



KEMPSEY  
Shire Council

## DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

14<sup>th</sup> November 2006

DCCS15 FUTURE MANAGEMENT OF AIRPORT LANDS  
FILE: 183 SJR {Folio No. \*}

### SUMMARY:

Reporting on future directions for the Kempsey Aerodrome



### DESCRIPTION:

Council has been deliberating future options for the aerodrome site over the past few years.

Council previously had an Airport Committee which investigated future options to increase the yield from the airport. Expressions of interest were called for the development and usage of the airport site and many of the expressions suggested usage for motor vehicle recreational and sporting use as well as the possibility of development of a Residential Airpark. At the winding down of the previous Airport Committee a recommendation of the committee was adopted by Council –

***“That the Committee suggest Kempsey Shire Council retain the airport as an operational aerodrome and that the Economic Development Manager follow up on Expressions of Interest, that relate to development of the site, to further determine that they are prepared to advance on their proposals.”*** It was also resolved that ***“Submissions relating to periodic usage of the airstrip for special events be referred to the Director Shire Services for assessment under the Council’s Events Policy.”***

Council’s Economic development Manager undertook preliminary research of Residential Airparks and contacted Temora and Narromine airports who had both developed Residential Airparks.

In the following period the aerodrome has been the subject of several reports to Council and a précis of the resolutions is attached at [\(Appendix L\)](#)

Council resolved to undertake a valuation on the aerodrome site and defer action on the Expressions of Interest until the valuation was furnished.

Soon after the valuation was commissioned Council was approached by Big Sky Express to commence a Regular Passenger Transport (RPT) from the airport. Considerable effort was made to accommodate this airline to no avail. Once it became obvious that the RPT service would not eventuate the aerodrome site became the subject of a works inspection which was eventually undertaken in June 2006.

Councils Macleay Development and Promotion Committee (MDAP) voted funds to the formulation of a Strategic document for the future of the aerodrome site. The Draft document has been discussed by the MDAP Committee and revisions made.

A copy of the final "Kempsey Airport Investigation Plan" will be made available to Councillors for their information.

The Economic Development Manager has attempted to source funding through the Area Consultative Committee to employ a Project Manager to investigate identified opportunities, but at this stage to no avail.

There is funding within the MDAP budget to engage a suitable aeronautically savvy person for a short period to further investigate the key strategies identified within the Strategic document. It is the intention of the Economic Development Manager to advertise for a suitable applicant in the near future.

In addition to the expressions of interest, an enquiry has been received from a Mr Luciano Celentino – see attached at ([Appendix M](#)) - to purchase the freehold of the aerodrome site. The initial approaches from this prospective purchaser were viewed as lacking substance and merit. Further discussions with Mr Celentino have been held whereby he has requested Council to indicate the purchase price and details of income and expenditure prior to the commencement of negotiations for a purchase price.

The proposal involving a sale of the Airport is contrary to Council's resolution.

If Council are of a mind to negotiate a sale of the aerodrome there are a number of considerations.

- What price? Bearing in mind the valuation of the airport as a going concern was put at \$zero in February 2006.
- Commonwealth Ministerial consent would be required for the sale.
- How can we guarantee that the aerodrome would be retained as an operational aerodrome in accordance with Council's earlier resolution?

- Should we further investigate the options identified within the Strategic Plan before we consider the freehold sale of the asset?
- If Council favours a sell-off of the Airport it must be done in an "open manner".

Quite recently the Kempsey Flying Club has approached Council for consent to stage a Fly-In event over the new year period. Council officers have met with representatives from the club to assist in the completion of an Events Management application with a view to assisting in the successful staging of this event.

## REPORT IMPLICATIONS:

- *Environmental*

*Nil Implications*

- *Social*

*Shire residents and business people hold hope that in the future there will be sufficient demand for the return of a Regular Passenger transport operator to return to the airport and as such the retention of the airstrip and associated infrastructure is deemed important.*

- *Economic (Financial)*

*Funding for employment of a Project Officer is available in the MDAP Budget.*

- *Policy or Statutory*

*There are no policy or statutory implications from the following recommendation.*

- *Director's Review*

*The recommendation is supported.*

## RECOMMENDATION:

That a Project Manager be engaged with funds allocated by the Macleay Development and Promotion Committee (MDAP) to further investigate the opportunities identified within the Strategic document for the airport.

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**G B Snape**  
**DIRECTOR CORPORATE & COMMUNITY SERVICES**