



# Business Plan

Marble Bar Airstrip Upgrade



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# 1. EXECUTIVE SUMMARY

Pursuant to the requirements of Section 3.59 of the Local Government Act 1995, this Business Plan has been prepared to outline the expected effects of the proposed upgrades to Marble Bar Airstrip.

The proposed upgrades will see the extension of the runway and upgrade of supporting infrastructure enabling the landing of 100 seater aircrafts. The assessment of the proposed upgrades (the Proposal) has concluded that:

- There is a demonstrated need for upgraded aviation infrastructure in Marble Bar that will serve to increase economic opportunities, providing a significant benefit to the local community.
- The expected effect on facilities and services provided by the Shire is positive. The primary impact of the proposed facilities will be the increase in visitors travelling to the Shire and therefore utilising existing services and facilities.
- The expected effect on other persons providing facilities and services is positive as the Proposal has been designed to cater to a variety of service providers, impacting mining services, medical and health support services, tourism operators and education/professional support services.
- The expected effect on Shire finances is the generation of significant additional revenue within two years of completion, based on estimated projections.
- The Proposal is expected to support the vision, community aspirations, Shire objectives, outcomes and strategies in the four key result areas identified in the 2018-2028 Strategic Community Plan

The Proposal is therefore expected to be of immense benefit to the Shire and local community, provide a catalyst for economic growth and play an important role in the delivery of medical and emergency services.

Following the release of this Business Plan, submissions will be received from the public for a period of six weeks. Further details regarding submissions are provided in Section 9 of this Plan.

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## 2. INTRODUCTION

### 2.1. Business Plan Purpose

This Business Plan has been prepared in accordance with Local Government Act 1995 (the Act) with respect to the proposal (Proposal) to upgrade the Marble Bar Airport and enter into a major trading undertaking with Calidus Resources.

Section 3.59 of the Act requires all local governments to prepare a Business Plan prior to undertaking and entering into a major land transaction. The proposed upgrade is considered a major land transaction as prescribed under the Act.

The Act prescribes that the Business Plan is to provide details of the Proposal, including:

- Expected effect on the provision of facilities and services by the local government
- Expected effect on other persons providing facilities and services in the district
- Expected financial effect on the local government
- Expected effect on matters referred to in the local government's current plan prepared under section 5.56
- The ability of the local government to manage the undertaking or the performance of the transaction

This Business Plan demonstrates that the Proposal will result in positive outcomes for the Shire of East Pilbara, the local and wider communities and visitors.

### 2.2. Background

#### Marble Bar Airstrip History

The Marble Bar Airstrip is located in the Shire of East Pilbara, in Western Australia's Pilbara region (-21.162634, 119.833231). The Airstrip's last survey known by the Shire is dated 1975 however it is expected to be older than 44 years. The last bitumen sealing occurred in approximately 2012 and since this time there have been no further improvements to the Airstrip. The Airstrip is 1,240m long and 23m wide. Supporting and surrounding infrastructure includes gable markers, a windsock, generator powered lighting, an open terminal (shed) and a water tank that services the amenities.





Marble Bar Airstrip

## The Proposal Purpose

This Proposal will deliver a safe, all-weather airstrip in the Pilbara town of Marble Bar, suitable for landing 100 seater aircrafts. It will facilitate aeromedical, tourism and commercial activities and encourage economic growth. This Proposal will:

- Demonstrate the benefits of upgrading existing infrastructure.
- Improve the level of regional economic activity through increased traffic.
- Enable long-term provision of RFDS health and medical services.
- Remove accessibility barriers for service providers to the remote community.
- Contribute to creating a stable community.
- Improve partnerships between local government and commercial enterprises.
- Increase employment opportunities.

## The Proposal Scope

The existing 1,240m long, 23m wide sealed Airstrip will be replaced by a larger 2,000m long and 30m wide bitumen sealed Airstrip. The runway, taxiway and apron will have new base layers and basecourse layers applied, the bitumen will then be sealed twice, followed by a coat of CRS Emulsion Dilute Fog Seal. Line markings will be undertaken and 34 white

frangible gable markers (3,000mm long, 500mm high) will be installed. A PAPI Kit will be installed which includes eight projectors, all mounting assemblies, 16 transformers, all primary and secondary connections, 16 lamps, one clinometer, all flexible conduit and fixing hardware. A 1.8m high, 1,600m long perimeter fence will be installed with double gates for access. The Airstrip will then undergo a CASA certification process and a revision of the Aerodrome Manual Development including Aerodrome Manual Plans will occur.

This Proposal has a cost estimate of \$6,925,984 (ex gst) and will commence in early 2020/21, with completion being in the first half of 2021/22. Once the upgrade is complete, CASA will undergo a certification process of the Airstrip and an Aerodrome Technical Inspection will be commissioned. Below is a comparison of the existing Airstrip and the upgraded airstrip to be delivered by this Project:

Current Infrastructure	Issues Identified	Proposed Infrastructure	Outcomes
1,240m long, 23m wide sealed Airstrip	<ul style="list-style-type: none"> <li>Does not cater for the smallest commercially viable aircraft for RPT</li> </ul>	2,000m long, 30m wide sealed Airstrip	<ul style="list-style-type: none"> <li>Enables RPT aircrafts, broadens the scope of use of the Airstrip and generates economic growth.</li> </ul>
Lighting system	<ul style="list-style-type: none"> <li>Generator failure, unreliable.</li> <li>No apron floodlighting</li> </ul>	PAPI Lighting Kit	<ul style="list-style-type: none"> <li>Reliable lighting system, meets current standards for CASA and RFDS</li> </ul>
Fencing	<ul style="list-style-type: none"> <li>Does not meet the requirements for a registered airport.</li> <li>Does not align with wildlife management plan.</li> </ul>	34 Gable Markers	<ul style="list-style-type: none"> <li>Meets RFDS standards</li> </ul>
		Perimeter fencing and gate	<ul style="list-style-type: none"> <li>Secure Airstrip and associated infrastructure</li> </ul>

### The Development Plan – Expanding the Airport Reserve Area

In order to upgrade the Marble Bar Airport, the Proposal includes the acquisition and transfer of several Crown Land Reserves generally to the north of Marble Bar Rd and east of the site, to ultimately be included as additional land in the current "Airport Reserve". The portion of reserve land required to be amalgamated into the current Airport Reserve is approximately 25.8Ha.

The inclusion of this additional land will result in the runway being upgraded, lengthened, land cleared and fenced. The additional reserve land has been included in the Proposal due to the runway design requirements prescribed by the Civil Aviation Safety Authority (CASA). The Reserves included in the Proposal for portions of excision are:

Reserve	Lot	Areas of excision	Reserve Purpose & Reserve Area	Management Body
R13678	Lot 352	12.2ha	Timber (170ha)	DPLH
R7080	Lot 351	5.5ha	Travelling Stop (912ha)	Shire East Pilbara
R17139	Lot 520	3.2ha	Waterway (301.9ha)	Water Corporation
Marble Bar Road Reserve		4.9ha	Road Reserve	Main Roads Western Australia

