suitable for the proposed Aeromedical facility. Comments on these locations are:

Location A

This location is some distance from a point where the helicopter could safely operate from. Aviation activities in the vicinity are of a recreational nature with Microlight and

Ultralight aircraft in the neighbouring hangars. Helicopters and this type of aircraft are not a good mix, hence this site is unsuitable. Downdrafts from helicopters tend to turn over parked small fixed wing aircraft

Location B

This is a large area East of HARS and although suitable it would restrict future development for fixed wing activities which is the growth area for the airport. The draft masterplan has this area allocated for the housing and servicing of corporate jets. There is nothing to suggest that this is the wrong location for such an activity. Again mixing helicopters with fixed wing aircraft is not a good idea and placing the Aeromedical facility in this location would limit future opportunities for fixed wing activities.

Location C

This was initially considered to be the site but would limit the use of the aircraft apron area for visiting aircraft to pick up and set down passengers. The argument of mixing rotary wing and fixed wing aircraft persists.

Also this area for terminal like activities would allow for the construction of a terminal if considered necessary

Location D

This location is considered the best location for the Aeromedical facility for the following reasons:

1. The hangar would open to the west with the necessary hard stands between the hangar and the taxiway.
2. The operation of the helicopter would be clear of fixed wing activities, eliminating the conflict that exists between the two types of aircraft
3. Moving the hangar west of the destroyed terminal boundary would generate additional space for other aviation related activities.

We are effectively reducing the airside area of the airport to generate space for aviation related commercial activity. Also retaining this area for terminal like activities would allow for the construction of a terminal, if considered necessary.

4. The cost of the provision of services to the Aeromedical facility would be reduced because they are already exist.

Conclusion

Location D is considered to be the best location operationally for the Aeromedical facility and the mixed use nature of the airport

The rationale for the location is:

- Access to the airport for helicopter operations.
- Not located amongst fixed wing aircraft.
- Allows for the continued operation of the passenger set-down area.

With the terminals destruction because of the fire, the edge of the Aero Medical Facility can be moved west, creating more usable land for airport operation facilities.

We have also shown on **Attachment B**, a potential location for a terminal building of a temporary nature if required. This location is ideal for a terminal not unlike that which was destroyed by fire. Such a facility is not included in the submission to Restart NSW Illawarra Infrastructure Fund.

Restart NSW Illawarra Infrastructure Fund Criteria.

As discussed earlier in this report, projects will be assessed against criteria set out in the Restart NSW Infrastructure Fund: Expression of Interest Guidelines 2013-2014.

The Criteria is as follows:

1. Net Economic Benefits

As we are replacing existing temporary arrangements, the economic benefit will be achieved during the construction phase. It will also free up space in the HAARS facility (currently housing the helicopter) to expand their public displays and historic aircraft restoration.

Also the Minister for Health announced on 17 July 2013 the Reform Plan for Aeromedical (Rotary Wing) Retrieval Services in NSW which states:

'Retain the Wollongong Helicopter Base to meet the needs of the people of the Illawarra and South Coast. The facilities available on the Wollongong Base will be improved to bring rotary wing retrieval staff and helicopter facilities closer together to boost response times.'

This suggests that the economic benefit from that decision has been made by others.

2. Strategic Benefits

Again, most of this has been argued as part of the Ministry of Health decision on keeping a capability at the Airport.

From a Council perspective, there is the employment during construction and it also provides Council with long term revenue from the occupation. Even if the Aeromedical operations do not continue to operate out of the Airport, the infrastructure will remain and be able to be used by others.

3. Reach

Here we have to comment on the degree services will be improved. Again, this will have been considered on a regional basis by the Ministry of Health in deciding to keep the Aeromedical capability at the airport.

Because the current capability is operated from a temporary helicopter storage in the HARS hangar and temporary administration and living quarters north of the RFS regional facility, co-locating all activity in one facility will save operational time. This means the helicopter can be in the air with medical staff much sooner.

