

Summary Report on the Kyneton Airfield Document Review of Strategic Intent.

Macedon Ranges Shire Council

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1. Evolution of Reports

The Kyneton Airfield was established with the purchase of land by Council in 1966 in response to a request by interested parties. It was established as a community asset, with the proceeds of low rents returned to the group leasing the site and ongoing maintenance provided by Council.

A two page memorandum was prepared by the CEO at the time of Council amalgamations in 1995. It is evidence of the initial purpose for establishing the Kyneton airfield.

When Councils amalgamated in 1995, the need to expand land available to the airfield had been identified to support future airfield activity. Available capital did not allow this to occur, and over time the cost has increased.

A study was commissioned in 2011 for an aviation consultant to assess opportunities and constraints at the Kyneton Airfield. The Council officers assessed that the delivered report had insufficiently addressed constraints and undertook a new, separate review (*Future Directions Study*) in 2012. There is no information provided in the reports about why the first report was not accepted, which did include an assessment of constraints.

None of the options in either the 2011 or 2012 report suggests investigating other uses for the land.

The *Future Directions Study* focused primarily on economic opportunities – the report does not provide a reason or authority for this change in direction. One of the assertions in this report was that the Airfield was a necessary site for emergency services during bushfires, and for this reason should be retained for long term use. (however, this was later challenged in community consultations in 2016).

In addition to undertaking a reasonably extensive SWOT analysis, the officers report considered long-term options for the airfield. They considered four options, which can be summarised as follows:

- Relocation of the airfield – considered unlikely due to the high cost and need to identify a site that did not impinge on other land uses.
- Limit airfield to current size – considered viable but facing constraints due to the size of the site (the airfield would need to expand land size to allow growth) and growing concern about the impact on amenity by other land users. Also commented on need to introduce planning controls to support current and future use.
- Expand airfield – considered possible but requiring significant funds to purchase adjoining land. Also commented on need to introduce planning controls to support current and future use.
- Closure of the airfield. This was asserted as an unviable option, due to the need for emergency services use of the site.

The recommendations to further investigate economic and financial prospects, seem to be somewhat biased towards economic opportunities at the Airfield and to downplay the opposition to existing operations at the time, for future growth of the site/activity. The reference to emergency services use was, in a later report, shown to be a potential, rather than a confirmed use by the Country Fire Authority (CFA), who reportedly stated they had no intentions to use the Airfield for this purpose (although reports had stated it was used during the Black Friday fires).

The outcome of the *Future Directions Study* was to confirm the airfield current use and leases and also to seek funding from Victorian Government to undertake a long-term review of the site and its purpose. The latter included Victorian Government funding to undertake further economic analysis, which was successfully implemented.

The funded economic assessment commenced in 2014 and reviewed potential regional opportunities for the airfield – *Essential Economics Report*. While the report argued that economic and business interests existed to support a regional asset, the consultant's advice suggested that the size of the current site and its neighbouring land uses were incompatible with this; the same

conclusion reached in 2011. As noted in one of the reports, the cost of expanding the airfield's land size would be in the millions of dollars and there would need to be a clear strategic purpose for such an investment by the Macedon Ranges Shire.

The consultants completed a wide-ranging review of the economic opportunities and constraints on the site.

In summary, the report found:

- The current arrangements were financially cost neutral or slightly positive for Council; benchmarking with other airfields suggested opportunities to generate higher levels of revenue from current and future activities.
- Fundamentally, the site is managed through voluntary arrangements, albeit with formal lease agreements in place.
- Without formal airfield registration, airspace is unregulated; apart from a voluntary agreement from the Aero Club. This results in poor control of activity levels and associated noise and amenity impacts.
- Aero Club members and associated stakeholders report significant interest in improvements and expansion of the current site to enable more business activities.
- The economic consultant concluded that there was positive potential for economic development at the airfield.
- The consultant recommended developing elements of the airfield with a combination of private funding from Aero Club members, state and federal government funds (with reference to specific funding sources) and Council contributions.
- The proposed economic development opportunities rely on arrangements with a private landowner south of the airport and changing the zoning on a small part of Council's land holdings. The report stated that negotiations had been undertaken with the landowner, who was interested in developing the land in concert with Council. The nature of the arrangements, costs to Council and any potential probity issues are not detailed in the report.
- The consultant recommended a change in governance arrangements, with Council taking over management of the site to improve the balance of community and commercial interests. Council approved a resolution to review governance and established an advisory committee but did not transition management from the Aero Club to Council (not evident in the reports).