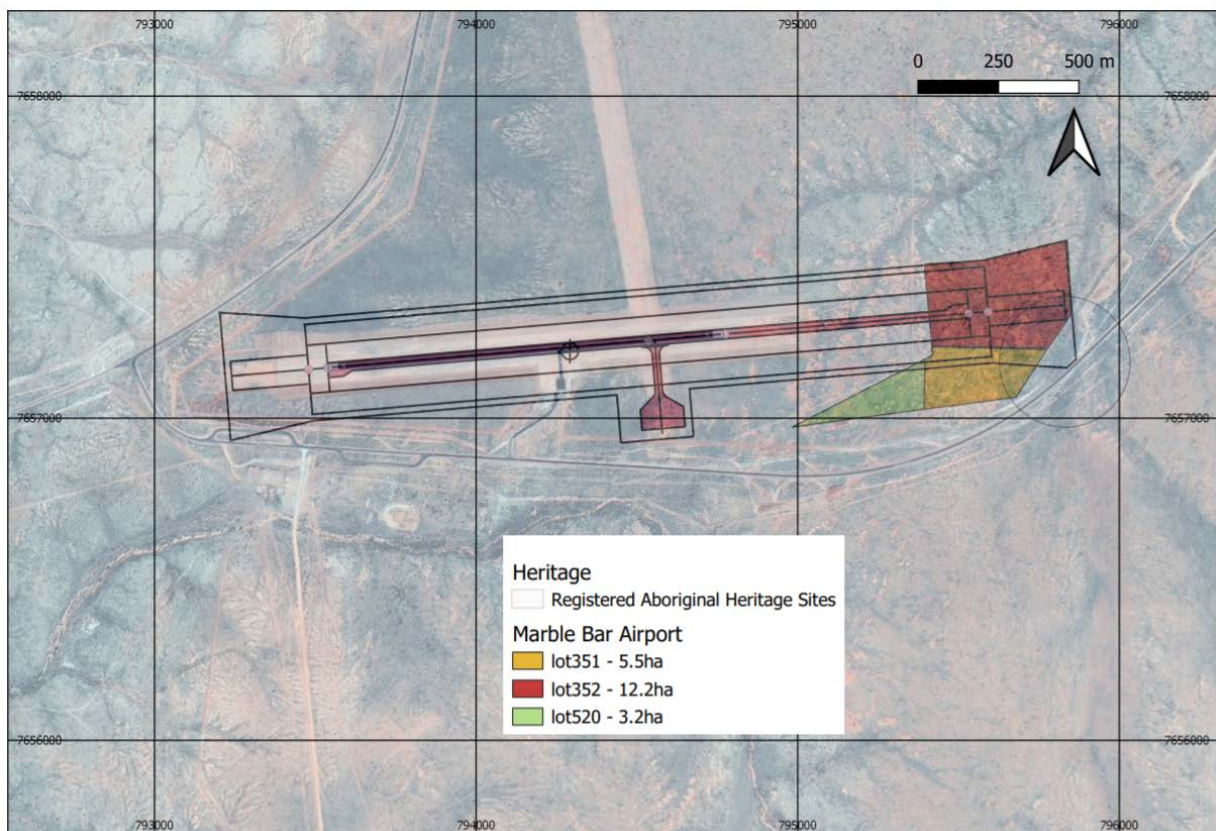
The *Land Administration Act 1997* provides the legislative basis for the management of reserves of Crown Land. It is recognised that the land referenced above has been previously set aside/included in reserves for certain purposes. The Minister for Lands has the power, under section 51 of the LAA to amend the purpose and the boundaries of a Reserve subject to certain amendment powers.

Ordinarily, such areas are preserved for their purpose as they have been previously recognised as having social, cultural or historical benefit to the community. In this instance the transfer of portions of the reserves into the Marble Bar Airport Reserve does not necessarily prejudice those values but seeks to transfer the land to facilitate the required airport upgrade which will ultimately provide great benefit to the community.

The Shire of East Pilbara, pending Public Notice of this Business Plan will then consider progressing the necessary permissions to include those reserve portions into "Airport Reserve" to progress the Development Proposal and a Management Order for the balance of land.

Additionally, there is Registered Heritage site No. 15700 listed to the eastern extremity of the development site which may include an area presently proposed to place the Airport perimeter fence, and may include clearing of native vegetation. The Department of Aboriginal Affairs has been asked to comment on the requirements, if any, to progress the fence and clearing in the locality. It is likely that a Heritage Survey at site will be required.

The Development Proposal to extend and upgrade the Marble Bar Airport will also need to be approved by the Council under the planning and development provisions of the Shire of East Pilbara Local Planning Scheme No.4. This matter can be progressed at any time and is not impacted by this Business Plan but does need the consent of reserve managers. Alternatively, the Development Application may be progressed once an agreement with the Proponents have been entered into.





### 2.3. Partnership Details

The Proposal will be carried out jointly between the Shire and Calidus Resources. The Shire will provide majority of the finance and Calidus will construct and project manage the Proposal. The Shire will provide progress payments upon certification of milestone completions pursuant to the binding Agreement.

#### **Calidus Resources**

Calidus Resources (ASX:CAI) is an ASX listed gold exploration company which controls the 1.25million ounce Warrawoona Gold Project in the East Pilbara district of the Pilbara Goldfield in Western Australia. The Shire and Calidus have been engaged in discussions surrounding the opening of the Warrawoona Gold Mine and the use of Marble Bar Airstrip. In early 2019, Calidus undertook a cost estimate for this Project which is appended to this Business Plan.

#### **Justification of Partnership**

The Shire are supportive of the engagement of Calidus to construct and manage the Proposal as they are a financial contributor and will be a primary user of the Airstrip. Calidus are injecting \$2million and intend to utilise the Airstrip for charter flights for mine employees and supporting professionals.

#### **Investment Benefits to Calidus**

Warrawoona Gold Mine is located within close proximity to Marble Bar. It is estimated that 300 jobs will be created indirectly at Calidus within 12 months of opening the Mine (expected to be late 2021). Calidus will benefit from investing in and constructing the Proposal through access to the Airstrip to transport mine employees and supporting professionals.

#### **Shire Liability Incurred**

The Shire has committed to contributing \$4.926million towards this Proposal as per the cost estimate at Appendix A. The Shire has funds in the 'Major Infrastructure Reserve' account in the event of any cost overruns or financial variations.

As an existing asset, the Airstrip is included in the Shire of East Pilbara's Asset Management Plan (AMP), which includes long term planning for ongoing maintenance costs. The AMP documents the Shire's management practices, processes and strategies. This ensures that assets are maintained to agreed service levels, balanced against long term resource availability.

#### **Post Construction Side-Agreements**

For the first year of operation, the Shire will provide a 100% discount to Calidus for landing fees, for the second year of operation a 50% discount will be provided and from the third year of operation Calidus will be required to afford full landing fees.

## 2.4. Rationale

Marble Bar is a remote community in Western Australia's Pilbara region. It is located 188km (one way) from the nearest service centre of Port Hedland and 213km (one way) from Newman, which is the main service centre within the same local government boundaries (Shire of East Pilbara). There is currently no mains power to the Marble Bar Airstrip however it has primary and standby diesel power for facilities including the runway lighting. Whilst undertaking an Electrical Technical Assessment in late September 2018, Generator No 1 was unserviceable. The second generator was started and ran for approximately 20 minutes before it too failed resulting in no power being available to operate the system and limiting the scope of the inspection as no night inspection could be undertaken. The Assessment confirms the layout of the threshold and the taxiway lighting do not meet the compliance requirements of CASA MOS 139 as the threshold lights are more than 3 metres beyond the marked runway end and taxiway lights are installed inside the line of the runway edge lights. To comply with CASA standards, it is necessary to upgrade the lighting and power systems to ensure a safe Airstrip.

### **Community Wellbeing & Health**

The Shire takes a holistic view of health which is influenced by the interconnections between the social, cultural, economic and physical environments of the community. This Proposal directly supports the Shire's Public Health Plan and the State Government's Public Health Plan. It supports an increase in social capital and regional liveability through the upgrade of infrastructure that enables quality of life and community health. It will service the needs of an Indigenous remote community and facilitate health opportunities that otherwise would not be available. Chronic diseases are the leading causes of illness, disability and death among Indigenous Australians and are estimated to be responsible for 70% of the health gap between Indigenous and non-Indigenous Australians (AIHW 2016b). Effective management of chronic diseases is key in meeting the target of closing the life expectancy gap between Indigenous and non-Indigenous Australians within a generation as it can delay the progression of the disease, improve quality of life, increase life expectancy and decrease the need for high cost interventions leading to net savings (Thomas et al. 2014; Zhao et al. 2014). The Airstrip will facilitate this essential service and contribute to closing the aforementioned health gap.

The Shire has a Regional Australia Institute ranking of 10/10 for Infrastructure & Essential Services which is heavily influenced by Access to Allied Health Services (10/10), Road Infrastructure (10/10) and Distance to Medical Facility (9/10). Aside from a nursing outpost, there are no other health or medical services situated in Marble Bar and travelling for more than two hours one-way to reach those services is not practical. As a primarily Indigenous population (51.7% of the community), Marble Bar has lower life expectancies, higher rates of chronic and preventable illnesses, poorer self-reported health, and a higher likelihood of being hospitalised than non-Indigenous Australians. The Royal Flying Doctor Service use the Marble Bar Airstrip on a weekly basis (outside of urgent medical assistance) to provide these essential services. RFDS statistics show that urgent medical assistance was provided 21 times in 2017/18, 17 times in 2018/19 and once between July and October 2019.