4. Resilience

The current facility is temporary and not fit for purpose in the long term. The commitment has been made to operate Aeromedical Services for the airport so a purpose built facility is clearly justified. The NSW Ambulance services are providing detailed comments on the advantages they receive by relocating from the current temporary facilities to the new modern accommodation.

5. Alignment with the NSW Government Objectives

Shellharbour City homes a high proportion of young families, particularly in our new release areas of Shell Cove and Flinders, and is expected to be one of the youngest populations in New South Wales. However, our existing suburbs (such as Warilla, Mount Warrigal, Barrack Point and Barrack Heights) show a trend towards an ageing population, with the number of people over the age of 65 set to double over the next 20 years. A similar trend can be seen across the Illawarra, which is likely to result in an increasing number of individuals requiring assistance and additional healthcare. With such a dynamic age structure, a major challenge will be to ensure that infrastructure, such as the aero medical facilities, is available for the emerging population in a timely manner.

The Aero Medical Facilities Project supports the objectives and strategies outlined in Shellharbour City Council's Community Strategic Plan. The project particularly aligns with objective '1.2 Active and healthy community' and strategy '1.2.1 - Provide residents access to a range of services and facilities that are relevant and responsive to health and wellbeing'.

The Aero Medical Facilities Project aligns closely with the Restart Guidelines as well as New South Wales Government objectives, including: NSW 2021 strategies and goals; Illawarra Regional Action Plan priorities; and the Long Term Transport Master Plan.

The final report will discuss how this development will align with the following NSW Government strategies.

- Alignment with Restart Guidelines
- Alignment with NSW 2021
- Alignment with Illawarra Regional Action Plan Priorities

- Alignment with Long Term Transport Master Plan

The Aero Medical Facilities Project meets the Restart Guidelines and aligns with a number of New South Wales objectives, including: NSW 2021 strategies and goals; Illawarra Regional Action Plan priorities; and the Long Term Transport Master Plan. This project is critical in meeting the needs of the changing and expanding communities in the Illawarra. Through the Restart NSW Illawarra Infrastructure Fund, the Aero Medical Facilities Project will assist in improving access to healthcare services, economic growth and productivity in the Illawarra.

6. Project Attributes

There will be a market rent determined for the occupation of the facility and it is affordable given that funding is to come from the Restart NSW Illawarra Infrastructure Fund.

The ability to deliver the infrastructure quickly is also a consideration and to that end we have a design; access to costing and a location.

The Planning Legislation that would be utilised for the proposal is the *State Environmental Planning Policy (Infrastructure) 2007* (SEPP). The aim of this State policy is to facilitate the effective delivery of infrastructure across the State by improving regulatory certainty and efficiency through a consistent planning regime for infrastructure and the provision of needed services. The SEPP would be the enabling mechanism to accommodate such facilities (in certain zones and subject to certain requirements). With an emergency services facility, such as this, works could be undertaken by Council for the NSW Ambulance at the Illawarra Regional Airport, as the proposed site is located in a prescribed permitted zone (SP1).

The approval/assessment process would rely on a comprehensive review of all relevant environmental factors to be addressed where Council must be consulted and the results of the consultations must be taken into consideration.

We will also be providing a project delivery plan as part of the submission.

Link to Community Strategic Plan

The construction of a purpose built Aeromedical Facility at the Illawarra Regional Airport supports the following objectives and strategies of the Community Strategic Plan:

Objective: 3.2 Supported by a strong economy with business and employment opportunities

Strategy: 3.2.2 Encourage local businesses to grow and prosper.

Consultations

Internal

Director City Outcomes
Manager Risk Management Services

External

Nil

Political Donations Disclosure

Not Applicable

Recommendation

That the report be received and noted and the location for the Aeromedical Facility be agreed to.

That Council officers prepare the submission seeking full funding for the facility from the Restart NSW Illawarra Infrastructure Fund.

