City of Karratha

Karratha Airport

Management and Business Plan

October 2026



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2 Executive Summary

2.1 A Critical Asset for the Pilbara

Karratha Airport is owned and operated by the City of Karratha as a major commercially managed business unit, and functions simultaneously as a strategic transport asset and an essential community service. It supports workforce mobility for one of Australia's most productive regional economies, provides the principal air link for emergency services and access to essential services.

Karratha Airport is identified in the City of Karratha Council Plan 2025-2035 as central to the City's ambition to become Australia's most liveable regional city. Located approximately 14km from the Karratha town centre and operating on approximately 720 hectares of Crown land vested to the City under the Land Management Order. Karratha Airport is complemented by Roebourne Aerodrome, a low-volume facility supporting emergency services, general aviation and contingency operations that the City also manages and maintains.

Passenger volumes have tracked closely with the construction cycle of Pilbara resource investment. Passenger volume peaked around 855,000 in 2012 before it declined as major construction projects transitioned to operations and construction workforce numbers fell. During COVID-19 passenger volume dropped to approximately 355,000 passengers in 2020 but recovery strongly to approximately 785,000 passengers in 2025. Around three-quarters of all passenger movements are Fly-In Fly-Out (FIFO) workers.

Aircraft movements have followed a similar recovery path, growing from around 17,400 in 2019 to approximately 27,500 by 2026. This cyclical exposure and the Airport's dependence on FIFO workers is the defining feature of the Airport's demand, revenue and risk profile.

2.2 Governance, Operations and Assets

Karratha Airport operates within the City of Karratha's broader governance, financial and procurement frameworks. The Airport is managed day-to-day by a lean internal team of 14 full-time equivalent positions. The team is organised across Airport Operations and Assets, Airport Safety and Security, and Airport Commercial and Terminal functions.

Total annual operating costs of around $10.4 million (before depreciation) reflect a substantial reliance on outsourced contracted services, principally aviation security screening, which now account for the largest single component of the Airport's cost base and have driven most of the 15.6% growth in operating expenditure since 2018-19.

The Airport's asset base is valued at $130.35 million, dominated by the passenger terminal (43% of value) and runway infrastructure (27%). Airside infrastructure, including the Code D-capable 2,280m runway, and a substantially redeveloped passenger terminal with latent capacity for up to 1.2 million passengers per year, provide a solid platform to accommodate continued passenger and aircraft movement growth without near-term capacity constraints.

2.3 Safety and Regulatory Performance

Safety is managed through a structured Safety Management System aligned with CASR Part 139, with overall accountability resting with the City CEO and the Manager Airport.

The 2025 Aerodrome Technical Inspection confirmed the Airport is in good overall condition and professionally operated, with its runway, taxiways, aprons, drainage, lighting, security fencing and emergency facilities generally assessed as good to excellent. The Inspection identified 10 corrective actions, the majority administrative rather than safety-critical, and these are either closed or in the process of being closed.

The September 2024 CASA Level 1 Surveillance Audit identified 12 Safety Findings and 6 Safety Observations. This was a significant increase on the 1 Finding and 8 Observations recorded in 2022

Audit. The 2024 Audit findings included administration and documentation relating to aerodrome maintenance, safety management and drug and alcohol management. The Audit also pointed to gaps in the consistency of routine maintenance and monitoring practices including runway friction testing not actioned since 2016, obscured runway centreline markings and non-compliant runway strip slopes. All 12 findings were addressed and closed within the required timeframe, demonstrating an effective corrective action capability. However, the scale of the increase in 2024 Audit relative to 2022 signals a need for more consistent ongoing compliance monitoring as the regulatory framework and CASA's oversight expectations continue to evolve.

2.4 Market Demand and Growth Outlook

Karratha Airport handles on average around 639,000 passengers and more than 25,000 aircraft movements annually, making it the busiest regional airport in Western Australia and the eighth-busiest regional airport nationally.

Aircraft movements have grown by more than 50% since 2019. Helicopter operations supporting offshore oil and gas activity now accounting for 47% of all movements, narrow body jets a further 25%, and regional jets and turboprops making up the balance.

The Airport's designation in May 2026 as a Restricted Use International Airport and Alternate International Airport represents an important first step towards the introduction of international passenger services.

For the purposes of this Plan, it is assumed that international services will commence in 2028–29, initially comprising a single weekly service to a representative South-East Asian destination. This remains an indicative planning assumption, pending confirmation of an airline partner and the establishment of the necessary Australian Border Force and biosecurity facilities. This process is expected to take up to two years.

A dual bottom-up/top-down forecasting methodology was applied to test the reasonableness of long-term passenger demand projections under Low, Medium and High growth scenarios. The assessment was informed by 17 years of historical passenger movements and resource-sector capital expenditure data.

A blended Low/Medium Top-down scenario was adopted as the recommended and most conservative evidence-based basis for financial planning. This approach is directly calibrated to historical performance, recognises the Airport's fundamental dependence on resource-sector

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activity rather than population growth, and avoids the potential double-counting in aggregating multiple growth in passenger segments over a 45-year forecast horizon.

Under the adopted scenario, passenger numbers are forecast to increase from approximately 743,000 in 2026–27 to around 852,000 by 2070–71. The Low scenario is applied through to 2044–45, with the Medium scenario adopted thereafter. This approach provides a balance between avoiding overstatement of long-term demand and reducing the risk of underestimating demand over the latter part of the forecast period.

2.5 Financial Performance and 40-Year Outlook

Karratha Airport's financial trajectory is strongly positive, underpinned by sustained revenue growth, relatively low expenditure growth and a high operating margin. Operating revenue increased from approximately $20 million in 2018–19 to $33 million in 2024–25, representing growth of around 65%. This growth has been driven predominantly by aeronautical charges, including landing fees, passenger service charges, aircraft parking and security recovery charges, which account for approximately 74% of total revenue. Terminal and hangar leases are the second-largest revenue source, contributing approximately 19% of total revenue, with car parking, utilities cost recovery and grants comprising the remainder.

Operating expenditure increased by only 15.6% over the same period, significantly below the rate of revenue growth. Materials and contract costs represent the largest expenditure category at approximately 51% of total operating expenditure, more than twice employee costs at 23%. This reflects the Airport's reliance on outsourced specialist services, particularly aviation security screening. However, this is common service delivery model in the aviation sector.

The combination of strong revenue growth and relatively contained expenditure growth has more than doubled the operating surplus, from $10.6 million in 2018–19 to $22.2 million in 2024–25. EBITDA margins have remained consistently above 50%, peaking at approximately 68% in 2022–23, demonstrating Karratha Airport's strong underlying operating performance.

The adopted 40-year financial model, operating revenue is projected to almost triple, increasing from $37.9 million in 2025–26 to $112.9 million by 2065–66. Operating expenditure is forecast to increase more slowly, from $18.5 million to $51.7 million, resulting in a modest strengthening of the underlying operating margin from 51.1% to 54.2%.

This strong financial capacity supports a committed $81.5 million capital investment program (including project management fee) over the next 10 years, including $7.0 million for Terminal Renewal, $7.9 million for airside electrical infrastructure and $7.5million for the runway extension and associated Runway End Safety Areas (RESA). This near-term program forms part of a broader $632 million capital program over the 40-year planning horizon (including project management fee).

Karratha Airport is also expected to remain a significant and growing financial contributor to Council. Annual Return on Infrastructure Reserve payments are forecast to increase from $12.8 million in 2026–27 to $46.7 million by 2065–66, generating an estimated cumulative return of approximately $947 million over the 40-year period. At the same time, the ring-fenced Aerodrome Reserve is projected to reach $217.2 million by 2065–66, providing an important source of funding for future airport infrastructure and asset renewal.

Transfers to the Aerodrome Reserve are made only in years in which the Airport records a positive net result after the Return on Infrastructure payment. No transfers are forecast over the next two years, reflecting the significant near-term capital investment program. This is a temporary impact associated with the timing and scale of planned investment rather than a deterioration in the Airport's underlying financial position.

2.6 Airport Performance Baseline

The airport performance baseline establishes the current operating, financial and asset position of Karratha Airport. The Baseline provides the reference point for assessing future growth, investment requirements and long-term financial sustainability. It is drawn from the 2025–26 operational and financial information including passenger and aircraft movements, asset value, capital investment and returns to Council.

2.6.1 Operational Performance

Operational performance is measured through the Airport's ability to safely and efficiently facilitate aircraft movements, maintain service continuity and provide an appropriate level of customer service. The Airport currently facilitates three scheduled airline operators, extensive charter operations and significant helicopter activity servicing the offshore oil and gas industry. Table 2-1 outlines the Operational Performance Baseline.

Table 2-1 Operational Performance Baseline

Performance Measure	Current Baseline (as at 2025)
Annual passenger movements	780,000 passengers
Aircraft movements	25,604 aircraft movements
Airline operators	Three scheduled airlines operating regular passenger services
Charter operations	3,129 charter operations
Helicopter operations	13,767 helicopter movements
Aerodrome certification	Certified under CASR Part 139
Operational availability	Airport operating hours are aligned with scheduled airline services, with terminal access generally available one hour before the first arrival and one hour after the final departure
Emergency capability	Aerodrome Emergency Plan and emergency response arrangements in place

2.6.2 Safety and Compliance Baseline

The Airport maintains certification under the Civil Aviation Safety Regulations (CASR) Part 139 and operates in accordance with applicable Commonwealth legislation, aviation security requirements and industry standards. Table 2-2 outlines the Safety and Compliance Baseline.

Table 2-2 Safety and Compliance Baseline

Performance Measure	Current Baseline
Aerodrome Certification	Certified under CASR Part 139
Safety Management System	Implemented and maintained
Transport Security Program	Approved and implemented
Aerodrome Emergency Plan	Current and regularly exercised
Routine Aerodrome Inspections	Conducted in accordance with regulatory requirements
Regulatory Compliance	Ongoing compliance with CASA and aviation security legislation
CASA Surveillance	Periodic surveillance and technical inspections undertaken
Corrective Action Management	Regulatory findings tracked through a corrective action register
Staff Competency	Aviation operational staff maintain required licences, competencies and recurrent training
Safety Reporting	Hazard, incident and occurrence reporting processes implemented
Safety Assurance	Internal audits, inspections and continuous monitoring undertaken
Stakeholder Coordination	Regular liaison with CASA, Airservices Australia, airlines, emergency services and other operational stakeholders

2.6.3 Commercial Baseline

Karratha Airport operates as a commercial business unit within the City of Karratha. Revenue is generated from both aeronautical and non-aeronautical activities. Table 2-3 outlines the Commercial Baseline.

Table 2-3 Commercial Baseline

Performance Measure	Current Baseline (as at 2025)
Annual revenue	$33 million
Aeronautical revenue share	~76.8%
Non-aeronautical revenue share	~23.2%
Operating expenditure (excluding depreciation)	$10.9 million
Capital program 2027-2066 (including project management fee**)**	$632 million

3 Introduction and Context

Key Message:

- Karratha Airport is a critical economic and community asset, supporting Pilbara's resources sector, regional connectivity, emergency services, tourism and access to essential services.
- The Airport is a key gateway that supports workforce mobility, business investment and one of Australia's most productive regional economies.
- Passenger numbers recovered strongly post Covid to approximately 785,000 in 2025, demonstrating the resilience of the Pilbara economy and creating opportunities for continued growth.
- Maintaining high standards of safety, regulatory compliance and financial management is essential to protecting the Airport's long-term operational performance and community value.
- This Airport Management and Business Plan provide the strategic framework for managing airport operations, safety, compliance, commercial performance and long-term financial sustainability.
- The Karratha Airport Management and Business Plan aligns with the City of Karratha Council Plan 2025–2035, supporting economic diversification, improved connectivity and the City's vision of becoming Australia's most livable regional city.

3.1 Purpose

The Karratha Airport Management and Business Plan (AMBP) establishes the strategic, operational, and financial framework for the management of Karratha Airport. The AMBP serves as the primary reference document for airport management, guiding decisions across three core operational areas:

- Airport Operations
- Safety and Compliance
- Commercial Business Functions

The Plan will be reviewed periodically to reflect changes in airport operations, passenger demand, regulatory requirements and Council priorities.

Karratha Airport performs functions that extend well beyond aviation, providing critical infrastructure that supports regional economic activity, community access and emergency response. It is a critical piece of economic and social infrastructure that connects the Pilbara to national and international markets, supports the resources sector, enables essential community access and contributes significantly to the economic prosperity of the City of Karratha and Western Australia.

3.2 Context

3.2.1 City of Karratha

The City of Karratha is located in the Pilbara region of Western Australia, approximately 1,535km north of Perth. Covering an area of 15,882 square kilometres, the City is situated on the traditional lands of the Ngarda-Ngarli (comprising the Ngarluma, Yindjibarndi, Yaburara, Mardudhunera, and Wong-Go-Tt-Oo peoples).

The City of Karratha is bounded by the Shire of Ashburton to the south, the Town of Port Hedland to the east, and the Indian Ocean to the north and west. The local government area includes the towns of Karratha, Dampier, Roebourne, Wickham, Point Samson and Cossack, together with surrounding pastoral areas, the Dampier Archipelago, the Montebello Islands Marine Park and Depuch Island.

The City of Karratha's estimated resident population is 24,237, forecast to grow to 27,106 over the term of the current Council Plan to 2035, an increase of 2,869 people[1]. The population profile is notably younger and more transient than the State average, with a median age of 32 (versus 38 for WA), a working-age (15–64) share of 71% (versus 65% for WA), and an Aboriginal and Torres Strait Islander population of 12% (versus 3.3% for WA).

Economically, The City of Karratha is of national and global significance. It recorded a Gross Regional Product of $15.01 billion and supporting 14,910 local jobs across 1,162 local businesses. The resource industry is the largest employer, generating 4,755 local jobs.[2]

Unlike many regional mining communities, Karratha has a highly diversified industrial base centred on export industries, particularly iron ore, liquefied natural gas and offshore energy production. The City of Karratha is serviced by four major industrial ports and currently contains approximately 231 hectares of industrial land, with a further 507 hectares identified for future industrial development to support ongoing economic growth[3].

Council has worked proactively with government and industry to deliver the services, community facilities and infrastructure required to support population growth, attract investment, and enhance liveability. This strategic approach positions Karratha to accommodate future economic expansion while continuing to strengthen its role as a major regional centre and gateway to Western Australia's resources sector.

3.2.2 City of Karratha's Council Plan 2025–2035

The City of Karratha's Council Plan 2025–2035 ("What We Make It"), adopted 30 June 2025, sets a vision for Karratha to be "Australia's most liveable regional city, the place we are proud to call home."

Karratha Airport is explicitly positioned within this vision as a strategic economic asset: the Council Plan commits The City of Karratha to being "relentless in our pursuit of expanded air travel routes,

[1] ABS, 2023
[2] Data sourced from REMPLAN
[3] City of Karratha Annual Report 2024-25

including direct inter-state and international air travel options," recognising the airport's role in connecting the City of Karratha to the national and global economy.

Table 3-1 outlines the alignment of Karratha Airport with the goals of the Council Plan.

Table 3-1 Alignment to Council Plan

Goal	Relevance to this Business Plan
Goal 1: **We respect Aboriginal peoples' Cultural Authority and connection to Ngurra (Country)**	As the overarching goal shaping implementation of all others, engagement with Traditional Owners and consideration of Cultural Authority and heritage values has been factored into the planning and delivery approach for this undertaking, where the airport precinct or its operations may intersect with Ngurra.
Goal 4: **Our places and spaces are functional, attractive and reflect our unique identity**	Where the undertaking involves airport infrastructure or land development, it has had regard to land use planning and future development objectives under this goal.
Goal 6: **The local economy is diverse and thriving, with opportunities for all**	**Primary alignment.** Airport Management is listed as a core City service under this goal, and the Plan sets explicit objective 6.7: "Pursue expansion of the flight network (both domestic and international)" with a corresponding success measure tracking the "Number of destinations available from Karratha Airport." Key projects already identified in the Plan's four-year pipeline include upgrading airside cables and apron lighting, extending the runway, and pursuing additional air travel options including international services. This Business Plan gives effect to these adopted commitments.
Goal 7: **Our civic leaders are innovative, listening and balanced in meeting community needs**	This goal includes objective 7.5: "Provide strong financial management and transparency" and 7.3: "Ensure the City is well governed and managed."

3.2.3 Karratha Airport

Karratha Airport is located approximately 14km from the Karratha town centre and under 10km south of Dampier. Karratha Airport operates on crown land vested to the City of Karratha comprising approximately 720 hectares.

The Karratha Airport terminal opens a minimum of one hour before the first flight arrival and closes one hour after the last flight departure of the day. For security reasons, the terminal is security controlled during closing hours. No one is permitted to enter the terminal during this time, nor sleep in the terminal overnight.

Karratha Airport is the second-busiest airport in Western Australia handling commercial flights, behind only Perth Airport, and has played a major role in the development of the Pilbara region[4]. Passenger volumes at Karratha Airport have closely reflected the economic cycles of the Pilbara resources sector. Following rapid growth during the mining boom, passenger numbers increased from approximately 675,000 in 2011 to a peak of around 850,000 passengers in 2012, making Karratha one of Australia's busiest regional airports. Volumes remained consistently high, at around 760,000 to 800,000 passengers between 2013 and 2015[5], before declining as construction activity associated with major resource projects subsided.

Passenger numbers fell significantly between 2016 and 2020, reaching a low of approximately 355,000 passengers in 2020, reflecting the combined impacts of the post-boom slowdown and the COVID-19 pandemic. Since then, the airport has experienced a strong and sustained recovery. Annual passenger volumes increased from approximately 480,000 in 2021 to 550,000 in 2022, 620,000 in 2023, 700,000 in 2024, reached approximately 785,000 and 774,000 passengers in 2025[6] and 2026 respectively.

While recent passenger growth reflects improved economic conditions, future demand will continue to depend on resource sector activity and the airport's ability to attract new aviation services. The fly-in fly-out (FIFO) travel associated with the resources sector remains the airport's dominant demand driver, the sustained growth in passenger numbers also highlights opportunities to diversify the airport's customer base. Consistent with the City's strategic objectives, future growth will depend on expanding business, government and leisure travel, strengthening tourism, and positioning Karratha Airport to support future domestic route expansion and potential international services.

The airport's terminal facility was substantially redeveloped under a $34.5 million upgrade, completed in September 2015 and delivering approximately 6,100 m^2 of new terminal building across two levels.

3.2.4 Roebourne Airstrip

Roebourne Airstrip forms part of the City of Karratha's aviation asset portfolio alongside Karratha Airport. While Karratha Airport serves as the region's primary commercial aviation gateway, supporting scheduled passenger services, resource sector operations and interstate connectivity, Roebourne Airstrip fulfils a complementary role by providing infrastructure for emergency response, general aviation and contingency operations.

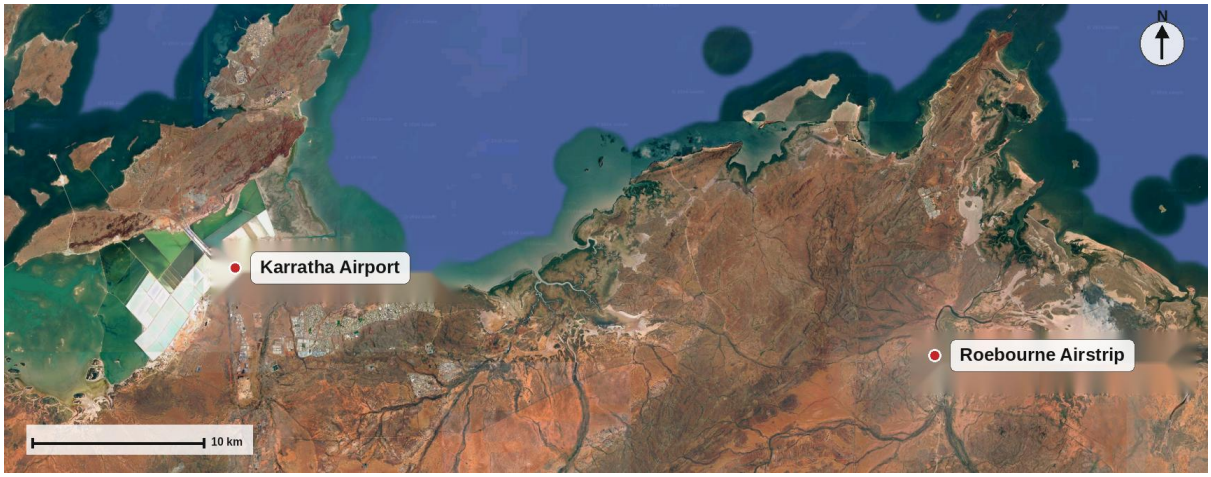
Located approximately 5 kilometres south of the township of Roebourne, the airstrip has significant historical importance as one of the Pilbara's original aviation facilities. Prior to the development and expansion of Karratha Airport, it served as the principal airport for the region, supporting passenger transport, freight, medical access and government services. As aviation activity shifted to Karratha Airport, the operational role of Roebourne Airstrip evolved to a low-volume airstrip supporting emergency services, including the Royal Flying Doctor Service (RFDS), WA Police and other government agencies when required.

[4] Bureau of Infrastructure and Transport Research Economics (BITRE)
[5] City of Karratha
[6] City of Karratha

The City of Karratha is responsible for the management, maintenance and regulatory compliance of Roebourne Airstrip.

Figure 3-1 outlines the location of Karratha Airport and Roebourne Airstrip that are managed and maintained the City of Karratha.

Figure 3-1 Location of Karratha Airport and Roebourne Airstrip



3.2.5 Karratha Airport's Strategic Role

Karratha Airport is one of Australia's most important regional airports and the primary aviation gateway to the Pilbara. It plays a critical role in supporting economic activity, workforce mobility, regional connectivity and community wellbeing across one of the nation's most productive resource regions.

Karratha Airport serves both commercial and community functions. It provides essential aviation infrastructure for the Pilbara resources sector while also connecting residents, businesses, visitors and government agencies with capital city and regional destinations in Western Australia. Unlike metropolitan airports, Karratha Airport performs a dual function:

- As a strategic transport asset that enables economic development, investment attraction and regional competitiveness.
- As an essential community service that provides access to healthcare, education, family/friend connections, government services and social opportunities.

The airport therefore requires a balanced approach to investment, service delivery and pricing that supports long-term financial sustainability while continuing to meet the needs of the region.

As the Pilbara continues to evolve and diversify its economy, Karratha Airport will play an increasingly important role in supporting tourism, business development, defence, logistics, international connectivity and population growth.

Demand at the airport has tracked closely with resources sector investment cycles, making the asset particularly exposed to, and reflective of the boom-bust character of Pilbara economic activity.

3.3 Regulatory Context

3.3.1 Management Order

Karratha Airport is owned and operated by the City of Karratha, with the airport land held under Crown reserve and managed by the City of Karratha pursuant to a Management Order under the *Land Administration Act 1997* (WA). In addition to meeting these legislative obligations, the Plan provides a contemporary framework that reflects the Airport's current operations, governance, and strategic direction while supporting its future management and development.

The Management Order places the care, control and management of Crown reserve with the City, subject to two key conditions:

1. Designated purpose: the land is to be used only for the purpose of "Airport (Karratha)". Any change of land use would require a fresh reservation or amendment process through the Minister for Lands.
2. Leasing power: the City is granted power to lease, sub-lease or license the whole or any portion of the reserve for a term not exceeding 42 years, subject to the prior written approval of the Minister for Lands.

3.3.2 Aerodrome Certification - Part 139 of the Civil Aviation Safety Regulations

Karratha Airport holds a current aerodrome certificate under Part 139, effective from 17 August 2023. The certificate is supported by a Part 139 Aerodrome Manual setting out aerodrome-specific procedures, facilities, and personnel responsibilities consistent with Civil Aviation Safety Authority's standard requirements for certified aerodromes. As a certified aerodrome serving regular public transport operations, the Airport is subject to ongoing Civil Aviation Safety Authority oversight, including periodic audit and inspection against the conditions of certification.