The Shire's unemployment rate increased from 2.1% in 2011 to 3.1% in 2016 according to the Australian Bureau of Statistics. Post construction, Calidus intend to offer employment opportunities at the Warrawoona Gold Mine for local and regional people in both skilled and unskilled capacities. The first 12 months of establishing the Warrawoona Gold Mine is expected to create 300 job opportunities, with 200 job opportunities required for ongoing operation of the Warrawoona Gold Mine. Therefore, this Proposal has capacity to indirectly

create 500 job opportunities post construction. Calidus has confirmed that training will be offered to new employees and due to the life of the project (at least six years), it is envisaged that a local apprenticeship scheme will be implemented. A suitable aerodrome is required to service the operations as the only other alternative would be to transport resources from Port Hedland or Newman via vehicles, which is deemed unfeasible due to potential road closures and associated road travel risks which would jeopardise operations. Without upgrading the Airstrip, the community's access to services and resources will be limited, impinging on quality of life. Additionally, the Airstrip supports the transport of WA Police Officers from Marble Bar to Karratha to undertake ongoing professional development opportunities. This enables retention of skilled workers in Marble Bar, without those workers moving to locations where training and development opportunities are readily available. The Proposal will support opportunities for local business and organisations to grow through the capacity to set-up a space at the Airport and capture arriving and departing passengers from across the region. This will also encourage opportunities for social engagement which will not otherwise be achieved without this Proposal.

## **Economic**

This Proposal supports local industry through renewal of existing infrastructure available in the Shire of East Pilbara and enabling engagement of local and regional suppliers for construction and maintenance purposes. It is classified as a low risk project with a net profit to projected to occur by the end of 2022/23 (see Appendix B). Although Gold Ore Mining is the second highest sector of employment for the Shire of East Pilbara community (4.1%), the Iron Ore Mining sector employs significantly more of the community at 48.4% (ABS, 2016). This Proposal will facilitate expansion of the gold mining industry by delivering adequate infrastructure to meet the needs of the Warrawoona Gold Mine's operations. In addition to the aforementioned employment opportunities, the initial six-year life of the Mine will deliver significant benefits including:

- Expenditure of approximately \$800million.
- A contribution of \$26million in State Government royalties.
- Payment of \$66million in company tax.

Whilst Warrawoona Gold Mine has an initial six year life, the Shire are in discussions with Atlas Iron and Venture X who have expressed interest in using the upgraded Airstrip. Both companies have a life expectancy of more than six years.

## ***Direct Impact***

### Construction

#### *Regional Economic Output*

From a direct increase in economic output of \$6.830 million (Project capex) it is estimated that the demand for intermediate goods and services would rise by \$0.779 million. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$0.615 million.

Total output, including all direct, supply-chain and consumption effects is estimated to be \$8.224 million, an additional \$1.4 million of regional output on top of the project costs.

### *Jobs, Wages and Salaries*

From a direct increase in output of \$6.830 million the corresponding creation of direct jobs is estimated at 8 jobs and it is estimated that direct wages and salaries would increase by \$1.096 million. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 2 jobs and a further increase in wages and salaries of \$0.188 million.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment by a further 2 jobs in sectors such as retail therefore further increasing wages and salaries by \$0.112 million.

Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 12 jobs as a result of the project.

Total wages and salaries, including all direct, supply-chain and consumption effects is estimated to increase by up to \$1.395 million.

### *Summary Table*

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$6.830	\$0.779	\$0.615	\$8.224	1.114	1.204
Employment (jobs)	8	2	2	12	1.250	1.500
Wages and Salaries (\$M)	\$1.096	\$0.188	\$0.112	\$1.395	1.171	1.273
Value-added (\$M)	\$2.183	\$0.303	\$0.381	\$2.867	1.139	1.313

### Operations

#### *Output, Wages and Salaries*

In order to determine direct economic impact of operations on the regional economy, forecast operational expenditure over years 1-5 were obtained, current operational costs 'pre-upgrade' was subtracted from these amounts to identify the additional spend as a result of the project. The difference is the direct economic impact on the regional economy brought about by the Shire spending this money each year. This impact will have additional flow-on impacts, which are outlined below.

Impact Year	Direct Effect
Year 1	\$263,100
Year 2	\$326,200
Year 3	\$345,700
Year 4	\$368,400

Impact Year	Direct Effect
Year 5	\$394,700
<b>Years 1 – 5</b>	<b>\$1,698,100</b>

From a direct increase in output of \$1,698,100 dollars over the 5-year period, it is estimated that the demand for intermediate goods and services would rise by \$292,549 dollars. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$154,894 dollars.

Total output over the 5-year period, including all direct, supply-chain and consumption effects is estimated to increase by up to \$2,145,543 dollars.

Total wages and salaries over the 5-year period, including all direct, supply-chain and consumption effects is estimated to increase by up to \$351,098 dollars.

#### Summary Table

##### Impact Summary – Year 1 to Year 5

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect
Output (\$)	\$1,698,100	\$292,549	\$154,894	\$2,145,543
Wages and Salaries (\$)	\$229,018	\$94,004	\$28,076	\$351,098

#### Indirect Impact

##### Catalyst for other projects

In addition to the direct employment opportunities brought about by enabling the Calidus Resources project, the Calidus project will also have significant economic benefits to the regions supply chains and consumption sectors. Economic multipliers outlined in the previous analysis can be applied to costs associated with the construction and operation of the Calidus project to guide the magnitude of flow-on impacts.

It must also be noted, the presence of a jet-capable airstrip in this area of the Pilbara has the potential to unlock further economic benefits for the region. It is anticipated that the new airport infrastructure will increase viability of marginal projects and extend the life of projects which would otherwise cease, due to higher costs associated with maintaining own airstrips or transporting workers greater distances (i.e. from Newman or Port Hedland).

The Pilbara Development Commission are currently tracking 16 major projects in the Shire of East Pilbara which are either under consideration or committed but yet to begin construction. Together these projects represent a private capital investment of over \$24.5 billion AUD and will create more than 4000 jobs in construction and close to 1000 jobs in ongoing operations.

A number of these projects could be pushed towards viability by the presence of an enhanced airstrip in this area of the region. Principally these would be Atlas Iron, Millennium Minerals, Coziron and even the transformational Asian Renewable Energy Hub.

### Project profiles

Snapshot of projects currently being tracked by Pilbara Development Commission:

Project	Sector	LGA	Investment	Construction jobs	Production jobs	Project Status
Asian Renewable Energy Hub	Energy	SoEP	\$22bn	3,000	400	Under Consideration
Kalium Lakes – Beyondie SOP	Mining	SoEP	\$284m	90	30	Under Consideration
Agrimin – Mackay Potash	Mining	SoEP	\$545m	300	200	Under Consideration
FMG – Queen’s Valley	Mining	SoEP	\$417m	130	30	Committed
Capricorn Metals – Karlawinda Gold	Mining	SoEP	\$146m	50	20	Committed
Atlas Iron – Corunna Downs	Mining	SoEP	\$53m	--	--	Committed
BHP – South Flank	Mining	SoEP	\$5.2bn	2,500	600	Under Construction
Rio Tinto – Koodaideri	Mining	SoEP	\$3.5bn	2,000	600	Under Construction
Millennium Minerals – Nullagine Project	Mining	SoEP	\$15m	--	--	Under Construction

### **Alignment with Local, State and Federal Plans**

This Proposal aligns with the objectives of the following local, state and federal plans and strategies:

#### Local

- *Shire of East Pilbara Strategic Community Plan 2018-2028*
  - Built Environment
    - Objective B1 Optimise places to live, work and enjoy*
      - Strategy B1.3 Maintain and facilitate community infrastructure and urban heritage, including roads and buildings.
  - Economic
    - Objective E1 Develop and promote a diverse and sustainable economy*
  - Social
    - Objective S2 Build a vibrant community*
    - Objective S3 Advocate and partner to improve access to services*
  - Governance
    - Objective G1.1 Provide efficient, accountable and ethical governance*

- *Shire of East Pilbara Public Health Plan 2014*  
To increase social connection and mental health wellbeing within the East Pilbara community
  - Advocate for clinical services to visit or relocate to the Shire on a regular basis
- To have a safe and secure community
  - Reinforce collaboration and support
  - Support young people and families

### Regional/State

- *Pilbara Development Commission Regional Investment Blueprint (2015)*  
Land Access and Economic Infrastructure
  - A fully integrated public and private transport network of roads, rail, sea and airports which support development.
- People and Communities
  - Residents can access quality health advice and services comparable to metropolitan markets using innovative delivery methods.
  - Resident health and wellbeing in line with metropolitan average.
- *State Public Health Plan for Western Australia 2019 - 2024*
  - Objective 1 - Empowering and enabling people to live healthy lives
  - Objective 2 - Providing health protection for the community
  - Objective 3 - Improving Aboriginal health and wellbeing

### Federal

- *Department of Infrastructure, Transport, Cities & Regional Development Corporate Plan 2019/20*  
OUTCOME 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure  
Australians benefit from air transport programs that make travel safer by ensuring the aviation industry:
  - operates within a clear and robust safety, planning and environmental regulatory framework
  - supports economic growth by improving transport efficiency and sustainability
  - connects people, communities, businesses and markets by improving transport access

By delivering on these purposes, the air transport program contributes to the outcome of an efficient, sustainable, competitive and safe transport system for all transport users.

