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Department of Infrastructure, Transport, Regional Development and Local  
Government  
GPO Box 594  
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Dear Sir/Madam

**NATIONAL AVIATION INDUSTRY POLICY - ISSUES PAPER**

Burnie Airport, on the North West Coast of Tasmania, is operated by Burnie Airport Corporation Pty Ltd, (BAC) a private company with shares held by the Burnie City Council (BCC) and Australian Regional Airports Pty Ltd (ARA). The Board of Directors determines the conduct of the company in accordance with recognised corporate governance practices. The Airport Manager controls the management of the company and is responsible for achieving the policy and objectives of the Board.

The Airport serves the North West and West Coasts of Tasmania with approximately 100,000 passengers using Regular Passenger Services (RPT) to Melbourne, Hobart and King Island. The Airport is also a significant transfer staging area for the Royal Flying Doctor Service.

The Corporation welcomes the opportunity to comment on the National Aviation Industry Policy discussion paper and does so as a Regional Airport providing services to its local community.

Yours sincerely

Michael Wells  
Airport Manager

## Burnie Airport Corporation

### Response to Issues National Aviation Policy

The Burnie Airport supports the Government's proposal to develop a National Aviation Policy and suggests that the Policy should:-

- ✈ make due allowance for the vastly different roles that are played and needs that are served by capital city, regional, rural and remote airports and air services;
- ✈ lay out a concrete action plan to authoritatively quantify the social and economic significance that aviation plays in support of communities throughout remote, rural and regional Australia;
- ✈ recognise there are a number of privately-owned and operated airfields across Australia that receive no financial support from any level of Government, but continue to provide essential air access for vital community services;
- ✈ recognise the critical role the Aviation Industry plays in the Nation's transport system, both nationally and internationally;
- ✈ provide an overarching statement identifying the Government's role in aviation;
- ✈ recognise that airports are the real risk-takers of the Australian aviation industry, because infrastructure investments, once made, cannot be moved (they are the classic 'sunk cost') unlike airlines' decisions with respect to aircraft fleet deployment; and
- ✈ reflect an appreciation that airport infrastructure investments are generally substantial and require long periods for amortisation/depreciation and in regional areas are sometimes not economically justifiable.

It is interesting to note the Federal Treasurer's Budget Speech began with the following quote:-

*"Tonight I am announcing new investment in physical infrastructure and research infrastructure that will carry Australia into the next decade.*

*Our AusLink Programme is a coordinated plan to build Australia's key highway and rail network. In the five year period from 2004-05 we have allocated \$12.7 billion to this programme.*

*Tonight I am announcing an additional \$2.3 billion — an increase of nearly 20 per cent — in that programme. The largest allocation will be \$800 million this year to accelerate duplication of Australia's busiest interstate road freight route — the Hume Highway. Apart from three by-passes, this money will complete the dual carriageway from Sydney to Melbourne and pull it forward from 2012 to 2009.*

*We will provide \$220 million to accelerate works to improve the safety of the Bruce Highway between Townsville and Cairns, and an extra \$48 million to the Tully flood works project. This is in recognition of the key freight link that the Bruce Highway provides to far north Queensland. It will also support the region's recovery from the devastating impact of Cyclone Larry.*

*In addition to these works this Budget will allocate new money of:-*

- *\$323 million for the Great Northern, Great Eastern and Eyre Highways in Western Australia;*
- *\$160 million for the Pacific Highway in New South Wales;*
- *\$100 million for the Sturt Highway in South Australia;*
- *\$60 million for the East Tamar Highway in Tasmania; and*
- *\$30 million for the Victoria Highway in the Northern Territory.*

*Earlier this year I announced additional funding for the Western, the Calder and the Goulburn Valley Highways in Victoria.*

*All these projects are AusLink national network roads.*

*At the local level the Australian Government has its Roads to Recovery programme funding Local Councils to upgrade local roads in local towns and neighbourhoods. The programme over 5 years averages around \$300 million per year. The Australian Government will pay an additional \$307.5 million to Local Councils this year — before 30 June — so Councils can double next year's level of construction.*

*Over the last three years the Australian Government has allocated \$550 million to the Australian Rail Track Corporation to upgrade the Interstate Network between Perth and the Queensland border. An additional \$270 million will be allocated in this Budget in 2005-06 to improve track quality and rail speed on the North-South rail corridor between Melbourne and Brisbane.*

*The Road User Charge for heavy vehicles currently stands at 19.6 cents per litre. The Government will not proceed with an anticipated increase in this charge which was to have come into effect on 1 July 2006. This is a saving to the road industry of \$1.2 billion over the forward estimates."*

It should be noted that the only mention of airports in the Budget Speech was in relation to announcing further measures, including counter-terrorism first response, community policing, and closed circuit television monitoring, to increase security at airports.

No mention was made that airports are a part of the integrated Australian transportation system. The adoption of the National Aviation Policy must address this matter.

The National Aviation Policy must recognise the critical role the Aviation Industry plays in the Nation's transport system, both nationally and internationally.

The Government also needs to identify what it believes its role in aviation is? If the Government is willing to fund Rail, Roads and Ports, why not aviation? If we took away aviation internationally, what would happen to our tourism industry or some of our high value exports, or locally how would some regional areas obtain fresh and timely supplies or quickly connect on a personal basis with the rest of Australia?