3.3.3 Drug and Alcohol Management

Governed by Part 99 of the Civil Aviation Safety Regulations 1998, Karratha Airport's Drug and Alcohol Management Plan apply to people who perform or are available to perform a safety sensitive aviation activity.

The Drug and Alcohol Management Plan aims to minimise the risks and effects of alcohol and other drugs and prevent people who are affected by drugs and alcohol from undertaking work.

Employees and Contractors may be subject to drug and alcohol testing conducted by or on behalf of the City of Karratha, or by Civil Aviation Safety Authority.

3.3.4 Security-Controlled Airport Status

Under the Aviation Transport Security Act 2004 and Aviation Transport Safety Regulations 2005, Karratha Airport is designated as a security controlled airport and is required to implement and maintain a range of prescribed aviation security measures, including the provision of passenger and checked baggage screening services. These screening services are currently delivered by an authorised aviation screening provider.

In accordance with the regulatory requirements, all personnel accessing or working within the Airside Security Zone (ASZ) must display a valid Red Aviation Security Identification Card (ASIC). Personnel requiring access to other designated secure areas of the airport must display either a valid Red or Grey ASIC, consistent with their authorised level of access and operational requirements.

The airport maintains a comprehensive aviation security system to protect passengers, aircraft, and airport operations. This includes the screening of all passengers, crew, baggage and personal items entering the sterile departure area, as well as the screening of itinerant aircraft crew and their passengers where required under the airport's Transport Security Program.

Operators of charter flights are responsible for ensuring the continuous supervision and close escort of their passengers while travelling between the aircraft and terminal. Charter operators must also ensure that their passengers remain segregated from screened Regular Public Transport (RPT) passengers at all times, in accordance with applicable aviation security legislation and the airport's security procedures. Responsibility for undertaking these security measures rests with the pilot in command or the aircraft operator's authorised crew members.

3.3.5 Restricted Use International Airport Designation

Karratha Airport was formally designated a Restricted Use International Airport and an Alternate International Airport on 19 May 2026. The designation enables Karratha Airport to accommodate international aircraft movements on a restricted and pre-approved basis, while also providing capacity to operate as an alternate airport for international flights when required.

The designation sits within the Commonwealth's broader international airport regulatory framework, administered by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DOITRDCSA) and the operations are jointly managed by Australian Border Force (border clearance, customs and immigration), Department of Agriculture (biosecurity), and DOITRDCSA (aviation policy), in addition to the Civil Aviation Safety Authority and aviation security frameworks discussed in Sections 3.3.1,3.3.2,3.3.3, and 3.3.4 above.

Receiving this designation is the first step toward establishing international passenger services from Karratha. The next phase of the project includes attracting an international airline partner and working with the Australian Government to establish the required Border Force and biosecurity facilities and processing arrangements at the Airport. This next phase will require extended engagement with both federal agencies and airlines, with operational readiness typically taking two years to achieve.

Progressing this work will require its own dedicated work program, and this Plan should be formally reviewed and updated following completion of that work program.

4 Governance and Operation

Key Message:

- Karratha Airport is a commercially managed community asset owned by the City of Karratha. The Airport operates within the City's governance framework, with all profits reinvested into airport infrastructure and community infrastructure to improve regional connectivity and support local economic growth.
- The Airport has a clear governance and management structure. Dedicated teams oversee airport operations, safety and compliance, and commercial management, ensuring safe, efficient and commercially sustainable operations.
- Operations are delivered through a lean internal team supported by specialist contractors. 14 full-time positions are complemented by shared corporate services and external contractors, with total annual operating costs of around $10.4 million, before depreciation.
- Overall operating expenditure has grown 15.6% since 2018-19. This is largely attributed to increased spending on contracted services, while employee costs have remained stable over the seven years to 2024-25, averaging $2.2 million annually. Contracted services costs rose from approximately $5.0 million in 2018-19 to $5.9 million in 2024-25, now sitting well above the seven-year average of $4.76 million.

4.1 Overview

This section sets out the current state of Karratha Airport's governance, management and financial resourcing to operate the airport.

Karratha Airport is owned and operated by the City of Karratha as a major business unit of the City. Karratha Airport sits on Crown Land leased from the State of Western Australia under a Management Order (vested to the City for aviation purposes). Karratha Airport operates in accordance with the *Local Government Act 1995*. This operating structure places Karratha Airport within the City's governance, financial and procurement frameworks, while requiring it to operate on a commercially sustainable basis and comply with the aviation-specific regulatory obligations.

Karratha Airport is a community asset where any return on investment generated by Karratha Airport is reinvested into community infrastructure programs and airport capital projects. The priority for Karratha Airport and the City is to provide better connectivity to the community by increasing flight numbers and frequency at Karratha Airport and introducing new destinations. Karratha Airport supports the City's aspiration to be Australia's most liveable regional city. Underpinning this goal is provision of adequate air access and affordable airfares to the community.

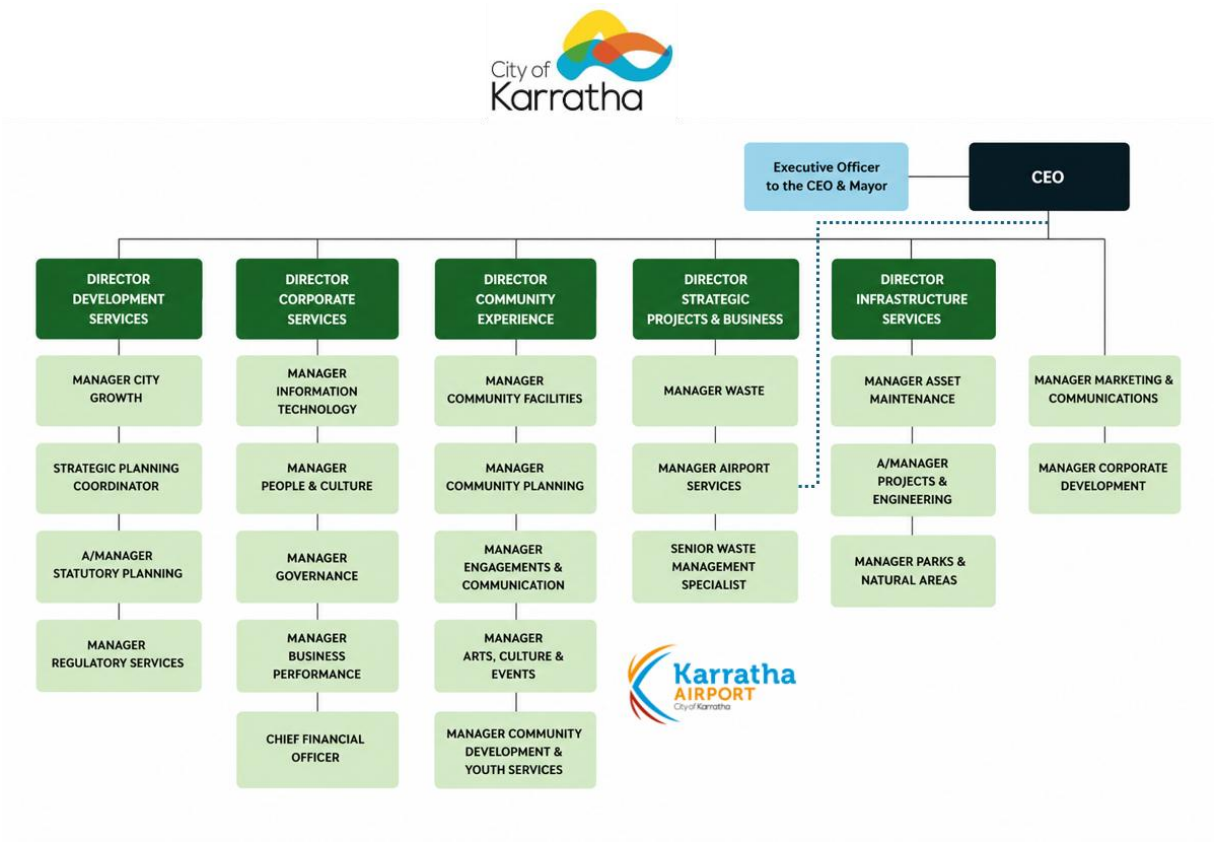
4.2 Airport Governance and Management

4.2.1 Organisational Context

Karratha Airport operates as a service area within the City of Karratha's broader organisational structure, sitting under the Directorate of Strategic Projects and Business. Figure 4-1 outlines the

position of the Airport alongside Waste Services and Strategic Projects as one of three functional areas reporting to the Director Strategic Projects and Business, who in turn reports to the Chief Executive Officer.

Figure 4-1 Organisation Chart



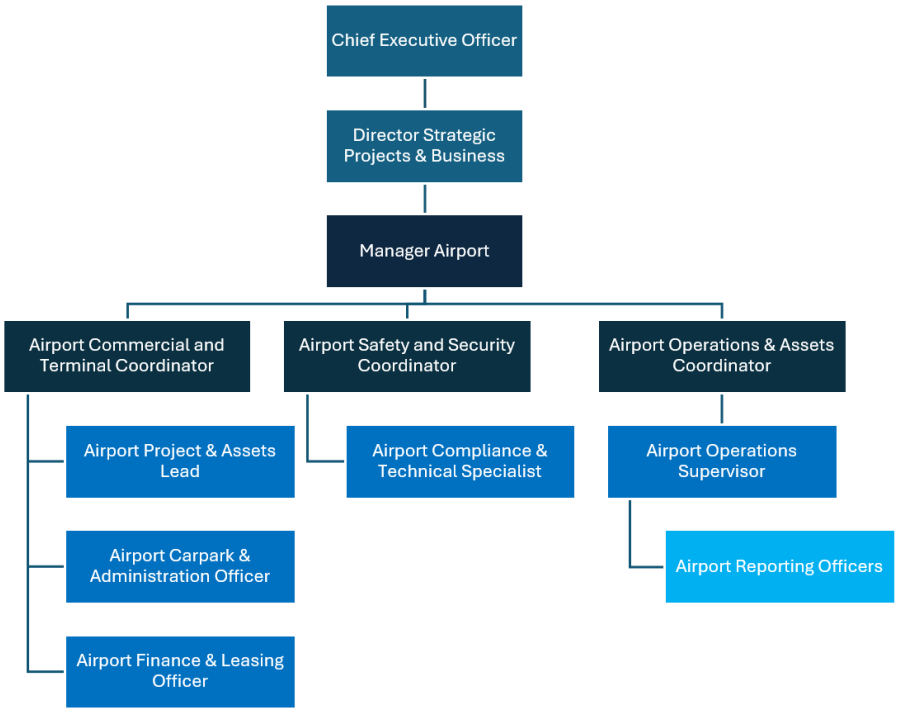
Source: City of Karratha

4.2.2 Airport Management and Operation

The Airport department is responsible for the management of operations at Karratha Airport. The structure separates Airport Operations, Compliance, Commercial Management and Capital Project Delivery into dedicated functional areas.

The structure is led by the Director Strategic Projects and Business within the City of Karratha. Operational responsibility is delegated to the Airport Manager, who is responsible for Airport Operations, Airport Compliance, and Airport Commercial. These functional areas have clearly defined responsibilities and collectively support the safe, efficient and compliant operation of Karratha Airport.

Figure 4-2 Karratha Airport Management Team



Source: Karratha Airport

4.2.2.1 Functional areas

Karratha Airport management is structured into three integrated functional areas that collectively support the safe, efficient and commercially sustainable operation of Karratha Airport. The three functional areas are:

- **Airport Operations and Assets:** responsible for the safe and efficient operation of the airport, management of aerodrome infrastructure, operational readiness, asset lifecycle management and capital works delivery.
- **Airport Safety and Security:** responsible for aviation safety, aviation security, regulatory compliance, risk management, workplace health and safety, auditing and emergency preparedness.
- **Airport Commercial and Terminal:** responsible for terminal operations, commercial property and leasing, financial management, customer experience, business development and non-aeronautical revenue generation.

4.2.2.2 Roles and Responsibilities

Table 4-1 summarises the purpose of each position and its primary responsibilities.

Table 4-1 Roles and Responsibilities

Position	Primary Purpose	Key Responsibilities
Chief Executive Officer	Provides overall executive leadership and is ultimately accountable for the governance, regulatory compliance and statutory	Holds ultimate accountability for ensuring the airport complies with applicable legislation, regulations and license obligations.

Position	Primary Purpose	Key Responsibilities
	obligations of Karratha Airport.	
Director Strategic Projects & Business	Provides administrative executive leadership and strategic direction for Karratha Airport.	Responsible for ensuring the airport aligns with the City of Karratha's strategic priorities and long-term investment objectives. The role provides governance and oversight of major capital projects, business planning, financial performance and stakeholder relationships, while ensuring the airport continues to operate as a sustainable strategic asset that supports regional economic development.
Manager Airport	Responsible for the overall management, statutory compliance, operations and commercial performance of the airport.	Responsible for the overall leadership and management of Karratha Airport, ensuring the safe, efficient, commercially sustainable and compliant operation of the airport. The position integrates operational, regulatory and commercial activities across the organisation, providing strategic direction to the functional areas while ensuring compliance with aviation legislation, organisational objectives and customer service expectations.
Airport Operations & Assets Coordinator	Manages day-to-day airport operations and airport infrastructure.	Responsible for planning and maintenance of airside infrastructure, asset management, airside and landside infrastructure projects, landside infrastructure and services, Baggage Handling System, airside safety and management of the Airport Operations Team.
Airport Compliance & Technical Specialist	Provides technical oversight to ensure operational compliance and infrastructure meets aviation standards.	Responsible for supporting the Airport Safety and Security Coordinator, Airport Operations and Assets Coordinator and Airport Operations Supervisor in providing technical data and oversight in maintaining safe and compliant operations. The position will also ensure that all regulatory requirements in Part 139 (Aerodromes) Manual of Standards, City of Karratha and Airport policies, safety protocols and

Position	Primary Purpose	Key Responsibilities
		operational procedures are maintained to a high standard.
Airport Operations Supervisor	Supervises operational staff responsible for daily airport activities.	Responsible for ensuring the smooth and efficient functioning of daily airport operations. The position will oversee and coordinate a team of Airport Reporting Officers, ensuring adherence to safety protocols, operational procedures, and customer service standards. Responsibilities will also include monitoring the operational performance and collaborating with various stakeholders to optimise airport operational processes.
Airport Reporting Officers (x5)	Deliver operational services across the airport and provide frontline reporting.	Responsible for maintaining compliance, safety and enforcement of Civil Aviation Safety Regulations Part 139, associated Aviation legislation and other Local Government Laws to ensure the protection of the airport infrastructure and safety of all airport users. Additional responsibilities include assisting development of airport operational procedures and Safety Management Systems.
Airport Safety and Security Coordinator	Leads the airport's safety management system and regulatory compliance framework.	Responsible for aviation safety, aviation security, regulatory compliance and workplace health and safety across the airport. The role is responsible for maintaining the airport's regulatory framework, managing compliance systems, coordinating audits and inspections, leading incident investigations and promoting a proactive safety culture. The position ensures the airport meets all legislative obligations while supporting continuous improvement across operational and security functions.
Airport Commercial & Terminal Coordinator	Leads commercial operations, customer experience and terminal management.	Leads the airport's commercial activities and terminal operations, ensuring the airport delivers a high-quality customer experience while maximising commercial performance. The role manages commercial property,

Position	Primary Purpose	Key Responsibilities
		leasing, business development, terminal operations, financial performance and landside facilities, providing leadership across all non-aeronautical business activities.
Airport Finance & Leasing Officer	Manages financial administration and commercial lease arrangements.	Provide technical administrative and project support to the Airport team in aspects of finance, leasing, contracts and revenue operations. In addition, provide high levels of customer service to Airport users and stakeholders whilst contributing to ensuring contractual and statutory obligations are met.
Airport Carpark & Administration Officers	Provide customer service, administration, and management of airport parking operations.	Assist the Commercial Team at the Airport with managing the car park (commercial and operations), marketing, events, social media, and customer service, while also providing administrative support. Reporting to the Airport Commercial Coordinator and collaborate closely with various departments to ensure seamless car park operations, deliver administrative assistance, and provide exceptional customer service to the public, passengers, visitors, and other stakeholders at the Airport.
Airport Projects & Assets Lead	Responsible for planning and delivery of Airport capital works and strategic asset management.	Assist the Commercial and Operations Teams at the Airport in managing projects, assets, procurement, terminal maintenance, and providing general customer service and administration support. Reporting to the Airport Commercial Coordinator, and collaborate closely with various departments to deliver projects, asset management, procurement and provide exceptional customer service to the public, passengers, visitors, and other stakeholders at the Airport.

Source: City of Karratha

4.2.3 Functional Effort Distribution

The 14 FTE span the three core operational areas at the airport. Table 4-2 provides an indicative allocation of staffing effort across functional areas.

Table 4-2 Indicative Staffing Effort by Functional Area

Functional Area	Positions	Indicative FTE
Airport Operations (runway, ARO, terminal, emergency)	Airport Reporting Officers (ARO) (x5), Operations staff	~7.0
Safety and Compliance (SMS, security, regulatory)	Manager Airport Services (shared), Airport Compliance & Technical Specialist and Airport Safety & Security Coordinator	~2.5
Commercial Business Functions (leasing, car park, finance, BD)	Commercial & Terminal Coordinator, Finance & Leasing Officer, Carpark & Admin Officers, Projects & Assets Lead	~4.0
Management and Administration	Manager Airport Services, Executive support	~0.5
Total		**14.0**

4.3 Airport Operational Effort

4.3.1 Internal Airport Team

The Airport is managed by a dedicated team of 14 full-time equivalent positions. For the financial year 2025-26, the annual employment budget for the airport team is $1.8 million comprising the components set out in Table 4-3.

Table 4-3 Employee Related Budget 2025-26

Employment Component	Annual Budget ($)
Salaries and wages	$1,541,021
Superannuation	$200,333
Allowances	$31,625
Workers' compensation	$23,246
Fringe benefits tax	$38.016
Council facilities	$7,341
Uniforms, protective clothing and first aid	$1,177
Travel expenses	$174
Utilities	$1,570

Employment Component	Annual Budget ($)
Total	**$1,844,503**

Source: City of Karratha 2025-26 Annual Budget

4.3.2 Cross-Departmental Support

The Airport is supported by several City departments that provide services to the Airport on a shared basis, including Information Technology, Financial Services, Governance, People and Culture, and Marketing and Communications. These internal support services are allocated to the Airport through the City's activity-based costing framework.

For 2025-26 FY, the activity-based overhead allocation to the Airport was approximately $936,000. This cost represents the Airport's proportionate share of City-wide corporate service and effort required to manage the Airport under the current in-house model.

When combined with direct employment costs, the total budgeted people-related cost of operating the Airport, including both the dedicated Airport Team and shared internal support is ~$2.8 million for 2025-26.

4.3.3 Contracted Services

A significant proportion of airport service delivery is provided through external contractors. These contracted services encompass a range of specialist aviation, technical, maintenance, and operational functions essential to the safe and efficient operation of the airport. The Security Screening Provider contract represents the largest component of this expenditure, accounting for approximately 70% of the total contractor and consultant budget. This outsourced security screening model replaces the costs associated with direct airport employment of security screening personnel, providing a dedicated specialist service to meet regulatory requirements. The approved 2025–26 budget for contractor and consultant expenditure across all airport cost centres is $4.4 million. Other Operating Costs

Other operating costs represent essential expenditures required to sustain Airport Operations beyond direct staffing and maintenance activities. Major cost components include insurance, electricity and water services, baggage handling system operations, travel associated with specialist contractors and consultants, and funding for the operation and maintenance of Roebourne Aerodrome. The approved 2025–26 operating budget for these activities is $3.2 million.

4.3.4 Total Operating Cost

Table 4-4 consolidates the full budgeted resourcing cost of Airport Management and Operations under the current model.

Table 4-4 Total Resourcing Cost

Component	Annual Budget ($)
Direct airport team employment	$1,844,503
Cross-departmental support (ABC allocation)	$935,650
Contracted services	$4,428,276
Operating Costs	$3,225,567
Total[1]	**$10,433,996**

[1] Excluding depreciation costs of ~$4.6 million

4.4 Historic Analysis of Level of Effort

The historical expenditure profile provides an important baseline for evaluating the Airport's current operating model and informing future financial and service planning. Sections below summarise Karratha Airport's staffing expenditure and contracted services expenditure over the seven financial years from 2018-19 to 2024-25, providing an overview of historical labour-related expenditure and supporting analysis of resource allocation, service delivery and cost trends.

4.4.1 Employee Costs

Table 4-5 sets out the Airport's actual employee costs over the seven-year period. The employee costs have remained broadly stable in absolute dollar terms over the seven-year period, moving within a range of $1.7 million to $2.7 million and $2.15 million to $2.34 million whilst excluding COVID impacted years, with a seven-year average of $2.2 million.

Table 4-5 Airport Employee Costs, 2018-19 to 2024-25

Year	Employee Costs
2018-19	$2,336,137
2019-20	$2,233,823
2020-21	$2,711,369
2021-22	$1,819,191
2022-23	$1,773,387
2023-24	$2,150,629
2024-25	$2,272,905
7-year average	**$2,185,349**

Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25.

4.4.2 Contracted Services

Table 4-6 sets out the Airport's actual contracted services costs over the seven-year period. Excluding the temporary reduction in expenditure during the COVID-19 pandemic, contracted services costs have exhibited a clear upward trend since 2018-19.

Table 4-6 Contracted Services (Materials & Contracts), 2018-19 to 2024-25

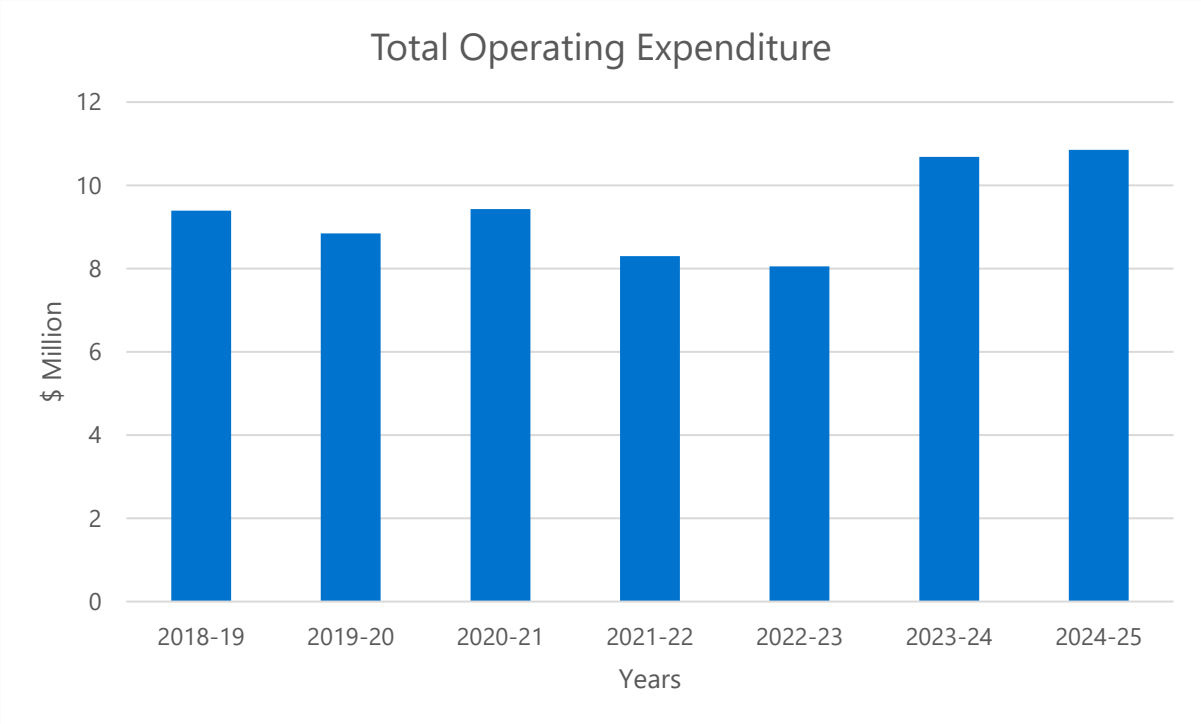
Year	Materials & Contracts
2018-19	$4,994,526
2019-20	$4,101,466
2020-21	$4,430,483
2021-22	$4,202,350
2022-23	$3,817,020
2023-24	$5,830,975
2024-25	$5,937,406
7-year average	**$4,759,175**

Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

4.4.3 Total Operating Expenditure

Total operating expenditure increased by 15.6% between 2018-19 and 2024-25.