OUTCOME 3: Strengthening the sustainability, capacity and diversity of our cities and regional economies including through facilitating local partnerships between all levels of government and local communities; through reforms that stimulate economic growth; and providing grants and financial assistance.

### 3. EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE SHIRE

Pursuant to Section 3.59(3)(a) of the Local Government Act, the expected effect on the provision of facilities and services operated by the Shire is as follows.

#### 3.1. Shire Services and Facilities Potentially Affected

The Proposal is likely to interrupt airport operations during construction however is not expected to impact provision of facilities and services provided by the Shire.

Post construction, the Proposal is likely to positively impact the provision of facilities and services operated by the Shire through additional engagement opportunities.

#### 3.2. Summary of the expected effect

Overall, this Proposal is expected to have a positive effect on the utilisation of existing Shire facilities and services.

### 4. EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT

Pursuant to Section 3.59(3)(b) of the Local Government Act, the expected effect of the Project on other persons providing facilities and services in the Shire's district is as follows.

#### 4.1. Other Services and Facilities Potentially Affected

Other services and facilities operated by entities other than the Shire were assessed to determine the impact (if any) on their operations. These included:

- Mining services.
- Health and medical support services.
- Tourism operators.
- Education support services.

#### **Mining Services**

The ability for the Airstrip to cater for 100 seater aircrafts will greatly impact mining services in a positive respect. The Proposal will deliver long term infrastructure that has capacity to encourage other mine sites to take advantage of the Marble Bar Airstrip including Atlas Iron and Venturex Resources Limited.

#### **Health and Medical Support Services**

The Airstrip is currently utilised by the Royal Flying Doctor Service for emergency medical support services. In the event that the Royal Flying Doctor Service is required during the construction phase, alternative airstrips will be utilised including Corunna Downs which is 43km south of Marble Bar, however other options closer to Marble Bar are also to be explored. Post construction, medical supports services will be a primary beneficiary of the Airstrip. As a very remote community, the only timely and effective way to administer health services and medical treatment, particularly during periods of road closures due to weather etc, is via the air, and therefore a safe, all-weather Airstrip is paramount to the health and wellbeing of the remote Marble Bar and surrounding community.

#### **Tourism Operators**

It is expected that tourist attractions and operators will be positively affected by the Proposal. The expected increase in visitation will provide greater demand for existing facilities/services, and will potentially attract new businesses. The Airstrip is approximately



290km from the main town of Newman, which also has an aerodrome, enabling potential flights between Newman and Marble Bar. Newman is host to supermarkets, accommodation, recreational activities and is within close proximity to undertaking activities including outback adventures to freshwater springs, national parks and ex mining sites.

### **Education Support Services**

On occasions, education professionals are required to travel to Marble Bar to provide education support services to the Marble Bar community. This Proposal will positively impact these services through provision of a safe airstrip that will enable more frequent use and therefore more regular provision of education services.

#### **4.2. Summary of the expected effect**

Overall, the Proposal is expected to positively effect other persons providing facilities and services in the district. The Proposal has the potential to support existing businesses and attract new businesses to the district.

## **5. EFFECT ON LOCAL GOVERNMENT FINANCES**

Pursuant to Section 3.59(3)(c) of the Local Government Act, the expected financial effect of the Proposal on the Shire is as follows.

#### **5.1. Impact on Shire finances**

Currently, no income is generated from the Marble Bar Airstrip. The Shire manage and maintain the Airstrip and this will continue post construction phase. Maintenance activities are currently budgeted at \$40,000 per annum. The Proposal will increase maintenance expenditure only marginally however the introduction of landing fees and passenger services charges will far outweigh the expenditure. An indicative income and expenditure statement has been developed for a ten-year timeframe. These projections demonstrate that the Proposal has capacity to deliver substantial income for the Shire that will support wider community services. It is anticipated that the Proposal will be generating income within its first year of operation which will aid recovery of investment and be in a positive net operating position by 2023/24. The Proposal is expected to generate income of approximately \$900,000 by 2030/31, noting that exact income generation is dependent on utilisation and may vary.

#### **5.2. Summary of the expected effect**

It is expected that the Proposal will have a positive effect on Shire finances, providing a substantial financial return over minimal time. While the exact return to the Shire is dependent on variables, the Proposal is not considered to be high risk.

## **6. EXPECTED EFFECT ON MATTERS REFERRED TO IN THE SHIRE'S PLAN PURSUANT TO SECTION 5.56**

Pursuant to Section 3.59(3)(d) of the Local Government Act, the expected effect of the Proposal on matters within Section 5.56 of the Local Government Act are as follows.

#### **6.1. Long term planning**

Under section 5.56 of the Local Government Act 1995, a local government authority must plan for the future of the district. The current Local Government (Administration) Amendment Regulations (No. 2) 2011 require that as a minimum, each local government authority must prepare a Strategic Community Plan. A Strategic Community Plan must plan in detail for the next four years, and outline the strategic direction for the next 10 years. The

alignment of the Proposal with the current East Pilbara Strategic Community Plan 2018-2028 is shown below. The proposal is in alignment with identified outcomes and strategies across four key result areas of the Strategic Community Plan. In particular, the proposal is expected to be highly supportive of local business and attracting new enterprises to the town.

### East Pilbara Community Strategic Plan

Key Result Area	Outcome	Objective	Strategy	Alignment
Economic	A diverse and sustainable regional economy	E1 Develop and promote a diverse and sustainable economy	E1.2 Lobby, advocate and facilitate corporate partnerships to support economic growth opportunities	Undertaking the Proposal jointly with Calidus will strengthen the economy through local employment and industry expansion.
Social	Harmonious communities sharing strong community connections	S2 Build a vibrant community	S2.1 Facilitate community connectedness and inclusion	The Proposal will increase access to a remote community, enabling greater connectedness with other areas of the Shire.
		S3 Advocate and partner to improve access to services	S3.1 Facilitate services for families and children, youth and aged (inclusive of all demographic types including people living with disability, Aboriginal and Torres Strait Islander, Culturally and Linguistically Diverse and LGBTI).	The Proposal will broaden opportunities for all demographics and enable the delivery of services that have previously not been able to occur due to accessibility barriers.
Built Environment	Connected and accessible communities	B1 Optimise places to live, work and enjoy	B1.3 Maintain and facilitate community infrastructure and urban heritage, including roads and buildings	The Proposal will deliver all-weather infrastructure which is currently not available in Marble Bar, optimising local living and increasing employment opportunities.
Governance	Demonstrated accountability and corporate governance	G1.1 Provide efficient, accountable and ethical governance	G1.1 Enhance governance capability to deliver sustainable outcomes roads and buildings	This business plan includes a public notice to inform the community of the intended plan to upgrade the Airstrip.

### 6.2. Summary of the expected effect

It is expected that the Proposal will have a neutral to positive effect on the long-term planning goals of the Shire.

## 7. THE ABILITY OF THE SHIRE TO MANAGE THE UNDERTAKING OR THE PERFORMANCE OF THE TRANSACTION

The Shire ordinarily administers large-scale financial undertakings in its day-to-day management of its assets and community facilities. The upgrade of the Airstrip will be undertaken jointly between the Shire and Calidus. Calidus will be responsible for constructing and managing the Proposal, with oversight and input from the Shire as required. Calidus has access to suitably qualified professionals and will manage the Proposal accordingly. The Warrawoona Gold Mine project is a \$125m capital project wherein the Airstrip upgrade only a \$7m portion of the larger scale of works, which Calidus will be managing.