The consultant concluded that:

... the long-term future of the Airfield will be influenced by a number of factors including ongoing demand for hangars and recreational flying activities; however, future expansion of the facility needs to be considered with regard to sensitivity of surrounding land uses, planning and zoning issues and cost implications for Council

The *Essential Economics* consultant engaged in 2014 recommended that a masterplan be developed, including the following elements:

Typically, an Airfield Masterplan would include the following:

- *Site and planning context assessment*
- *Site analysis (site infrastructure, vegetation, access, surrounding land uses, user groups etc)*
- *Community consultation (site users, land-owners, general community)*
- *Planning framework review (relevant state and local planning policies)*
- *Development plan/guidelines (building design and placement, fencing, car parking, landscaping and open space)*

- *Operational/management plan (including addressing aircraft noise, obstacle limitation surfaces etc)*
- *Planning scheme amendments (rezoning, overlays, schedules etc)*

Generally, masterplans of this nature are reviewed every 5-10 years and this provides the flexibility to update the plan to reflect changing planning and development circumstances.

A 2016 Draft Master Plan was developed to implement the recommendations of the economic assessment. This report seems to blur the local and regional opportunities and to insufficiently address the amenity impact of activity at the airfield on neighbouring land uses. It also restated benefits of the Airfield for emergency services use, despite feedback from respondents that this was not required by the State government nor the CFA. Subsequent assessments in the development of the 2019 Draft Master Plan ruled out increasing the size of the airfield due to the water assets at the southern boundary.

The 2016 plan also made planning recommendations without completing amenity assessments such as noise and operational impacts on other land users, despite recommendations from the 2014 report that these be done concurrently to guide planning decisions. Council, in its resolution for the 2016 masterplan, changed the officer's recommendation to encourage "the maximum development possible" at the Airfield before this necessary preliminary work could be completed.

The scope of this report (Strategic Intent Kyneton Airfield) was to comment on Council's initial intent, and how this has evolved over time. The reports before 2019 do not clearly articulate an intent for the Airfield by Council.

In the 2019 Draft Master Plan, a strategic vision has been proposed, and the analysis demonstrates a more integrated approach. The perspectives include the Airfield members, economic opportunities, planning zone and infrastructure constraints, which have all been incorporated into the recommendations.

The 2019 Draft Master Plan follows the 'Regional Airport Master Planning Guidelines' and including the noise and operations plans not completed in 2016. A Local Law was resolved on 27 March 2019 to address these issues. However, it was noted that updates may be required if the Master Plan is adopted:

The Draft Kyneton Airfield Master Plan if adopted by Council recommends planning scheme amendments to the rezoning of 8 Rawson Place Kyneton. This will require a review of both the Design and Development Overlay and Airfield Environs Overlays with the aid of an Alternative Noise Metric assessment of the circuit paths.

The Local Law No. 12 may need to be reviewed in future (subject to infrastructure upgrade works).

Also, the report notes that an environmental assessment undertaken in April 2019 was inconclusive and would need to be repeated, which might affect future development.

For the first time, the 2019 Master Plan makes a statement about the strategic intent of the Airfield:

The Draft Master Plan 2019 defines the Strategic Vision and Objectives for the site, including the Master Plan diagram. The plan for the future development of the airfields physical facilities and infrastructure is discussed and subsequent changes to the airspaces protection surfaces and noise contours.

This plan documents a detailed assessment of infrastructure, aviation and zoning contexts for the airport. Interestingly, it reduces the proposed activity development in contrast to the 2016 plan:

The Draft 2016 Master Plan's assessment of 30,000 annual movements was only a demand forecast which was used for the ANEF assessment and does not represent the realistic activity levels with sensible development.

It states a strategic vision as follows (this would be subject to Council approval of the Plan):

This Master Plan's vision for the Kyneton Airfield is:

To develop the Kyneton Airfield site in line with all applicable standards to ensure that the site remains a unique recreational and emergency services asset for the Shire providing for recreational aircraft, associated commercial activity and broader community benefits.

The new 2019 plan includes several changes to the 2016 proposed development plan:

- Removes extension of the north-south runway, due to impacts on the Coliban Water assets and proximity to the Calder freeway. This is due to the finding that water-bombing aircraft would not be using the site. Instead a 150m gravel section is to be sealed to improve landings and aircraft height.
- Extension beyond the southern boundary of the site is restricted due to requirements of water assets, compared to the proposed extension into the southern landholding:

Consultation with Coliban Water has concluded that they would not consent to any development over the sewer rising and discharge to the Campaspe that runs along the southern border of the airfield. Any future development plans for the southern precinct must include the re-location of both assets to the far southern boundary parallel to Kyneton-Metcalf road.