Figure 4-3 Total Operating Expenditure (excluding depreciation)



Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

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5 Airport Facilities

Key Message:

- Karratha Airport's core infrastructure is Code D capable. The 2,280m runway and associated airside infrastructure accommodate both RPT services and fixed-wing and rotary-wing operations that underpin broader resource sector activity and connectivity to residents.
- The passenger terminal has substantial latent capacity. Redeveloped in 2015 to a gross floor area of approximately 6,100m^2, the terminal can accommodate up to 1.2 million passengers per year, with a further 550m^2 expansion identified for additional baggage handling capacity, indicating the terminal is not a near-term constraint on passenger growth.
- Several terminal systems have been flagged for future upgrade. Baggage handling system upgrades have been identified as priority areas given passenger growth since the 2015 installation, signalling a need for capital planning to keep terminal systems aligned with demand.
- Dedicated general aviation and helicopter apron facilities, together with leased hangar, fuel and ground support infrastructure, enables crew transfer, charter, aeromedical and offshore platform services critical to the Pilbara economy.
- Car parking, utilities infrastructure (including the on-site solar farm) and available commercial land present opportunities for revenue diversification aligned with the Management Order.

5.1 Overview

This section provides a comprehensive inventory of Karratha Airport's physical infrastructure, covering airside facilities, the passenger terminal, helicopter facilities and general aviation and, supporting infrastructure. Together, these physical assets underpin the Airport's function and its critical role supporting the passengers and Airport users.

5.2 Airport Facilities

Karratha Airport comprises a single runway and associated airside infrastructure supporting regular public transport, charter, general aviation and helicopter operations. The Airport plays a dual role: it is the primary Regular Public Transport (RPT) gateway to the Pilbara region, and a critical operating base for fixed-wing and rotary-wing aircraft supporting resource sector activity, including offshore oil and gas operations. Table 5-1 outlines the Karratha Airport facilities and Figure 5-1 illustrates the layout of Karratha Airport.

Table 5-1 Karratha Airport Facilities

Airport Facility	Description
Runway 08/26	Primary sealed runway measuring 2,280 m × 45 m with 7.5 m sealed shoulders. Asphalt surface with grooving to improve wet

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Airport Facility	Description
	weather performance. Designed for Code D aircraft including the Boeing 737 and supports non-precision instrument operations.
Runway Strips	Graded runway strips adjacent to the runway provide safety areas for aircraft excursions.
Runway End Safety Areas (RESAs)	90 m × 90 m safety areas provided at each runway end in accordance with CASA Part 139 requirements.
Taxiway Alpha (A)	Short asphalt taxiway connecting Taxiway Foxtrot with the apron.
Taxiway Bravo (B)	Main taxiway connecting the runway to the apron is 23m wide.
Taxiway Charlie (C)	Helicopter-only taxiway linking Taxiway Foxtrot with the Woodside helicopter apron.
Taxiway Delta (D)	Helicopter-only taxiway connecting the helicopter apron to Taxiway Foxtrot.
Taxiway Echo (E)	Eastern taxiway linking the runway with Taxiway Foxtrot. 23 m.
Taxiway Foxtrot (F)	Main parallel taxiway serving both fixed-wing aircraft and helicopters.
Taxiway Golf (G)	Taxiway linking the Helicopters Australia facilities to Taxiway Foxtrot.
Taxiway Hotel (H)	Helicopter-only taxiway connecting Taxiway Kilo with the helicopter apron.
Taxiway Kilo (K)	Parallel taxiway linking Taxiway Golf and Taxiway Charlie. 7.5 m wide with sealed shoulders.
Taxiway Lima (L)	Taxiway connecting the western end of Taxiway Foxtrot to the runway.
Regular Public Transport (RPT) Apron	There are eight RPT apron accommodating commercial passenger aircraft. Bays 1-4 are mainly used for B737-800, Airbus 320 and Q400. Bays 5-7 can accommodate larger aircrafts B787s. Bay 8 can accommodate only medium sized Q400 and F100 aircraft.
General Aviation Apron	Dedicated apron for general aviation aircraft.
Helicopter Aprons	Multiple helicopter parking aprons supporting offshore and resource-sector helicopter operations.
Wind Direction Indicators (WDIs)	Three wind direction indicators installed around the aerodrome

Airport Facility	Description
Movement Area Guidance Signs (MAGS)	Mandatory instruction and information signs positioned throughout the movement area in accordance with approved plans.
Navigation Aid Protection Signs	Protective signage installed at the VOR and NDB navigation aid locations.
Aerodrome Lighting	Medium intensity runway lighting, taxiway lighting and apron lighting.
Standby Power System	Modern standby generator and portable emergency lighting (Eflares) maintained for emergency operations.
Radio Communications	Handheld, vehicle-mounted and base station radios supporting aerodrome operations.
Security Fencing and Gates	Perimeter security fencing with controlled access managed by Aerodrome Reporting Officers (AROs).
Wildlife Hazard Management Equipment	Bird deterrent equipment including bird fright devices, starter pistols and Rocket Man systems, with usage records maintained.
Aircraft Rescue and Fire Fighting Services (ARFFS)	Aviation Rescue Fire Fighting Service operated by Airservices Australia. Terminal facilities can be used as incident reception centers during emergencies.
Light Aircraft Tie-down Facilities	Ground anchor system for securing light aircraft in accordance with CASA standards. Active and decommissioned tie-down locations are identified in ERSA.

Source: Karratha Aerodrome Technical Inspection May 2025

Figure 5-1 Karratha Airport Layout



5.3 Passenger Terminal Facilities

The passenger terminal is the primary interface between Karratha Airport and its users, including passengers, airlines, tenants and visitors. As the airport's principal customer-facing asset, the terminal's capacity, functionality, layout and level of amenity play a critical role in shaping the passenger experience and supporting efficient airport operations.

The existing terminal building underwent a major redevelopment as part of the Karratha Airport Masterplan and Land Use Plan 2013-2033. The upgrade was opened in September 2015, which significantly modernised the facility. The redevelopment consolidated arrivals and departures into a single central atrium, improving passenger circulation, operational efficiency and the overall quality of the terminal environment. Table 5-2 outlines the current facilities associated with the Karratha Airport Terminal.

Table 5-2 Passenger Terminal Facilities

Terminal Facility	Description
Terminal Configuration	Modern two-storey passenger terminal comprising a central atrium that integrates arrivals and departures through a shared security screening point. The departures lounge includes dedicated quiet and alcohol-free zones for passengers seeking a more relaxed environment, together with a business workspace equipped with USB charging

Terminal Facility	Description
	points and power outlets to support passengers working while travelling.
Security Screening	Centralised screening point providing the single point of access into the airside/atrium precinct, upgraded as part of the 2015 redevelopment to improve passenger flow and processing standards.
Baggage Reclaim	Dedicated baggage reclaim facility installed in 2015.
Check-in / Baggage Handling	RPT check-in facilities supporting the airport's airline tenants; baggage handling system upgrades are underway to keep pace with passenger volume growth.
Airlines Served	Scheduled passenger services are currently operated by Qantas/QantasLink, Virgin Australia and Nexus Airlines, providing regular connections to Perth and other Pilbara and regional destinations.
Airline Lounge	A Qantas Lounge is located on the first floor of the terminal and is accessible via both internal stairs and a passenger lift.
Food, Beverage and Retail	The terminal provides a range of food and beverage options, including a licensed bar and café facilities within the secure (airside) departures area. Vending machines and a retail offering are also available for passengers.
Passenger Amenities	Passenger facilities include public and accessible toilets, shower facilities adjacent to the check-in and arrivals areas, baby change rooms, a children's play area within the departures lounge, and a Flight Information Display System (FIDS). Complimentary Wi-Fi is provided throughout the terminal.
Meeting Room Hire	Meeting rooms and spaces are available for hire, offering a convenient place to hold a meeting at the airport.
Accessibility	The terminal has been designed to provide accessible, step-free movement throughout public areas. Accessible toilets, lift access between levels, designated parking, and a Disability Access Facilitation Plan support passengers with reduced mobility and other accessibility requirements.
Ground Transport	Ground transport facilities include bus services, on-site car hire services, a dedicated taxi rank immediately outside the terminal, passenger pick-up and drop-off areas, and public car parking.
Operating Hours	The terminal operates in accordance with the scheduled airline timetable, typically opening approximately one hour before the first scheduled arrival and closing around one hour after the final scheduled departure each day. Outside these hours, the terminal remains security-controlled and is not accessible to the public.

Source: Karratha Airport

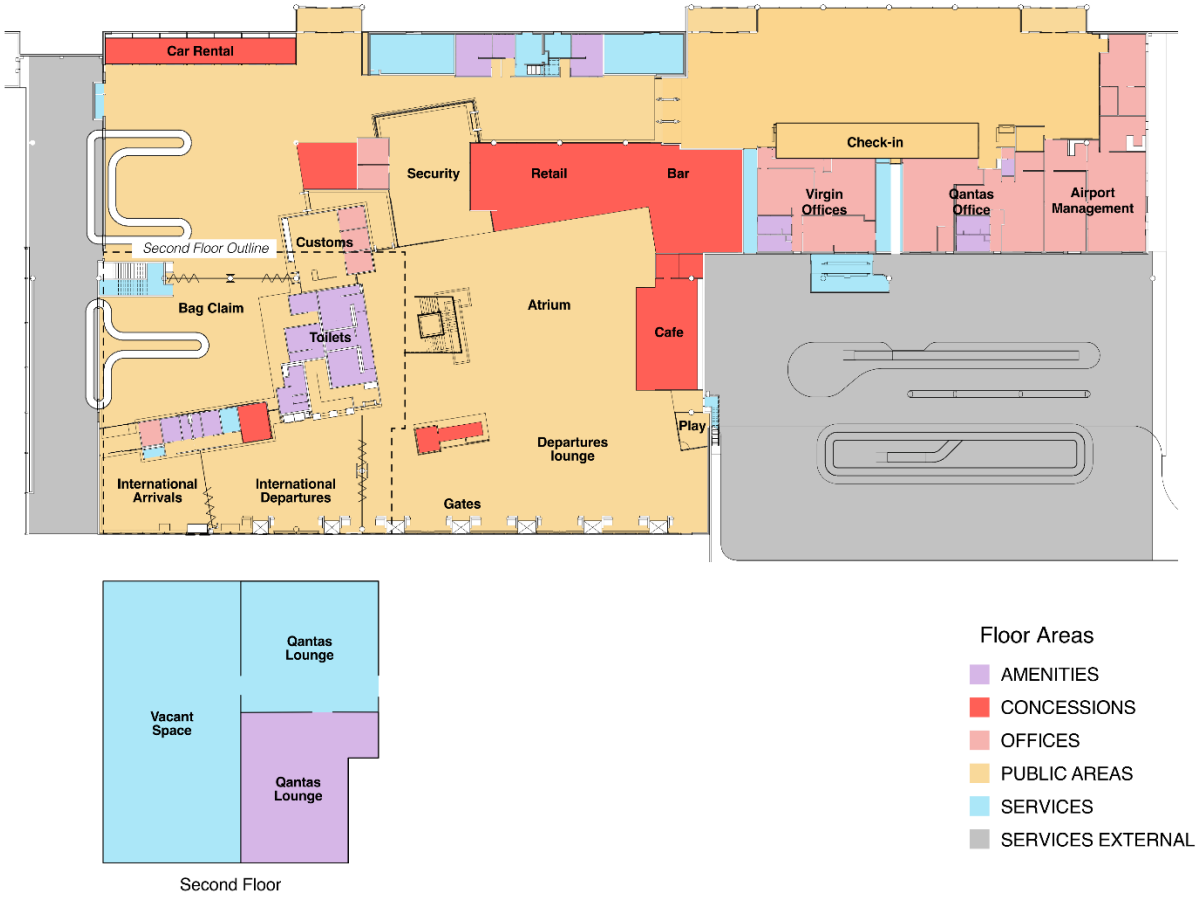
5.3.1 Karratha Airport Capacity

The Karratha Airport passenger terminal has a gross floor area of approximately 6,100m^2, with capacity for a further 550m^2 expansion to accommodate an additional baggage make-up belt. Of the current footprint, approximately 5,300m^2 is on the ground floor, with a further 800m^2 on the first floor, currently occupied by the Qantas Lounge (200m2), alongside vacant space available for additional service offerings.

The terminal can accommodate up to 1.2 million passengers per year, providing sufficient capacity to support current operations and future passenger growth. The terminal has been designed with the flexibility to accommodate future international operations by allowing designated areas to be cordoned off for international passenger processing and border agency functions, should international demand arise. Should regular international services be introduced, the terminal would require a detailed review and is likely to require upgrades to meet current international passenger facilitation, border security, biosecurity, and customs requirements.

Figure 5-2 illustrates the Karratha Airport Terminal Ground level. (first floor not shown)

Figure 5-2 Terminal Layout



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5.4 General Aviation Facilities

Karratha Airport supports general aviation, rotary-wing and offshore support operations critical to the Pilbara resource sector, including services to offshore oil and gas platforms and onshore resource project sites. Table 5-3 outlines Karratha Airport facilities that support general aviation services.

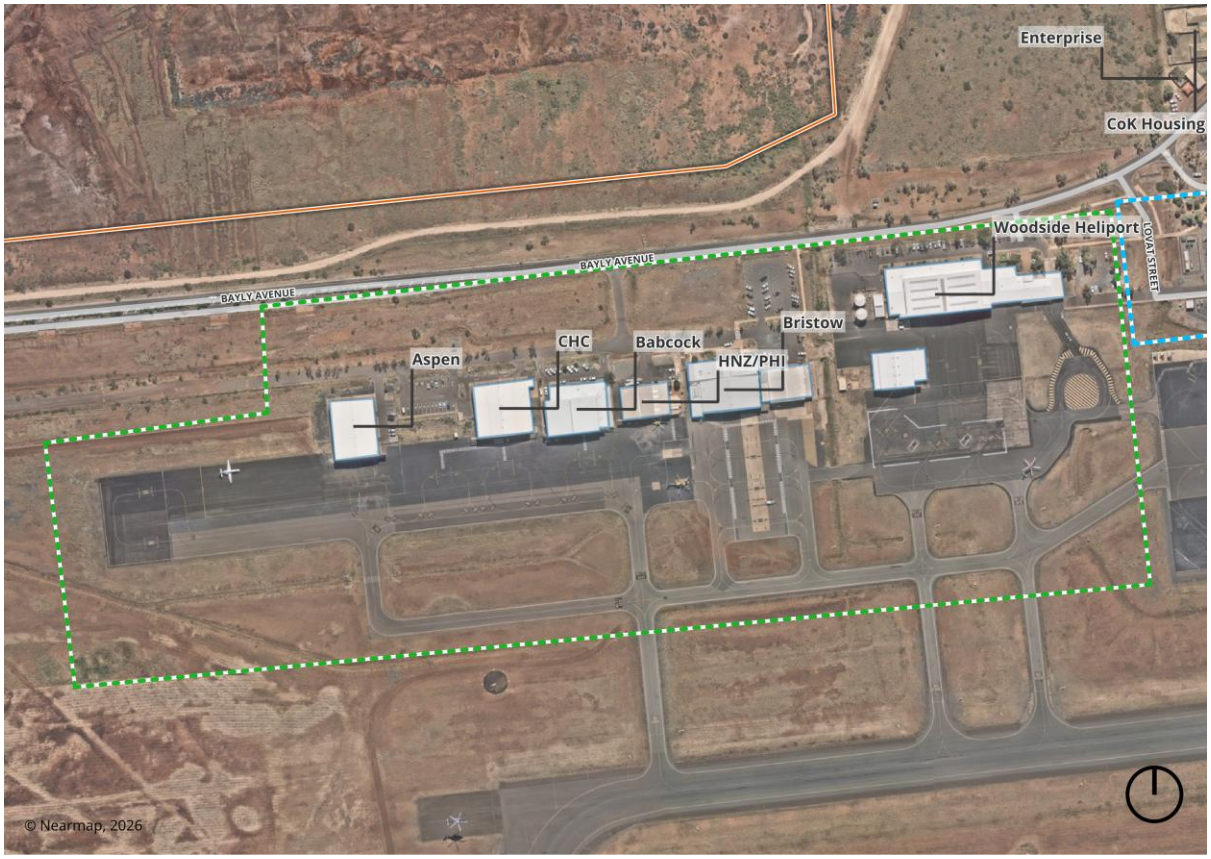
Table 5-3 General Aviation Facilities

Facilities	Description
General Aviation Apron	A dedicated general aviation apron is provided separately from the main apron, accommodating fixed-wing general aviation aircraft, charter operations, and aeromedical flights. The apron includes designated helicopter parking positions (H1 and H2) used for rotary-wing operations. (Refer to Figure 5-3)
Helicopter Operations	Karratha Airport is a key base for helicopter operations supporting the Pilbara resource sector by providing crew transfer services to offshore platforms and remote areas. Helicopter operators are responsible for maintaining their hangar facilities under lease arrangements. (Refer to Figure 5-4)
Charter Operations	Charter aviation services support a fly-in fly-out workforce, the Royal Flying Doctor Service and government related services. Where applicable, the main terminal facilities for passenger processing. Aviair operates a dedicated facility supporting charter and general aviation activity.
Fuel and Ground Support	Aviation fuel supply is provided by Air BP and Viva Energy, both operating dedicated fuel storage and distribution infrastructure within the airport precinct under lease arrangements.
Hangar and Maintenance Facilities	A range of hangar facilities support general aviation, charter, and helicopter operations. There is a dedicated workshop and hanger facilities for Aerodrome Reporting Officers and Qantas Engineering.

Figure 5-3 General Aviation Area



Figure 5-4 Helipads Area



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5.5 General Facilities

Karratha Airport site includes a range of supporting facilities and land uses that contribute to its operation and to non-aeronautical revenue. Table 5-4 outlines general facilities that support the Airport Operations.

Table 5-4 General Facilities

Facilities	Description
Car Parking	Karratha Airport provides 1,033 car parking bays divided into four sections short-term, long-term (A & B), bus parking and rental cars to cater to the passenger demand. (Refer to Figure 5-5) Car rental services are provided within the airport precinct, with dedicated booths located inside the terminal.
Utilities and Services	• Power supply. The airport is served by a high-voltage electrical distribution network. A dedicated Emergency Generator Compound provides backup power capability to maintain critical Airport operations during supply interruptions. The Airport also hosts a solar farm facility, which under an PPA contributes to on-site energy generation. • Water supply. Potable water is supplied to the airport precinct via a dedicated Water Storage and Pumphouse Facility maintained by the City's Facility Maintenance Team. • Wastewater and Drainage. The airport owns a Wastewater Treatment Plant (WWTP) which is operated and maintained by the City's Facility Maintenance Team.

Figure 5-5 Airport Carparks



Source: Karratha Airport

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These general facilities and land holdings represent an underexplored source of non-aeronautical revenue diversification for the airport, relevant to the financial sustainability considerations raised elsewhere in the AMBP, particularly given the Airport's exposure to resource sector demand cycles. Opportunities to optimise land use, car parking arrangements and commercial tenancies should be considered as part of the options analysis and business planning components of the AMBP.

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6 Airport Asset Management Framework

Key Message:

- Airport assets are governed within the City's broader corporate asset management framework. Under policy CF-13, airport assets are subject to the same five-year evaluation and planning cycle, valuation requirements and tiered governance as all other City-owned infrastructure, with the Airport Manager retaining a direct channel to influence corporate asset management decisions.
- The Airport's asset base is valued at $130.35 million. The Total Building's account for 65.11% of total asset value, with Aviation Operations assets representing a further 34.89%.
- The City of Karratha manages Karratha Airport through a structured maintenance framework covering both proactive and reactive maintenance across the airport precinct. Maintenance responsibilities are shared across five internal City teams, with specialist contractors engaged for statutory and technically complex work. This framework is governed by the Karratha Airport Operational Level of Service, which sets out service standards, team responsibilities, inspection frequencies, and access protocols for all staff and contractors working at the airport.

6.1 Overview

This section covers the City's asset management policy framework and tiered governance structure, the classification and hierarchy of Airport assets. It also outlines the current asset valuation, the five-year capital investment program, and maintenance arrangements that keep the airport compliant with its CASR Part 139 obligations.

6.2 Asset Management

Asset management at Karratha Airport is governed by the City of Karratha's Asset Management Policy (CF-13), which establishes the overarching framework for the sustainable management of City-owned infrastructure assets.

Under CF-13, the City of Karratha operates a five-year asset revaluation and planning cycle aligned with the Integrated Planning and Reporting framework. All airport infrastructure is valued at least once every five years to establish fair value in accordance with current Australian Accounting Standards.

6.2.1 Roles and Responsibilities

CF-13 establishes a tiered governance structure for asset management decision-making, which applies directly to Airport assets:

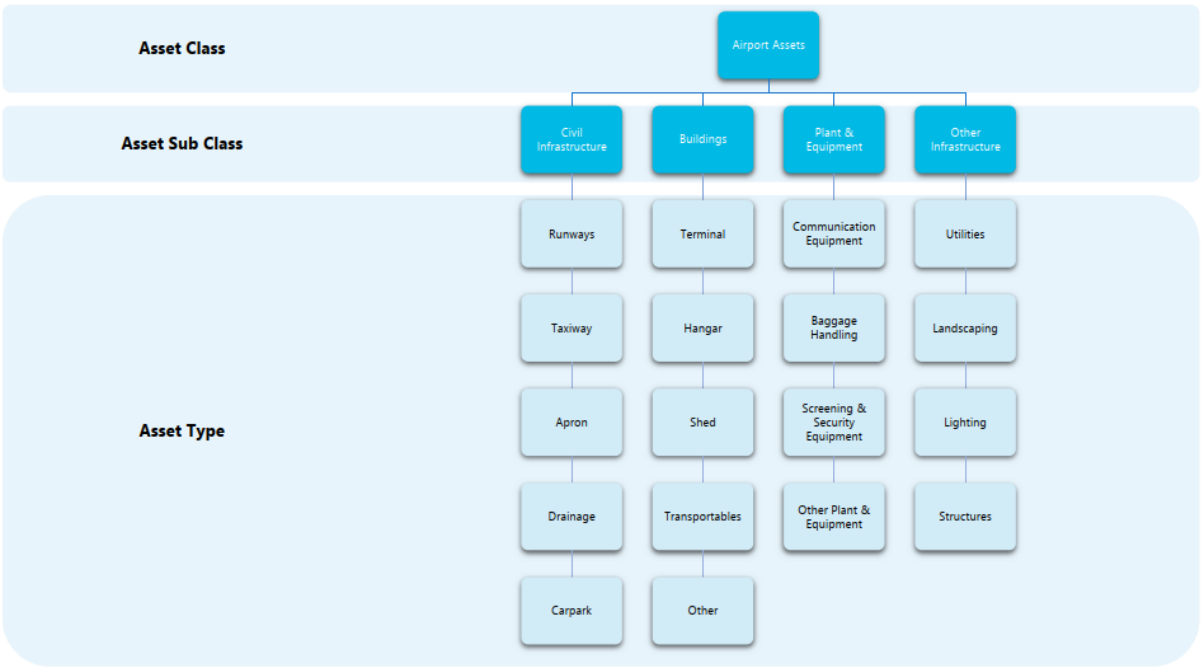
- City of Karratha: retains custodianship of all City-owned assets, including the Airport, and is responsible for setting strategic direction through the Asset Management Policy and Strategic Plan, determining funding priorities with reference to community feedback, and allocating resources for asset acquisition, maintenance, and management to serve current and future community needs.

