

Flying Minute - Draft State Aviation Strategy 2020 (05-003-02-0005 SD)

By Sebastian Davies-Slate, Policy Officer, Transport and Roads

That the submission to the Department of Transport in response to the Draft State Aviation Strategy 2020 be endorsed.

RESOLUTION 47.FM/2020

CARRIED

Executive Summary

- The State Government has invited comment on a draft State Aviation Strategy 2020, with extended period for submissions closing on 30 April 2020.
- Western Australian aviation policy recognizes that air services are critical to regional communities, industry and regional economic development.
- Most regional airports are operated by Local Governments, making the sector a key stakeholder in provision of aviation services.
- The Infrastructure Policy Team discussed the WALGA submission on 20 April and recommended that it be considered by State Council using Flying Agenda.

Attachment

Draft State Aviation Strategy 2020 WALGA Submission.

The Draft State Aviation Strategy 2020 is available at:

<https://www.transport.wa.gov.au/aviation/wa-aviation-strategy-2020.asp>

Policy Implications

WALGA has contributed to regional aviation policy development, most recently through:

- State Aviation Strategy 2015 (State Council resolution 275.5/2013)
- A Review of Regulated Regular Passenger Transport Routes (2014); and
- A Parliamentary Inquiry (Economics and Industry Standing Committee) into regional airfares (2017).

This submission is consistent with the policy positions previously endorsed.

Background

Efficient and affordable air services are critical to regional communities, tourism and the resources sector. Aviation operates in a complex environment involving airlines, airports, industry, community and all levels of government. A draft Western Australian Aviation Strategy 2020 was released for public comment in February 2020. The draft strategy seeks to address the thirteen recommendations identified in the 2017 Parliamentary Inquiry into regional airfares, *“Perceptions and Realities of Regional Airfare Prices in Western Australia.”* It also updates the current aviation strategy, particularly in relation to aviation infrastructure and planning frameworks.

The Association sought input from Local Governments through LG News (14 February) and through direct contact with Local Government officers responsible for managing Regular Passenger



Transport (RPT) airports. Formal input was received from one Local Government. Regional airport managers have been focused on responding to the impacts of COVID-19 during March.

Comment

Prices for air services within Western Australia are high relative to national and international comparisons. Increased and collaborative engagement between airlines, Local Governments, communities and State agencies has resulted in some new, innovative airfares and air-routes being introduced. For this to continue it is important to support and build on these successes.

This submission supports:

- The recently introduced requirement for airlines operating unregulated routes to provide data to Government relating to airfares and service levels and to engage with the regional communities they service;
- The signaled intention of the State Government to take a stronger role in the market where necessary;
- On-going development and implementation in conjunction with Local Governments of a Strategic Airport Assets and Financial Management Framework for small and medium-sized regional RPT airports;
- On-going State Government investment through the Regional Airport Development scheme;
- Measures to ensure air services are provided at reasonable price; and
- A review of the tender design for fully regulated routes.

It is recommended that the Strategy:

- Link more clearly with Tourism WA's Two Year Action Plan, including attracting a low-cost carrier to fly intra-state routes;
- Monitor the impact of timing air services into and out of Perth if peak period charges at Perth airport and operational factors reduce the value of services for businesses seeking to travel in and out of Perth or a regional centre in a single day;
- Include some specific measures of success and timelines;
- Discuss costs and funding;
- Extend state planning framework guidance to include land use planning in the vicinity of regional airports; and
- Acknowledge that passenger charges and landing fees at Local Government managed airports are only a small component of airfares and need to be set at levels that will enable the airport to be operated and maintained.

This submission does not take into account the effects of COVID-19 in disrupting air travel in Western Australia and nationally. It is unclear what impacts this will have on long term air services.

FLYING MINUTE OUTCOMES

Total Invited to Survey: 24

Total Finished Survey: 17

That the submission to the Department of Transport in response to the Draft State Aviation Strategy 2020 be endorsed.