The rest of the plan includes numerous infrastructure and zoning suggestions that are in keeping with the continued use of the Airfield. These contain development within the current site, including Council's Rawson Place allotment and rezoning to allow these to be implemented (from Farm Zone to Public Use Zone).

The 2019 plan also provides commentary on the planning overlays and the implications of these for the site. It raises a number of issues in relation to the Obstacle Limitations Surface (OLS), which refers to the height of anything that may obstruct the path of aircraft.

2. Key Issues

The airfield has enjoyed consistent Council support, starting with the purchase of land to establish the activity and ongoing infrastructure maintenance. The Aero Club has operated successfully and consistently demonstrated interest from potential new members and investors to strengthen and expand activity at the airfield. Extensive community consultation was undertaken in 2012, 2014, 2016 and 2019, with relatively consistent feedback. There were strong numbers supporting ongoing and expanded activity at the airfield; smaller but significant numbers of people concerned about impacts on their amenity (both neighbouring and other land users); and a small number directly opposing the activity for personal or policy reasons (such as environmental concerns).

While the numbers supporting the Airfield have been consistently higher than those opposing or raising concerns, this may reflect both current and interested users of the Airfield. Council may wish to assess not just the total numbers, but the constituencies represented by the respondents and independently assess the overall impact on the Shire of potentially expanded activity at the Airfield. The 2019 Draft Master Plan hints at this but has not addressed it directly.

Council Reports over time have consistently identified the following:

- potential economic benefits for expanding activity at the airfield.
- the need for Council to undertake planning revisions to support and clarify permitted land uses at the airfield.
- constraints in the size of the land to accommodate expanded activities. These constraints have increased with development of the surrounding properties, identified water issues and encroachment concerns for wastewater treatment land user, and the growth of trees on one property at the northern boundary.

- the requirement to formally identify the use/potential use of the site for emergency services as a public benefit.
- a need for greater clarity in governance of the site with initial arrangements being on a community type lease arrangement, moving to a community advisory committee with broader representation to Council. While Council owns the land, it has not directly managed the site or infrastructure, and this has raised concerns over the years.
- a private landowner south of the airport, on whose land proposed economic development options were proposed. This landowner was mentioned in the 2014 and 2016 reports, with statements that negotiations had been undertaken and the landowner was interested in developing the land with Council. The nature of the arrangements, costs to Council and potential probity issues are not detailed in any of the reports.

As this report details, the approach to these issues has varied across the reports. The Draft Master Plan 2019 is the first to present a strategic, integrated approach to the Airfield including economic, amenity, environmental and community perspectives.

3. Key Required Actions

The review of the documentation indicated there are three Key Actions required as conditions precedent to the endorsement and implementation of the masterplan. There is a fourth action identified, separate to the document review process.

These are:

- the requirement for the hangers to have a planning permit. Determined following separate legal advice provided.
- the requirement to address the planning scheme amendment. This will support and/or clarify permitted land uses at the airfield.
- undertaking a risk assessment of the airfield and surrounds' strategic risks. There are commercial, legal and operational risks in the operation of the airfield which appear to have been addressed. There are risks of a more strategic level that need to be identified and mitigated.
- Undertake any technical steps as identified in undertaking the three dot points above (this item is separate to the document review process).

There is one additional action required –

- Review of the economic development impacts relating to the airfield, including the proposed Tourism and Business Hub. This work will be included in the Municipal Economic Strategy creation.

4. Observations

In each report there is evidence of consistent interest and advocacy from the Aero Club to support their activities and further growth and development at the Airfield:

- In the 1995 memorandum, it was noted that additional land had been identified as necessary to extend the use of the Airfield and Council had already nominated an amount of funds required. However, a potential purchase had been forecast for several years hence, presumably in order to raise those funds over that time. The purchase was never made.
- The 2012 report describes dissatisfaction from Aero Club members, stating that they thought Council was not interested in their activities and did not support them through planning or other possible supports.

- The 2014 report shows evidence of an organised campaign of responses supporting growth and development and multiple ideas for how to grow and develop the Airfield (through a form template).
- The 2016 report picks up the recommendations from 2014 to develop a masterplan that supports extension of Airfield land uses. Officer responses to issues raised through the community consultation seem to support actions that will confirm Airfield use and refer to mitigation actions that are yet to be defined (such as noise controls). These issues were not addressed before commencing master planning, or concurrently with the planning work, which had been recommended by the economic development consultant.