- Executive Management Group: responsible for monitoring the City's asset management performance, administering compliance requirements, overseeing implementation of asset management procedures and guidelines, and planning and managing reactive and proactive maintenance and operational activities.
- Asset Management Working Group: ensures airport asset management is integrated into the City's broader asset management strategy rather than managed in isolation and gives the Airport Manager a direct channel to influence Airport asset management, system configuration, and funding prioritisation processes.

6.2.2 Airport Asset Classification and Hierarchy

Karratha Airport assets are classified into grouping by asset type as shown in Figure 6-1

Figure 6-1 Airport Asset Classification and Hierarchy



Source: City of Karratha – Strategic Asset Management Plan

To prioritise Airport funding, maintenance and renewal activities, and to guide an appropriate response, the City established a hierarchy of asset importance. A higher level of significance corresponds to a higher priority and level of service when determining work programs and budget allocations. This hierarchy is set out Table 6-1.

Table 6-1 Airport Hierarchy

Airport Hierarchy	Description	Example Assets
A) Airside	Includes all assets within security-controlled areas	Runways; taxiways; Regular Public Transport, General Aviation and helicopter aprons

Airport Hierarchy	Description	Example Assets
B) Landside	Includes all assets in areas to which the general public has unrestricted access	Long and short-term carparks; access roads; power system, potable water storage and pumping infrastructure
C) Terminal	Includes all assets within the airport terminal	Baggage handling system; Security and CCTV; Check-in facilities Boarding gates

6.2.3 Asset Valuation

As of May 2026, the buildings are displayed as fair value, whereas other infrastructure is the written down value of Karratha Airport's assets, totalling $130.35 million. This represents the current value of the Airport's core infrastructure, buildings, airside facilities and supporting operational assets. Table 6-2 outlines the total asset value of Karratha Airport by category.

Table 6-2 Asset Valuation

Category	Value	% of Total
Terminal Building	$56,082,300	43%
Aviation Operations (Hangars/ARO)	$19,858,400	15%
Operational & Support Buildings	$7,804,200	5.99%
Residential	$1,466,600	1.12%
Roads and Drainage	$5,460,500	4.19%
Runways	$35,457,500	27.2%
Waste Water Treatment System	$4,221,000	3.24%
Total Valued Assets	**$130,350,500**	**100%**

Source: Karratha Airport

6.3 Airport Maintenance

The airport maintenance framework directly underpins the City's obligations as a certified aerodrome operator under CASR Part 139. The City of Karratha manages Karratha Airport through a structured maintenance framework that covers both proactive and reactive maintenance across the airport precinct. Maintenance responsibilities are shared across five internal City Teams with specialist contractors engaged for statutory and technically complex work.:

- Airport Team: responsible for airfield lighting, the baggage handling system, carpark parking system, high voltage distribution permit issuing, airside fencing, and security x-ray equipment.
- Facility Maintenance: responsible for the majority of airport infrastructure, including the terminal building, structural and mechanical systems, electrical infrastructure, hydraulic services, fire systems, fixtures, finishes, and pest control.
- City Operations: responsible for maintaining footpaths, paving, road surface, drains, culverts and retaining walls. Plant and Fleet Team within the Operations department manage and maintain the airport's plant and fleet.
- City Parks and Natural Areas : responsible for maintaining airside gardens, carpark entry gardens, tenant verges, drainage corridors, and front-of-house landscaping.
- City Sanitation: responsible for indoor and outdoor cleaning.

6.3.1 Maintenance Governance

Airport maintenance is governed by the Karratha Airport Operational Level of Service, which establishes service standards, team responsibilities, inspection frequencies, and access protocols for all staff and contractors working at the Airport.

All staff and contractors undertaking maintenance works at the Airport must comply with security requirements under the *Aviation Transport Security Act 2004*, hold a valid Aviation Security Identification Card or Visitor Identification Card, and provide the duty Airport Reporting Officer with at least 24 hours' notice of access. Contractors requiring airside vehicle access must hold an Authority to Drive Airside, which requires a valid Aviation Security Identification Card and driver's licence.

6.3.2 Proactive Maintenance

Proactive maintenance is planned within each team's annual schedule of works. Core routine maintenance frequencies are set out in Table 6-3.

Table 6-3 Routine Maintenance Frequencies

Task	Frequency
Routine Building Inspections	Fortnightly inspection cycles across the terminal precinct, alternating between terminal landside and the ARO Workshop in week one, and terminal secure zone in week two. Minor maintenance items identified during inspections are rectified as part of the same cycle.

Task	Frequency
	Where buildings are leased to third-party tenants, maintenance responsibility transfers to the tenant or lessee.
Electrical Test and Tag	As per Airport Electrical Equipment Asset Register
Airport Carpark and Entry — Gardening	Twice weekly
Airside and Terminal — Gardening and Mowing	Twice weekly / weekly
Drains and Culverts	As per annual schedule

6.4 Reactive Maintenance

Reactive maintenance is assessed and prioritised in accordance with the City's Asset Maintenance Priority Framework where reactive or proactive works fall within a minor works contract, they are carried out by the relevant contractor.

6.5 Contracted Maintenance Services

The City contracts third party service providers for specialist maintenance works. Table 6-4 outlines the services that are contracted to third-party providers.

Table 6-4 Third Party Contractors

Contractor	Services Provided
Ausolar	Electrical services (emergency exit lights, test and tag, generators, RCD/smoke alarm checks, automatic doors, roller doors, Big Ass Fans, HV systems) across multiple facilities including the Terminal Building, Aspen Hanger, Europcar tenancy, Freight Yard, IT Communications Pole Switchboard, and Qantas Engineering Shed
CBRE	Air conditioning maintenance, refrigeration (ice machine servicing), Building Management System (BMS) maintenance, and air curtain servicing — across the Terminal Building and Aspen Hanger
Chubb	Fire protection systems, fire hydrants, portable fire equipment (fire blankets, extinguishers), and operable walls servicing at the Terminal Building
Nielsen Liquid Waste	Sewer pit pump removal, sewer pit servicing, and grease arrestor waste removal
Octagon Lift Technician	Lift (Octagon Lifts) servicing
Dampier Plumbing & Gas[contractor]	General plumbing, water softener maintenance, eye wash/safety shower testing, potable pump maintenance, sewage pumps, hot water units, and

Contractor	Services Provided
	water filtration servicing — across the Terminal Building, ARO, Pump Shed, and Aspen Hanger
Safemaster	Roof anchor points, height safety equipment, and roof access systems — statutory compliance servicing for the Aspen Hanger and Terminal Building
St Johns (St Johns)	Defibrillator annual performance verification testing
All Pest	Pest control — termite inspection and Singapore ant treatment
FM Handyman	Roller door maintenance (Aspen Hanger)
Designa	Carpark system maintenance
Rapiscan and Smiths	Security x-ray equipment
Alstef	Maintain the Baggage Handling System.

7 Safety Management System

Key Message:

- The Airport operates a comprehensive, structured Safety Management System aligned with Part 139 requirements. The Safety Management System spans six integrated components, governance, risk management, assurance, promotion, emergency preparedness and continuous improvement, with overall accountability resting with the Manager Airport and safety responsibilities embedded across all levels of operational personnel.
- The 2025 Aerodrome Technical Inspection confirmed the airport is well maintained and compliant, with no major issues identified.
- The September 2024 CASA surveillance audit identified a significant increase in safety findings compared to the prior 2022 event. Findings rose from 1 Safety Finding and 8 Safety Observations in 2022 to 12 Safety Findings and 6 Safety Observations in 2024.
- Several 2024 CASA findings point to gaps in the consistency of routine maintenance and monitoring practices. Issues such as unaddressed runway friction testing since 2016, obscured runway centreline markings, and non-compliant runway strip slopes.
- The City responded to all 12 CASA findings within the required timeframe, demonstrating effective corrective action capability.

7.1 Overview

This section explains Karratha Airport's Safety Management System framework and its recent regulatory performance record.

7.2 Safety Management System

Safety is the highest operational priority at Karratha Airport and Karratha Airport's Safety Management Manual underpins all aspects of safety management and decision making. The Safety Management System provides a structured framework for managing aviation safety risks, ensuring regulatory compliance and promoting continuous improvement across airport operations.

The Safety Management System is implemented in accordance with the requirements of the Civil Aviation Safety Regulations Part 139 and the associated Manual of Standards, together with other Commonwealth legislation governing aerodrome operations and aviation security. The system establishes the policies, procedures and responsibilities necessary to ensure the Airport operates safely while meeting its obligations as a certified aerodrome.

7.2.1 Safety Policy and Governance

The Airport maintains documented safety policies that define management's commitment to aviation safety and establish clear responsibilities for all personnel involved in airport operations. Overall accountability for the Safety Management System rests with the CEO and the Manager Airport, supported by operational managers, Airport Reporting Officers and other personnel responsible for implementing safety procedures within their respective areas of responsibility.

Safety responsibilities are embedded within operational procedures and form part of routine management, planning and decision-making processes.

7.2.2 Safety Risk Management

The Airport applies a systematic approach to identifying hazards, assessing operational risks and implementing appropriate control measures. Hazards may be identified through routine aerodrome inspections, operational monitoring, occurrence reporting, infrastructure inspections, audits, regulatory inspections, contractor activities and stakeholder feedback.

Where hazards are identified, formal risk assessments are undertaken to determine the likelihood and consequence of potential safety events. Appropriate mitigation measures are implemented and monitored to reduce risks to an acceptable level consistent with regulatory requirements and industry best practice.

Risk assessments are reviewed periodically or following significant operational changes, incidents or regulatory updates.

7.2.3 Safety Assurance

The Airport team monitors the effectiveness of its safety controls through ongoing inspection, auditing and performance monitoring activities. Safety assurance activities include:

- Routine aerodrome inspections
- Pavement and airside infrastructure inspections
- Wildlife hazard management
- Obstacle limitation surface monitoring;
- Lighting inspections;
- Regulatory compliance monitoring;
- Internal audits;
- Corrective action tracking;
- Periodic reviews of operational procedures

Safety occurrences, incidents and identified non-conformances are recorded, investigated where appropriate, and managed through corrective action processes to minimise recurrence and support continuous improvement.

The Airport team also responds to findings from external audits and surveillance activities undertaken by the Civil Aviation Safety Authority and other regulatory agencies.

7.2.4 Safety Promotion

The Airport promotes a positive safety culture through communication, training and competency management. Personnel undertaking operational duties receive training appropriate to their responsibilities and maintain competencies required under applicable aviation regulations.

Staff are encouraged to report hazards, incidents and safety concerns through established reporting processes without fear of reprisal, recognising that early identification of hazards contributes to improved operational safety.

Safety information is communicated through operational meetings, toolbox discussions, procedural updates, notices and ongoing engagement with airport users, contractors and

regulatory agencies. Airport Team also participates in the annual Australian Airport Association Airport Safety Week, performing tasks like Foreign Object Debris walks across the airside with airport personnel, contractors and other stakeholders to promote safety awareness and reinforce safe operating practices.

7.2.5 Emergency Preparedness

Emergency preparedness forms an integral component of the Airport's Safety Management System. The Airport maintains an Aerodrome Emergency Plan that establishes coordinated arrangements for responding to aircraft accidents, aviation emergencies and other incidents that may affect airport operations.

Karratha Airport Aerodrome Emergency Plan identifies the roles and responsibilities of the Airport, emergency services, Airservices Australia, airlines, government agencies and other stakeholders. Emergency exercises and testing are undertaken periodically to validate emergency response arrangements and identify opportunities for improvement.

7.2.6 Continuous Improvement

The Safety Management System is subject to ongoing review to ensure it remains effective, compliant and responsive to changes in the operational environment. Safety performance is monitored through operational inspections, audit findings, hazard reporting, occurrence investigations and regulatory oversight.

Outcomes from these activities are used to improve operational procedures, update risk controls and strengthen the Airport's overall safety performance. This continuous improvement approach supports the Airport's objective of maintaining safe, efficient and compliant operations while protecting passengers, staff, contractors and other airport users.

7.3 2025 Aerodrome Technical Inspection

The 2025 Aerodrome Technical Inspection concluded that Karratha Airport is in good overall condition, with its infrastructure, facilities and operational systems generally well maintained and compliant with the requirements of the Civil Aviation Safety Authority Part 139 Manual of Standards. The inspection found that the airport is being operated professionally, with a high standard of maintenance and no significant safety issues identified. The review also noted that the aerodrome manuals and operational procedures are comprehensive and well managed, with no adverse findings from the detailed compliance review.

The airport's core airside infrastructure—including the runway, runway strips, taxiways, aprons, drainage system, visual aids, lighting systems, communications equipment, security fencing and emergency facilities—was found to be in generally good to excellent condition. The runway pavement remains structurally sound with no evidence of rutting, cracking or deformation, while the runway strips, aprons and helicopter facilities continue to provide safe operating conditions. Security infrastructure, wildlife management equipment, emergency response arrangements and operational communications were also assessed as satisfactory and fit for purpose.

The inspection identified ten corrective actions, the majority of which are administrative compliance improvements rather than significant infrastructure deficiencies. None of these findings represent immediate safety concerns, and no major capital renewal works were identified

as being necessary. Karratha Airport has either closed or in process of closing out the required corrective actions. Table 7-1 outlines the corrective actions.

Table 7-1 Aerodrome Technical Inspection Corrective Actions

Ref.	Finding	Required Corrective Action	Priority
CASA Reporting	Technical Inspection Report must be submitted to CASA	Forward the 2025 Aerodrome Technical Inspection Report to CASA within required timeframe.	Administrative
10.1	Personnel records outdated	Update Aerodrome Manual with current personnel assigned to all required positions.	Required
10.2.1	Training records incomplete	Complete required training for all AROs/WSOs and maintain training records.	Required
12.4	Taxiway K graded strip deficiencies	Undertake remedial earthworks to achieve compliant graded taxiway strip.	Required
13.3	Obstacle database outdated	Remove obsolete obstacle and amend remaining obstacle description through the ADO Portal.	Required
13.5	VSS not documented	Include Visual Segment Surface information in the Aerodrome Manual.	Recommended
14.1	Turning pad markings incomplete	Paint turning pad guidance and edge line markings.	Required
15.1	Taxiway F edge lights too far from pavement	Relocate taxiway edge lights to approximately 1.2 m from taxiway edge.	Required
AM 9.4.1	Reporting personnel list outdated	Update list of aerodrome reporting personnel in the manual.	Required
AM 9.10.1	Manual missing VSS information	Insert VSS details into Section 3.7.7 of the Aerodrome Manual.	Required

7.4 CASA Surveillance Report September 2024

CASA conducted a Level 1 systems audit of Karratha Airport in September 2024, the first full surveillance event since May 2022. The audit assessed the City of Karratha's compliance with the *Civil Aviation Safety Regulations 1998* (CASR) and the Part 139 (Aerodromes) Manual of Standards 2019 across a range of operational, maintenance, safety management, and drug and alcohol management areas.

Since the previous surveillance event, CASA's revised Part 139 regulatory framework fully commenced (2022), introducing a more comprehensive, risk-based approach to aerodrome regulation and oversight. As a result, the 2024 surveillance assessed compliance against broader and more detailed regulatory requirements than previous audits.

The surveillance identified 12 Safety Findings and 6 Safety Observations, compared with 1 Safety Finding and 8 Safety Observations in 2022. The Safety Findings have now been closed after planned projects and system upgrades completed in 2025.

Safety Findings were issued across five system elements, Administration/Data and Documents, Aerodrome Maintenance, Safety Management, and DAMP implementation, with responses required by 12 November 2024. Table 7-2 outlines the CASA findings.

Table 7-2 CASA Findings

Finding No.	Subject	Action Taken
733485	Compliance with aerodrome manual — portable lighting inspections and preventative maintenance schedules	Portable lighting inspection program reinstated and documented. Planned preventative maintenance schedules formalised and made available for audit. Aerodrome Manual updated to reflect current practice.
733490	Aerodrome inspections — FOD on general aviation apron (helicopter positions H1/H2)	FOD identification and recording procedures strengthened within the serviceability inspection process. Staff briefed on FOD reporting obligations.
733491	DAMP — records not maintained in accordance with requirements	DAMP records management system reviewed and updated. Record-keeping processes aligned with reg. 99.100(1) and CASA EX92/23 exemption conditions.
733492	Turn pad markings — missing yellow taxi guideline at Runway 26; non-standard edge markings not recorded	Yellow taxi guideline line marking installed at Runway 26 turn pad. Aerodrome manual updated to record the grandfathered edge marking difference from the current Part 139 MOS standard.
733494	Graded runway strip — stones >50mm adjacent to Runway 08 touchdown zone	Graded strip inspected and cleared of oversized loose stone. Inspection regime updated to include stone size compliance check in routine serviceability inspections.
733495	Runway strip surface — abrupt slope changes >2% around PAPI footings, Runways 08 and 26	Slope remediation works completed at PAPI footing areas for both Runways 08 and 26. Surface re-graded to achieve compliant longitudinal slope transitions.

Finding No.	Subject	Action Taken
733496	Runway markings — centreline obscured by rubber deposits on large portions of Runway 08/26	Runway rubber removal and re-marking works completed across affected sections of Runway 08/26. Marking maintenance program established to prevent recurrence of the condition previously identified in 2016.
733498	Runway surface friction — no evidence of follow-up action since 2016 friction test	Updated friction testing program commissioned. Maintenance and surface treatment program established based on current friction test results. Ongoing monitoring schedule implemented to prevent surface conditions deteriorating below minimum standards.
733500	DAMP — not demonstrated as available to SSAA employees prior to performing safety-sensitive duties	DAMP distribution process revised to ensure all SSAA employees receive and acknowledge the DAMP before commencing safety-sensitive aviation activities. Records of distribution maintained.
733501	SMS — no demonstrated process for reviewing and measuring safety objectives	Safety Management System review and measurement process formalised and documented. Safety objectives reviewed against aerodrome performance, with outcomes recorded and tracked.
733503	SMS — not reviewed within required 12-month cycle	Safety Management Manual reviewed, revised and reissued. Annual SMS review cycle re-established with scheduled review dates recorded and tracked.
733504	Aerodrome manual — scaled plan missing from Appendix 5.4	Scaled aerodrome plan prepared and incorporated into the Aerodrome Manual at Appendix 5.4, meeting the requirements of Part 139 MOS para. 11.01.

The City of Karratha responded to all 12 Safety Findings within the required timeframe.[7]

[7] City of Karratha

8 Stakeholder Management

Key Message:

- Strong stakeholder collaboration underpins airport operations. Karratha Airport works closely with key stakeholders to support safe, efficient and commercially sustainable operations.
- Airline and aviation partnerships are fundamental to regional connectivity. Ongoing engagement with scheduled airlines, charter operators, helicopter services and FIFO operators ensures reliable passenger services, resource sector connectivity and emergency aviation capability.
- Close coordination with aviation regulators, emergency services and government departments enables compliance with aviation regulations, effective emergency management and alignment with regional transport and economic development objectives.
- Commercial and infrastructure partners enhance operational performance and passenger experience. Fuel suppliers, utility providers, contractors, ground transport operators and terminal tenants play a critical role in maintaining operational continuity, service quality and non-aeronautical revenue.
- Stakeholder engagement supports long-term airport growth. Maintaining strong relationships with industry, government and the community will be essential to delivering future infrastructure investment, expanding aviation services, supporting the Airport's international designation and strengthening the Pilbara's economic development.

8.1 Overview

This section outlines the key stakeholders relevant to Karratha Airport and their relationship with the Airport.

8.2 Stakeholder Management

Karratha Airport requiring ongoing collaboration with government agencies, airlines, service providers, commercial tenants and regional organisations to ensure safe, efficient and commercially sustainable airport operations. Effective coordination with these organisations is essential for regulatory compliance, day-to-day operations and the planning of future airport initiatives.

The Airport maintains formal and operational relationships with external stakeholders outlined in Table 8-1.

Table 8-1 External Stakeholders

Stakeholder Group	Organisations	Relationship with the Airport
Airlines and Aviation Operators	Qantas, Virgin Australia, Nexus Airlines, PHI International, Bristow Helicopters, CHC Helicopters, Karratha Flying Services (Aviair), Offshore Services Australasia, and Aspen Medical.	Operate scheduled passenger, charter, helicopter, FIFO, emergency and general aviation services. The Airport works closely with operators on scheduling, operational coordination, infrastructure planning and customer service delivery.
Aviation Regulatory and Emergency Services	Airservices Australia, St John Ambulance, WA Police	Provide air traffic services, Aircraft Rescue and Fire Fighting Services (ARFFS), emergency response, policing and operational support, contributing to the Airport's safety, security and emergency management arrangements.
Government and Strategic Partners	Tourism WA, Department of Transport, Department of Planning, Lands and Heritage, Pilbara Development Commission	Support strategic planning, transport policy, regional economic development, infrastructure investment and tourism initiatives that influence the Airport's long-term development.
Fuel Suppliers	Air BP, Viva Energy	Supply aviation fuel required to support airline, charter and helicopter operations. Reliable fuel supply is essential to maintaining operational continuity.
Terminal Commercial Tenants and Retail Services	Lagardère, Kisspad, Coca-Cola Amatil, Pilbara Claw	Deliver food, beverage and retail services that enhance the passenger experience and generate non-aeronautical revenue.
Ground Transport Providers	Avis, Budget Rent A Car, Europcar, Hertz Australia, WARU, Cedrent Enterprises, Executive Transfers, Go West, Kanga Van, Karratha Taxi, Premier Taxi	Provide vehicle hire, taxis, shuttle and passenger transport services, supporting passenger access to and from the Airport.
Infrastructure and Utilities	Telstra, Optus/Indara, ARINC Incorporated, Clean Peak Energy	Provide telecommunications, aviation communications, navigation systems and utility infrastructure that support airport operations and business continuity.

Stakeholder Group	Organisations	Relationship with the Airport
Airport Service Providers and Contractors	Transit, Menzies, North West Aviation Services, Smarte Carte, Thorny Devil Access	Deliver 50 specialized operational, cleaning, passenger services, equipment and maintenance support under commercial service agreements.
Advertising and Commercial Partners	WA Billboards	Provide advertising infrastructure and commercial marketing services, contributing to non-aeronautical revenue generation.
Major Regional Industry	Woodside Energy, Rio Tinto and CP Mining.	A key regional customer supporting FIFO and charter aviation to their operation locations.

Source: Karratha Airport

9 Market Demand and Assessment

Key Message:

- Karratha Airport is a nationally significant regional airport, handling on average around 639,000 passengers annually between 2011 and 2025 and over 25,000 aircraft movements, making it the second busiest airport in Western Australia.
- Passenger demand is strongly linked to the Pilbara resources sector, peaking during the mining construction boom before declining as projects transitioned to operations.
- The airport has recovered strongly from COVID-19 epidemic, with passenger numbers increasing from around 355,000 in 2020 to approximately 785,000 in 2025. This is mainly due to resource sector recovery associated with the improved world economic activity post COVID-19 epidemic.
- Aircraft movements have grown by more than 50% since 2019, due to increased activities in the resource sector across the region.
- Helicopter operations account for nearly half of all aircraft movements (47%), highlighting the airport's critical role in supporting offshore oil and gas operations.
- FIFO travel dominates the passenger market, representing around 75% of all passengers, with tourism and local travel making up the remaining demand.
- Resilient demand outlook: Karratha Airport's long-term passenger demand is expected to remain resilient, supported by Pilbara's resources sector, FIFO workforce, critical minerals and the energy transition.
- International connectivity adds a new growth opportunity: The Airport's international designation provides potential to diversify passenger demand.
- Karratha Airport passenger demand is forecast at around 743,000 passengers in 2026–27 and reaching approximately 852,000 passengers by 2070–71.

9.1 Overview

This section examines the historical demand profile of Karratha Airport and the key factors influencing aviation activity. It analyses passenger volumes, aircraft movements, fleet composition and passenger market segments to provide an evidence base for understanding current demand and future growth opportunities.

