



LOCAL GOVERNMENT
ASSOCIATION
OF QUEENSLAND INC.

SUBMISSION TO THE DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

TOWARDS A NATIONAL AVIATION STATEMENT

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The Australian Government has requested feedback from stakeholders in response to the Issues Paper "Towards a National Aviation Statement."

The Issues Paper presents a wide range of issues for discussion relating to domestic services with the majority of issues applicable to major airports. The Local Government Association of Queensland (LGAQ) has canvassed the views of its membership and drawn on their experience to develop the following comment on the questions raised within the Issues Paper. Councils were also asked to comment on the broader aspects of running an airport and this input is also provided. The responses provided from councils include those from large regional airports and small remote and rural airports.

1.3 Regional and general aviation

1. How has micro-economic reform impacted on general aviation businesses and what strategies need to be put in place to ensure that access to airport infrastructure does not impede industry viability and growth? Do the needs of general aviation operators warrant any changes to airport regulatory and planning arrangements?

2. What role should all levels of government have in providing secondary airport infrastructure and in providing for new infrastructure?

The review of the aviation industry and any consequent policy changes to delivering air services to regional and remote communities needs to address the

supporting infrastructure requirements of regional and remote airports. This is a key challenge for regional airport operators that would significantly benefit from the development of a comprehensive Commonwealth strategy to address failing aviation infrastructure.

Most local government owned airports in regional remote Queensland are running at a financial loss and experience ongoing viability problems due to a range of factors including age of infrastructure, increases in operational costs and limited revenue raising capacity. Most of these airports have limited potential to raise revenue through landing charges. Indeed, councils have taken the view that it is preferable to keep passenger charges low or not charge any landing fees to maintain the air service rather than trying to recoup operating costs through charges.

This approach, while fulfilling community service obligations, is leaving councils in a very exposed position as many airports will soon be in need of substantial unfunded maintenance on runways, taxiways, lighting and terminal facilities. Much of the infrastructure has in fact received only minimal investment since the facilities were transferred to local government by the Commonwealth.

Rather than this being an indictment of local government's willingness to invest in the infrastructure it is more a reflection of the financial struggle this sphere of government is experiencing for all asset classes. The Hawker report in particular noted local government's capacity to fund infrastructure is constrained by its general revenue raising capacity.

The House of Representatives Standing Committee noted a number of factors had contributed to downgrading the maintenance of local infrastructure including unfunded mandates from state and federal governments. The transfer of Commonwealth aerodromes to local governments was referred to in the Hawker Report as an example of a cost shift through the transfer of unfunded assets. The report notes the federal government's decision to move local airports to a local government responsibility in the 1990s has created a significant burden for local government, particularly in remote areas. While there was initial federal government funding provided to these airports no further ongoing funding has been provided.

As the extent of the infrastructure upgrades required has not been properly assessed and quantified, the LGAQ is developing a strategy to identify and quantify the financial situation and infrastructure needs of airports. The initial scoping recently undertaken by Rehbein AOS Airport Consulting has established a minimum common data set and designed a comprehensive desk top and field survey of airports. This research when undertaken will enable the LGAQ to assess the current and future viability of airports and develop strategies to identify current and future funding gaps and investigate ways to improve sustainability or profitability.

The Commonwealth needs to recognise that it has a key role in supporting local government to keep these airports open and adequately maintained. The LGAQ would welcome the opportunity to work with both spheres of government to develop policy options to maintain the sustainability of this vital infrastructure.

3. What should be the basis of government and industry policy towards air services to regional and remote communities?

It is clear from the responses provided by councils that government policy needs address the significant differences between small remote airports and the larger regional airports. Most small airports are run primarily as a Community Service Obligation and require considerable ongoing financial support to just maintain essential services. Whereas many of the larger regional airports are able to maintain essential services through landing charges but could have the potential to expand their services if they were to receive additional support from government.

One larger regional airport suggested that government policy needs to recognise the value of supporting services that can be provided from major regional centres with close proximity to Brisbane as alternative departure and destination points for services that originate and terminate in and through remote communities.

Toowoomba provided this comment:

“Toowoomba airport is listed is an airport of State significance and has the ability to provide a much needed service to western regions of Queensland and subsequently reduce the need for people to travel to Brisbane by having the opportunity to land in a major regional centre like Toowoomba.

Toowoomba Regional Council which operates the Toowoomba Airport will be committing over \$5 million dollars to improve its airport operational capability and safety by extending the main runway, apron and taxiways to accommodate potential Regular Passenger Transport (RPT) services. In the past enquires have been made regarding potential funding and it has been replied that Toowoomba is not a regional facility due to its proximity to Brisbane.”

