

Scope

- **Consideration of FSPP:**

TAG has considered the strategic objectives of the FSPP and understands BRC's intention of General Fund assets

- **Consideration of relevant constraints:**

Analysis of all environmental, noise, community constraints which may affect future development

- **Stakeholder Consultation:**

Including on airport tenants / owners, Council, industry

- **Industry Review:**

Analysis of market trends and identification of future opportunities

- **Infrastructure / Asset Review:**

Analysis of existing infrastructure and recommendations on future works

- **Financial review:**

Review of airfield's financial records and systems and recommendation of future revenue streams

- **Landside Development / future options:**

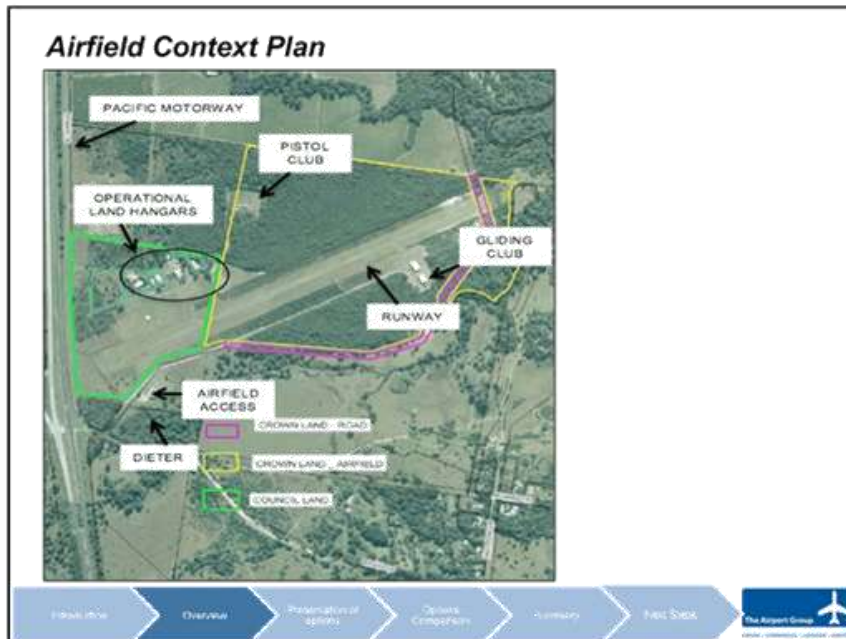
Review of existing improvements, benchmarking, tenure and preparation of future development concepts



Asset Overview

- The Byron Shire aviation industry is stimulated by recreational activities as a result of tourism
- Tourism is expanding in the Byron Shire
- Approximately 10.7km from North Byron Bay and positioned off Pacific Highway
- Direct proximity to:
 - Bluesfest site
 - 24-petrol station
 - Shooting range
 - Wrecking yard
 - Proposed eco resort





Existing Facility

- 950m grass runway (05/23)
- ALA Airfield
- Can accommodate aircraft up to MTOW 5,700kg
- No onsite manager
- Existing hanger leases
- Limited unconstrained vacant land – approximately 350m2

A navigation bar at the bottom includes: Introduction, Overview, Preparation of reports, Details Comparison, Summary, and Next Steps. The logo for The Airport Group is also present.

Operational Works Priorities

- Remedial works to runway strip to ensure compliance with the standards of the Manual of Standards Part 139 required for operations by Code 1A or 1B aircraft.
- Rectification of the compliance issues of tree removal and/or lopping to remove obstacles within the airspace.
- Provision of a uniform width of 60m for the runway strip.
- Correction of the steep and variable grades along the runway strip sides.
- Provision of good drainage channels away from the strip would enhance the grass surface and reliability of the strip in wet weather.

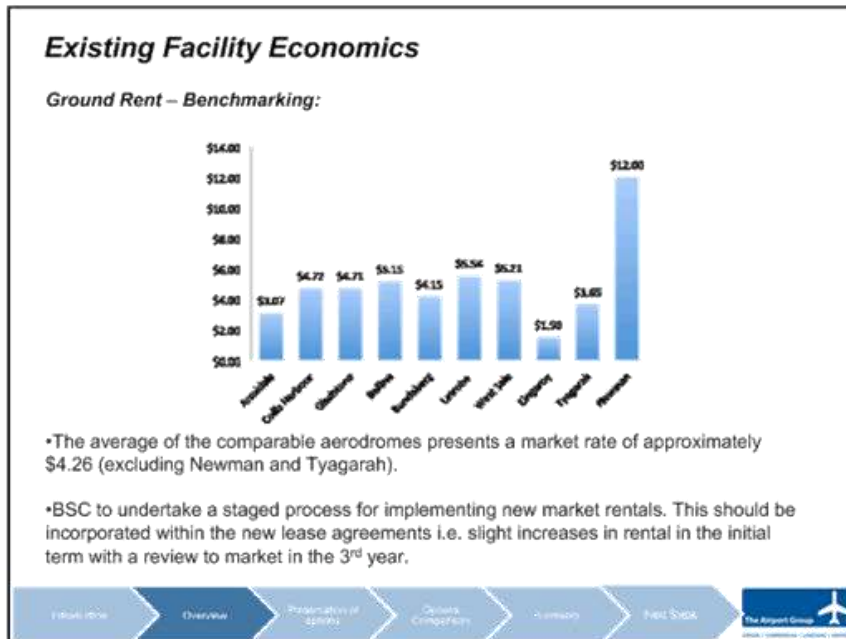


Existing Facility Economics

Estimated Current Activity:

Users	Reported Movements	Comments	Estimated Actual Movements	Comments
Skydive Byron	300 per annum		1,480 per annum	5 movements per day for 296 days
Tiger Moth	0 per annum		64 per annum	1 commercial flight per month and 1 recreational flight per week
Callanan Helicopter	2 per annum		12 per annum	1 flight per month
Commercial Helicopter	0 per annum	None existing	0 per annum	None existing
Casual Landing Fees	9 per annum	\$91 was collected (assumes 9 flights plus \$1 extra donated)	9 per annum	Limited enforceability of fees and no recording mechanism in place.
Total Movements	311 per annum		1,565 per annum	
Total Potential Revenue	\$3,111	Assumes \$10 per movement	15,650 per annum	Assumes \$10 per movement





Existing Facility Economics

Landing Fees – Benchmarking:

Airport	Landing Fee	Metric	Landing Fee Amount
Ballina Byron Gateway Airport	\$9.50	Per 1,000kg	\$34.20
Lismore Airport	\$8.25	Per 1,000kg	\$29.70
Murwillumbah Airport	\$0	Per landing	\$0
Tyagarah Airport	\$10	Per landing	\$10

- Analysis based on Cessna Caravan (operated by Skydive Byron) with maximum tax off weight (MTOW) of 3,600kg.
- Currently charging landing fees based on aircraft movement. Majority other airports charge based on MTOW.
- Charging landing fee based on MTOW would increase revenue.

Introduction Overview Presentation of options Details Comparison Summary Next Steps The Airport Group

Stakeholder Consultation

•We have contacted all tenants at Tyagarah Airfield, and we have consulted extensively with BSC, industry, emergency services, and regulatory authorities.

•Themes identified through stakeholder consultation:

- Safety
- Communication
- Operational
- Airport Utilisation
- Management
- Future Use; and
- Tenure



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Future Options - *Airfield General Works*

•**Cross-Promotional Activities:**
Examine opportunities with other major regional events. E.g. Bluesfest Music Festival could be combined with Gliding or fly-in events at the Aerodrome

•**Community / Picnic Areas:**
Enhance the airfield's community presence with the development of a picnic area or recreational space for use by the public

•**Signage:**
Lack of signage directing traffic off the Pacific Motorway onto Tyagarah Lane and into the airfield

•**Revitalisation of Aero Club facilities**

•**Gentrification of Existing Improvements**

•**Hangar Area Expansion:**
Potential development site of approx. 32,500m² at the south-western end of the runway (closest to the Pacific Highway).

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Future Options – Compliance

Maintain the current operational use of the airfield, upgrade the airfield to compliance with regulatory standards, ratify the occupancy arrangements, and implement improved management practices.

Maintenance Works:

- Rectification of the compliance issues of tree removal and/or lopping to remove obstacles within the airspace;
- Provision of a uniform width of 60m for the runway strip;
- Correction of the steep and variable grades along the runway strip sides; and
- Provision of good drainage channels away from the strip to enhance the grass surface and reliability of the strip in wet weather.

Management:

- Ensure appropriately trained staff or consider a technical services or management agreement for the day-to-day operational running of the airfield
- Airfield remote monitoring system
- Reinstate the Airport Committee

Documentation:

- Survey of lease boundaries and lease agreements
- Create lease register for billing and administration purposes



Future Options – Compliance cont.

Financial Assumptions:

- Landing fees are charged at \$10 per movement.
- Aircraft movements are based on our field work and stakeholder consultation.
- 3 Additional license fees for airfield users .
- The new lease areas will be developed and the cost of developing these sites will be borne by the tenant.
- Council implement the Remote Airfield Monitoring System.
- Arms length price setting strategy.

Community / Economic Benefit:

- The airfield is an important community asset for tourism, recreational use, employment and emergency services.
- Upgrading the airfield has the potential to add further business and economic benefit to the region through promotion of its numerous recreational activities.
- Implementation of the remote airfield activity monitoring system will assist BSC with the day-to-day management of the airfield, improve security and and potentially reduce incidents of interference or destruction to aircraft.



Future Options – Partial Sealing of Airstrip

Minor upgrade works to equip the airfield with an all weather strip (AWS), ratify the occupancy arrangements and implement improved management practices.

