

Prepared for:
Lethbridge Airpark

Executive Summary



Business Strategic Review

15 April 2008

Acknowledgements

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Executive Summary

Over recent years, recreational flying in Australia has grown substantially in both numbers of pilots and advances in technology and design. As a result, this is one of the fastest developing sections of the aviation industry. This growth is also reflected in the expansion of the Lethbridge Airpark which commenced operations in 1992 as a small venture designed for use of the owners, Garry and Patricia Baum, and a few friends.

Garry's interest in aviation has extended beyond his own personal recreational flying. Garry has been very involved in many aviation infrastructure developments throughout the region including:

- Tullamarine airport - site cutting for adjoining buildings
- Point Cook airfield - earthworks and road work around the central tower and car park
- Laverton Airport - road works adjoining airport
- Torquay Airport - construction of all runways
- Geelong Airport - prime seal of all runways
- Lovely Banks (a.k.a. Doorknocks) - extension on runway

Garry is a member of Recreational Aviation Australia (RA Aus), has over 1,300 flying hours and, in 2007, became an instructor.

In searching for the right property, the owners' criteria included:

- free airspace
- proximity to a main road
- distance from population
- the right ground material & drainage
- an appropriate shape to the property
- space for two runways.

With help from Golden Plains Shire, a suitable property was found at Lethbridge.

Since that time, Lethbridge Airpark has expanded to house the largest recreational flying club in Australia, growing from six members in 1992 when the club first relocated to Lethbridge Airpark, to its current number of 150 members. A recreational flying school is also located on the aerodrome. The facilities have also improved to include six hangars housing fifty planes, as well as clubrooms and amenities for members, and a training facility.

The property is now also used by a range of aviation enthusiasts, including 10 seater twin aircraft, helicopters, gyros and parachutes as well as by numerous community groups, including the Country Fire Authority which uses Lethbridge Airpark as a staging ground in fire fighting activities.

As well as recreational flying activities, a number of aviation businesses operate from Lethbridge Airpark. These include:

- **Aircraft Hire** - presently there are three planes for hire with a fourth recently ordered. There is high demand for aircraft hire as this is the usual option for those recently trained as pilots.
- **Aircraft Sales** - Alpine Aviation has been selling planes for almost 10 years. Two years ago this operation relocated to Lethbridge Airpark with its own dedicated hangar. Turnover is in excess of \$1 million. There is a great deal of interest by other aviation firms to set up at Lethbridge Airpark
- **Aircraft Assembly** - Assembly is performed by Alpine Aviation and a variety of other smaller outfits. This is a burgeoning sector of the market for sports flying as more planes become available in a kit format within Australia.
- **Aircraft Mechanical Maintenance** - Presently an aircraft mechanic is on-call from Melbourne and is contracted to come in by members on an 'as-needs' basis.

- **Aerial Spraying and Crop Dusting** - A variety of operators use Lethbridge Airpark throughout the year to drop and load fertilizer for their services within the region. This occurs roughly ten times per year.

Estimated turnover associated with the airfield is \$1.5m p.a. The success of this growth strategy has been due to the vision and business expertise of the owners.

Garry and Patricia Baum now have a vision to further develop Lethbridge Airpark into the preferred Regional airfield for General Aviation and recreational aviation aircraft for the G21 region, and incorporating an industrial park housing businesses operating within the aviation industry.

As a result, they have successfully applied for, and obtained, a grant from Regional Development Victoria to conduct a two part research project on the business. The first part, which is dealt with in this report, is a Business Strategic Review which is designed to:

1. Identify the business's immediate past and present position.
2. Illustrate strengths, weaknesses, opportunities and threats.
3. Identify and prioritise areas that require attention or change.

The second part of the study, which will be addressed in a separate report, will examine the various options available for development of the airpark and offer a comprehensive plan for the future.

Consulting firm, Altegis Group, has been contracted by the owners to conduct the two studies. The methodology selected involved a forum with flying club members, interviews with the business owners and the Chief Flying Instructor, individual interviews with business owners who were interested in relocating to Lethbridge Airpark, a meeting with Golden Plains Shire staff, a survey to all flying club members and visits to other aerodromes, as well as desktop research.

Two SWOT analyses were conducted. The first occurred during the forum with flying club members and the second was conducted separately with the owners. This separation was to ensure that everyone could speak freely about their perceptions of the business. The top five results as identified by the flying club members and the owners included:

Flying Club SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Social atmosphere 2. Current abilities & skills of club members with regard to aircraft maintenance 3. Unrestricted airspace 4. Local flying school 5. Direction and length of runways 	<ol style="list-style-type: none"> 1. No fuel 2. Quality of classroom, office & toilet facilities 3. If owner sells property - Airfield could be under threat 4. Nothing to attract visitors on a casual basis through week 5. PAL - runway lighting
Opportunities	Threats
<ol style="list-style-type: none"> 1. Flying school education/development 2. Potential to become a regional airport 3. Aircraft sales growth 4. Major airfield closures in populated areas 5. Basing of aviation related industries here - maintenance facilities, hospitality, parts industries 	<ol style="list-style-type: none"> 1. Some Council regulations 2. Proximity to neighbours 3. Other airfields in the region - Barwon Heads, Grovedale, Avalon 4. Current neighbouring landowners 5. Involved State regulatory procedures

Owners' SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Location 2. Free airspace - no foreseen restrictions to apply 3. Services - e.g. 3-phase power & town water 4. Population within driving distance 5. Affordable - use & development 	<ol style="list-style-type: none"> 1. Zoning 2. Runways not paved 3. No PAL/runway lighting 4. Inadequate facilities for visitors 5. Entrance off highway - slip lane; need a second entrance
Opportunities	Threats
<ol style="list-style-type: none"> 1. Tourism potential 2. Maintenance component 3. Employment 4. Development & expansion 5. Ring Road 	<ol style="list-style-type: none"> 1. Zoning currently under farming Residential 2. Lethbridge township expands residential dwellings towards airpark 3. Subdivision out in the country 4. Potential opposition from townspeople 5. Private ownership may discourage Government involvement

There is significant overlap between the items identified by both the owners and members of the flying club. Both identify the features of the airpark, including airspace as being a major strength and both identify the need for improved infrastructure and facilities as a weakness. With regard to the opportunities, both groups identified the potential for expansion and increased aviation related services on the airpark as important. However, there were some significant differences in items identified by each group as well. For instance, the owners felt that the current farming zoning and future town expansion were threats, whereas the flying club members focussed more on proximity to neighbours.

Having analysed the SWOT analyses, the following areas were identified as requiring attention in developing future options for the Lethbridge Airpark:

- Maintaining an awareness of the current market dynamics impacting on the airpark.
- Improving facilities including increased hangarage and separation of auto and aviation traffic, as well as the installation of a fuelling depot. This will involve a more structured approach to planning.
- Maintaining the trust and goodwill of an active flying club.
- Increasing destination traffic through expansion of services such as Joy Flights, aviation retail, school visits, flight training and other such related businesses. By doing this, Lethbridge Airpark will quickly build a critical mass to support intended development.
- Increasing flying training facilities through expansion of the recreational flying school and implementation of a General Aviation flying school.
- Construction of accommodation facilities for flying students and café services for visitors.
- Building stronger ties with local and State Government agencies to ensure that the growth strategy for Lethbridge Airpark meets identified regional priorities.

The findings of this report will be used to inform the second stage of the project in which options will be explored and recommendations made for future development.

