KANGAROO ISLAND COUNCIL

Infrastructure and Asset Management Plan

2023-2033

Chapter 2

Airport

Document Control

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1	15 Nov 2023	Initial draft based on old version of Airport IAMP	CAS	MO[1], ASC[2]	MO
2	7 Dec 2023	Consultation version – track changes removed	CAS	Full Council	Full Council
3	2 Feb 2024	Post consultation version presented to Council for adoption	CAS	Full Council	Full Council
4	13 Feb 2024	Adopted version - Track changes removed	CAS	Full Council	Full Council

[1] Manager Operations

[2] Airport Services Coordinator

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1 EXECUTIVE SUMMARY

This IAMP, Chapter 2, is to be read with IAMP Chapter 1 – General Statements.

1.1 The Purpose of the Plan

Refer Chapter 1 – General Statements.

Kangaroo Island Council provides an airport in partnership with the Civil Aviation Safety Authority and Airlines to enable a safe and efficient air service for passengers and freight to and from Kangaroo Island.

This chapter covers all the assets located on the Airport land.

1.2 Asset Description

Assets included in this IAMP – Chapter 2, Airport are:

- Runways (including apron and taxi ways)
- Airport assets (carousels, x-ray machines)
- Buildings (terminal, sheds)
- Stormwater (cross drains)
- Transport (roads, carparks, footpaths)
- Structures (towers, footbridge)
- Improvements (fencing, lighting, landscaping)

The Airport network has a total replacement value of $31,083,195.[3][4]

1.3 What Does it Cost?

The key indicators of cost in providing levels of service used in this IAMP are lifecycle costs and maintenance and renewal expenditure.

1.3.1 Lifecycle Costs (Long Terms costs)

Lifecycle costs (Table 1) are the average costs that are required to sustain the service levels for the longest asset life. Lifecycle costs include maintenance and asset consumption (depreciation expense). Lifecycle expenditure is maintenance plus capital renewal expenditure.

1.3.2 Planned Maintenance and Renewal Expenditure (Medium term costs)

The projected maintenance and capital renewal expenditure to deliver existing service levels for the period 2023 to 2033 versus Council's planned maintenance and capital renewal expenditure is shown in

Table 2.

Table 1: Lifecycle Costs

Asset Category	Airport
Average Annual Lifecycle Cost	$1,806,022
Average Lifecycle Expenditure	$950,185
Life Cycle Gap	$855,836
Sustainability Index	53%

Table 2: Planned Maintenance and Renewal Expenditure

Asset Category	Airport
Total 10 Year Maintenance & Capital Expenditure	$9,501,853
Average 10 Year Maintenance & Capital Renewal	$950,185
Planned Maintenance & Capital Renewal Expenditure (2023-24)	$518,784
Average 10 Year Planned Maintenance & Capital Renewal Expenditure	$816,280
Sustainability Index	55%

For further information on financial indicators, refer to Section 6 of this Infrastructure and Asset Management Plan.

1.4 Plans for the Future

Refer Chapter 1 – General Statements.

In addition, Council plans to operate and maintain the Airport to achieve the following strategic outcome and objective from the Kangaroo Island Council Strategic Plan 2020-2024 (Kangaroo Island Council, 2020):

- Infrastructure: A built environment focused on essential and community service
  - 1.2 Access: Optimise Island access opportunities and affordability

For further information on strategic actions, refer to section 3.2.

[3] Assets below recognition threshold have an additional replacement value of $68,021.

[4] Assets identified as no replace have a replacement value of $133,769.

1.5 Measuring our Performance

Refer Chapter 1 – General Statements.

1.6 The Next Steps

Refer Chapter 1 – General Statements.

2 INTRODUCTION

2.1 Background

This IAMP, Chapter 2, is to be read with IAMP Chapter 1 – General Statements.

This Chapter covers the assets involved with Airport on Kangaroo Island and represents the asset base as at 30 June 2023.

2.1.1 Strategic Linkages

In addition to the documents listed in Chapter 1, this infrastructure and asset management plan has considered and is aligned with the following strategic and planning documents:-

- Kingscote Airport – Kangaroo Island: A report on the current issues facing the airport for the Kangaroo Island Futures Authority, Advisory Board (Philbak Pty Ltd, 2012)
- Kingscote Airport, Draft Aircraft Pavement Analysis (Aerodrome Design Pty Ltd, 2009)
- Kingscote Airport Civil Infrastructure Management Plan (Tonkin Consulting, 2009)
- Kingscote Kangaroo Island Aerodrome Master Plan 2016-2036 (Kangaroo Island Council, 2016)

Any specific actions from these plans are discussed with Appendix C.