Approved for Council's consideration: _____



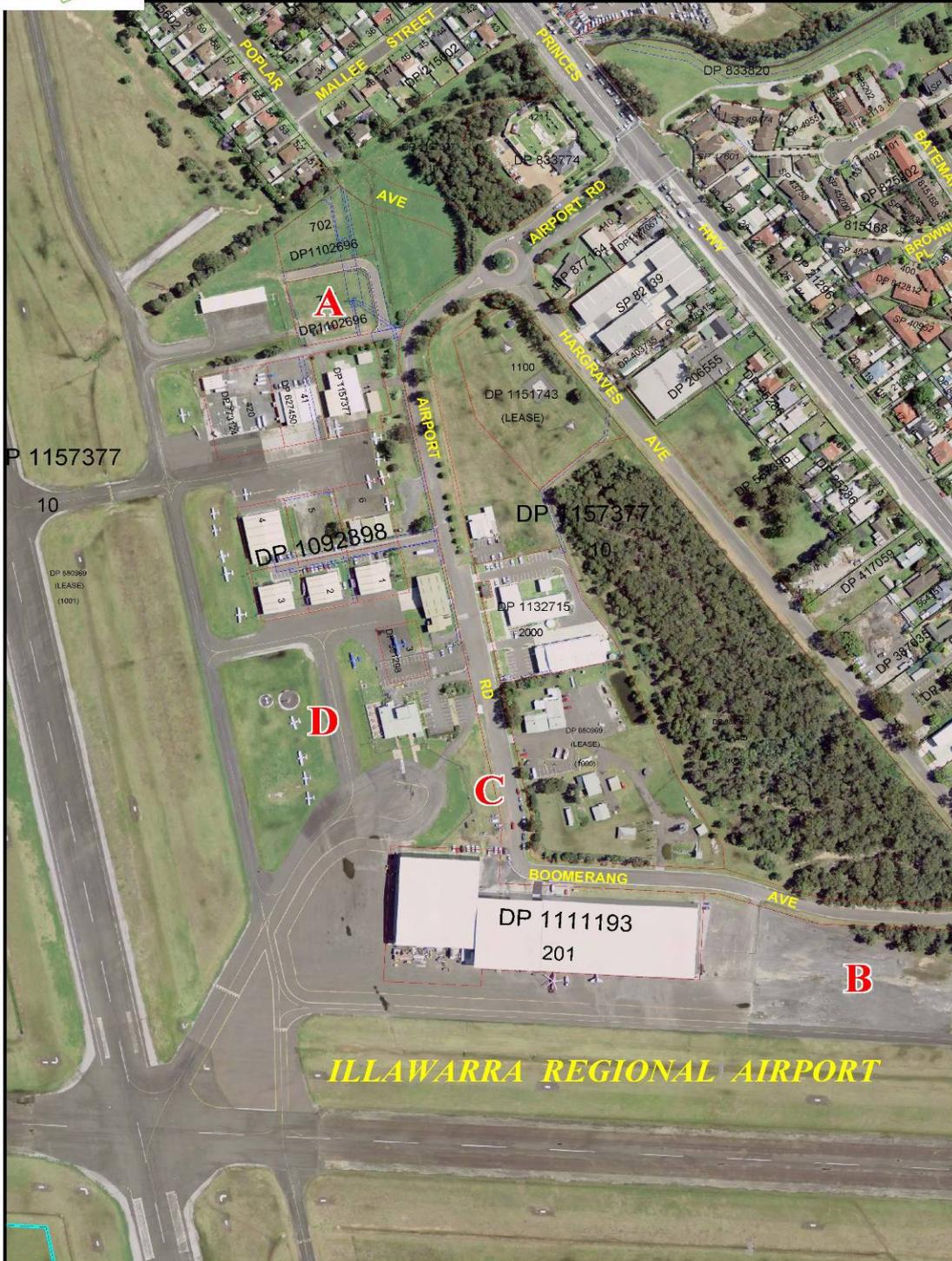
Attachments

1. Attachment A - Aeromedical facility site options
2. Attachment B - Aeromedical facility draft layout

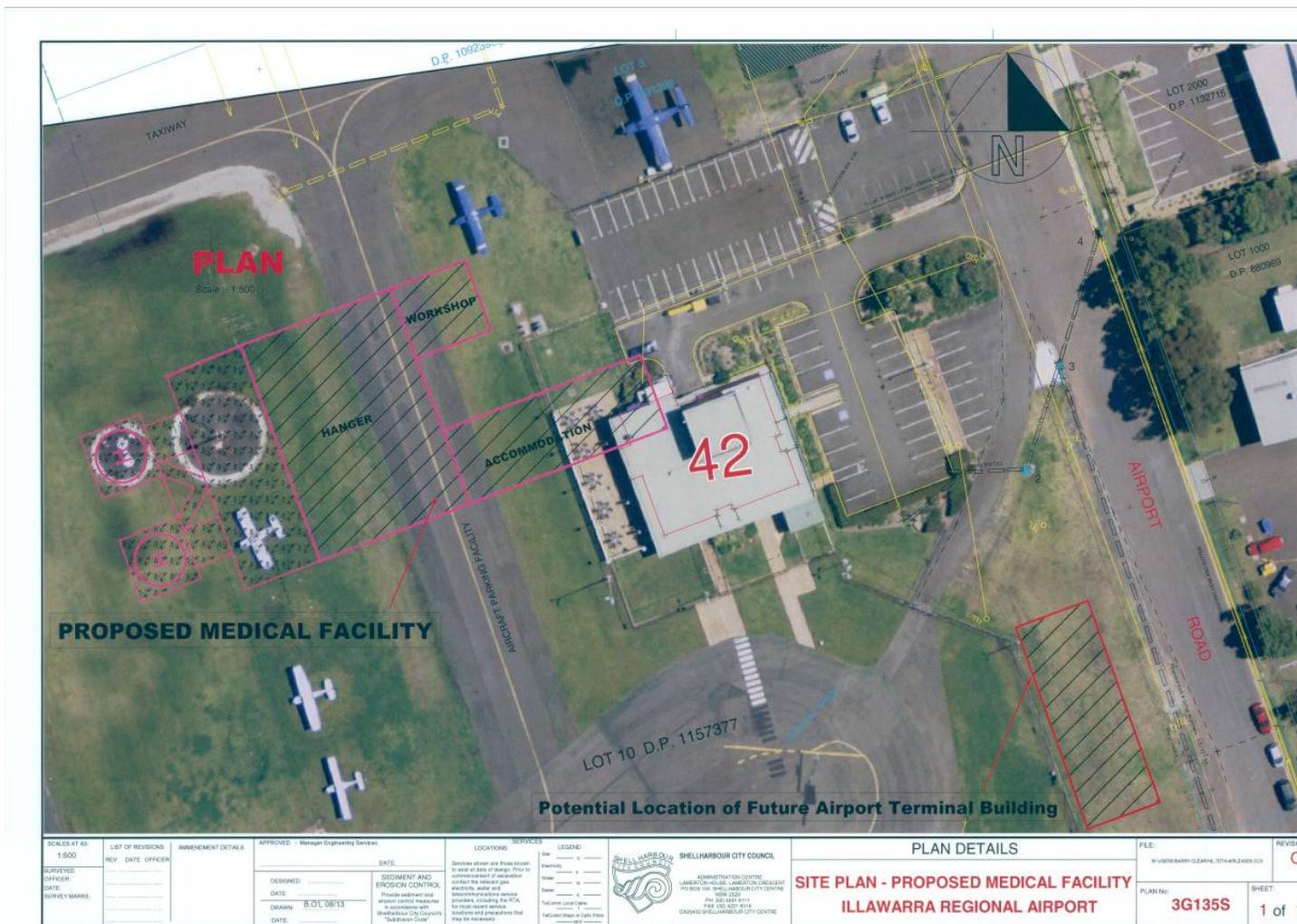
Attachment A - Aeromedical facility site options



Aero Medical Facility Sites



Attachment B - Aeromedical facility draft layout



- 7. Committee of the Whole in Closed Session: Adjournment**

- 8. Committee of the Whole: Consideration of Adoption of Decisions Reached in Closed Session**