Any National Aviation Policy should start with a series of statements on the Government's position and this to some extent will guide how the various issues identified in the issues paper are addressed. For instance, does the Government have a role in facilitating the long term planning (and protection) of airport infrastructure? Should it support Rural/Regional airport with long term infrastructure. We have a Roads to Recovery Programme, why not an Airports to Recovery Programme?

In relation to the matters in the Issues Paper the following comments are provided:-

### 1.3 Regional and General Aviation

The National Aviation Policy in relation to regional and remote air should reflect the positive economic and community benefit these airports bring to their communities. Policy should support these facilities, and if deemed appropriate, assist with the provision of long term vital infrastructure such as runways, etc. The Government must provide more support for regional and general aviation sectors if these areas are to continue to develop and flourish as a whole.

Aviation security in Australia is currently regulated by the Government on the basis of a 'one-size-fits-all' model. Security measures at major capital airports should not be necessarily applied at regional airports. Security should be based on a risk assessment (i.e. likelihood/consequence). Accordingly it would appear that the same levels of security would not apply. The imposition of 'perception-based', as distinct from actual 'risk-based', regulation in Australia is stifling many rural and regional communities.

The Policy should identify and quantify the contribution made to 'local' communities and their economies by airports and aviation generally.

The policy should set in place a mechanism to overcome the lack of legislative protection given to protect this vital part of the Nation's Transport Industry. Governments have limited access highways, and enforce legislation on other levels of Government to protect highway and rail corridors, but no such protection exists for airports. Governments need (once all plans and consultation have been completed) to give certainty that investment in infrastructure will be protected, and not devalued, by short term decisions by others.

## 1.4 Addressing Skills Needs in the Aviation Industry

Airports, in support of the service, economic and tourism requirements of their communities, need to have regular public transport (RPT) air services to and from major population centres. An airport sustaining RPT services requires appropriate approvals from the Civil Aviation Safety Authority (CASA). Part of that approval process is that the airport must have suitably qualified and experienced airfield operational staff. It is becoming increasingly difficult to retain trained airfield staff at regional airports. Without local expertise necessary for the safe and secure running of an airport, there can be no RPT services, the absence of which would have a detrimental economic and social impact on the local community and its wellbeing.

For many Regional airports, an integral part of the staff retention process relates to multi-skilling the workforce, most of which is generally embedded in the local community, and with an eye on future retirement benefits. However, it is becoming increasingly difficult to replace those retiring with younger people who are prepared to become embedded in the local community.

The Nation has in the past had successful campaigns to attract workers to a particular area and we may need to look at a short term advertising campaign to raise awareness of opportunities.

In the longer term we may need to look at an assisted training scheme (even a HECS type scheme). Also it may be possible to look at incentives for rural and remote students similar to the current Rural Doctors scheme.

## 2.1 Airport Planning and Development

Airports are required to have a number of plans (Master Plans, OLS ANEF etc) and consultation is not necessarily an issue. However enforcement is. The Policy needs to identify processes to ensure airport protection similar to now occurs with State Policies in Tasmania.

The best way to protect communities from aircraft noise is disallow residential development in arrival/departure flight paths.

Airport charges are only a small part of airline expenses and this has been aptly demonstrated in the recent oil price rises. Given the huge capital investment required it could be argued that airports are currently under charging.

From a Rural and Remote Airports point of view airlines are in a dominant position, sometimes a monopoly position.

Providing decent road access to airports is an issue. It is suggested a much more active and integrated approach should be taken and the Commonwealth Government should take the lead.

### 3.1 Safety Regulations and Regulatory Reform

On field resources for CASA anecdotally appear to have been reduced over the past years (especially lately, given the emphasis on security). The Government needs clearly to outline what is CASA's role and then resource accordingly. We have entered a new free market era and sometimes safety may be one of a several issues taken into account. Who ensures the balance is right?

The assistance CASA does provide Rural and Remote Airports is generally appreciated.

### 4.1 Aviation Emissions and Climate Change

The party that is responsible for, and has operational control over, emissions, should account for and report the emissions. As airports will report the emissions they have operational control over, then Airports, should they exceed the established threshold, will trade in the Australian Emissions Trading System for credits to meet their requirements.

### 4.2 Aircraft Noise

Aviation noise in relation to existing background sources is becoming an increasingly vexing question as local governments fail to implement controls required under AS2021 and residential developments continue to creep towards airport boundaries. There are flaws in State Government planning policies regarding development in areas affected by aircraft noise, and these are exploited (albeit legally) by developers building inappropriate developments. Clear and enforceable legislation should be implemented to enforce the requirements of the ANEF (or its replacement). It is not that people cannot agree at the time on reasonable requirements but that interest groups can in the future threaten the viability of an airport operation.

### 5.1 Aviation Security

Aviation security should be based on risk assessment not necessarily whether an aircraft is jet or prop. Any risk assessment should include the impact of costs and benefit. Any security screening cost at Regional Airports does not benefit the region but the major destination cities. On this basis, the implementation of a national ticket charge for all air travellers should be implemented and paid to screening authorities.

The current aviation security requirements ought to be reviewed, amended as appropriate, and simplified for the benefit of passengers and industry participants.