In addition to the Shire's Chief Executive Officer, Executive Manager Commercial Services, Manager Compliance Airports and Manager Technical Services – Rural, the Project Team is likely to consist of the following Calidus employees:

Dave Reeves – Managing Director

- BEng (Hons)
- 30 Years Mining Experience
- Overseen construction four mining projects through Feasibility through to Development
- Above included construction 80km bitumen Highway

Paul Brenan – Chief Operating Officer

- BEng (Hons), Post Graduate Project Management and MBA
- 21 Years Mining Experience
- Recent experience in construction of all-weather bitumen Aerodrome at remote location in WA, identical to proposed Marble Bar upgrade

Fernando Moutinho – Project Manager

- 30 Years international experience with Major Engineering companies included Ausenco and GRD Minproc

## 8. CONCLUSION

The following conclusions have been made in the above Business Plan:

- There is a demonstrated need for an upgraded, all-weather Airstrip in Marble Bar that will increase employment opportunities during and post construction and contribute to generating economic and community benefits, significantly enhancing wellbeing within the Shire.
- The expected effect on facilities and services by the Shire is neutral to positive.
- The expected effect on other persons providing facilities and services is positive as the Proposal has been designed to broaden its capacity for use.
- The expected effect on Shire finances is the generation of significant additional revenue.
- The Proposal is expected to support the vision, community aspirations, Shire objectives, outcomes and strategies in four key result areas identified in the 2018-2028 Strategic Community Plan.

The Proposal is therefore expected to be of immense benefit to the Shire and local community, provide a catalyst for economic growth and play an important role in the delivery of medical and emergency services.

## 9. PUBLIC CONSULTATION AND ADVERTISING

In accordance with the Local Government Act 1995 the Shire is required to give Statewide notice stating that;

- The Shire proposes to enter into a major land transaction as described in the notice;
- A copy of the Business Plan may be inspected or obtained by the public at a specified place in the notice;
- Submissions about the proposed transaction may be made to the Shire before a day specified in the notice, being a day not less than six weeks after the notice is given.

Following Public Notice, the Shire is to consider all submissions made and may decide (absolute majority required) to proceed with the undertaking or transaction as proposed, or so that it is not significantly different from what was proposed.

In accordance with this section the Shire will give Statewide and local public notice of this Business Plan. Notice will be provided as follows from Wednesday 10 June 2020:

- West Australian Newspaper: 2 x advertisements during submission period
- Shire of East Pilbara website: continual display during submission period at [www.eastpilbara.wa.gov.au](http://www.eastpilbara.wa.gov.au)

Submissions will be received from the public for a period of six weeks. All submissions must be received at the office of the Shire by 4.00pm on Wednesday 22 August 2020 and addressed to:

**Mr Jeremy Edwards**

**Chief Executive Officer**

**Shire of East Pilbara**

**Kalgan Drive**

**NEWMAN WA 6753**

Submissions should be clearly marked "Submission for Business Plan – Major Land Transaction for Marble Bar Airport".

All enquiries concerning this Business Plan should be directed to the Executive Manager Commercial Services, Ben Lewis, 9175 8000.

The Shire's Chief Executive Officer and Executive Manager Commercial Services met with the Department of Transport on Thursday 4 June 2020 to discuss the Proposal.

## 10. APPENDIX A – COST ESTIMATE

Marble Bar Upgrade - Preliminary Budget Estimation (Current MOS)  
Runway 2000 x 30m - Code 3C - 690mm of pavement sealed - F100 Design Aircraft

Item	Description	Unit	Qty	Unit Rate	TOTAL	Notes
<b>1.0</b>	<b>FEASIBILITY &amp; DESIGN</b>					
1.1	Survey	LS	1	15,000.00	\$ 15,000.00	
1.2	Geotechnical Investigation and Soil Testing	LS	1	25,000.00	\$ 25,000.00	
1.3	Detailed Geometric Design and Construction Documentation	LS	1	50,000.00	\$ 50,000.00	
	<b>Sub Total</b>				\$ 90,000.00	
<b>2.0</b>	<b>CONSTRUCTION PRELIMINARIES</b>					
2.1	Civil Contractor Mobilisation / Demobilisation	LS	1	500,000.00	\$ 500,000.00	
2.2	Survey	week	10	9,250.00	\$ 92,500.00	
2.3	Accommodation and Messing	week	20	14,000.00	\$ 280,000.00	
2.4	Insurances, Bonds and Levies	Item	1	50,000.00	\$ 50,000.00	
	<b>Sub Total</b>				\$ 922,500.00	
<b>3.0</b>	<b>SITE PREPARATION</b>					
3.1	Clear and grub vegetation and remove to designated stockpile - Clear to overall strip	m2	83,700	0.26	\$ 21,762.00	
3.2	Strip topsoil (up to 100 mm depth) and remove to designated topsoil stockpile - Tawiway and Apron)	m2	83,700	1.26	\$ 105,462.00	
	<b>Sub Total</b>				\$ 127,224.00	
<b>4.0</b>	<b>BULK EARTHWORKS, PAVEMENTS &amp; RUNWAY STRIP</b>					
4.1	Cut and fill to Runway Strip Embankment as General Fill	m3	9,600	7.00	\$ 67,200.00	
4.2	Compact (95%MMDD), proof roll and trim pavements subgrade (300 mm depth) - Taxiway and Apron	m2	10,000	1.50	\$ 15,000.00	
	Compact (95%MMDD), proof roll and trim pavements subgrade (300 mm depth) - Runway	m2	32,400	1.50	\$ 48,600.00	
4.3	Sub-Base Layer (lower layer) - Load, haul, place, spread, moisture condition and compact (100% MMDD - 245mm thick) - Runway, Taxiway and Apron	m3	10,220	40.00	\$ 408,800.00	
4.4	Sub-Base Layer (upper layer) - Load, haul, place, spread, moisture condition and compact (100% MMDD - 245mm thick) - Runway, Taxiway and Apron	m3	9,908	85.00	\$ 842,180.00	
4.5	Sub-Base Layer (shape correction existing) - Load, haul, place, spread, moisture condition and compact (100% MMDD -150mm nominal) - Runway	m3	1,800	75.00	\$ 135,000.00	
4.6	Basecourse Layer (new pavement) - Load, haul, place, spread, moisture condition and compact (100% MMDD - 200mm thick) - Runway, Taxiway and Apron	m3	8,480	150.00	\$ 1,272,000.00	
4.7	Basecourse Layer (existing pavement) - Load, haul, place, spread, moisture condition and compact (100% MMDD - 200mm thick) - Runway	m3	5,520	150.00	\$ 828,000.00	
4.8	Basecourse Layer - Load, haul, place, spread, moisture condition and compact (100% MMDD - 100mm thick) - Jet Blast	m3	3,600	75.00	\$ 270,000.00	
4.9	Trim and Proof Roll Basecourse Layer	m2	70,000	3.00	\$ 210,000.00	
4.10	Prepare Clearway, RESA and 3.5m each side of existing runway	m2	30,000	5.00	\$ 150,000.00	
4.11	Trim and Proof Roll Runway Strip	m2	30,000	2.00	\$ 60,000.00	
	<b>Sub Total</b>				\$ 4,306,780.00	
<b>5.0</b>	<b>BITUMEN SPRAY SEAL, FUEL RESISTANT SEAL &amp; LINEMARKING</b>					
5.1	Supply and Spray Prime Coat	m2	63,600	2.00	\$ 127,200.00	
5.2	Supply and Spray First Coat Seal C320 Bitumen, Supply, Cover and Roll 10mm Aggregate	m2	63,600	6.50	\$ 413,400.00	
5.3	Supply and Spray Second Coat Seal C320 Bitumen, Supply Cover and Roll 7mm Aggregate	m2	63,600	5.50	\$ 349,800.00	
5.4	Supply and Spray CRS Emulsion Dilute Fog Seal, Supply, Cover and Roll Sand	m2	60,000	3.00	\$ 180,000.00	
5.5	Supply, Survey, Set-out and Paint Aerodrome Line markings	Item	1	50,000.00	\$ 50,000.00	
	<b>Sub Total</b>				\$ 1,120,400.00	
<b>6.0</b>	<b>VISUAL AIDS</b>					
6.1	Gable Markers White Frangible 3000mm long, 500mm high	ea	34	370.00	\$ 12,580.00	Assume all new markers required
	<b>Sub-total</b>				\$ 12,580.00	
<b>7.0</b>	<b>PAPI</b>					