2.1.2 Infrastructure and Assets included in the plan

This infrastructure and asset management plan covers the infrastructure assets in Table 3.

Some buildings and other assets located on the Airport land are included in Council's register as Non Council Assets and are not included within this IAMP.

Table 3: Assets Covered by this IAMP - Airport

Asset Category	Dimension	Replacement Value ($)
Runways	18	$14,307,828
Airport Assets	7	$705,961
Buildings	8	$8,334,481
Stormwater	11	$1,014,171
Transport	10	$1,425,768
Structures	3	$46,957
Improvements	57	$5,248,028
TOTAL		$31,083,195

2.2 Goals and Objectives of Asset Management

Refer Chapter 1 – General Statements.

2.3 Plan Framework

The key elements of this IAMP are:-

- Levels of service
  specifies the services and levels of service to be provided by Council.
- Future demand
  how this will impact on future service delivery and how this is to be met.
- Life cycle management
  how Council will manage its existing and future assets to provide the required services.
- Financial Summary
  what funds are required to provide the services.
- Asset Management Practices
  what systems, standards and guidelines are utilised to maintain and further develop asset management practices.
- Plan Improvement and Monitoring
  how the plan will be assessed to ensure it is meeting Council's objectives.

3 LEVELS OF SERVICE

3.1 Customer Research and Expectations

Through the asset management survey conducted in December 2023 and January 2024, 42% of respondents indicated they were satisfied or very satisfied with the Kangaroo Island Airport compared to 19% who were dissatisfied or very dissatisfied. Although the survey related to asset management, the survey focused on satisfaction with the service thus it is unknown if those dissatisfied with the airport were unsatisfied with the infrastructure (ie building and runway) or the airport operation (ie number of providers and frequency of flights). Further information on this may be sourced through future surveys.

Refer Chapter 1 – General Statements.

3.2 Strategic and Corporate Goals

Refer Chapter 1 – General Statements.

Council's Strategic objectives (Kangaroo Island Council, 2020) and how these are addressed in this IAMP are summarised in Table 4.

In addition, Council's Vision and Mission are addressed in this infrastructure and asset management plan by:

- Ensuring the Airport is maintained at a safe and functional standard as set out in this IAMP
- Maintaining appropriate and sustainable community infrastructure
- Continually review and investigate best practice in maintenance and construction methods.

3.3 Legislative Requirements

Refer Chapter 1 – General Statements.

3.4 Levels of Service

Refer Chapter 1 – General Statements.

The Customer Values, Community levels of service and Technical levels of service have been drafted based on staff knowledge and the previous iteration of the IAMP. These will be further developed in future versions of this IAMP.

3.4.1 Customer Values

Council's Customer Values for the Airport are set out in Table 5.

3.4.2 Community Levels of Service

Council's Community Levels of Service for the Airport are set out in Table 6.

3.4.3 Technical Levels of Service

Council's Technical levels of Service are set out in Table 7.

Table 4: Strategic Goals and how they are addressed in this IAMP

Goal	Objective	How Goal and Objectives are addressed in this IAMP
A built environment focussed on essential and Community services	Optimise Island access opportunities and affordability	*1.2.1 Develop an Airport master plan* – included in the Improvement Plan.

Table 5: Customer Values

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Runways, Apron and taxi way smooth and safe	Pilot complaints	Runway, apron and taxiway is functional but not as smooth as expected given recent upgrade	Not anticipated to significantly change
Sufficient carparking	Customer Complaints	No complaints on amount of carparking	Not anticipated to change
Airport building clean	Customer Complaints	Some complaints received n cleanliness of airport building	Not anticipated to significantly change as contractor based however contractor is being notified of the feedback

Table 6: Community Levels of Service

Key Performance Measure	Level of Service	Performance Measure	Current Level of Service	Expected Trend Based on Planned Budget
Condition	Airport terminal is safe, suitable and free from hazards	Number of injuries/incidents	<2 per year	No significant change
	Confidence levels		Low	Low
	Airport terminal is in good condition	Percentage of assets in good or fair condition	Majority of assets in excellent condition as terminal is still new	As terminal ages, asset condition will decrease
	Confidence levels		Low	Low
Function	The airport facility meets user requirements	Number of planes delayed due to infrastructure	Functionality exceeds requirements – able to accommodate multiple planes at the same time (no planes delayed due to infrastructure)	Not expected to change
	Confidence levels		Medium	Medium
Capacity	Airport is capable of accepting planes and passengers as required	Number of planes turned away	Capacity meets or exceeds customer demand.	No significant change
	Confidence levels		Medium	Medium