9.2 Historic Numbers

Karratha Airport currently handles on average between 2011-2025 639,000 passenger movements annually, making it the second busiest regional airport in Western Australia and 8th busiest regional airport in Australia[8]. The airport handles more 25,000 aircraft movements each year, comprising

[8] BITRE 2025

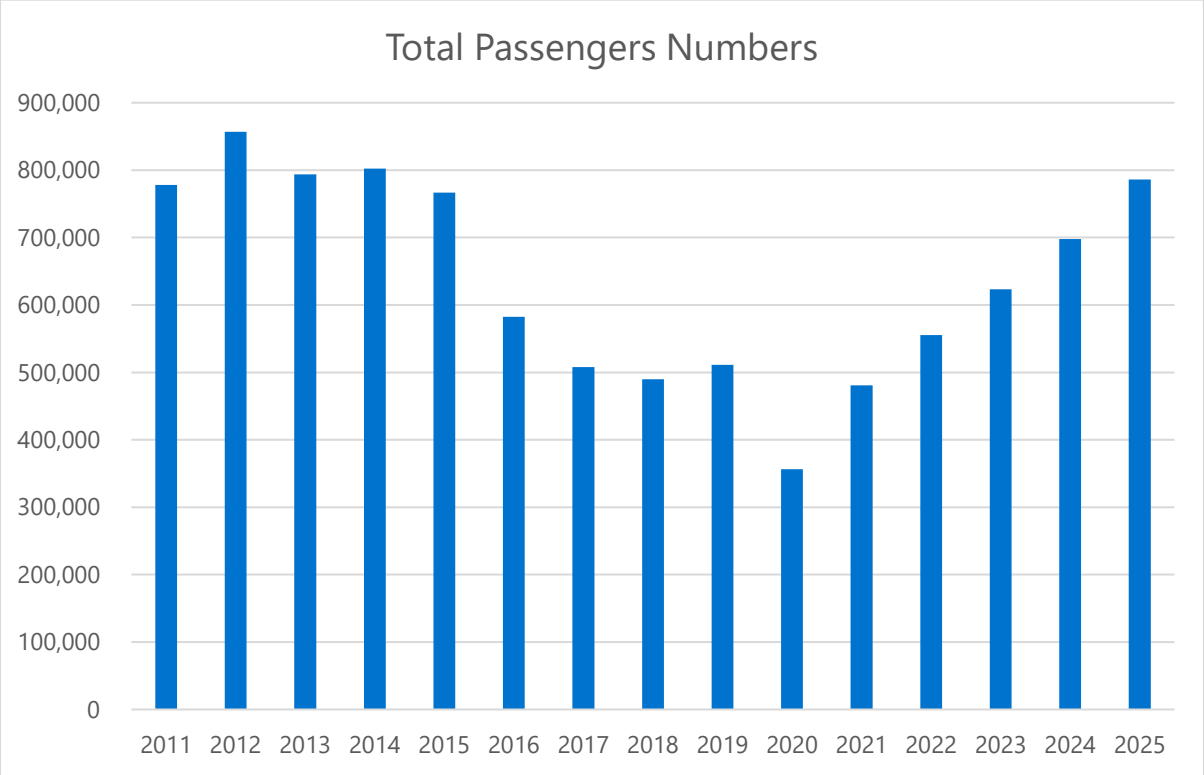
scheduled airline services, charter flights servicing the resources sector, helicopter operations supporting offshore oil and gas activities, general aviation, freight services and government aircraft.

Daily activity typically includes up to 25 charter and RPT airline arrivals and departures, supplemented by significant helicopter and charter operations that demonstrates the economic importance of the Pilbara region.

9.2.1 Total Passenger Numbers

Karratha Airport's passenger numbers from 2011 to 2025 have moved up and down in line with resource investment cycles in the Pilbara. Figure 9-1 illustrates the total passenger's numbers between 2011 and 2025.

Figure 9-1 Total Passenger Numbers



Source: Karratha Airport

Passenger numbers were high through 2011 to 2015, peaking at around 855,000 in 2012 and staying in the 765,000–800,000 range through to 2015, as major resource projects were being built and brought large construction workforces into the region.

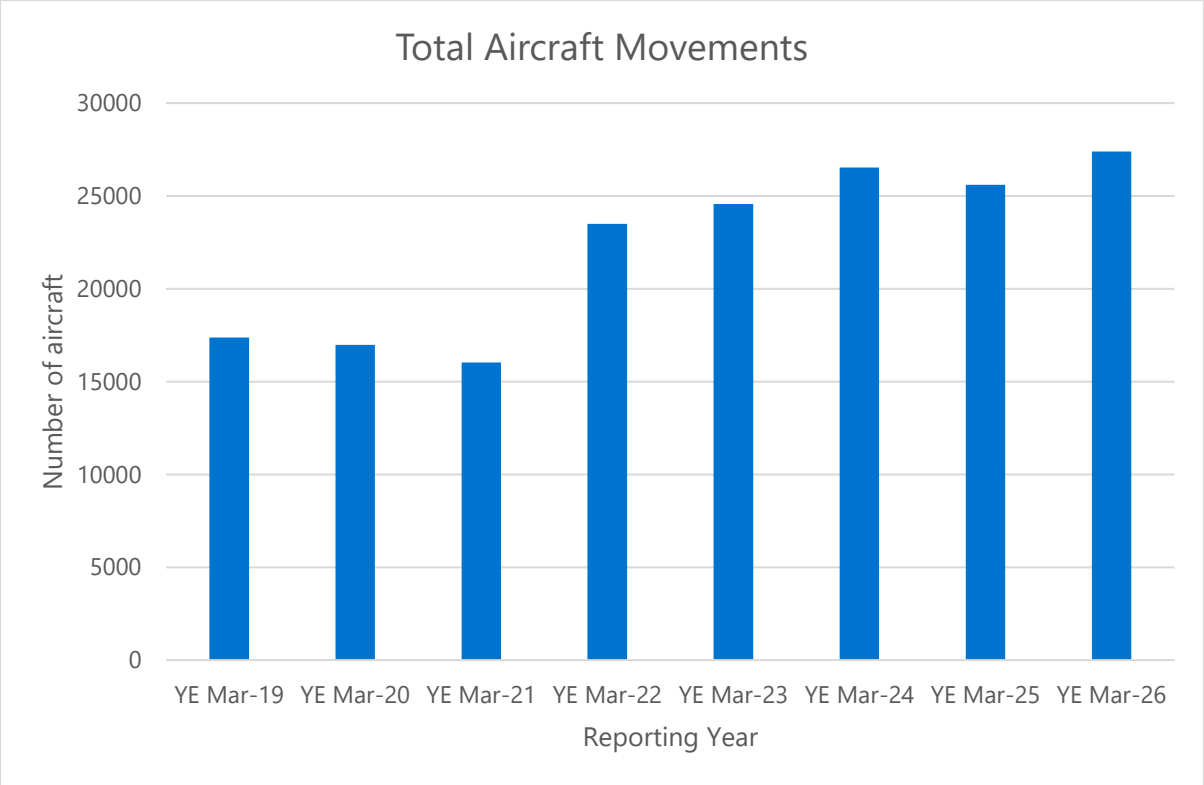
From 2016, numbers began a sustained decline as these projects finished construction and shifted into normal operations, which need far fewer workers. This decline was made worse from 2020 by COVID-19 travel restrictions, pushing total passengers down to a low of around 355,000.

Since 2021, passenger numbers have been recovering steadily as the economy has picked back up and new capital works have started again in the region, with totals reaching around 785,000 by 2025.

9.2.2 Total Aircraft Movement

Total aircraft movements at Karratha Airport have grown steadily over the past eight years, rising from around 17,400 in the year ending March 2019 to approximately 27,500 by the year ending March 2026. Figure 9-2 outlines the total aircraft movement between year ending March 2019 and year ending March 2026.

Figure 9-2 Total Aircraft Movement



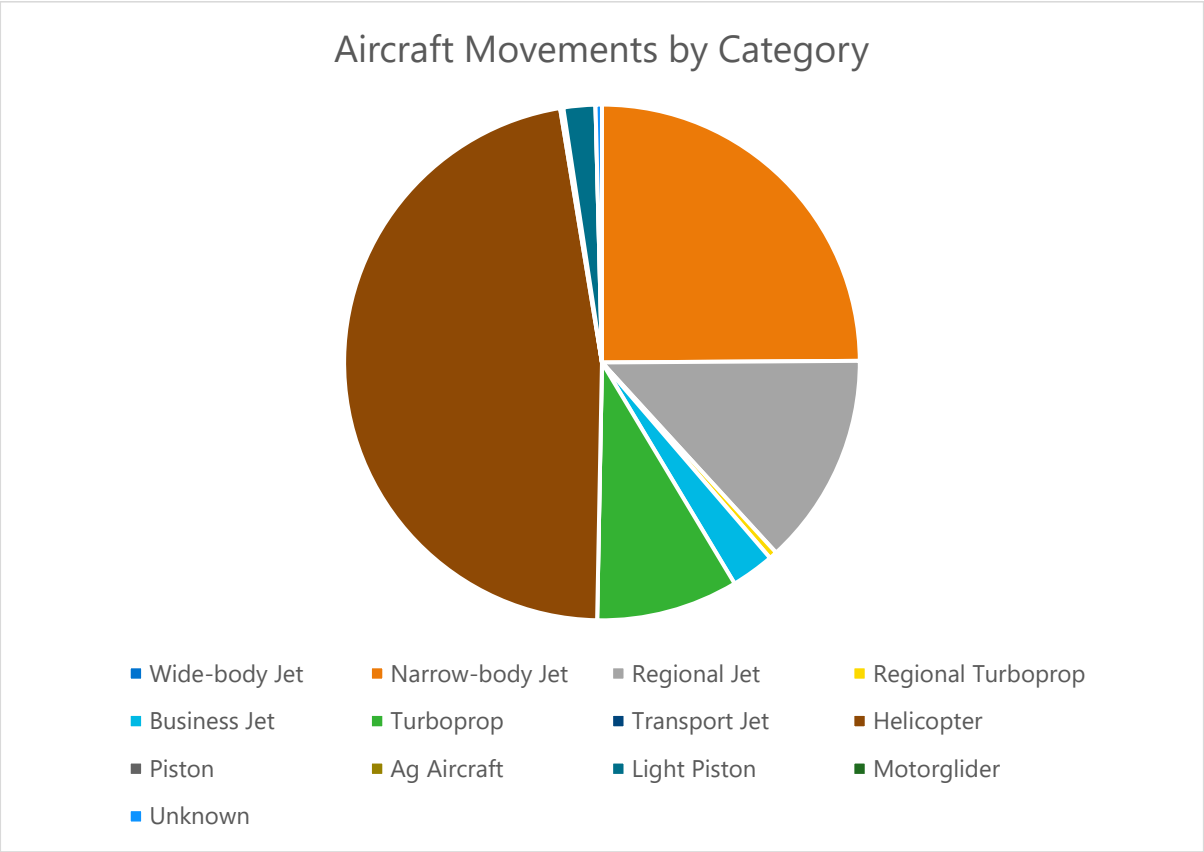
Source: Karratha Airport

After a modest dip to around 16,000 in year ending March 2021, due to reduced activity during COVID-19, movements rebounded sharply from year ending March 2022 onwards, climbing to roughly 23,500 and a broadly upward trend through to 2026. This movement represents growth of more than 50% over the period. This growth is driven by a combination of RPT, charter and helicopter activity. Helicopter movements, which are almost entirely attributable to offshore oil and gas support operations, represent the largest single category of aircraft activity at the airport, while fixed-wing charter movements are more closely associated with onshore resources sector construction and FIFO demand.

9.2.3 Aircraft Fleet Composition

The aircraft fleet operating at Karratha Airport indicates its role as the principal aviation gateway for the Pilbara region and a nationally significant hub for the resource, oil and gas industries. Operations are characterised by a combination of commercial passenger services and extensive helicopter activity supporting offshore energy infrastructure. Figure 9-3 illustrate the proportion of the total aircraft movement by category between 2015 and 2026.

Figure 9-3 Aircraft Movement by Category



Source: Karratha Airport

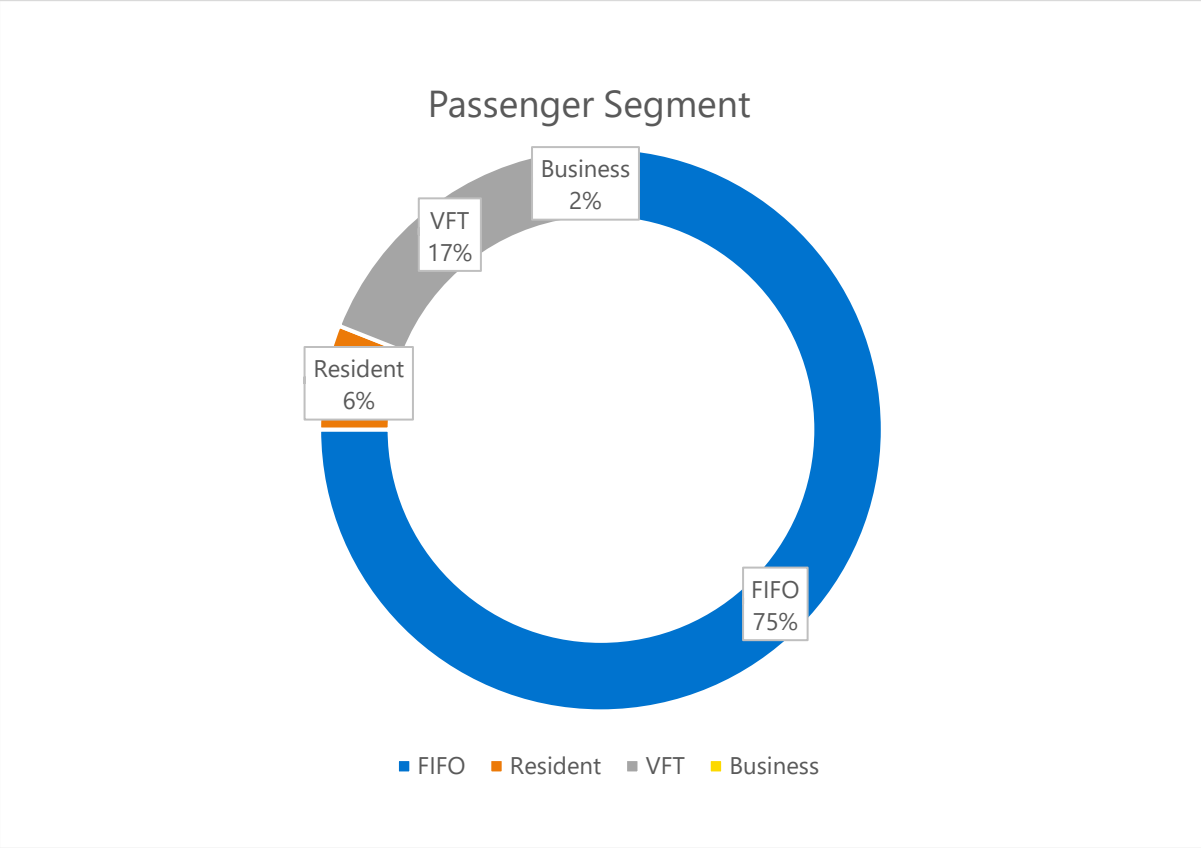
Helicopters represent the largest share of aircraft movements, accounting for 47.1% of all operations. These flights primarily transport fly-in fly-out personnel to and from offshore oil and gas platforms, provide logistics support to offshore facilities, undertake maintenance and inspection activities, and support emergency response operations. The high proportion of helicopter movements distinguishes Karratha Airport from most regional airports and demonstrates its strategic importance to Australia's offshore petroleum industry.

Narrow-body jets comprise 24.9% of aircraft movements and include aircraft such as the Boeing 737 and Airbus A320 family, which provide Regular Public Transport and FIFO workers between Karratha, Perth and charted flights to Brisbane. Regional jets account for a further 13.3% of movements, while turboprop aircraft contribute 8.9%, supporting regional connectivity and charter operations services.

9.3 Passenger Segment

Karratha Airport's passenger base is overwhelmingly dominated by Fly-In Fly-Out travel, which accounts for about 75% of all passengers. Visiting Friends and Family/Tourism travel makes up the next largest segment at ~17%, followed by Resident travel at ~6% and Business travel at just ~2%. Figure 9-4 illustrates the breakdown of passengers segment for Karratha Airport.

Figure 9-4 Passenger Segment



Source Tourism WA City of Karratha Overnight Visitor Factsheet 2023

9.4 Market Outlook

9.4.1 Economic Context

The Pilbara's aviation demand outlook is closely tied to the strength of the resources sector.

Global growth is forecast at around 2.9–3.0% p.a. through 2026–2027, with the OECD[9] pointing to services, investment and trade as the main stabilising forces. Continued global demand for commodities and energy underpins activity levels relevant to Pilbara exports. This is set against a more volatile geopolitical backdrop, the evolving Middle East conflict has introduced energy-price and inflationary pressures that pose a downside risk to the growth outlook and, by extension, to discretionary and business travel demand.

[9] OECD Economic Outlook 2026

China's economy is projected to grow at 4.3–4.4% p.a[10]. over the same period. As the largest consumer of iron ore, steady Chinese growth supports continued demand for Pilbara exports, the most important external driver of FIFO and business aviation activity through Karratha.

Domestically, Australia's economy is expected to grow at 2.3–2.4% p.a.[11], providing a stable operating environment for business activity, construction and regional services, and a predictable backdrop against which Karratha Airport can plan infrastructure and service delivery investment.

The energy transition, electrification of transport, battery storage and defence applications are driving sustained demand for lithium, copper, nickel, rare earths and related commodities, all of which the Pilbara is well positioned to supply. This diversifies the region's economic base beyond traditional bulk commodities and is likely to support a broader range of workforce and business travel movements through the airport over time, rather than being concentrated solely in traditional iron ore/LNG operations.

High-grade iron ore demand is expected to see structural growth beyond 2030, driven by the global shift toward low-emission steelmaking, which requires High-grade ore. IEEFA forecasts a growing global supply gap, creating an opportunity for Pilbara producers to capture premium demand[12], reinforcing the region's long-term production and export outlook, and the associated FIFO travel task that flows through Karratha Airport.

9.4.2 International Airport Designation and Assumed International Operations

In May 2026, Karratha Airport achieved formal designation as a Restricted Use International Airport and an Alternate International Airport, marking a major milestone toward international connectivity for the region. This designation enables Karratha Airport to accommodate international aircraft movements on a restricted and pre-approved basis, while also providing capacity to operate as an alternate airport for international flights when required, and represents the first step toward establishing international passenger services from Karratha.

Achieving full international passenger operations remains contingent on further work. The City will progress to the next phase of the project, which includes attracting an international airline partner and working with the Australian Government to establish the required Border Force and biosecurity facilities and processing arrangements at the Airport. This next phase may take up to two years to achieve.

For the purposes of this Management and Business Plan, the following assumptions have been agreed with the City of Karratha and adopted regarding international operations at Karratha Airport:

- **Commencement:** International services are assumed to commence from FY2028–29,
- **Route and frequency:** A single international service of two flights per week to a representative South-East Asian destination

[10] OECD Economic Outlook 2026
[11] Reserve Bank of Australia – The Critical Minerals Opportunity (2025)
[12] IEEFA – Global High-Grade Iron Ore Market Set to Grow (2026)

- **Nature of the assumption:** This is a planning assumption only, intended to test financial implications of international operations within the 40-year financial model. It is not based on a confirmed airline commitment and should be treated as indicative pending an executed agreement with an international carrier.

9.4.3 Implications for Karratha Airport

The combination of forecasted steady global growth, stable commodity demand, the accelerating energy transition, a structural shift toward high-grade iron ore, and Karratha Airport's recent international designation together support a positive long-term outlook for investment, connectivity and economic activity in the Pilbara. For Karratha Airport, this translates into:

1. A resilient underlying demand base for FIFO and business travel over the plan period, linked to both traditional bulk commodity exports and emerging critical minerals activity.
2. Increased business activity and innovation, potentially expanding business and charter aviation segments.
3. Strengthened regional liveability and infrastructure investment, supporting the case for continued airport capital investment.
4. A new international passenger segment from FY2028–29 represents a new addition to the resource-sector-driven demand base and diversifies the airport's route network and passenger mix.
5. A step-change in infrastructure and airport operations from FY29 reflect a corresponding step-change in both aeronautical and non-aeronautical revenue, offset by higher security and compliance operating costs,
6. Improved regional positioning as a gateway for Northern Australia, with direct international access improving connectivity for the local FIFO and resident population relative to routing via Perth.

9.5 Future Demand Forecast

For the purpose of this AMBP, a high-level demand forecasting exercise was carried out for Karratha Airport to provide this evidence base, projecting annual passenger movements from 2026–27 through to 2070–71 at a level of detail appropriate to strategic and financial planning rather than detailed operational or infrastructure design.

The forecasting exercise applies two independent, high-level methodologies, a bottom-up, segment-based approach and a top-down, historically calibrated approach to provide robustness and cross-validation in the results. Both approaches are tested across Low, Medium and High growth scenarios to capture a realistic range of future outcomes. As a high-level forecast, the model is intended to inform strategic decision-making and should be reviewed and refined periodically as more detailed information becomes available.

9.5.1 Forecasting Methodology

Two complementary approaches have been applied to test the reasonableness of the results rather than to produce a detailed, segment-by-segment operational forecast:

- Bottom-up forecast: estimates passenger demand by forecasting each market segment separately (FIFO workforce, non-FIFO resident travel, business travel, and leisure/VFR) before combining them into a total airport forecast. As Karratha Airport's passenger profile is dominated by FIFO workers, estimated at approximately 74% of total movements (Tourism WA visitor data, 2023), the FIFO components are the primary drivers of the forecast. FIFO capex-related demand is derived from a regression of historical construction workforce movements against annual capital expenditure (approximately 31 passengers per $ million of active project spend, $R^2 = 0.61$), while FIFO operational demand is derived from the cumulative commissioned asset base, applying a benchmark operational workforce intensity of 60 workers per $ billion of installed infrastructure.
- Top-down forecast: provides an independent validation of the bottom-up results by calibrating a linear regression of total observed annual passenger movements against annual capital expenditure on resource projects in the Karratha catchment, using 17 years of historical data (FY2007-08 to FY2024-25). The regression yields a statistically robust relationship of approximately 25 additional passengers per $ million of active construction spend ($R^2 = 0.77$), together with a stable baseline intercept of approximately 360,000 passengers representing the floor of airport demand independent of construction activity, implicitly capturing the permanent operational FIFO workforce, resident travel and tourism.

Near-term forecasts (FY2026-27 to FY2031-32) in both models are driven by resource sector's capital expenditure projections within Pilbara region, meaning results are broadly consistent across scenarios in the early years. Scenario divergence increases progressively in the outer years as the cumulative effect of the different long-run growth assumptions compounds.

