

27 February 2009

Aviation Green Paper  
Department of Infrastructure, Transport, Regional Development and Local  
Government  
GPO Box 594  
CANBERRA ACT 2601

**Re: Avalon Airport Australia's Response to the Green Paper**

### **Introduction**

Avalon Airport is situated 55 kilometres from Melbourne and 20 kilometres from Geelong. Established in 1952 for Australian aerospace defence purposes, Avalon Airport has played a leading role in Australia's aviation industry for over 50 years. Consequently the airport contains significant infrastructure capable of landing, taxiing and parking large aircraft.

In February 1997, the Commonwealth of Australia privatised Avalon Airport and since that time, the airport has been leased by Avalon Airport Australia Pty Ltd (AAA).

Over the past decade, Avalon has become well established as a B747 aircraft maintenance facility, a location for international airfreight, a base for jet pilot training, the site for the biennial Australian International Airshow and in 2004 commenced operations for domestic passenger flight services.

Today, Avalon is established as a secondary airport for Melbourne and Victoria, the first of its kind in Australia, and has provided an alternative for domestic airlines seeking to fly to Victoria.

AAA domestic passenger services have proven very successful. A low cost model domestic terminal has been established, and last year Avalon Airport had almost 1 million passengers through its terminals. AAA believes competition amongst airports is important and provides for greater efficiencies and lower costs resulting in lower ticket prices for passengers.

AAA supports the submission made by the Australian Airports Association. In addition, AAA seeks to ensure the proposed aviation policy creates competitive neutrality between airports to allow secondary and regional airports such as Avalon Airport the opportunity to compete.

AAA believes this can be achieved by Government forming policy as outlined below.

## **Aviation Security**

All security screening activities should be operated by the Australian Government.

The introduction of a Government screening service across Australia will provide for network charging of security services and allow for security measures in regional and secondary airports to become more viable.

The most significant inhibitor of adding additional security requirements to these airports is cost. AAA believes a system of Government control of aviation security will allow for increased security provisions to be applied, whilst spreading the costs across the entire network.

A network pricing system will allow for screening to be introduced where required, providing a suitable security outcome. Furthermore, as security costs are ultimately born by the passenger, a network charging system will be fair for all passengers across Australia.

The management of security services at secondary and regional airports is daunting, with these airports having less financial capacity to fund costs than the major airports. As security obligations are increased and screening is extended to regional airports, the management and costs this incurs could damage the viability of the airport. Therefore a Government controlled system with network pricing will provide equality across all airports.

## **Regional Package**

AAA welcomes the Green Paper's confirmation that Avalon Airport is part of the Regional Package. Avalon Airport competes with airports that have a massive customer base. The Regional Package should encourage international airlines to seek secondary airports similar to Avalon, and provide an important boost to regional areas.

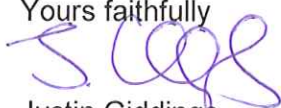
## **Conclusion**

Avalon Airport is the first airport in Australia to successfully compete directly against a major airport. However, to continue its growth, AAA must not be subjected to a higher rate of charges than its main competitor.

A network charging regime is fair for all passengers across Australia and provides the ability for additional security measures to be commercially viable at regional and secondary airports.

AAA asks this recommendation be considered for inclusion into the White Paper.

Yours faithfully



Justin Giddings  
General Manager