7.1	Total Single-sided PAPI Kit, including all 8x projectors, all mounting assemblies, 16 x transformers, all primary and secondary connections, 16 x lamps, 1 x clinometer, all flexible conduit and fixing hardware	ea	1	60,000.00	\$	60,000.00	
7.2	Concrete Footing for PAPI including conduit cast-ins	ea	8	8,000.00	\$	64,000.00	
7.3	Supply and Install Generator, Cabling, Flight Test and Spares for PAPI	ea	1	110,000.00	\$	110,000.00	
<b>Sub-total</b>						<b>\$</b>	<b>234,000.00</b>
<b>8.0</b>	<b>PERIMETER FENCING</b>						
8.1	Supply and install 1.8m high fence including Griplock 15/150/15, steel posts, strainer assemblies, concrete footings and two strands of 1.80mm barb wires & 90/4/1.4mm netting around the base of the fence	m	1,600	25.00	\$	40,000.00	
8.2	Supply and install Double Gates - 6000mm, 1800mm high, galvanised mesh including all strainer assemblies, concrete footings, chains, padlocks, bolts and ferrules	ea	2	1,250.00	\$	2,500.00	
<b>Sub-total</b>						<b>\$</b>	<b>42,500.00</b>
<b>10.0</b>	<b>CASA COMPLIANCE &amp; OPERATIONAL MANUALS</b>						
10.1	CASA Certification Application	Item	1	12,000.00	\$	12,000.00	
10.2	Revision of Aerodrome Manual Development including Aerodrome Manual Plans	LS	1	50,000.00	\$	50,000.00	
10.3	Commissioning Aerodrome Technical Inspection (ATI)	Item	1	6,000.00	\$	6,000.00	
<b>Sub Total</b>						<b>\$</b>	<b>68,000.00</b>
<b>TOTAL ESTIMATE</b>						<b>\$</b>	<b>6,833,984.00</b> Excluding design component

# 11. APPENDIX B – AIRPORT PROJECTIONS

Aerodromes - 1.12.124

30/06/2020 30/06/2021 30/06/2022 30/06/2023 30/06/2024 30/06/2025 30/06/2026 30/06/2027 30/06/2028 30/06/2029 30/06/2030

Est Actual

Depreciation												
12816	Depreciation Airport Assets - Infrastructure	2,079,152.70	2,772,200	2,827,600	2,884,200	2,941,900	3,000,700	3,060,700	3,121,900	3,184,300	3,248,000	3,313,000
12822	Depreciation Airport Assets - Land & Building	396,524.42	528,700	539,300	550,100	561,100	572,300	583,700	595,400	607,300	619,400	631,800
12823	Depreciation Airport Assets - Plant & Equip	170,664.96	227,600	232,200	236,800	241,500	246,300	251,200	256,200	261,300	266,500	271,800
12824	Depreciation Airport Assets - Furniture & Equip	86,750.08	115,700	118,000	120,400	122,800	125,300	127,800	130,400	133,000	135,700	138,400
<b>Total Depreciation Costs</b>		<b>2,733,092.16</b>	<b>3,644,200</b>	<b>3,717,100</b>	<b>3,791,500</b>	<b>3,867,300</b>	<b>3,944,600</b>	<b>4,023,400</b>	<b>4,103,900</b>	<b>4,185,900</b>	<b>4,269,600</b>	<b>4,355,000</b>

Newman Airport Expenditure												
121139	Conference & Seminar Expenses	127.85	30,000	30,600	31,200	31,800	32,400	33,000	33,700	34,400	35,100	35,800
121142	FBT	472.00	21,000	21,400	21,800	22,200	22,600	23,100	23,600	24,100	24,600	25,100
121148	Insurance - Workers Comp	3,844.49	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200
121151	Recruitment & Relocation	2,600.00	-	-	-	-	-	-	-	-	-	-
121154	Salaries & Allow	733,134.74	647,900	660,900	674,100	687,600	701,400	715,400	729,700	744,300	759,200	774,400
121158	Superannuation (Airport)	71,918.50	94,000	95,900	97,800	99,800	101,800	103,800	105,900	108,000	110,200	112,400
121159	Casual Wages	-	-	-	-	-	-	-	-	-	-	-
121160	Sundry Employment Costs	-	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800
121163	Training	320.00	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800
121172	Shire Rates	-	-	-	-	-	-	-	-	-	-	-
121182	Memberships/Publications/Subs	7,316.18	12,000	12,200	12,400	12,600	12,900	13,200	13,500	13,800	14,100	14,400
121185	Minor Equipment & Furniture	1,270.00	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
121186	Insurances - Airport	232,500.45	255,800	260,900	266,100	271,400	276,800	282,300	287,900	293,700	299,600	305,600

Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
121188	Licences	22.75	400	400	400	400	400	400	400	400	400	400
121189	Loan 66 - Interest Repayments	30,022.81	13,300	13,600	13,900	14,200	14,500	14,800	15,100	15,400	15,700	16,000
121194	Legal Expenses	12,847.28	12,000	12,200	12,400	12,600	12,900	13,200	13,500	13,800	14,100	14,400
121197	Stationery & Printing	3,687.87	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400
121198	Postage & Freight	3,259.22	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
121200	Sundry Expenses	20,503.35	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
121209	Doubtful Debts	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
121439	Business Development	86,694.81	200,000	204,000	208,100	212,300	216,500	220,800	225,200	229,700	234,300	239,000
121440	Regional Airfares contribution	166,326.90	340,000	346,800	353,700	360,800	368,000	375,400	382,900	390,600	398,400	406,400
121169	Project Management Fee	541,666.65	1,500,000	1,500,000	1,530,000	1,560,600	1,591,800	1,623,600	1,656,100	1,689,200	1,723,000	1,757,500
121170	Administration Costs Allocated	324,037.27	501,400	501,400	511,400	521,600	532,000	542,600	553,500	564,600	575,900	587,400
121171	Loan 66 - Interest Guarantee Fee	4,337.52	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100	10,300	10,500
		-										
121401	Services - Access Roads, car parks, curbs, verges, fences	6,474.79	15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
121402	Services - Water incl RO, production and distribution	77,278.44	120,000	122,400	124,800	127,300	129,800	132,400	135,000	137,700	140,500	143,300
121403	Services - Power	242,817.55	250,000	255,000	260,100	265,300	270,600	276,000	281,500	287,100	292,800	298,700
121404	Services - Waste	21,403.74	42,000	42,800	43,700	44,600	45,500	46,400	47,300	48,200	49,200	50,200
121405	Services - Fire Water System	18,933.55	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
121406	Services - Streetlights	9,600.00	15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
		-										
121409	Communications - IT, Datalinks and WiFi	7,362.03	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
121410	Communications - Telephone	85,027.03	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800



Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
121411	Communications - FIDS & PA	5,972.18	8,000	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800
121412	Communications - Website	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
		-										
121414	Controlled Parking	96,172.42	120,000	122,400	124,800	127,300	129,800	132,400	135,000	137,700	140,500	143,300
		-										
121415	Safety & Security - Fences & Gates	6,907.79	15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
121416	Safety & Security - Lights	1,282.51	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
121417	Safety & Security - Screening Services	1,371,916.31	2,000,000	2,040,000	2,080,800	2,122,400	2,164,800	2,208,100	2,252,300	2,297,300	2,343,200	2,390,100
121418	Safety & Security - Screening Equipment	67,033.08	90,000	91,800	93,600	95,500	97,400	99,300	101,300	103,300	105,400	107,500
121419	Safety & Security - ASIC	234.00	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
		-										
121420	Airside - Operational Services	22,460.35	30,000	30,600	31,200	31,800	32,400	33,000	33,700	34,400	35,100	35,800
121421	Airside - Manoeuvring areas	49,889.51	65,000	66,300	67,600	69,000	70,400	71,800	73,200	74,700	76,200	77,700
121422	Airside - Day Markings	2,685.68	15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
121423	Airside - Compliance support equipment	14,664.92	22,000	22,400	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300
		-										
121424	Vehicles	18,777.62	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
		-										
121426	ASCE - Plant & Equipment	3,307.70	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800
121427	ASCE - Tools	2,489.10	6,500	6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	7,400
121428	ASCE - Spares	7,994.97	18,000	18,400	18,800	19,200	19,600	20,000	20,400	20,800	21,200	21,600
121429	ASCE - Minor Equipment	3,632.37	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
121430	ASCE - PPE - Consumables	4,625.50	7,500	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300

Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
		-										
121431	Buildings - Public Structures	20,709.39	22,000	22,400	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300
121432	Buildings - Public Structures - Fixtures & Fittings	41,856.81	75,000	76,500	78,000	79,600	81,200	82,800	84,500	86,200	87,900	89,700
121433	Buildings - Public Structures AC	13,413.23	20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800
121434	Buildings - Public Structures Cleaning	198,100.72	335,000	341,700	348,500	355,500	362,600	369,900	377,300	384,800	392,500	400,400
121435	Buildings - Residential Allocation	29,061.42	50,000	51,000	52,000	53,000	54,100	55,200	56,300	57,400	58,500	59,700
		-										
121436	Landscaping - Gardening	45,380.18	70,000	71,400	72,800	74,300	75,800	77,300	78,800	80,400	82,000	83,600
121437	Landscaping - Public Areas	19,205.64	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
121438	Landscaping - Retic	14,399.70	20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800
	<b>Total Newman Airport Expenses</b>	<b>4,777,980.87</b>	<b>7,241,800</b>	<b>7,346,500</b>	<b>7,492,800</b>	<b>7,642,600</b>	<b>7,795,000</b>	<b>7,950,300</b>	<b>8,109,200</b>	<b>8,271,100</b>	<b>8,436,400</b>	<b>8,604,900</b>
	<b>NEWMAN AIRPORT TRADING AND CAPITAL INCOME</b>											
122100	General Airport Income	10,433.81	7,500	7,700	7,900	8,100	8,300	8,500	8,700	8,900	9,100	9,300
122109	RPT Passenger Fees	6,928,516.27	6,650,000	6,783,000	6,918,700	7,057,100	7,198,200	7,342,200	7,489,000	7,638,800	7,791,600	7,947,400
122110	RPT Landing Fees	2,075,143.58	2,120,000	2,162,400	2,205,600	2,249,700	2,294,700	2,340,600	2,387,400	2,435,100	2,483,800	2,533,500
122112	Site Lease	476,512.63	250,000	255,000	260,100	265,300	270,600	276,000	281,500	287,100	292,800	298,700
122113	Terminal Income	202,746.16	110,000	112,200	114,400	116,700	119,000	121,400	123,800	126,300	128,800	131,400
122118	Controlled Parking	441,352.70	350,000	357,000	364,100	371,400	378,800	386,400	394,100	402,000	410,000	418,200
122402	Services - Water incl RO, production and distribution	8,795.35	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
122403	Services - Power	80,977.75	80,000	81,600	83,200	84,900	86,600	88,300	90,100	91,900	93,700	95,600
122405	Screening Equipment Grant	368,181.82	-	-	-	-	-	-	-	-	-	-
122417	Safety & Security - Screening Services	2,438,188.00	1,700,000	1,734,000	1,768,700	1,804,100	1,840,200	1,877,000	1,914,500	1,952,800	1,991,900	2,031,700

Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
129838	Res Interest - Newman Airport	490,760.79	510,000	520,200	530,600	541,200	552,000	563,000	574,300	585,800	597,500	609,500
<b>Total Trading and Capital Income</b>		<b>13,521,608.86</b>	<b>11,782,500</b>	<b>12,018,200</b>	<b>12,258,500</b>	<b>12,503,800</b>	<b>12,753,800</b>	<b>13,008,900</b>	<b>13,269,000</b>	<b>13,534,400</b>	<b>13,805,000</b>	<b>14,081,200</b>

<b>CAPITAL EXPENDITURE</b>												
	Newman Airport Capital Expenditure	418,824.58	3,829,000	3,200,000	3,000,000	2,500,000	4,000,000	2,500,000	2,000,000	3,000,000	1,500,000	2,500,000
124966	Loan 66 - Principal Repayments	#NAME?	495,100									
		#NAME?	4,324,100	3,200,000	3,000,000	2,500,000	4,000,000	2,500,000	2,000,000	3,000,000	1,500,000	2,500,000

<b>NEWMAN AIRPORT SUMMARY</b>												
	<b>Total Operating Expenditure (Excluding Depreciation)</b>	<b>4,777,980.87</b>	<b>7,241,800</b>	<b>7,346,500</b>	<b>7,492,800</b>	<b>7,642,600</b>	<b>7,795,000</b>	<b>7,950,300</b>	<b>8,109,200</b>	<b>8,271,100</b>	<b>8,436,400</b>	<b>8,604,900</b>
	<b>Total Trading Income</b>	<b>13,030,848.07</b>	<b>11,272,500</b>	<b>11,498,000</b>	<b>11,727,900</b>	<b>11,962,600</b>	<b>12,201,800</b>	<b>12,445,900</b>	<b>12,694,700</b>	<b>12,948,600</b>	<b>13,207,500</b>	<b>13,471,700</b>
	<b>NET PROFIT (LOSS)</b>	<b>8,252,867</b>	<b>4,030,700</b>	<b>4,151,500</b>	<b>4,235,100</b>	<b>4,320,000</b>	<b>4,406,800</b>	<b>4,495,600</b>	<b>4,585,500</b>	<b>4,677,500</b>	<b>4,771,100</b>	<b>4,866,800</b>

	<b>Total Capital Expenditure</b>	#NAME?	4,324,100	3,200,000	3,000,000	2,500,000	4,000,000	2,500,000	2,000,000	3,000,000	1,500,000	2,500,000
	<b>Total Capital Income</b>	<b>490,761</b>	<b>510,000</b>	<b>520,200</b>	<b>530,600</b>	<b>541,200</b>	<b>552,000</b>	<b>563,000</b>	<b>574,300</b>	<b>585,800</b>	<b>597,500</b>	<b>609,500</b>

<b>Rural Airport Expenditure</b>												
121080	Marble Bar - Infrastructure	1,519.94	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800
121081	Marble Bar - ARO	4,999.00	80,000	81,600	83,200	84,900	86,600	88,300	90,100	91,900	93,700	95,600
121082	Marble Bar - Services	-										
NEW	Communications		5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
NEW	Safety & Security		5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900
NEW	Airside - Operational Services		128,000	130,600	133,200	135,900	138,600	141,400	144,200	147,100	150,000	153,000
NEW	Vehicles		20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800

Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
NEW	ASCE - Plant & Equipment		15,000	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700
NEW	Buildings - Public Structures		25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
NEW	Landscaping - Gardening		20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800
NEW	Buildings - Residential Allocation		20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,300	23,800
NEW	Loan Interest Repayments		59,100	55,600	56,700	57,800	59,000	60,200	61,400	62,600	63,900	65,200
121083	Nullagine - Infastructure	10,114.00	10,300	10,500	10,700	10,900	11,100	11,300	11,500	11,700	11,900	12,100
121084	Insurance - M/Bar Airport	15,816.65	17,400	65,000	66,300	67,600	69,000	70,400	71,800	73,200	74,700	76,200
121085	Insurance - Nullagine Airport	3,458.29	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800
<b>Total Marble Bar Aripport Expenditure</b>		<b>35,907.88</b>	<b>418,700</b>	<b>469,700</b>	<b>479,000</b>	<b>488,500</b>	<b>498,200</b>	<b>508,000</b>	<b>518,000</b>	<b>528,100</b>	<b>538,700</b>	<b>549,500</b>

RURAL AIRPORT TRADING AND CAPITAL INCOME				1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
122420	Calidus Mining - Contribution to Marble Bar Aerodrome	-		2,000,000								
NEW	New Loan			3,000,000								
NEW	General Airport Income				5,000	5,800	6,700	7,700	8,900	10,200	11,700	13,500
NEW	Charter Passenger Fees			-	295,000	443,000	590,000	678,500	780,300	897,300	1,031,900	1,186,700
NEW	Charter Landing Fees				184,000	275,000	368,000	423,200	486,700	559,700	643,700	740,300
NEW	Terminal Income			-	-	-	10,000	11,500	13,200	15,200	17,500	20,100
NEW	Controlled Parking			-	-	-	10,000	11,500	13,200	15,200	17,500	20,100
NEW	Services Power			13,000	15,000	17,300	19,900	22,900	26,300	30,200	34,700	39,900
NEW	Site Lease		40,000	46,000	52,900	60,800	69,900	80,400	92,500	106,400	122,400	140,800
<b>Total Trading Income</b>		<b>-</b>	<b>40,000</b>	<b>5,059,000</b>	<b>551,900</b>	<b>801,900</b>	<b>1,074,500</b>	<b>1,235,700</b>	<b>1,421,100</b>	<b>1,634,200</b>	<b>1,879,400</b>	<b>2,161,400</b>