9.5.2 Forecast Scenarios

Three planning scenarios have been developed, reflecting different assumptions regarding long-run growth in resource sector capital expenditure activity beyond the known near-term project pipeline:

Table 9-1 Forecast Scenarios

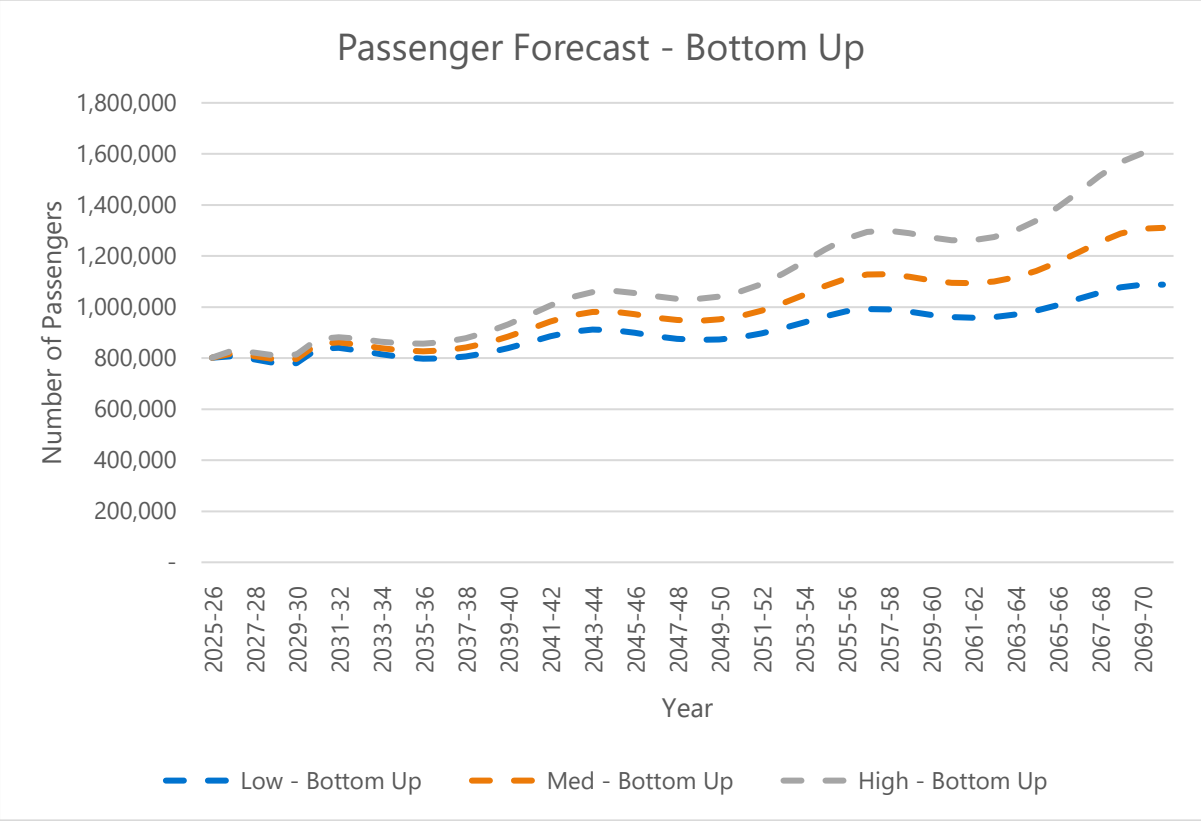
Scenario	Description	Long-run growth rate
Low	Conservative economic growth and slower resource sector activity, reflecting potential downside risks from geopolitical tensions, energy market disruption and weaker global demand. Resource production remains stable but workforce growth is limited.	0.5% p.a.
Medium	Expected, most-likely planning scenario, consistent with OECD forecasts of resilient global growth and sustained Chinese demand, supporting stable FIFO, contractor and business travel demand.	1.5% p.a.

Scenario	Description	Long-run growth rate
High	Strong economic growth and increased mining activity, reflecting RBA commentary on long-term growth potential in lithium, copper, nickel and rare earth demand driven by the energy transition, generating increased workforce and aviation demand.	2.5% p.a.

9.5.3 Forecast Results

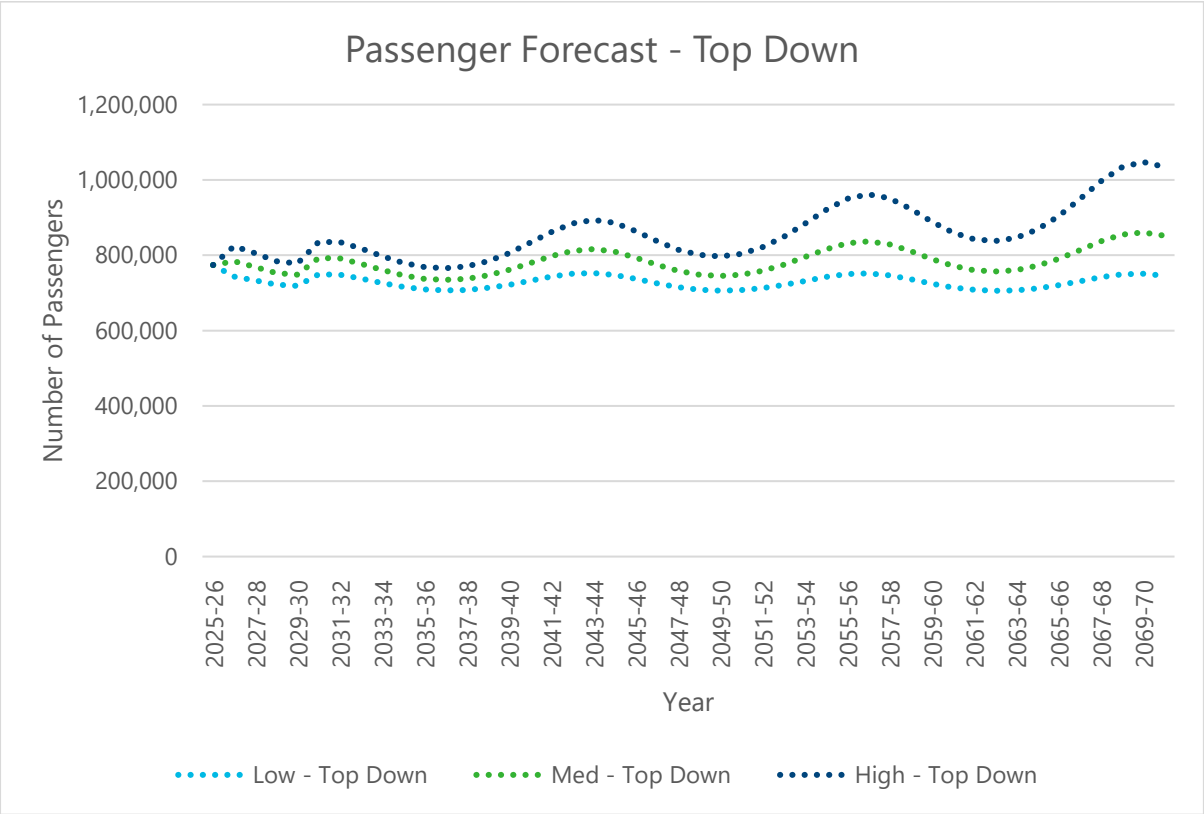
Bottom-up forecast: Passenger movements are projected to grow from approximately 807,000 in 2026–27 to between 1.09 million (Low) and 1.61 million (High) by 2070–71. The forecast pattern reflects the resource investment cycles superimposed on a long-term growth trend as shown in Figure 9-5.

Figure 9-5 Bottom-Up Forecast



Top-down forecast: Passenger demand is projected to remain comparatively stable over the planning horizon, growing from approximately 743,000 in 2026–27 to between 746,000 (Low) and 1.03 million (High) by 2070–71. The Low scenario remains broadly flat over the long term as shown in Figure 9-6. The forecast reflects the conservative assumption that capital expenditure stabilises at a modest level with limited new major project activity beyond the near-term.

Figure 9-6 Top-Down Forecast



The two methodologies produce materially different long-term outcomes by 2070–71:

- High bottom-up scenario forecasts approximately 575,000 more passengers than the High top-down scenario,
- Low bottom-up scenario forecasts approximately 342,000 more passengers than the Low top-down scenario.

This difference reflects the different structural characteristics of each approach rather than an error in either model – the bottom-up approach aggregates multiple independently grown segments whose assumptions compound over a 45-year horizon, while the top-down approach is anchored directly to the observed historical relationship between investment activity and total passenger demand. The gap between the two therefore represents a plausible range of long-term outcomes, with the top-down forecast providing a conservative, data-anchored lower bound and the bottom-up forecast illustrating the potential upside if individual segment growth assumptions are realised.

Table 9-2 Forecast Results

Forecast scenario	2026–27	2070–71	Change
Low bottom-up	807,177	1,087,724	+34.8%
Medium bottom-up	818,763	1,310,311	+60.0%
High bottom-up	830,357	1,609,528	+93.8%

Forecast scenario	2026–27	2070–71	Change
Low top-down (recommended)	743,170	746,133	+0.4%
Medium top-down	783,794	851,771	+8.7%
High top-down	824,418	1,034,842	+25.5%

9.5.4 Recommended Planning Forecast

The Low Top-down Forecast approach was recommended as the preferred planning forecast for this Management and Business Plan, on the basis that:

- It is calibrated directly against 17 years of historical passenger movements, providing the strongest evidence-based estimate of future demand.
- Karratha Airport's long-term passenger demand is primarily driven by resource sector operations rather than sustained population growth or economic diversification, and the top-down approach reflects this relationship directly.
- It avoids the cumulative effects of overlapping passenger categories inherent in the bottom-up approach, reducing the risk of double counting and overestimating long-term demand.
- A conservative planning forecast is appropriate for long-term infrastructure planning and financial management. The consequence of under-building is manageable, capacity can be expanded incrementally as demand is realised, whereas over-building based on optimistic long-term assumptions represents a sustained financial burden on Council.

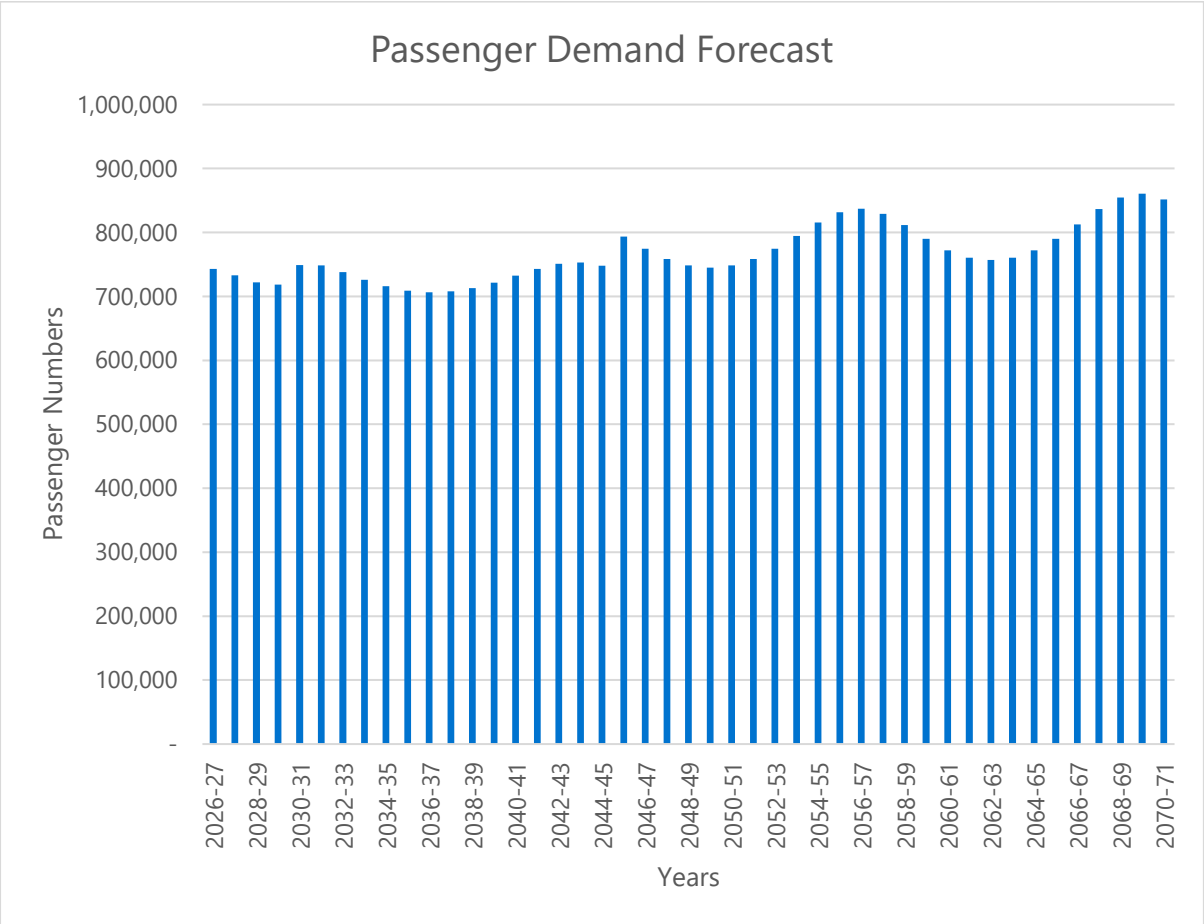
City of Karratha decided to adopt a blended forecast as the basis for the 40-year financial model, combining the Low Top-down and Medium Top-down scenarios as follows:

- Low Top-down scenario applied from 2026–27 to 2044–45, reflecting the most conservative, evidence-based estimate of demand over the period reflects underlying capital expenditure and resource sector assumptions.
- Medium Top-down scenario applied from 2045–46 to 2070–71, to account for the increasing uncertainty inherent in a 45-year forecast horizon and to guard against underestimation of long-term demand beyond the near/medium-term project pipeline.

This blended Low/Medium approach provides a balanced basis for the 40-year financial model, combining a conservative near-to-medium-term planning outlook with an appropriate allowance for uncertainty over the longer term. Maintaining the Low scenario across the full forecast period could understate future demand and result in under-provision for infrastructure and financial capacity. Figure 9-7 and Table 9-3 outlines the blended forecast of Karratha Airport passenger numbers.

Other scenarios are retained as sensitivity and contingency cases to inform trigger conditions for future capital investment decisions.

Figure 9-7 Passenger Demand Forecast



9.5.5 Forecast Review

The passenger forecast should be treated as a living planning tool and reviewed periodically as new information becomes available. It is recommended that the forecast be formally reviewed:

- Every five years, as part of the Airport Management Review or Master Plan update cycle.
- Following the release of new ABS population projections or Western Australian Government demographic forecasts.
- When a major resource project is announced, expanded, delayed or cancelled, particularly where it is expected to materially affect FIFO workforce demand.
- Following significant changes to airline services, including the introduction or withdrawal of routes, changes in aircraft capacity, or substantial changes in flight frequency.
- Where actual passenger movements differ from the forecast by more than 10% for two consecutive years, indicating that underlying demand trends have changed.
- Prior to major capital investment decisions, to ensure infrastructure planning reflects the most current demand outlook.

Table 9-3 Passenger Demand Forecast

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Low	743,170	733,119	721,787	718,662	748,964	748,657	738,110	726,004	715,746	709,131

	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46
Low	706,602	708,038	713,192	721,631	732,322	743,173	751,076	752,994	747,808	737,355

	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56
Med	774,766	758,701	748,500	745,105	748,514	758,497	774,482	794,799	815,798	831,826

	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66
Med	837,137	829,326	811,450	790,267	772,158	760,658	756,831	760,674	771,928	789,947

	2066-67	2067-68	2068-69	2069-70	2070-71
Med	812,850	836,522	854,589	860,576	851,771

10 Financial Analysis and Forecast

Key Message:

- Karratha Airport has grown operating revenue from $20 million (2018-19) to $33 million (2024-25), a 65% increase, while operating expenditure grew only 16% over the same period. Resulting in operating surplus to more than double, from $10.6 million to $22.2 million, with EBITDA margins consistently above 50% and peaking near 68%.
- Revenue is heavily reliant on aeronautical activity. Aeronautical charges account for approximately 74% of total revenue, meaning the airport's financial position remains closely tied to passenger and aircraft movement volumes rather than diversified commercial income.
- Over the 40-year forecast horizon, revenue is projected to almost triple, from $37.9 million (2025-26) to $112.9 million (2065-66), with operating expenditure growing more slowly, strengthening the operating margin from 51% to 54% and reinforcing long-term financial sustainability.
- Materials and contract costs represent 51% of total operating expenditure, more than double employee costs (23%), indicating the airport's operating model relies heavily on outsourced services,
- The City has committed $81.5 million in capital investment over the next 10 years (part of a $632 million 40 year program), with the Terminal Renewal project alone accounting for $7.0 million.
- Karratha Airport generates a significant financial return to Council. Annual Return on Infrastructure (ROI) payments are forecast to grow from $12.8 million (2026-27) to $46.7 million (2065-66). The estimated total ROI over 40 years is $947 million.
- The Aerodrome Reserve grows by $217.2 million by 2065-66 but transfers only occur in years with a positive net result after ROI. No transfer to the Aerodrome Reserve is forecasted for the next two years due to planned capital expenditure

10.1 Overview

Karratha Airport operates as a commercially managed local government business while delivering essential community infrastructure and regional economic outcomes.

Revenue is generated through a combination of aeronautical and non-aeronautical activities. Aeronautical revenue includes aircraft landing charges, passenger charges, security recovery charges and other aviation-related fees. Non-aeronautical revenue is derived from commercial property leases, terminal tenancies, car parking operations, advertising, meeting room hire and other commercial services.

Commercial decisions are undertaken within the City's procurement, financial management and governance frameworks.

10.2 Operating Revenue

Karratha Airport generates revenue from a diversified mix of aeronautical, commercial and regulatory service charges. The Airport's revenue can be broadly categorised into seven primary revenue streams outlined in Table 10-1.

Table 10-1 Revenue Categories

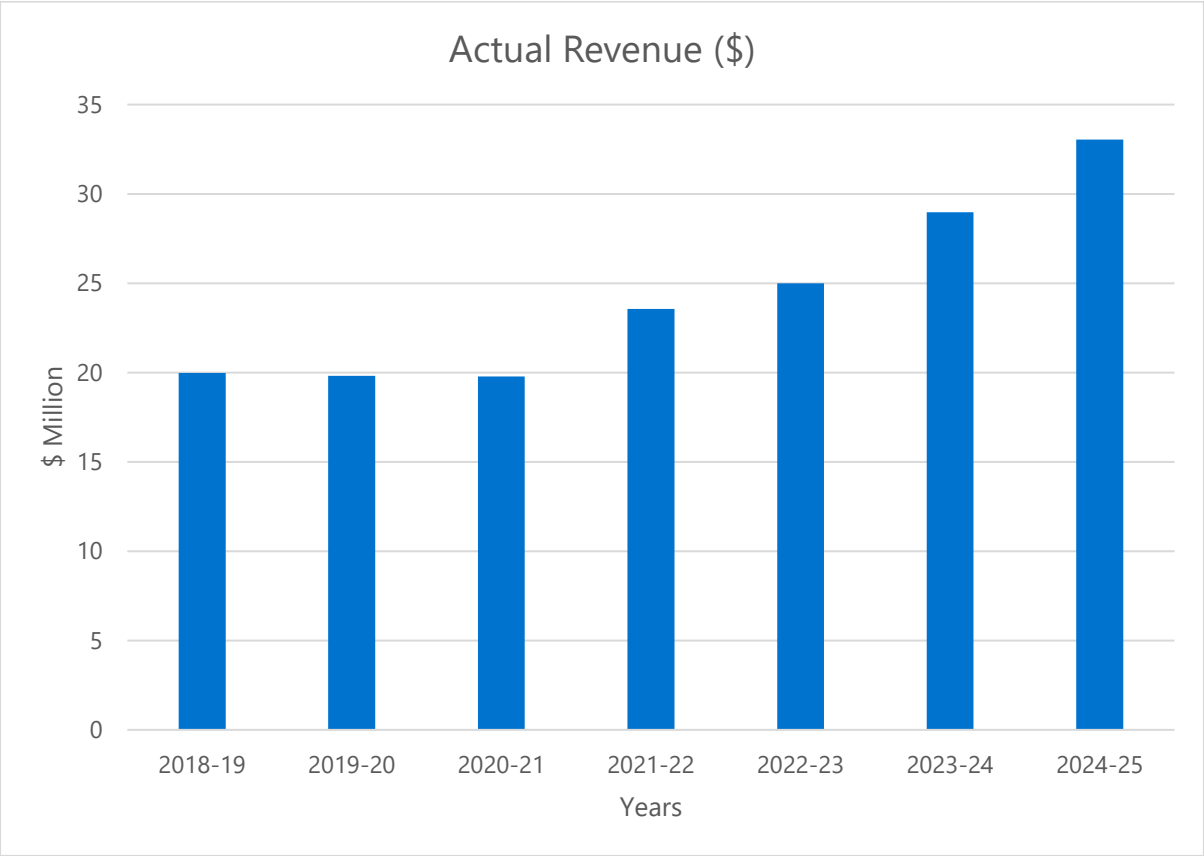
Revenue Categories	Revenue Sources
Aeronautical Revenue	Landing fees, passenger service charges, aircraft parking, common-use facilities, passenger screening, cargo screening, access cards, airside permits, security credentials
Commercial Revenue	Terminal leases, rental car concessions, meeting rooms, gate lounges, rental booths, commercial licences, retail, advertising
Car Parking Revenue	Visitor and long-term parking fee
Utility Services	Cost recovery for water, power and sewer connection
Grants and Other Revenue	Administration fees, miscellaneous services and government grants

10.2.1 Revenue History

Karratha Airport's operating revenue has grown from approximately $20 million in 2019 to approximately $33 million in 2025, an increase of over 65% across the period. Figure 10-1 outlines historical revenue of Karratha Airport.

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Figure 10-1 Historic Revenue



Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

10.2.2 Revenue by Source

Aeronautical revenue is the Airport's dominant and fastest-growing income stream, rising from $17.38 million to $25.36 million (+45.9% over three years) and now accounting for ~74.1% of total revenue across the period.

Terminal and hangar leases are the second-largest revenue category, contributing ~18.9% of total revenue. Car parking revenue grew strongly from $678,604 to $1.02 million (+51.0%), and was the fastest percentage growth of any category, though it remains a modest ~2.9% of total revenue.

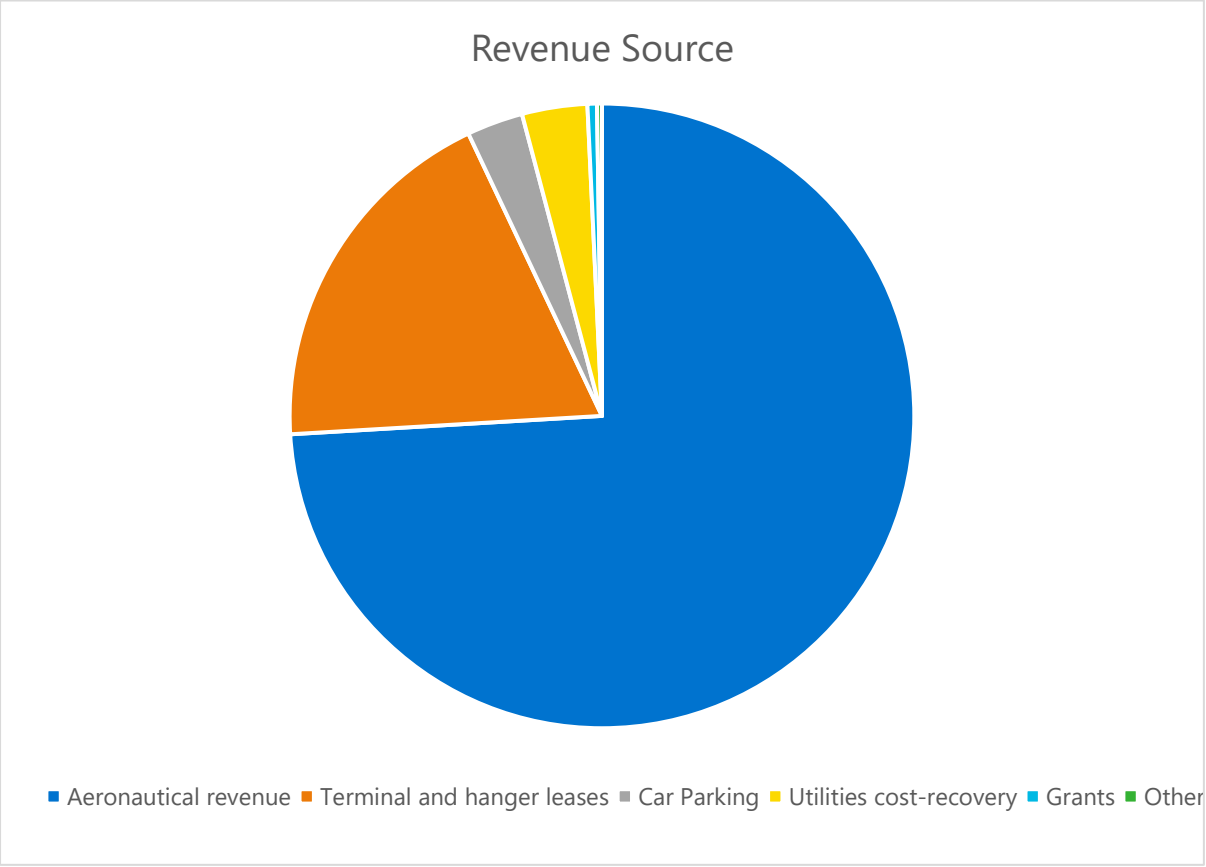
Utilities cost-recovery (power, water and sewer charges recovered from tenants and airside users) represents ~3.4% of total revenue. Grants contributed one-off $426,992 in 2023-24 only, with no grant income recorded in 2022-23 or 2024-25. At ~0.5% of total revenue, grants do not form a core or recurring funding source. Other revenue (miscellaneous income and administrative fees) remained minor throughout, growing from $70,405 to $87,316 (~0.3% of total revenue). Table 10-2 outlines the revenue performance between 2022-23 and 2024-25.