Signature Page

First Name	Last Name	Completed Date
Phillip	Blight	22/04/2020 at 20:20
Jenna	Ledgerwood	22/04/2020 at 12:28
Paul	Kelly	27/04/2020 at 23:39
Malcolm	Cullen	21/04/2020 at 20:35
Cheryl	Cowell	23/04/2020 at 16:39
Stephen	Strange	27/04/2020 at 16:48
Chris	Mitchell JP	Not Completed
Les	Price	22/04/2020 at 18:19
Russ	Fishwick JP	26/04/2020 at 17:35
Karen	Chappel	22/04/2020 at 7:11
Michelle	Rich	Not Completed
Julie	Brown	27/04/2020 at 10:38
Doug	Thompson	25/04/2020 at 10:45
Carol	Adams OAM	24/04/2020 at 9:54
Logan	Howlett JP	22/04/2020 at 13:07
Tony	Dean	24/04/2020 at 18:26
Ken	Seymour	28/04/2020 at 16:00
Peter	Long	Not Completed
Ronnie	Fleay	22/04/2020 at 15:55
Catherine	Ehrhardt	Not Completed
Cate	McCullough	Not Completed
Mark	Irwin	24/04/2020 at 12:04
Ruth	Butterfield	Not Completed

RESPONSES

Created: 21/04/2020 at 16:14 Results Exported: 28/04/2020 at 8:29

(16) Endorse Recommendation

Phillip Blight (on: 22/04/2020 at 20:20), Jenna Ledgerwood (on: 22/04/2020 at 12:28), Paul Kelly (on: 27/04/2020 at 23:39), Malcolm Cullen (on: 21/04/2020 at 20:35), Cheryl Cowell (on: 23/04/2020 at 16:39), Stephen Strange (on: 27/04/2020 at 16:48), Les Price (on: 22/04/2020 at 18:19), Russ Fishwick JP (on: 26/04/2020 at 17:35), Karen Chappel (on: 22/04/2020 at 7:11), Julie Brown (on: 27/04/2020 at 10:38), Doug Thompson (on: 25/04/2020 at 10:45), Carol Adams OAM (on: 24/04/2020 at 9:54), Logan Howlett JP (on: 22/04/2020 at 13:07), Tony Dean (on: 24/04/2020 at 18:26), Ken Seymour (on: 28/04/2020 at 16:00), Mark Irwin (on: 24/04/2020 at 12:04)

(1) Endorse Recommendation Subject to Comment Below

Ronnie Fleay (on: 22/04/2020 at 15:55)

COMMENT

Nil found

SECRETARIAT COMMENT

It is noted that some regional services continue to be subsidised, and others regulated to ensure that a basic level of service is available. The Draft Strategy contemplates similar levels of subsidy and potentially increased levels of market intervention to provide affordability, if airlines do not voluntarily provide more affordable airfares.



Draft State Aviation Strategy 2020

WALGA Submission

Contact:

Ian Duncan

Executive Manager, Infrastructure

WALGA

ONE70, LV 1, 170 Railway Parade West Leederville

Phone: (08) 9213 2031

Fax: (08) 9213 2077

Mobile: 0439 947 716

Email: iduncan@walga.asn.au

Website: www.walga.asn.au

Sebastian Davies-Slate

Policy Officer, Transport and Roads

WALGA

Phone: (08) 9213 2050

Mobile: 0426 677 944

Email: sdavies-slate@walga.asn.au

About WALGA

The Western Australian Local Government Association (WALGA) is the peak industry body for Local Government in Western Australia. The Association is an independent, membership-based organisation representing and supporting the work and interests of 138 Local Governments in Western Australia.

The Association provides an essential voice for over 1,200 elected members and approximately 22,000 Local Government employees as well as over 2.5 million constituents of Local Governments in Western Australia. WALGA also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.



WALGA Submission on the Draft State Aviation Strategy 2020

1.0 General comments

WALGA welcomes and appreciates the opportunity to comment on the Draft State Aviation Strategy 2020.

The comments in this submission do not take account of the effects of COVID-19 in disrupting air travel in Western Australia and globally. It is acknowledged that some time may pass before air services are returned to their levels prior to the pandemic.

This submission is structured to address each of the four key goals laid out in the draft Strategy. Additionally we provide the following comments and recommendations:

- WALGA supports the change in policy of the Western Australian Government from the previous State Aviation Strategy of an increasing willingness to increase regulation of particular air routes, and that this responds to the findings of the Parliamentary Inquiry into Regional Airfares in 2017 relating to the level of regulation on air routes.
- The Strategy does not discuss funding, timelines, or specific measures of success. Some thought should be given to developing costs and suitable metrics for monitoring progress.
- The Strategy should reference and be consistent with Tourism WA's Two Year Action Plan, which has a number of relevant initiatives. In particular, actively marketing regional destinations and regional events; facilitating new tourism experiences in regional Western Australia; and working to facilitate improved regional aviation, including attracting a low-cost carrier to fly intra-state routes and working to ensure all regional RPT routes are accessible on the Global Distribution System.
- More broadly, the Strategy should encompass the Government's recent tourism marketing efforts revolving around attracting new air routes into the State.
- Local Government should be represented on the interdepartmental working group to assist with the review of the State Aviation Strategy, as Local Governments are the owners and managers of the majority of regional airports.