Table 7: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Level of Service	Recommended Performance
Operations and Maintenance	Meet CASA requirements	Number of safety findings during CASA surveillance	Deemed safe & compliant with no safety findings or immediate actions. Some observations for optional remediation.	No safety findings or immediate actions.
	Meet Aerodrome Design Service's Annual technical Inspections	Number of major findings	Some minor findings	No major findings
	Review and update operation and maintenance manuals	Manuals are relevant for current systems	Manuals recently reviewed and updated	Manuals are reviewed & updated when changes occur to operating systems
	Availability of Airport	Number of outages	No outages exceeding 2 hours	No outages exceeding 2 hours[5]
		Availability for scheduled flights	Facilities available 100% of scheduled time	Facilities available 100% of scheduled time
	Infrastructure is maintained in a suitable condition	Emergency availability	Full assistance provided to emergency service authorities[6]	Full assistance provided to emergency service authorities Defects identified in valuation remedied
		Budget	*$4,687,841 total (10 years)*	*$5,786,796 total (10 years)*
Renewal	Airport asset renewal	Assets are renewed as required	Some funds allocated for renewal	Assets should be renewed as required.
		Budget	*$2,376,000 total (10 years)*	*$3,715,057 total (10 years)*
Acquisition / Upgrade	Airport asset upgrade	Assets are upgraded as per IAMP	No upgrades budgeted	No upgrades scheduled
		Budget	*$0 total (10 years)*	*$0 total (10 years)*
Disposal	Disposal of assets no longer in use	Disposal of assets as per the IAMP	No disposals planned	Disposals should occur as per this IAMP
		Budget	*$0 total (10 years)*	*$20,000 total (10 years)*

[5] The Business Continuity Plan (Kangaroo Island Council, 2017) has a target of no outages exceeding 24 hours but current level of service exceeds this and it is recommended that this level of service be maintained.

[6] The main runway is the only one with lights. If these do not work (ie power blackout), commercial services cannot land at night however for emergency services, Council can lay out portable lighting. This process takes approximately 1 hour.

4 FUTURE DEMAND

4.1 Demand Drivers and Forecast

Refer Chapter 1 – General Statements.

4.2 Climate change

Refer Chapter 1 – General Statements.

4.3 Legislation change

There are no anticipated legislation changes that will impact on the Airport at the present time.

4.4 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this Airport Infrastructure Asset Management Plan.

Table 8: Technology Changes

Technology Change	Effect on Service Delivery
Up-Market Tourism	Different types of aircraft using the airport in order to meet requirements of different clientele – some heavier and with greater tyre pressure – increasing load on runway
Lighting	Improved runway lighting – less likelihood of failure

4.5 Demand Impact and Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading assets where required and providing new assets to meet demand. Demand management practices include non-asset solutions, insuring against risk and managing failures.

Demand impacts and opportunities identified to date for demand management are shown in Table 9.

4.6 New Assets

The new assets required to meet growth and community expectations will be acquired from land developments and constructed by Council. As per the airport master plan, any additional airport hangers to be funded by potential users.

Table 9: Demand Management Plan

Demand factor	Projection	Impact on services	Demand Management Plan
Population	Population expected to increase and spread out	Potential for growth in passenger numbers and need to be able to cater for this growth	With the upgrade, the current airport has sufficient capacity to cater for this
	Increase in median age (currently 46)	Increase demand for reduced mobility access to services	With the upgrade, the current airport has sufficient capacity to cater for this
Tourism	Tourism expected to eventually recover and increase	Potential for growth in passenger numbers and need to be able to cater for this growth	With the upgrade, the current airport has sufficient capacity to cater for this
Emergencies	Aging population, tourism recovering and increasing and more severe weather events	Potential increase for need in emergency services to land at the airport	With the upgrade, the current airport has sufficient capacity to cater for this

5 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed service levels while optimising lifecycle costs.

5.1 Background Data

5.1.1 Physical Parameters

The assets covered by this infrastructure asset management plan are shown in Table 10.

Table 10: Physical Parameters, including age profile

Asset	Quantity and Unit	Average Useful Life (years)	Average Age (years)
Runways	18	38	11
Airport Assets	7	10	6
Buildings	8	49	27
Stormwater	11	67	31
Transport	10	43	16
Structures	3	50	38
Improvements	57	32	17

5.1.2 Asset Capacity and Performance

Asset components where deficiencies in service performance are known are detailed in Table 11.