Table 10-2 Revenue Performance

Total Revenue	2022-23	2023-24	2024-25	Total
Aeronautical revenue	$17,381,893	$21,685,173	$25,363,740	$64,430,807
Terminal and hanger leases	$5,956,099	$4,999,742	$5,490,449	$16,446,290
Car Parking	$678,604	$829,404	$1,024,423	$2,532,431
Utilities cost-recovery	$901,460	$964,202	$1,074,174	$2,939,836
Grants	$0	$426,992	$0	$426,992
Other	$70,405	$63,351	$87,316	$221,072
Total	**$24,988,462**	**$28,968,864**	**$33,040,102**	**$86,997,428**

Figure 10-2 illustrates the proportion of revenue source.

Figure 10-2 Proportion of Revenue Source



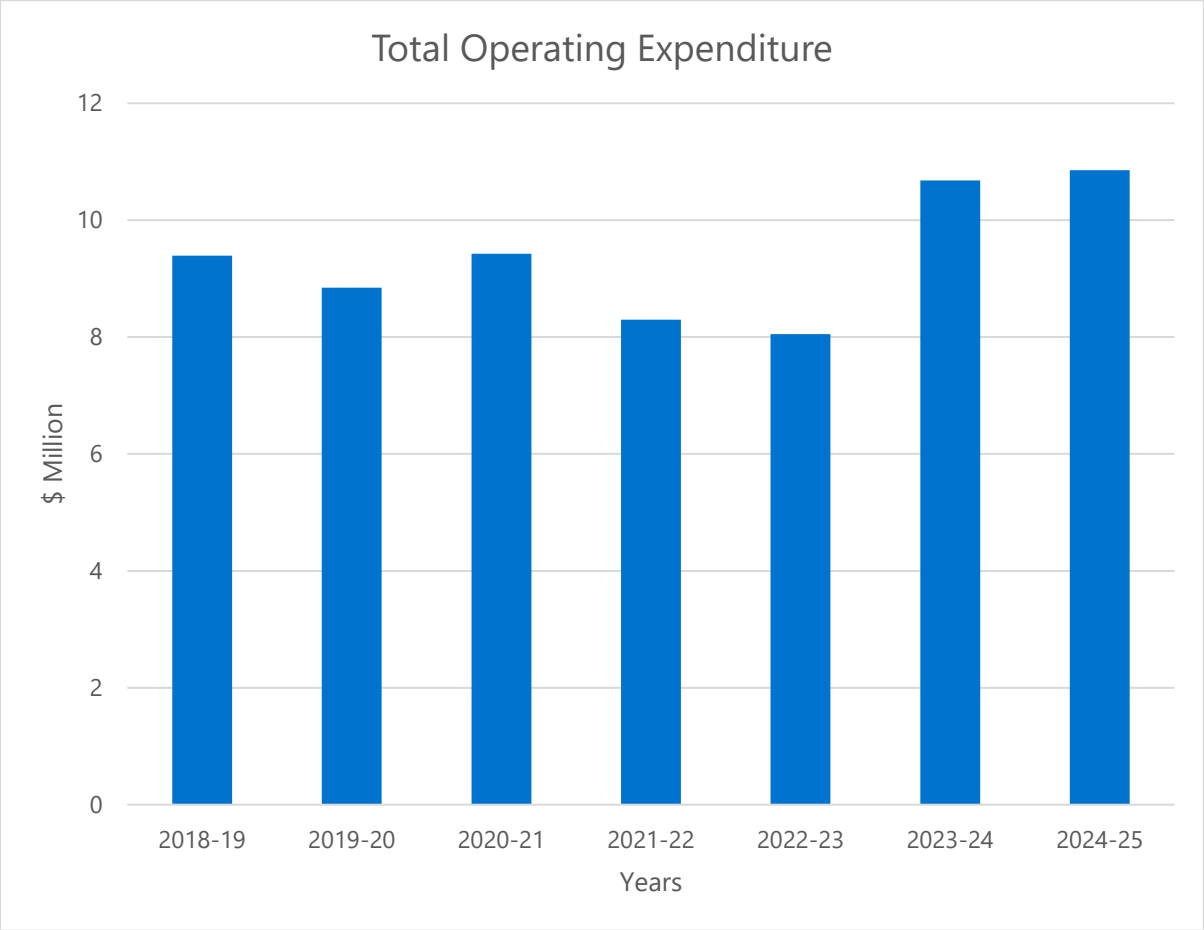
Source: City of Karratha

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10.3 Operating Expenditure

Karratha Airport's total operating expenditure increased by 15.6% between 2018-19 and 2024-25.

Figure 10-3 Historic Operating Expenditure

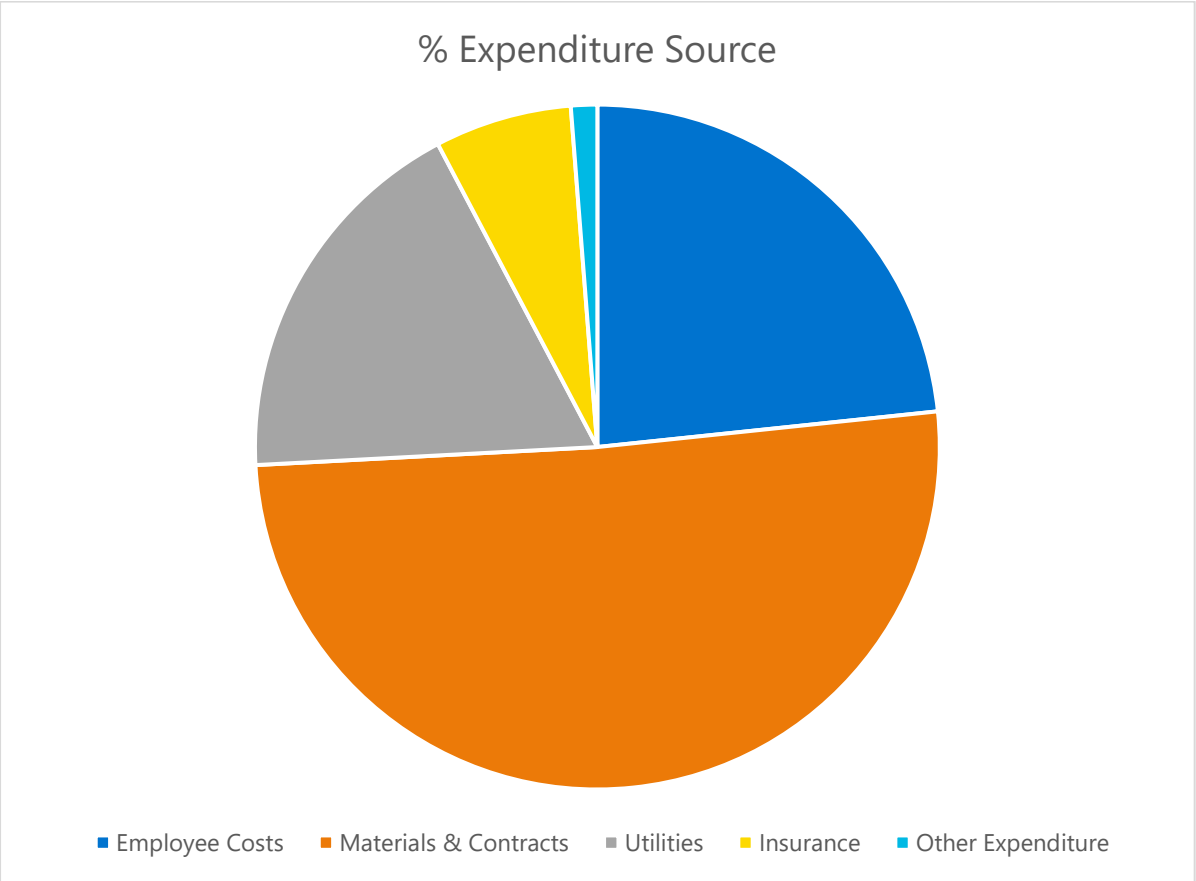


Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

10.3.1 Operating Expenditure by Source

Materials and contract costs were the largest expenditure category, accounting for 51% of total operating expenditure between 2018-19 and 2024-25. This was followed by employee costs, which represented 23% of total expenditure. Utilities, including electricity, water and other essential services, accounted for 18% of expenditure and Insurance costs comprised 6% of total expenditure, while other operating expenditure represented the remaining 1%. Figure 10-4 illustrate Karratha Airport operating expenditure by source. (Note this excludes depreciation costs)

Figure 10-4 Proportion of Expenditure Source



Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

10.4 Gross Profit

The financial performance over the seven-year period demonstrates a strong and improving operating position, driven by consistent revenue growth while maintaining relatively stable operating expenditure. Table 10-3 outlines Karratha Airport's Gross Profit and EBITDA margin.

Table 10-3 Gross Profit ([1] excluding depreciation costs)

Financial Year	Total Operating Revenue	Total Operating Expenditure [1]	Operating Surplus	EBITDA Margin
2018-19	$19,973,667	$9,392,395	$10,581,272	53.0%
2019-20	$19,823,085	$8,846,766	$10,976,319	55.4%
2020-21	$19,786,076	$9,427,565	$10,358,511	52.4%
2021-22	$23,564,186	$8,299,782	$15,264,404	64.8%
2022-23	$24,989,150	$8,049,365	$16,939,785	67.8%

Financial Year	Total Operating Revenue	Total Operating Expenditure [1]	Operating Surplus	EBITDA Margin
2023-24	$28,968,864	$10,680,982	$18,287,882	63.1%
2024-25	$33,040,102	$10,853,506	$22,186,596	67.2%

Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

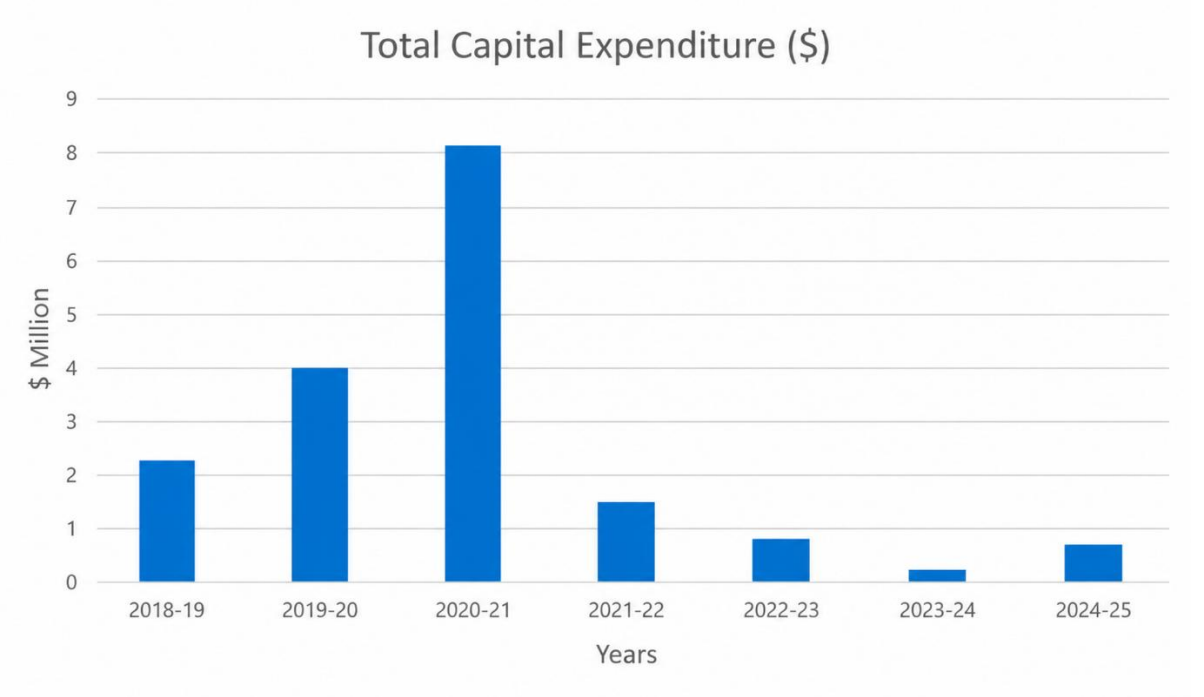
- Operating revenue increased from $20 million in 2018–19 to $33 million in 2024–25, representing growth of approximately 65% over the period. Revenue remained relatively stable between 2018–19 and 2020–21, reflecting impacts of the COVID-19 pandemic, before recovering strongly from 2021–22 onwards. The continued increase in revenue since 2021–22 reflects the recovery of passenger volumes, increased aircraft movements, higher aeronautical income, and growth in commercial and non-aeronautical revenue streams.
- Operating expenditure remained well controlled throughout the period, increasing only from $9.4 million to $10.9 million (approximately 16%) despite substantial growth in airport activity. While expenditure increased in 2023–24 and 2024–25, the rate of growth was significantly lower than revenue growth.
- The EBITDA margin remained consistently strong throughout the period, ranging from 52.4% to 67.8%. Margins exceeded 60% from 2021–22 onwards, peaking at 67.8% in 2022–23, before moderating slightly to 63.1% in 2023–24 as operating costs increased.

As a result, the operating surplus more than doubled over the period, increasing from $10.6 million in 2018–19 to $22.2 million in 2024–25. The strongest improvements occurred after 2021–22 as revenue growth significantly outpaced expenditure growth, demonstrating the airport's strong financial performance and improving operating margins.

10.5 Capital Program History

Karratha Airport has maintained a consistent capital investment program over the years, delivering projects that support operational capability, regulatory compliance, asset renewal and long-term commercial growth. Capital expenditure includes major strategic investments in aviation infrastructure to targeted asset renewal and technology upgrades as the airport's core infrastructure has matured. Figure 10-5 illustrate the capital expenditure over the last seven years.

Figure 10-5 Capital Expenditure History



Source: City of Karratha Annual Financial Reports 2018-19 to 2024-25

Over the last seven years, most significant period of investment occurred between 2018-19 and 2020-21, when several major infrastructure projects were undertaken. These included the Aspen Hangar construction ($2.2 million) in 2018-19, the acquisition of the Babcock Hangar ($3.55 million) in 2019-20 to expand aviation facilities and generate commercial returns, and the Bayly Avenue reconstruction ($6.3 million) in 2020-21. During the same year, the airport also invested $2.1 million in a partial replacement of the baggage handling system, improving operational reliability and passenger processing.

In 2021-22 capital expenditure shifted towards asset renewal, customer experience and operational efficiency. Capital expenditure focused on upgrading key building services through a car park system upgrade ($700,000), replacement chiller ($450,000) and terminal refurbishment works, including ceiling upgrades and repainting.

From 2022-23 onwards, investment has increasingly focused on maintaining critical infrastructure and enhancing customer experience through smaller, targeted projects. These included, replacement of the airport water main, public realm improvements, expansion of the airport's CCTV network, installation of digital advertising screens, and implementation of new passenger information display systems (FIDS).

In 2024-25, the airport commenced implementation of a new Rapiscan Cabin Baggage Screening (CBS) X-ray system, representing a significant investment in aviation security technology and compliance with evolving screening standards. Table 10-4 lists the key capital expenditure over the last seven years.

Table 10-4 Key Capital Expenditure

Financial Year	Major Capital Project	Capital Investment
2018/19	Aspen Hangar construction	**$2,200,000**
2019/20	Purchase of Babcock Hangar (lease back arrangement)	**$3,550,000**
2020/21	Bayly Avenue reconstruction	**$6,300,000**
	Baggage Handling System partial replacement	**$2,096,045**
2021/22	Car Park System Upgrade	**$700,000**
	Replacement Chiller	**$450,000**
	Terminal refurbishment (ceiling works and painting)	**$240,000**
2022/23	Water main replacement	**$440,000**
	Front-of-house paver project	**$278,549**
2023/24	Additional CCTV cameras	**$150,000**
	Spectacular advertising screens	**$160,000**
2024/25	Rapiscan Cabin Baggage Screening (CBS) X-ray system – first instalment	**$689,411**
	Flight Information Display System (FIDS) screens and installation	**$197,000**

Source: Karratha Airport

10.6 40 Year Financial Forecast

10.6.1 Purpose

The purpose of the 40-year financial forecast is to provide a long-term, whole-of-life assessment of Karratha Airport's revenue, operating expenditure and capital investment requirements. The forecast will support the Airport Management and Business Plan's assessment of the Airport's long-term financial sustainability and inform Council's future funding, investment and management decisions.

10.6.2 Forecast Approach

- 40-year forecast period: 2025-26 to 2065-66, providing a long-term view of the Airport's financial position and major asset renewal needs.
- Base year: 2025-26 is the first forecast year, based on audited financial results for 2022-23 to 2024-25.
- Dollar basis: The forecast uses nominal dollars, with revenue and costs increased annually for inflation. This means future values reflect the impact of inflation.

- Forecast approach: Each revenue and cost item is forecast separately using an appropriate annual growth rate, rather than applying one growth rate across the whole forecast.

10.6.3 Key Assumptions

The 40-year financial forecast is based on a range of assumptions covering revenue growth, operating costs, passenger demand, and capital expenditure. Table 10-5 outlines the key forecasting assumptions.

Table 10-5 Forecasting Assumptions

Assumption	Description
Escalation	Different escalation rates are applied to each revenue and cost category. Most revenue increases by 3.0% p.a., while materials, contracts and utilities increase by around 3.3% p.a.
Taxation / GST	Tax and GST are not modelled.
Depreciation	Depreciation is forecast by asset class using straight-line depreciation.
Operating costs	Salaries and wages increase by around 4.9% p.a.
Passenger demand	Low–Medium blended scenario is used as the central case to forecast revenue and operating expenses.
Capital renewals	Based on Karratha Airport Capital Program.

10.6.4 Operating Revenue Forecast

Total revenue increases from approximately $37.9 million in 2025-26 to $112.9 million in 2065-66.

- Revenue grows relatively steadily in the early years, reaching around $42.8 million by 2030-31. This is based on the Low demand scenario.
- It continues to increase to around $66.2 million by 2045-46.
- From 2046-47 onwards, growth accelerates, reaching $112.9 million by 2065-66.
- The growth is primarily driven by passenger growth and associated aeronautical charges, with other revenue streams generally increasing through annual escalation.

Overall, revenue almost triple over the 40-year forecast period. Table 10-6 outlines the revenue forecast in 10 year timeframes.

Table 10-6 Revenue Forecast

Financial Year	Revenue
2025-26	$37.9m
2035-36	$47.2m
2045-46	$66.2m

Financial Year	Revenue
2055-56	$88.5m
2065-66	$112.9m

10.6.5 Operating Expenditure Forecast

Operating expenditure increases from approximately $18.5 million in 2025-26 to $51.7 million in 2065-66. This represents a substantial increase, but expenses grow more slowly than revenue.

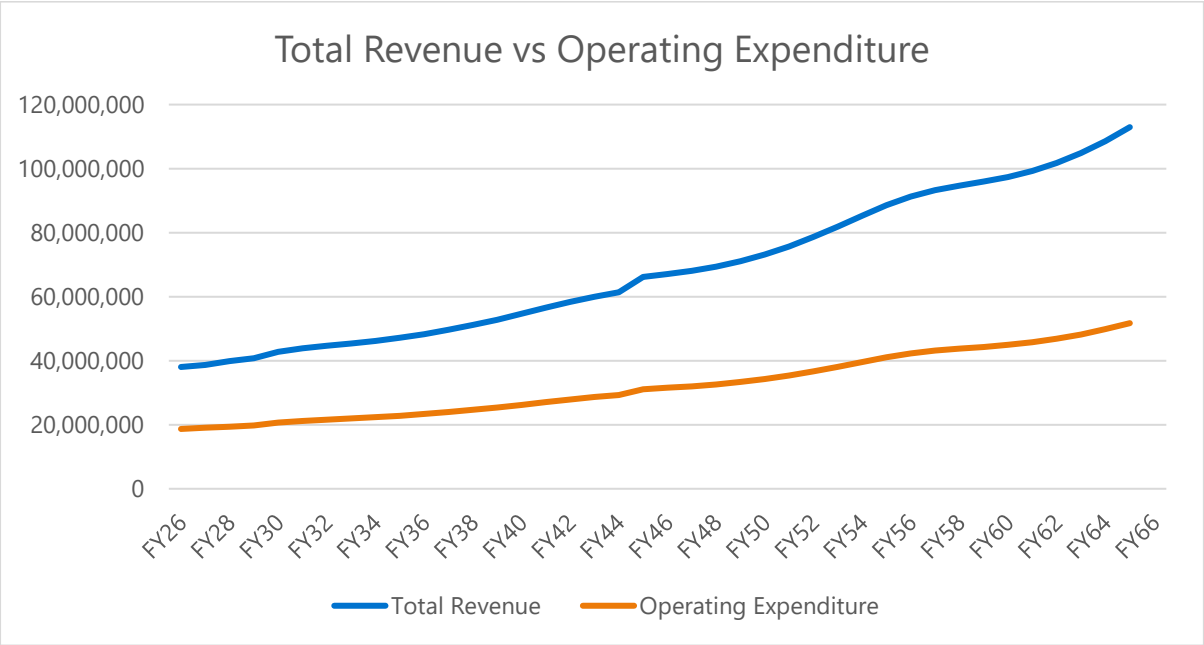
Table 10-7 Operating Expenses Forecast

Financial Year	Operating Expenditure
2025-26	$18.5m
2035-36	$22.8m
2045-46	$31.1m
2055-56	$41.0m
2065-66	$51.7m

10.6.6 Financial Performance

The forecast indicates sustained growth in airport revenue, increasing from approximately $37.9 million in 2025-26 to $112.9 million in 2065-66. Operating expenditure also increases, from $18.5 million to $51.7 million, but at a slower rate than revenue. Figure 10-6 Total Revenue vs Operating Expenditure

Figure 10-6 Total Revenue vs Operating Expenditure



This results in a strengthening underlying operating margin from around 51% in 2025-26 to 54% by 2065-66. over the forecast period. Table 10-8 outlines

Table 10-8 Financial Performance Forecast

Financial Year	Revenue	Operating Expenditure	Operating Surplus	Operating Margin
2025-26	$37.9m	$18.5m	$19.4m	**51.1%**
2035-36	$47.2m	$22.8m	$24.3m	**51.6%**
2045-46	$66.2m	$31.1m	$35.0m	**53.0%**
2055-56	$88.5m	$41.0m	$47.5m	**53.6%**
2065-66	$112.9m	$51.7m	$61.2m	**54.2%**

10.6.7 Future Capital Program

For the next 10 years (2026-27 and 2035-36), the City of Karratha has committed $81.5 million in capital investment (including project management fee). Most of the total capital expenditure is concentrated on airside infrastructure such as major electrical works, Runway End Safety Areas and terminal renewal. Table 10-9 outlines the key capital projects for the next 10 years and associated funding allocation.