Overall, the Council officer reports demonstrate support for the Airfield and the aspirations of its members and interested stakeholders. The views from community members opposing activity at the site were included in summaries of community consultation. In the 2019 Draft Master Plan the views of the community opposing the Airfield were identified as substantive issues. The economic analysis undertaken could have been more robust and it appears that opportunities to identify and address clear constraints were not as strong as they might have been.

At a high level the follow are key points from the documents reviewed:

- In the 1995 memorandum, a long-term plan appears to have been made to purchase land in a few years. It is likely that this requirement had been evident for some time, but no direct action had been taken. There may have been opportunities to purchase land earlier, and certainly an opportunity to zone the land around the Airfield to protect the uses of the airport at that time. The reason for the delay is not documented.
- By 2012, the constraints of surrounding land uses restricting the activities of the Airfield had become evident. However, the aspirations to extend the airport and its economic opportunities were still supported and options to seek state or federal funding to enable growth and development were sought. Some of these aspirations would appear to be regional in nature and unlikely to be accomplished in the size and constraints of the current Airfield. Four options were canvassed in the officer report about the long-term future of the Airfield. The closure of the airport was not recommended due to the need for emergency firefighting access – however, the latest report in 2016 states that the CFA has no plans to use the site in this way - was this posited as a purpose to garner support from Council?
- The 2014 analysis was undertaken by consultants from an economic development perspective. Again, the theme of development and extension of the Airfield was proposed, with accompanying financial analysis supporting this approach. Some of the assumptions underlying this analysis could be questioned as somewhat optimistic, such as 100 new visits per week attracted to the area due to an extended Airfield. Some of the constraints were again downplayed in the reporting of the outcomes in the Council report, such as the need for activity analysis prior to making decisions about long-term planning. The Council officers also recommended that the airport be a permanent activity at the site. The reasons for this were not articulated in the report, and the costs and benefits of such a decision were not recorded. This change would positively respond to the Aero Club's assertions that lack of certainty in the nine year leases was an impediment to ongoing and future investment. However, a broad range of possible issues to consider, including alternative uses for the land, do not appear to have been considered – or at least recorded in the public record.
- The 2016 report states feedback from the CFA that they had no plans to use the site for firefighting. This had been stated as a fundamental reason for retaining the Airfield as early as 2012 – it appears to have been put forward as an advocacy/community purpose, rather than an actual requirement. Officer responses to objections or issues raised through the community consultation seemed to support actions that will confirm Airfield use and refer to future mitigation such as noise controls. There does not appear to be a commitment or ability to implement such controls in the planning. These issues were not addressed before, or concurrently with the planning work, which had been recommended by the economic development consultant.

- The 2019 Draft Master Plan demonstrates a more comprehensive assessment than those of the past, including planning zone, economic development and community impact assessments. Its recommendations contain development possibilities within the current site, and suggest additional assessments to assess ongoing noise, amenity and environmental impacts for any proposed development.

5. Conclusion

The Airfield has enjoyed consistent Council support, starting with the purchase of land to establish the activity and ongoing funding of infrastructure maintenance. The Aero Club has operated successfully and has interest from potential new members and investors to strengthen and expand activity at the Airfield. Extensive community consultation has been undertaken in 2012, 2014 and 2016, with relatively consistent feedback. There are strong numbers supporting ongoing and expanded activity at the Airfield; smaller but significant numbers of people concerned about impacts on their amenity (both neighbouring and further out land users); and a small number directly opposing the activity for personal or policy reasons (such as environmental concerns).

Council reports have consistently identified:

- potential economic benefits for expanding activity at the Airfield.
- the need for Council to undertake planning revisions to support and clarify permitted land uses at the Airfield.
- constraints in the size of the land to accommodate desired activities. These constraints have increased with development of the surrounding properties, identified water issues and encroachment concerns for the wastewater treatment land user, and the growth of trees on one property at the northern boundary.
- a need for greater clarity in governance of the site with initial arrangements being on a community type lease arrangement, moving to a community advisory committee with broader representation to Council. While Council owns the land, it has not directly managed the site or infrastructure, and this has raised concerns over the years.
- proposed economic development opportunities which rely on arrangements with a private landowner south of the airport. The 2019 report removes this option, based on an assessed impact Coliban water assets.

The reports before 2019 do not clearly articulate an intent for the site by Council.

In the 2019 Draft Master Plan, a clear strategic intent has been proposed, and the analysis undertaken demonstrates a more integrated approach. The perspectives include the Airfield members, economic opportunities, planning zone and infrastructure constraints, which have all been incorporated into the recommendations.