Table 11: Service Deficiencies

Asset component	Service Deficiency	Council Comment
Sealed Runway Pavement	Impact of large aircraft	Following upgrade the impact of large aircraft is less of an issue
	Annual technical inspection has found 20mm of rutting already following the upgrade	No immediate action however ongoing monitoring required and reseal every 2-3 years is recommended.
Unsealed Runway	Surface condition requires regular maintenance	Currently functioning fine with minor maintenance

5.1.3 Asset Condition

At this stage, condition assessments have not been conducted on the Airport infrastructure assets. Renewal timeframes are calculated on age only.

5.1.4 Asset Valuation

The value of Airport assets as at 30 June 2023 covered by this infrastructure and asset management plan is summarised below in Table 12. Assets are valued at Brownfield rates. This data is from the 2023 Airport Valuation (GHD Advisory, 2022/23). Note: after the major upgrade of the Airport, the Airport became its own asset class.

5.1.5 Measures of asset consumption, renewal and upgrade

Asset Sustainability Ratio

Capital Renewal Expenditure 23/24 = $ 50,000
Depreciation Expense 23/24 = $ 843,093
Therefore Asset Sustainability Ratio = 6%

Council's target is that this ratio should be greater than 90% and less than 110% over a rolling 3 year period. This figure is very low due to the upgrade of the airport which has significant depreciation and a short base life for some of the internal assets.

Asset Consumption Ratio

Depreciated Replacement Cost 23/24 = $20,546,704
Current Replacement Cost 23/24 = $30,415,849
Therefore Asset Consumption Ratio = 68%

Council's target is that this ratio should be greater than 40% and less than 80%.

Asset Renewal Funding Ratio

IAMP projected 10 year expenditure = $ 3,715,057
LTFP[7] projected 10 year expenditure = $ 2,376,000
Therefore Asset Renewal Funding Ratio = 64%

As the ratio is less than 100%, this means that many assets will be delayed in their renewal.

5.2 Risk Management Plan

Refer Chapter 1 – General Statements.

[7] The LTFP currently ends with year 2029/2030 and has been extrapolated in a straight line for the remaining 3 years of the IAMP. This is main reason for the lower funding ratio.

Risk management assessments in previous plans identified a number of critical risks. Work has been undertaken to address some/all of these risks as summarised in Table 13. A full review of the risk assessment is included in section 8.2 Improvement Plan.

Table 12: Valuation Summary as at 30 June 2023

Asset Class	Current Replacement Cost (CRC)	Depreciable Amount	Accumulated Depreciation	Carrying Amount (WDV)	Annual Depreciation
Runways	$13,640,482	$10,109,685	$4,639,786	$9,000,697	$312,490
Airport Assets	$705,961	$705,961	$282,384	$423,577	$103,539
Buildings	$8,334,481	$8,313,742	$1,933,541	$6,400,940	$219,691
Stormwater	$1,014,171	$1,014,171	$574,312	$439,859	$12,677
Transport	$1,425,768	$818,940	$418,636	$1,007,132	$27,627
Structures	$46,957	$39,127	$36,000	$10,957	$1,137
Improvements	$5,248,028	$4,147,707	$1,984,486	$3,263,542	$165,933
Airport Asset Total	**$30,415,849**	**$25,149,333**	**$9,869,145**	**$20,546,704**	**$843,093**

Table 13: Risk Assessment Summary

Service or Asset at Risk	What can happen	Risk Rating	Risk Treatment Plan	Residual risk	Treatment Costs
Runway	Tyre blow out due to debris on the runway	High	Increase frequency of runway sweeping. Monitor current program, increase if required	Medium	Within current budget
Runway	Tyre blow out due to pavement failure	High	Increase frequency of resealing. Engineers assessment and report	High	$1,300,000 each time
Drainage	Water on hardstand areas due to blocked drains	High	Increase frequency of resealing. Increase visual inspections.	High	Included with resealing cost above
Terminal building	Security/vandalism	High	Security review and design review and change. Continue current program and implement renewal program.	Medium	Within current budget
Terminal building	Electrical Fault	High	Regular inspections and preventative treatments. Increase visual inspections.	High	Within current budget
Terminal building	Public liability	High	Regular and documented inspections. Upgrade Safety Inspections to include action report.	Medium	Within current budget
Terminal building	Fire (internal generated within building)	High	Maintain fire equipment in high use and building rules and auditing. Implement annual inspections.	High	Within current budget
Aircraft	Damage due to animal activity	High	Regular monitoring and upgrade of existing perimeter fencing. Occasional eradication and bird dispersal.	Medium	Cost included within renewal costs

5.3 Maintenance Plan

5.3.1 Maintenance Types

Refer Chapter 1 – General Statements.