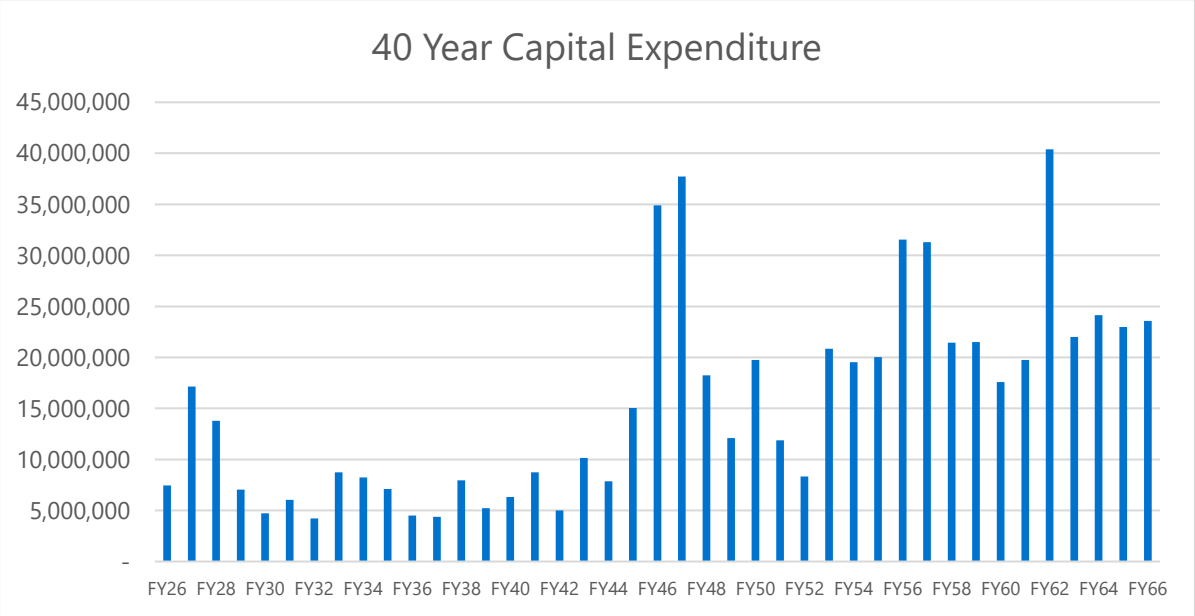
Table 10-9 Key Capital Expenditure 2027-2036

Amount	Capital Project
$**7.0**m	Karratha Airport Terminal Renewal
$**7.9**m	Airside Electrical Infrastructure
$**7.5**m	Runway Extension Incl. RESAs
$**5.2**m	Roads Renewals - Landside
$**4.2**m	Landside Infrastructure (Water, Sewage, drains and culverts)
$**4.2**m	Apron Expansion General Aviation (1)
$**3.6**m	Screening Equipment Replacement
$**3.3**m	Building Envelope Upgrades/Replacements
$**2.1**m	Strengthening and Upgrade Taxiway F, E, B, L to Code E
$**2.1**m	Airside Upgrades

Source: Karratha Airport. (Amount including 5% Project Management Fee)

Karratha Airport maintains a 40-year capital program, with total planned capital expenditure (including project management fee) of approximately $632 million over that period. Figure 10-7 illustrates the planned capital program over the next 40 years.

Figure 10-7 Forward Capital Program



Source: Karratha Airport

10.7 Return on Infrastructure

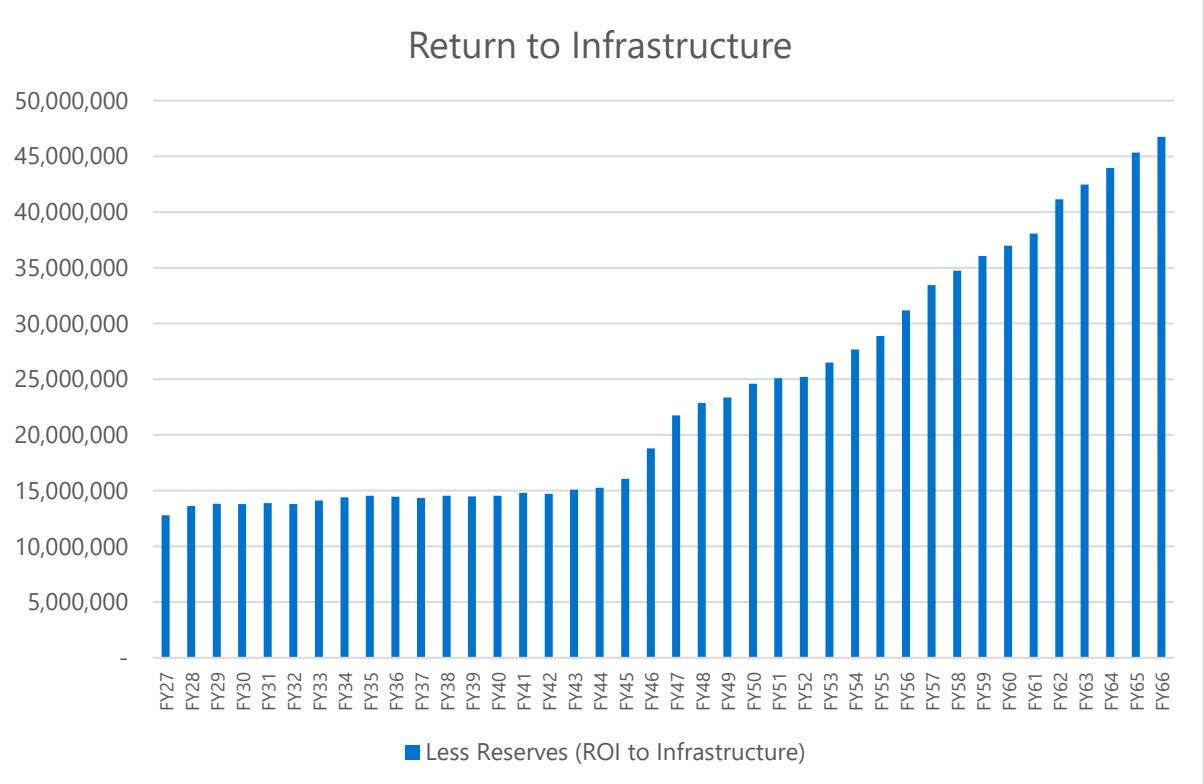
An annual Return on Investment (ROI) payment from the airport to Council, representing a dividend or financial return to the asset owner. The ROI is calculated based the total asset value closing balance. The ROI increases over the forecast period, reflecting the airport's growing financial capacity and profitability. It is approximately $12.8 million in 2026-27, increasing to $46.7 million by 2065-66. Table 10-10 outlines the forecasted ROI in 10 year intervals.

Table 10-10 Return on Infrastructure Forecast

Financial Year	ROI to Infrastructure
2026-27	$12.8m
2035-36	$14.4m
2045-46	$18.7m
2055-56	$31.2m
2065-66	$46.7m

The total estimated ROI over the next 40 year is $947 million. Figure 10-8 illustrates the estimated annual ROI.

Figure 10-8 40 Year Return to Infrastructure Forecast



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10.8 Aerodrome Reserve

The City of Karratha maintains an Aerodrome Reserve to ring-fence airport-generated revenue to fund the development, operation, and maintenance of the Karratha Airport, inclusive of any repayments of borrowings. Under the current funding arrangement, an amount is transferred into the reserve where the airport records a positive net result, after ROI, each year. Should the airport record a deficit position after ROI, no transfer is made to the Aerodrome Reserve. Table 10-11 presents the forecast annual transfers to the Aerodrome Reserve and the resulting reserve balance at 10-year intervals over the 40-year forecast period."

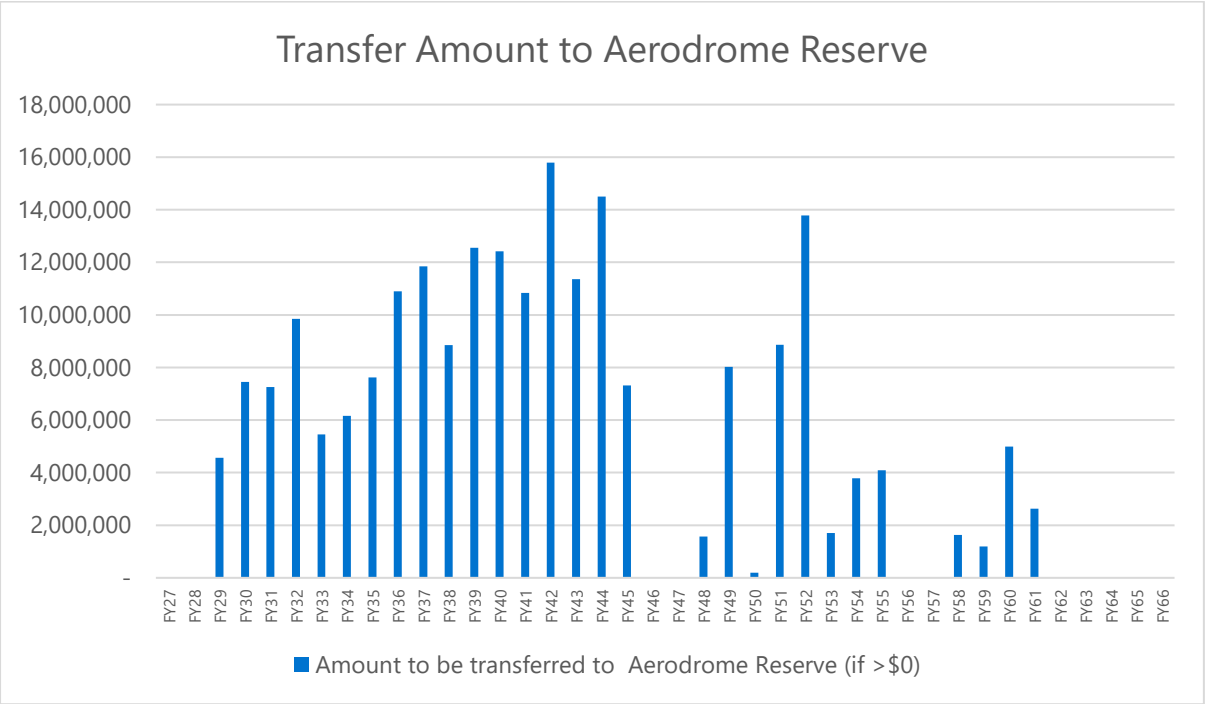
Table 10-11 Aerodrome Reserve Transfer Balance Forecast Amount from FY 2026-27 onwards

Financial Year	Aerodrome Reserve Balance
2035-36	$59.8m
2045-46	$165.0m
2055-56	$207.4m
2065-66	$217.9m

Figure 10-9 illustrates the forecast annual transfer amount to the Aerodrome Reserve over the 40-year planning horizon. The forecast reflects the mechanism whereby a transfer is only made in years where the airport records a positive net result after ROI.

For the next two financial years, the forecast shows no amount available to transfer to the Aerodrome Reserve. This is a result of the large capital expenditure planned over these two years. Financial years with a zero transfer generally reflect higher capital expenditure, as a higher capital base increases the required ROI for that year, reducing the net result available for transfer.

Figure 10-9 Transfer Amount to Aerodrome Reserve Forecast



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11 Risk Management

Key Message:

- The City of Karratha's Risk Management Framework provides a consistent approach to identifying, assessing, treating and monitoring strategic, operational, financial, safety and compliance risks, ensuring risks are managed proactively across the Airport.
- Financial sustainability is the Airport's highest strategic risk. Heavy reliance on FIFO and the resources sector highlights the need to diversify revenue through passenger growth, freight, tourism and commercial development.
- International designation brings greater responsibilities. As a Restricted Use International Airport, Karratha must meet increasing aviation safety, security and regulatory obligations while managing rising compliance costs.
- Asset reliability underpins operational performance. Ongoing investment in infrastructure, technology and asset renewal is essential to maintain safe, reliable and efficient airport operations.
- Workforce capability remains critical. Skilled workforce shortages, housing constraints and succession risks require continued investment in recruitment, training and workforce planning.
- Operational resilience must continue to strengthen. Extreme weather, utility failures and cyber threats require robust emergency management, business continuity and cybersecurity measures.
- Strong stakeholder relationships are essential. Effective engagement with airlines, resource companies, government agencies, Traditional Owners and the community supports growth, investment and public confidence.
- Rapid changes in aircraft technology, sustainable aviation fuels (SAF), hydrogen and electric propulsion, together with evolving carbon reduction policies and airline fleet renewal, may require significant investment in airport infrastructure and operational capability. Failure to keep pace with these changes could reduce the Airport's competitiveness, limit future airline opportunities and increase long-term financial and compliance risks.

11.1 Overview

This section identifies the key strategic, operational, safety, compliance and financial risks facing Karratha Airport under current arrangements and sets out the mitigation measures and governance processes proposed to monitor and manage these risks over the life of this Plan. The risk profile draws on operational data, management input, and consultation undertaken with City staff, airport staff, airline and resource sector stakeholders, and other government agencies as part of the development of this Plan.

Karratha Airport occupies a distinct position among Australian regional airports: it is a critical enabler of Pilbara resource sector activity, a key piece of community and government infrastructure for the City of Karratha, and, following its designation in May 2026 as a Restricted Use International Airport, an asset with new and evolving regulatory, security and operational obligations. This combination of roles shapes a risk profile that differs materially from metropolitan or tourism-driven regional airports, and informs the priorities set out below.

11.2 Risk Management Framework

The City of Karratha has established a comprehensive Risk Management Framework (Policy CG01) that supports informed decision-making and the effective management of strategic, operational, financial, safety and compliance risks across the organisation. The framework is based on the principles of AS/NZS ISO 31000:2018 Risk Management and is integrated into planning, project delivery and day-to-day operations.

Risks are assessed qualitatively (Low / Medium / High / Very High) based on a combination of likelihood and consequence, consistent with the City of Karratha's Risk Management Framework. The ratings reflect risk under current management arrangements, prior to the implementation of the mitigation measures identified in this Plan; they are intended to focus attention and resourcing, not to represent a formal quantitative risk assessment.

Table 11-1 outlines the risks specifics to Karratha Airport.

11.3 Key Risk Implications

The risk assessment indicates that financial sustainability remains the Airport's most significant strategic risk, demonstrating its continued dependence on resource-sector activity and associated FIFO travel. While the Airport's designation as a Restricted Use International Airport creates opportunities to expand air services and strengthen regional connectivity, it also introduces additional regulatory, security and operational obligations that will require ongoing investment and governance.

Maintaining operational resilience will depend on continued investment in critical infrastructure, technology and workforce capability to ensure the Airport can respond effectively to changing operational demands and emerging risks.

Over time, diversifying revenue through increased passenger growth, freight, tourism and commercial development will strengthen the Airport's financial resilience and reduce its exposure to fluctuations in the resources sector.

To ensure risks remain appropriately managed, the Airport's risk profile should be reviewed annually as part of the business planning, budgeting and asset management processes, with mitigation strategies updated to reflect changes in the operating environment, regulatory requirements and strategic priorities.

Table 11-1 Risk Register

ID	Category	Risk	Risk Level	Treatment
R1	Strategic / Financial	Insufficient financial sustainability arising from heavy dependence on FIFO, charter operations and resource sector demand. A decline in mining activity, commodity prices or changes in workforce logistics could significantly reduce airport revenue, limiting the Airport's ability to fund operations, asset renewal and future investment.	**Very High**	Diversify revenue through passenger, tourism, freight and commercial development; maintain long-term agreements with major resource companies; undertake demand forecasting and scenario planning; maintain adequate financial reserves.
R2	Strategic / Market	Resource proponents expand private aerodromes or relocate operations to competing regional airports, reducing Karratha Airport's market share and financial sustainability.	**High**	Maintain strategic relationships with resource companies; promote Karratha's infrastructure capability and international designation; pursue long-term user agreements; monitor competing airport developments.
R3	Compliance / Financial	Increasing aviation safety, security and international airport compliance obligations, increase operating and capital costs faster than revenue growth.	**High**	Maintain forward compliance planning, lifecycle budgeting, grant applications and periodic pricing reviews.
R4	Workforce	Inability to maintain a capable and sustainable workforce. Competitive labour markets, housing shortages, limited regional workforce availability and insufficient succession planning reduce the Airport's ability to deliver safe and reliable services.	**High**	Develop workforce planning, succession planning, training pathways, competitive remuneration, Indigenous employment initiatives and specialist contractor arrangements where required.
R5	Asset Management	Critical airport infrastructure, operational technology, terminal facilities and asset systems become unreliable or reach end of life, resulting in operational disruption,	**High**	Implement lifecycle asset management, condition-based renewal, prioritised capital investment and technology upgrades.

ID	Category	Risk	Risk Level	Treatment
		increased maintenance costs and reduced service quality.		
R6	Infrastructure / Environment	Failure or insufficient capacity of power, water and supporting utilities disrupts airport operations or constrains future growth.	**Medium**	Improve infrastructure resilience, investigate renewable energy opportunities, undertake utility planning and strengthen business continuity arrangements.
R7	Reputation	Loss of community and stakeholder trust. Failure to engage effectively with airlines, resource companies, Traditional Owners, government agencies and the community reduces confidence in the Airport and its ability to deliver strategic outcomes.	**Medium**	Maintain transparent communication, stakeholder engagement, complaints management and regular performance reporting.
R8	Environment / Operations	Inadequate preparedness and response to extreme weather events. Cyclones, flooding, extreme heat and other natural hazards disrupt airport operations, damage infrastructure and affect community and regional connectivity.	**High**	Maintain emergency management plans, business continuity plans, cyclone preparedness, resilient infrastructure design and regular emergency exercises.
R9	Strategic / Aviation	Changes in airline business models, aviation policy, aircraft technology or regional route economics reduce scheduled passenger services and airport connectivity.	**Medium**	Maintain airline engagement, undertake route development activities, monitor aviation market trends and pursue government aviation support opportunities.
R10	Cybersecurity / Compliance	Cybersecurity breach or compromise of critical IT systems or data. Cyber incidents affecting operational technology, security systems or business systems disrupt operations, expose sensitive information and create regulatory, financial and reputational consequences.	**High**	Implement cybersecurity governance aligned with critical infrastructure obligations, undertake regular vulnerability testing, maintain incident response plans and provide ongoing staff awareness training.

ID	Category	Risk	Risk Level	Treatment
R11	Sustainability	Failure to adapt to the aviation industry's transition towards net zero emissions. Rapid changes in aircraft technology, sustainable aviation fuels (SAF), hydrogen and electric propulsion, together with evolving carbon reduction policies and airline fleet renewal, may require significant investment in airport infrastructure and operational capability. Failure to keep pace with these changes could reduce the Airport's competitiveness, limit future airline opportunities and increase long-term financial and compliance risks.	**High**	Monitor emerging aviation technologies and regulatory developments; incorporate future aircraft and fuel requirements into the Airport Master Plan and Asset Management Plan; adopt staged infrastructure investment aligned with airline demand; pursue government funding opportunities; engage with airlines, industry and government to support the transition to low-carbon aviation.

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12 Current Performance Baseline 2025

Key Message:

- Operational performance is strong and enables regional connectivity. Karratha Airport delivers safe and reliable services for scheduled airlines, FIFO operations, charter flights, helicopters and emergency services, underpinning Pilbara's economy.
- Safety and regulatory compliance remain core priorities. Comprehensive safety management systems, regulatory oversight and corrective action processes ensure compliance with aviation legislation and support continuous improvement.
- Commercial sustainability relies on a diversified revenue base. While aeronautical charges remain the primary income source, non-aeronautical revenue from property, retail, parking and commercial leases strengthens long-term financial performance.
- The Airport operates within a *Local Government Act 1995* framework. Operational, financial and compliance activities are supported by established City of Karratha governance, policies and management systems.
- Performance monitoring drives continuous improvement. Regular measurements of operational, safety and commercial indicators enable informed decision-making, accountability and service enhancement.
- The baseline provides an understanding of current performance and provides the foundation for prioritising future investment, improving service delivery and achieving the Airport's strategic objectives.

12.1 Overview

This section establishes the current operational, commercial and organisational performance baseline for Karratha Airport. It documents Karratha Airport existing performance across key business areas to provide an objective benchmark against future business improvements.

12.2 Performance Framework

Karratha Airport operates as a commercially managed regional airport with responsibility for delivering safe, compliant and efficient aviation services while supporting the economic and social development of the Pilbara region.

Current performance can be considered across three principal business areas:

- Airport Operations
- Safety and Compliance
- Commercial Business Functions

Together, these areas provide a measure of the Airport's current operational capability, regulatory performance and financial position.

12.3 Operational Performance

Karratha Airport provides essential aviation infrastructure supporting RPT services, charter operations, FIFO workforce movements, helicopter operations and emergency services. As the principal aviation gateway to the Pilbara region, the Airport maintains operational capability to accommodate both scheduled passenger services and resource sector aviation while meeting the requirements of a certified aerodrome.

Operational performance is measured through the Airport's ability to safely and efficiently facilitate aircraft movements, maintain service continuity and provide an appropriate level of customer service.

The Airport currently facilitates three scheduled airline operators, extensive charter operations and significant helicopter activity servicing the offshore oil and gas industry. Operations are supported by Airport Reporting Officers, terminal staff, commercial personnel and specialist contractors operating within an established Safety Management System and Aviation Security Program.

Table 12-1 outlines the current baseline indicators of Karratha Airport's operational performance.

Table 12-1 Operational Baseline Indicators

Performance Measure	Current Baseline 2025
Annual passenger movements	780,000 passengers
Aircraft movements	25,604 aircraft movements
Airline operators	Three scheduled airlines operating regular passenger services
Charter operations	3,129 charter operation
Helicopter operations	13,767 helicopter movements
Aerodrome certification	Certified under CASR Part 139
Operational availability	Airport operating hours are aligned with scheduled airline services, with terminal access generally available one hour before the first arrival and one hour after the final departure.
Emergency capability	Aerodrome Emergency Plan and emergency response arrangements in place

12.4 Safety and Compliance Baseline

The safe operation of Karratha Airport is fundamental to its role as a certified regional airport and is supported by a comprehensive framework of regulatory compliance, operational procedures and safety management systems. The Airport maintains certification under the Civil Aviation Safety Regulations (CASR) Part 139 and operates in accordance with applicable Commonwealth legislation, aviation security requirements and industry standards.

Safety and compliance performance is managed through the Airport's Safety Management Manual, Transport Security Program (TSP), and Karratha Airport Emergency Plan (AEP). These systems establish the policies, procedures and governance arrangements necessary to identify hazards, manage operational risks and ensure compliance with aviation legislation.

Recent CASA surveillance inspections and technical inspections have identified opportunities for improvement that are being managed through corrective action programs. The Airport maintains a register of regulatory findings and monitors implementation to ensure compliance obligations are addressed within agreed timeframes.

Table 12-2 outlines the current baseline indicators of Karratha Airport's safety and compliance performance.

Table 12-2 Safety and Compliance Baseline Indicators

Performance Measure	Current Baseline 2025
Aerodrome Certification	Certified under CASR Part 139
Safety Management System	Implemented and maintained
Transport Security Program	Approved and implemented
Aerodrome Emergency Plan	Current and regularly exercised
Routine Aerodrome Inspections	Conducted in accordance with regulatory requirements
Regulatory Compliance	Ongoing compliance with CASA and aviation security legislation
CASA Surveillance	Periodic surveillance and technical inspections undertaken
Corrective Action Management	Regulatory findings tracked through a corrective action register
Staff Competency	Aviation operational staff maintain required licences, competencies and recurrent training
Safety Reporting	Hazard, incident and occurrence reporting processes implemented
Safety Assurance	Internal audits, inspections and continuous monitoring undertaken
Stakeholder Coordination	Regular liaison with CASA, Airservices Australia, airlines, emergency services and other operational stakeholders

12.5 Commercial Baseline

Karratha Airport operates as a commercially managed business unit within the City of Karratha. Revenue is generated from both aeronautical and non-aeronautical activities.

Aeronautical revenue continues to represent the Airport's principal income source and includes passenger charges, aircraft landing charges, security recovery charges and other aviation-related fees. Non-aeronautical revenue is generated through property leases, retail concessions, vehicle rental concessions, advertising, telecommunications infrastructure, car parking and commercial licences.

Table 12-3 outlines the current baseline indicators of Karratha Airport's commercial performance.

Table 12-3 Commercial Baseline Indicators

Measure	Current Baseline 2025
Annual revenue	$33 million
Aeronautical revenue share	~76.8%
Non-aeronautical revenue share	~23.2%
Operating expenditure (excluding depreciation)	$10.9 million
Capital program 2027-2066 (Inc Project Management)	$632 million

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