2.0 Comments regarding specific objectives

WALGA notes the four key goals of the Strategy, being 1) Affordable Airfares; 2) Connected Communities; 3) Fit for Purpose Infrastructure; 4) Informed and Future Ready, and is broadly supportive of these objectives.

2.1 Affordable airfares

WALGA supports the comments made in the Strategy regarding the cost of air travel in the regions and its significance for liveability, addressing potential social isolation due to distance and ensuring access to essential services at a reasonable cost. The high cost of regional airfares is a matter of some concern to many regional communities, and it is important to pursue more affordable regional airfares. WALGA supports Action A8, being that the State Government regularly measure community sentiment towards the cost of regional airfares, in order to best understand what level of intervention, if any, may be most appropriate at the various airports around the State.

As stated in the Strategy, airport charges are one of the components of the final airfare charged to passengers, with the others being the base airfare to cover operating costs, ancillary charges and government taxes and charges.

In seeking to maintain low airfares, it is important to note that many regional Local Governments rely on airport charges to maintain their asset. If they are required to lower these charges below that required to cover operating and maintenance costs, the shortfall will need to be recovered from ratepayers, or through reduced services to the community. Further to this, it should be noted that the Parliamentary Inquiry into Regional Airfares received no evidence that Local Governments were charging unreasonable airport fees.

It is recommended that the State Government continue working with Local Government and airlines to ensure affordable airfares to regional areas.

2.2 Connected communities

WALGA supports the Strategy's intended outcomes of more regional communities having access to air services; and that air routes support WA's diverse economy, including the resources and tourism sectors.

WALGA also supports the proposed initiative that the Department of Transport review its tender design for fully regulated routes, to ensure that air services are most effectively delivered to regional communities.

Long-term planning for future air services should take account of the needs of aviation-dependent industries, including tourism, mining and other industries. Connections between towns should also be planned for as far as is feasible, in addition to connections to Perth.

Another consideration is the timing of air services into and out of Perth. There would be significant benefit to regional employers of being able to send staff to Perth for training courses within a single day. This would reduce the cost of training and thereby assist in developing and retaining skilled staff.

2.3 Fit for purpose infrastructure

WALGA supports the continuation of the Regional Airports Development Scheme, in support of regional airport development.

The current state planning framework provides limited guidance to local decision makers on managing issues related to land use planning in the vicinity of airports. The state only provides guidance to local decision makers on matters related to managing aircraft noise and encroachment by incompatible land-uses in proximity to Jandakot and Perth Airports.

Incorporating a broader range of issues relating to land use planning in the vicinity of airports into a state-wide policy will allow for Local Governments across the state to incorporate the impacts of airports more holistically into their strategic and statutory land-use planning activities. This will arguably allow for the more efficient planning of new airports and airport upgrades, and allow for a more consistent approach to planning around airports and the management of the impacts of noise on surrounding residents.

WALGA supports action C4, being a review of land use planning in the vicinity of airports throughout the State.

WALGA supports the development of Strategic Airport Assets and Financial Management Frameworks for small and medium-sized regional RPT airports. The Aeronautical Asset Management Plans should begin with an audit of asset conditions at all airports that are within scope. This should include the required maintenance over the next 10 years to provide an estimate of asset preservation need, similar to the model used by the Local Government Grants Commission to estimate road asset preservation needs. This will be particularly important for prioritising funding to Subsidised Community Airports.

In addition to RPT airports, priority should also be given to upgrading remote area airstrips to service the Royal Flying Doctors and other needs.

WALGA supports investigation of the development of mine airstrips. It is recommended that the Government should give priority to using existing RPT airstrips whenever practical, as opposed to developing new air strips to service a particular mining project. Concentrating flights at existing regional airports will allow them to achieve economies of scale, by spreading fixed airport operating and capital costs across a larger number of passengers.

Finally, effective weather forecasting services should be considered a priority. Not all regional airports have their own weather station, and this can lead to unnecessary disruptions to flight schedules.

2.4 Informed and future ready

WALGA notes the proposed new requirement to provide data to the Department of Transport. Such data can be useful for planning and regulatory setting, but the Government should be mindful of the compliance costs that may be imposed on airlines in fulfilling their reporting requirements. Data collection should be made as simple as possible for operators to comply with.

Any data that is gathered should be shared with airport operators, to facilitate asset management and other planning.