Maintenance Works:

- Same as Compliance Option
- Partial sealing of runway strip
- Further general maintenance – roads and car parking
- Commercial helicopter compliance

Financial Assumptions:

- Landing fees are charged at \$10 per movement
- Skydive Byron Landing Fees charged at MTOW
- We have adopted the forecast helicopter movements from Byron Bay Heli Tours
- Revenue from rental is the same as in Compliance Option
- 1 Additional resident fee for a commercial helicopter user
- The commercial helicopter provider will occupy site 4 and the cost of preparing the site will be passed on to the tenant
- Arms length price setting strategy



Future Options – Partial Sealing of Airstrip cont.

Activity Forecasts:

Users	Existing Movements	Comments	Forecast Movements	Comments
Skydive Byron	1,480 per annum	5 movements per day for 296 days	1,755 per annum	5 movements per day for 351 days
Tiger Moth	64 per annum	1 commercial flight per month and 1 recreational flight per week	64 per annum	1 commercial flight per month and 1 recreational flight per week
Callanan Helicopter	12 per annum	1 flight per month	64 per annum	1 recreational flight per month and 1 commercial flight per week
Commercial Helicopter	0 per annum	None existing	2,392 per annum	8 flights per day weekdays and 8 flights per day weekends.
Casual Landing Fees	9 per annum	Limited enforceability of fees and no recording mechanism in place.	300 per annum	Assumes all touch downs and parking
Total Movements	1,565 per annum		4,575 per annum	
Total Potential Revenue	15,650 per annum	Assumes \$10 per movement	\$45,750 per annum	Assumes \$10 per movement



Future Options – *Partial Sealing of Airstrip cont.*

Community / Economic Benefit:

- Sealing the eastern end of the strip will future proof the airfield to handle more frequent movements and enable larger scale aircraft to operate at the airfield.
- Potentially expand the market of the airfield, while ensuring existing users such as gliders and tiger moth are still able to utilise the airfield.
- Potential for the airfield to be used for fly in aviation events and could also assist cross-promotional activities



Gliders at Tyagarah Airfield



Future Options – *Sell the Airport 'As Is'*

Potential Market:

- Growing market for the sale of airfields
- Significant potential for use as an airfield for training
- Potential purchasers:
 - Sale to organisation or individual for private use;
 - Sale to organisation or individual for training facility;
 - Sale to existing tenant; or
 - Sale to festival operator within the region

Ownership and Governance:

- Key considerations of future ownership and governance for Tyagarah Airfield:
 - An appropriate balance of autonomy and control;
 - An appropriate degree of regulation;
 - Appropriate tenure for proposed arrangement; and
 - Council infrastructure supports the airport.



Future Options – *Sell the Airport 'As Is' cont.*

Community and economic benefit:

- Skydive Byron's proposal identifies community benefits. These include (but are not limited to):
 - Eliminates BSC operational commitment and legal exposure to operations of the airfield;
 - Eliminates ongoing maintenance and administrative costs for BSC; and
 - Provides certainty for local businesses who indirectly rely on aviation based tourism and provides certainty for 100 direct and 1,000 indirect local jobs.

Constraints:

- Selling the airport may cause conflict with existing airport tenants and may lead to existing operations being removed. To avoid community retaliation, significant consideration should be given to existing tenants if BSC wishes to sell the airport.
- Significant environmental and planning regulations and controls that may make it a less attractive purchase option for investors.



Options Comparison

Option	Tenure		Capital Expenditure	Financials (NPV)	Management Models			Notes
	Leasehold	Freehold			BSC	Outsourced	Sell	
Current	✓	✗	-	-	✓	✗	✗	
Compliant	✓	✗	\$124,660	\$1,352,214	✓	✗	✗	
Partial Seal & Commercial Helicopter	✓	✗	\$244,807	\$1,698,915	✓	✗	✗	* Assumes BSC funding
Sell 'as is'	✓	✓	-	\$2,393,411	✗	✗	✓	* Capitalisation at 7% - indicative airport value only



Options Summary

Compliance:

- Current infrastructure is satisfactory to meet anticipated demand
- Some general improvements to land and investment management are needed to make airfield financially sustainable

Partial sealing of airstrip:

- Extension of first option and incorporates commercial helicopter movements and partial sealing of strip
- Some issues with noise and mixing of aviation uses
- Further upgrade works may assist in creating a destination and may provide a future revenue opportunity

Sell the airport 'as is':

- BSC should undertake formal valuation of airfield asset 'as is'
- Offer after all outstanding maintenance and compliance issues have been addressed



Summary

Tygarah Airfield has the opportunity to become financially sustainable as an operating aerodrome.

•Tenure:

Desist from further leasehold arrangements and conduct a legal review of all existing lease and license agreements. Explore options to renegotiate or reset the agreements where appropriate e.g public tender process

•Compliance:

Minor upgrade works are required to ensure the airfield is compliant with CASA recommendations. This is not required by law due to the classification of the airfield, however will vastly improve the safety and efficiency of the airfield.

•Management:

Implement a formal management process which enables accurate data for fee collection and ensures operational maintenance is up to date.

•Development:

Further development of existing land within the operational lease area will provide a greater revenue stream for BSC.

•Decommissioning:

Decommissioning the airfield may displace current users however there are a number of potential alternative uses for the site.