**RURAL CAPITAL EXPENDITURE**

Aerodromes - 1.12.124		30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
	Marble Bar Aerodrome Upgrade		-	6,900,000		1,000,000	1,000,000					
NEW	New Loan - Principal Repayments		173,300	176,800	180,400	184,000	187,700	191,500	195,300	199,300	203,300	207,400
		-	173,300	7,076,800	180,400	1,184,000	1,187,700	191,500	195,300	199,300	203,300	207,400

#### RURAL AIRPORT SUMMARY

Total Operating Expenditure	35,908	418,700	469,700	479,000	488,500	498,200	508,000	518,000	528,100	538,700	549,500
Total Trading Income	-	40,000	59,000	551,900	801,900	1,074,500	1,235,700	1,421,100	1,634,200	1,879,400	2,161,400
NET PROFIT (LOSS)	(35,908)	(378,700)	(410,700)	72,900	313,400	576,300	727,700	903,100	1,106,100	1,340,700	1,611,900
Total Capital Expenditure	-	173,300	7,076,800	180,400	1,184,000	1,187,700	191,500	195,300	199,300	203,300	207,400
Total Capital Income	-	-	5,000,000	-	-	-	-	-	-	-	-

#### SUMMARY

Total Expenditure (Excluding Depreciation)	4,813,888.75	7,660,500	7,816,200	7,971,800	8,131,100	8,293,200	8,458,300	8,627,200	8,799,200	8,975,100	9,154,400
Total Income	13,030,848.07	10,802,500	11,557,000	12,279,800	12,764,500	13,276,300	13,681,600	14,115,800	14,582,800	15,086,900	15,633,100
Total Capital Expenditure	#NAME?	4,497,400	10,276,800	3,180,400	3,684,000	5,187,700	2,691,500	2,195,300	3,199,300	1,703,300	2,707,400
Total Capital Income	490,760.79	510,000	5,520,200	530,600	541,200	552,000	563,000	574,300	585,800	597,500	609,500
	#NAME?	(845,400)	(1,015,800)	1,658,200	1,490,600	347,400	3,094,800	3,867,600	3,170,100	5,006,000	4,380,800

#### RESERVES

888311	Opening	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?
	Transfers In	7,727,547.81	0	0	1,127,600	949,400	(204,600)	2,531,800	3,293,300	2,584,300	4,408,500	3,771,300
	Interest	490,760.79	510,000	520,200	530,600	541,200	552,000	563,000	574,300	585,800	597,500	609,500

Aerodromes - 1.12.124	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
Transfers Out	(400,000.00)	(1,041,200)	(1,161,920)	(430,800)	(463,340)	(498,310)	(522,330)	(548,860)	(578,360)	(611,180)	(647,870)
Balance	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?

## 11. APPENDIX C – LETTERS OF SUPPORT



9 June 2020

Shire of East Pilbara  
Kalgan & Newman Drives  
Newman WA 6753

Attention: Mr Jeremy Edwards

Dear Sir

### **Upgrade of Marble Bar Airport**

Atlas Iron recently received final environmental approvals to proceed with the development of an iron ore mine at Corunna Downs, 33km from Marble Bar Airport. We have commenced construction with the objective of planned production in mid 2021. At this time, Atlas estimates that it will have a workforce of approximately 800 employees and contractors flying into its north Pilbara sites. Personnel flying into Port Hedland currently need to drive around 240km to access the Corunna Downs site.

Atlas Iron is also in the study phase for developing an iron ore mine at McPhee Creek, 60km from Marble Bar Airport.

We understand that the Shire is investigating the possibility of upgrading the airstrip to facilitate use by a broader range of aircraft. Atlas Iron would be pleased to review the specification of the upgraded airstrip once it is available, with a view to considering our ability to utilise the upgraded infrastructure for our operations.

Yours sincerely

Sanjiv Manchanda  
Chief Executive Officer





**HAWKZONE**  
CONTRACTING

Mr Spencer Brooks  
Limestone Station  
Lot 111 Marble Bar Road,  
Marble Bar WA 6760

To whom it may concern,

**Re: Marble Bar Airport Upgrade 25/06/2020**

We are pleased to support the upgrade of the Marble Bar Airport. I operate Hawkzone Agriculture and Hawkzone Contracting with my brother Cam Brooks. We are 25 and 26 respectively. The businesses are mining services and pastoral enterprises. The businesses currently provide jobs for 20 people. This is steadily growing as more projects commence within the region. We are active members of the East Pilbara community, with young families, and an acute understanding of the challenges locals face.

We are passionate about the growth of Marble Bar as a community. Our parents (Wendy and Grant Brooks) have owned the pastoral lease around Marble Bar, Limestone Station for 23 years. There have been many improvements to the region since we joined the community. The main road has been paved. Phone reception now covers most of the pastoral lease. There are several mining projects that have commenced in the region.

We see the upgrade of the Marble Bar Airport as a natural progression for infrastructure development within the Marble Bar Region. There are an array of economic and social benefits which unequivocally provide support to the upgrade of the Marble Bar Airport.

***Economic benefits***

One of the primary economic benefits of upgrading the Marble Bar Airport would be the flow on from private investment. Once key infrastructure is established within the region there is increased interest in marginally economic projects. These projects suddenly become feasible. This attracts more goods and service providers to the region. Not only do local businesses benefit, but new businesses come to the region. This project activity leads to a multiplier effect. This ultimately results in a transfer of wealth into the region. The key economic principle that generates this wealth creation is the multiplier effect.

One of the key benefits to our business is the increased access to skilled labour. This skilled labour must operate on a fly in fly out basis, because it is hard to source within the East Pilbara Region. Currently it is a 400km round trip to collect staff from the airport. This journey adds inherit risk to our operation. If we were able to fly staff into Marble Bar it would significantly increase the ability of businesses to procure skilled staff easily. As we have more skilled staff within our business, we



can grow quicker and provide more jobs and prosperity within the region. This will also occur with other businesses within the East Pilbara region.

### ***Social benefits***

There are several social benefits to the upgrade of the Marble Bar Airport. These relate to health, education, and social mobility. This key piece of infrastructure has the potential to significantly reduce the amount of needless suffering within the region. One key area to reduce this burden on society is through health.

I was diagnosed with Crohn's disease at the start of 2019. I lost 20kg over a month, and subsequently had to live in Perth for a year. I had to stay in Perth to have 10 surgeries for one of the worst cases of fistulising Crohn's that specialists had witnessed. The reason I had the worst case of Crohn's was because it went undiagnosed for some time. A lack of access to medical specialists is an inevitable part of living in the North West. If I had had access to efficient transport going to Perth it would have been easier to diagnose the disease. There many people within the region who, if they had access to more convenient transport, they would be able to better manage their health issues. These people are already facing significant obstacles to managing their health. These obstacles include; geographical, financial, cultural, language and education limitations. By alleviating the geographical barrier through better access to air travel, health outcomes would improve within the community.

Similarly air travel, provides access to education. To further education and training one needs to travel to Perth. If an airport that could conduct flights to Perth existed, access to education would significantly increase for people who live in the East Pilbara Shire. Over the long term we could then have a greater skilled population living within the region.

The combination of health and education outcomes within the region would ultimately lead to social mobility. These key social limitations of health and education restrict people improving their quality of life, and can often create a burden on the public system. Having airport infrastructure would improve these outcomes.

The combination of social and economic benefits create a compelling case in favour of the Marble Bar Airport Upgrade. The potential opportunity, because of the project, to attract private investment and the skilled labour to the region, makes economic sense. The ability for the project to affect social mobility within the community through health and education outcomes, is where lasting value exists for the constituents of the East Pilbara Shire.

If you have any questions please don't hesitate to contact me on 0448227815 or [spencer.brooks@hawkzone.com.au](mailto:spencer.brooks@hawkzone.com.au)

Yours sincerely

Spencer Brooks