5.3.2 Maintenance Arrangements

The following is a summary of maintenance arrangements:

- Daily inspections by Council staff
- Council undertake most maintenance
- Specialists (ie electricians, plumbers) called in as required

5.3.3 Standards and Specifications

Maintenance work is undertaken in accordance with the following Standards and Specifications:

- Building Code of Australia
- OHS&W legislative Requirements
- CASA Manual Standards part 139 Aerodromes
- CASR Manual standards Part 139 Aerodromes

5.3.4 Maintenance Expenditure Patterns

Previous Maintenance expenditure is shown in Table 15.

The figures exclude depreciation and finance costs (ie interest on loans).

5.3.5 Future Maintenance Expenditure

Maintenance expenditure projections for the next ten years are detailed in Figure 1.

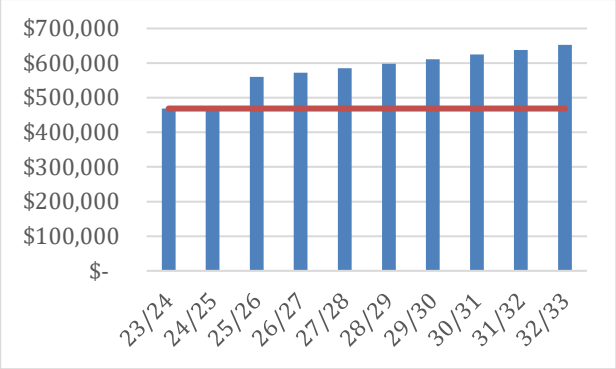

Figure 1: Maintenance Expenditure Projections

The graph shows a no significant change in expenditure which reflects the lack of upgrades identified in section 5.5. The increases in year 3 is the rectification of defaults as identified in the 2023 review (GHD Advisory, 2022/23)

5.4 Renewal Plan

Refer Chapter 1 – General Statements.

5.4.1 Renewal Priority

Refer Chapter 1 – General Statements.

The priority ranking criteria for Airport is detailed in Table 14: Renewal Priority Ranking Criteria .

Table 14: Renewal Priority Ranking Criteria

Criteria	Weighting
Safety	30%
Access	30%
Economic Development & Commercial Potential	10%
Aircraft / Passenger Volume	30%
TOTAL	100%

Table 15: Historic Maintenance Expenditure

	2018/19	2019/20	2020/21	2021/22	2022/23[8]	2023/24 Budget[8]
Airport	$613,381	$408,582	$427,320	$455,225	$454,660	$468,784
TOTAL	**$613,381**	**$408,582**	**$427,320**	**$455,225**	**$454,660**	**$468,784**

[8] Includes an estimated Full Cost Attribution based on average for the past 4 years.

5.4.2 Renewal Standards

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.3.3.

5.4.3 Summary of future renewal expenditure

Projected future renewal expenditure is summarised below in Figure 2. Note that all costs are shown in 2023 dollar values.

5.4.4 Renewal Projection

The upcoming renewals are listed in Table 16.

Given the lack of use of the airport over the last 2 years, some of the time frames for renewal of these assets, especially those associated with the terminal, may be able to be extended.

In addition, the previous requirement for Council to have x-ray machines and explosive tracers has now been removed and thus these have not been included in the renewal schedule. These will need to be repurchased if the requirement every changes.

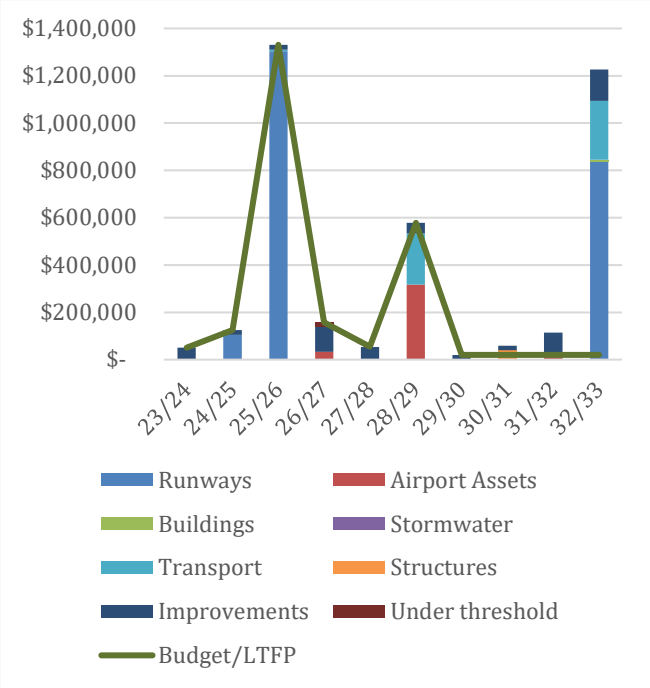

Figure 2: Projected Renewal Expenditure

Table 16: Summary of Upcoming Renewals

Year	Amount	Details
2023/24	$50,000	Defects – roof resealing, drainage adjacent Apron and Runway 15/33
2024/25	$104,874	Runway Line marking
	$20,000	Perimeter fencing[9]
2025/26	$1,303,633	Reseal runway 15-33[10]
	$7,337	Carpark Line marking
	$20,000	Perimeter fencing
2026/27	$33,549	Display screens
	$85,375	CCTV system, EV charging station
	$19,216	Furniture (seats and picnic settings)
	$20,000	Perimeter fencing
2027/28	$33,535	Windsocks, tower and floodlight
	$20,000	Perimeter fencing
2028/29	$167,994	Reseal carpark
	$317,329	Check in carousel
	$23,850	Ticket machine, water pump
	$20,000	Perimeter fencing
2029/30	$20,000	Perimeter fencing
2030/31	$39,127	Beacon tower
	$20,000	Perimeter fencing
2031/32	$30,314	Arrival carousel
	$64,193	Irrigation system[11]
	$20,000	Perimeter fencing
2032/33	$837,716	Reseal apron, taxiway
	$248,925	Renew road
	$7,211	T-vasis building
	$119,683	Portable lights and carpark lights
	$20,000	Perimeter fencing

[9] Peimeter fencing has a replacement value of over $800,000 due for renewal within the term of this IAMP. As it is unlikely that the entire fence will need replacing at once, instead a renewal of $20,000 per year has been included.

[10] As per Airport Technical inspection. Potential for this to be delayed depending on the usage of the runway.

[11] Potential that only a portion of the irrigation system will be needed in the future thus this figure may reduce

5.5 New and Upgrade Plan

5.5.1 Selection Criteria

Refer Chapter 1 – General Statements.

The priority ranking criteria for Airport upgrades are the same as those detailed in Section 5.4.1.

5.5.2 Standards and Specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.3.3.

5.5.3 Future upgrades/new assets expenditure

There is no projected new and upgrade expenditure scheduled for the term of this IAMP.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Assets identified for disposal are shown in Table 17.

Table 17: Assets Identified for Disposal

Asset ID	Description	Rationale for Disposal	Scheduled Year	Cost
MI/3.08	Control Tower	Asset is no longer used. It has reached the end of its life and thus has no value.	Not yet scheduled[12]	$20,000[13]

[12] Not currently a hazard however should be removed at some point. Likely to schedule at a time when there are other assets for disposal.

[13] Significant cost due to potential for the tower to contain asbestos.

6 FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this infrastructure and asset management plan.

6.1 Financial Statements and Projections

The financial projections shown in Figure 3 are for operating (reactive and planned maintenance), capital renewal expenditure and capital new/ upgrade expenditure. Appendix A shows the actual amounts from which the graph below was obtained.

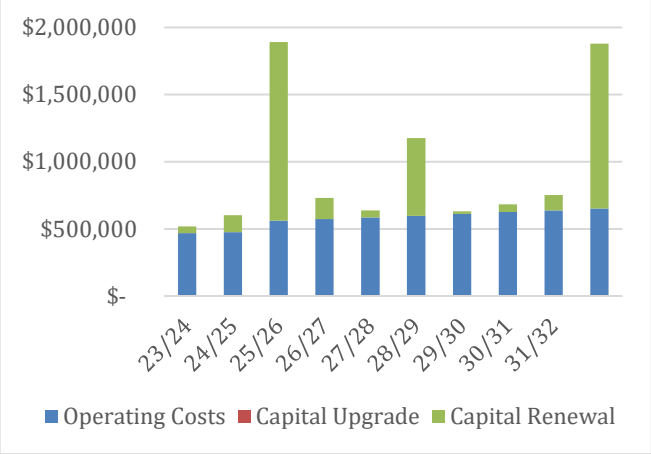

Figure 3: Financial Projections - Operating, Capital Upgrade and Capital Renewal

6.1.1 Sustainability of Service Delivery

Refer to Chapter 1 – General Statements for discussion on key indicators for financial sustainability.

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

Long Term – Life Cycle Cost

Table 18: Lifecycle Costs

Asset Category	Airport
Average Annual Lifecycle Cost	$1,806,022
Average Lifecycle Expenditure	$950,185
Life Cycle Gap	$855,836
Sustainability Index	53%

Medium term – 10 year financial planning period

Figure 4 shows the projected asset renewals versus the planned renewal expenditure in the capital works program in the 10 year planning period.

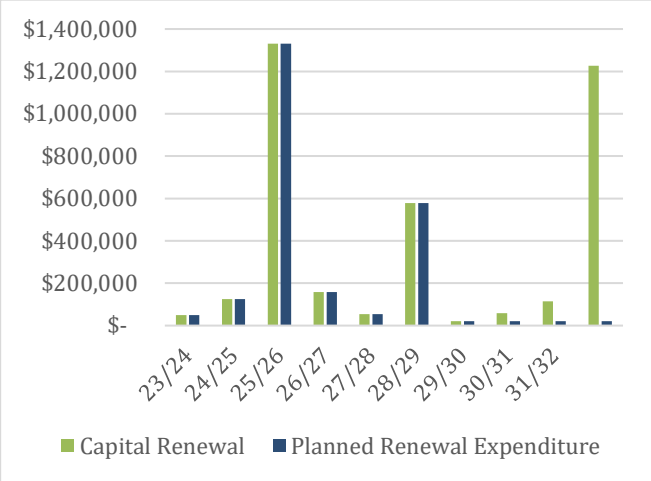

Figure 4: Projected vs Planned Asset Renewals

Table 19 shows the annual and cumulative funding gap between projected and planned renewals for Airport assets.

Table 19: Accumulative Renewal Funding Gap

Year	Planned Renewals	Projected Renewals	Renewal Funding Gap	Cumulative Gap
23/24	$50,000	$50,000	$0	$0
24/25	$125,000	$124,867	$133	$133
25/26	$1,331,000	$1,330,971	$29	$162
26/27	$158,000	$158,140	-$140	$22
27/28	$54,000	$53,535	$465	$487
28/29	$578,000	$577,863	$137	$625
29/30	$20,000	$20,000	$0	$625
30/31	$20,000	$59,127	-$39,127	-$38,503
31/32	$20,000	$114,507	-$94,507	-$133,010
32/33	$20,000	$1,226,047	-$1,206,047	-$1,339,057

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

The gap between projected asset renewals and planned asset renewals indicates that further work is required to

manage required service levels and funding to mitigate the funding gap. Some renewals may be able to be delayed and further investigation into this will be done over the next couple of years. However the main variation occurs in the last three years and is reflective of LTFP currently ending with year 2029/2030 and being extrapolated in a straight line for the remaining 3 years of the IAMP.

6.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's 10 year long term financial plan.

To achieve the financial strategy Council will require:-

- Seek grant funding opportunities for airport and tourism.
- Continued revision of condition, estimated useful lives and replacement cost as well as reviewing economic useful life against physical condition and adjusting where appropriate.

6.3 Valuation Forecasts

Asset values are forecast to gradually increase due to expansion of networks, ongoing new connections and revaluation every 5 years. The Current Replacement Cost Forecast is shown in Figure 5.

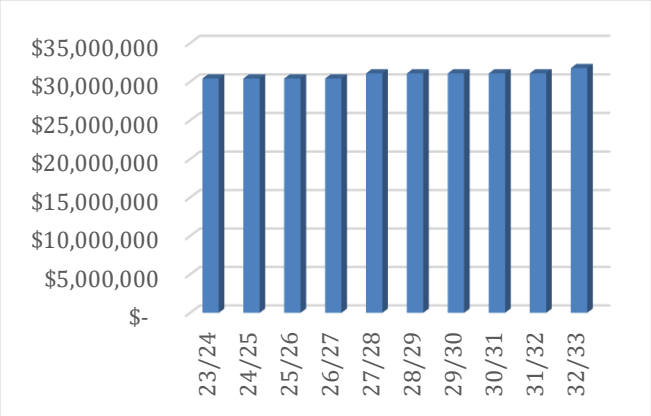

Figure 5: Current Replacement Cost Forecast

Depreciation expense values are forecast in line with asset values as shown in Figure 5.

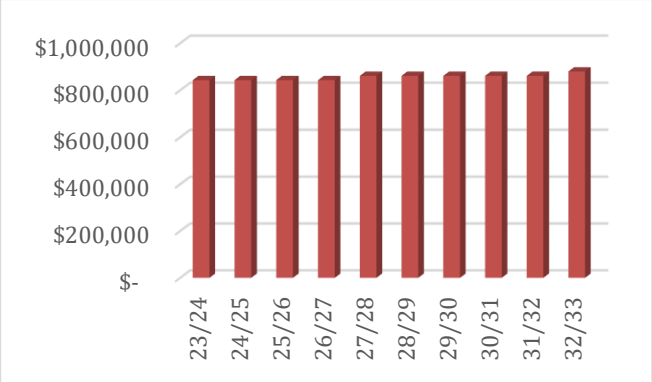

Figure 6: Depreciation Forecast

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets as shown below in Figure 7.

Figure 7: Depreciation Replacement Cost Forecast

6.4 Key Assumptions made in Financial Forecasts

Refer section 1.

Key assumptions made specific to this infrastructure and asset management plan are:

- Asset data for Airport assets was revised by Kangaroo Island Council staff in 2018/19 and the information in this IAMP incorporates the latest data. The useful life and replacement costs of the assets were determined by Liquid Pacific in 2015/16.
- Purchase cost rather than replacement cost is used for assets acquired after this date.

7 ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

Refer Chapter 1 – General Statements.

7.2 Asset Information System

Refer Chapter 1 – General Statements.

7.3 Information Flow Requirements and Processes

Refer Chapter 1 – General Statements.

7.4 Standards and Guidelines

Refer Chapter 1 – General Statements.

8 PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

Refer Chapter 1 – General Statements.

8.2 Improvement Plan

The asset management improvement plan generated from this infrastructure and asset management plan is shown in Table 21. Works currently scheduled in the Renewal Projection or New and Upgrade Plan are not included in this table.

8.3 Monitoring and Review Procedures

Refer Chapter 1 – General Statements

Table 20: Improvement Plan

Task No	Task	Update	Timeline	Estimated Cost	Area
1	Integrate Airport Emergency response with whole of Kangaroo Island approach	To be considered with the Natural Disaster Risk Mitigation	December 2024	With existing salaries	Operation
2	Review the Airport masterplan (task 2) to determine if changes are required to this IAMP.	Delayed as masterplan has been developed but not yet adopted by Council	October 2024	With existing salaries	Operation
3	Airport Revaluation		June 2023	$30,000	Maintenance[14]
4	Airport Revaluation		June 2028	$30,000	Maintenance[14]

[14] Currently not included in the finances of this plan as sits within Finance costs. Will incorporate in in future iterations of the IAMP

9 REFERENCES

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APPENDIX A – Airport Planned operating, capital renewal and capital upgrade expenditure

	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Operating	$468,784	$476,172	$560,148	$572,471	$585,065	$597,937	$611,091	$624,535	$638,275	$652,317
Capital Renewal	$50,000	$124,867	$1,330,971	$158,140	$53,535	$577,863	$20,000	$59,127	$114,507	$1,226,047
Capital Upgrade	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL COSTS	$518,784	$601,039	$1,891,118	$730,611	$638,600	$1,175,799	$631,091	$683,663	$752,782	$1,878,365

APPENDIX B – Airport Rules for Finance and Asset Finda

The following sub-department have been included in all finance calculations:

- 001 – Airport

The following expenses have been excluded from all finance calculations:

- Depreciation
- Bank charges
- General Interest Expenses
- Capital Cost Allocation

Asset Finda:

Airport Assets are entered into AssetFinda in the same way as Buildings and Complexes and Recreation and Open Space assets are. Refer to those chapters for more details.

APPENDIX C – Strategic Document Recommendations

Strategic Document	Note/Recommendations	Council Comments
Business Continuity Plan (Kangaroo Island Council, 2017)	Airport operations – Max Acceptable outage = 24 hours	This is included in the levels of service with an aim for a higher standard.
	Review Airport Emergency Plan	This was completed in 2020.
	Airport security & safety plan - review	Have a Transport Security program to meet requirements for Home Affairs. It covers Aviation and Maintain security, Screening capability.
Kangaroo Island Plan (Government of South Australia, 2011)	Extend the Kingscote airport runway and upgrade the terminal to cater for increased freight and tourist flights, if demand and a viable carrier are identified	Complete
Kingscote Airport – Kangaroo Island: A report on the current issues facing the airport for the Kangaroo Island Futures Authority, Advisory Board (Philbak Pty Ltd, 2012)	1. Physical Infrastructure (upgrade runway & lighting) 2. Engineering Investigation (culverts and main runway) 3. Ownership 4. Pulling Together 5. Regional Express (Rex) (regular dialogue) 6. Miscellaneous a. Are 3 runways necessary? b. Provision of aviation fuel be investigated c. Food and beverage outlet be trialled d. Commercial opportunities be explored e. Provision for passenger security screening f. Explore potential for fare subsidies	The airport has since been significantly upgraded since this report with improvements to physical infrastructure, inclusion of a food and beverage outlet, and provision for passenger security screening all actioned. Given the scope of these changes and the age of the report, the other recommendations will not be actioned until after the completion of the new aerodrome master plan (refer section 8.2).