For remote communities the focus is on ensuring regular and reliable services. Some remote communities experience inadequate servicing by the RPT contractors as there is currently no linkage between service provision and the needs of the community. One suggestion made by a remote operator is that government/industry policy should:

“Include KPIs that reflect the remote service such as mail and passenger service with an embedded customer service contract that is based on service and approved by residents within the remote community. A more detailed examination of these needs must be implemented so that appropriate policy is developed with accurate information from the community to be serviced and not just the supplier of the service.”

4. Are security and safety measures adopted for major capital city trunk routes appropriate for regional and remote services? If not, what alternative measures could be adopted?

The level of security and safety measures appropriate for small airports should be significantly less complex than for major airports. One small airport operator made the point that although their council has an airport safety plan it is a relatively simple system appropriate to their airport. However, under the requirements of the Transport Security Plan there are breaches nearly every day. For example:

“There are often people, including pilots, airside and not displaying official identification. RPT flights personnel allow passengers to handle their own baggage airside, and walk around the plane to collect their baggage.”

One council expressed concern with a perceived gap within the Aviation Transport Security Act:

“Whilst the Act has many requirements for RPT flights, there is nothing for private charters which are the major user of our airport, and could well be the source of any terrorism activity in these regions.”

One council which raised many concerns about how safety is managed at small airports suggested instead of these airports (which often are unmanned and have staff with only very basic training) being responsible for security measures that alternative arrangements should be made and suggested that the flight operators would be better able to implement a uniform system throughout all regional airports.

Another remote airport found current security arrangements somewhat unnecessary stating instead that: “...the level of risk from kangaroos and birds at the airport is far higher out here.” This council also suggested that screening should be carried out only when the risk level is high.

Councils considered that additional financial support should be provided to airport operators to assist them with the additional costs of providing screening and other security measures - this is particularly a concern for small and remote airport operators who in general have inadequate staffing levels. There is a clear need for modified arrangements that reflect the reduced ability of remote areas to meet the costs of security operations. Councils also referred to excessive reporting requirements and bureaucratic processes suggesting that small airports have a single management plan instead of the current requirement of multiple plans.

Councils raised concern with the cost of maintaining an elevated security alert for an extended period of time and referred to the lack of government policy which clearly states how the financial impacts to small councils would be managed.

Remote councils expressed high levels of concern that the imposition of unrealistic security arrangements could severely impact on the continued viability of operating remote rural airports and reduce the access to air services for communities.

One alternative viewpoint was expressed by a regional council which operates a security controlled airport and a certified aerodrome. They considered that while the onus of maintaining this high standard of service without the benefit of an RPT operation is at times draining on resources, the benefit to the community in terms of safety and security offered outweighed the costs.

It is clear from the majority of councils that while airport operators are committed to maintaining safety and security standards to ensure the safety of passengers and of their communities they do not want a “one size fits all approach” imposed upon them which does not recognise their funding and resource limitations and which does not recognise their very low risk level.

It is hoped that one outcome of this review will be a flexible and practical set of policies and procedures which accommodates the geographical and operating requirements of regional and remote airports. It is also hoped that as part of this review, that there will be an evaluation of the real costs of the existing requirements as well as an assessment of their actual outcomes or practicality.

2.1 Airport planning and development land use planning for, on and around airports

1. Are the planning and development mechanisms under the Airports Act working effectively?

2. How can we improve consultation with state and local authorities and with the community?

3. Could the regulatory regime better facilitate genuine long-term cooperation between airport operator companies and state and local governments on land use planning?

There is a critical interaction between local government land use planning and development responsibilities and the development and operation of airports. This interaction occurs in a number of ways:

- The interaction between Airport Master Plans, local government planning schemes and state government infrastructure and planning controls.
- The planning issues that arise when local governments are the owners or operators of an airport and the interaction between development on the airport and in the surrounding areas
- The impact of surrounding development on airport operations.

High profile examples exist in which the planning and development mechanisms under the Airports Act are not working effectively in Queensland. These examples are characterised by a disconnection between the aims and objectives of the local government planning scheme and the airport master plan and by disconnection in the information in each of the planning instruments. Effectively the airport is a blank space in the planning scheme (often simply labelled “special purposes”). When airport master plans now include a range of developments not explicitly related to the airport (i.e. the activities could take place elsewhere within the community) this disconnection leads to conflict.

This is exemplified by the effect of the Brisbane Airport retail and commercial developments on the Brisbane road transport network at the intersection of Airport Drive with the Gateway Motorway and by the initial concerns raised by other commercial and retail precincts about the developments on the airport land. While airports managed under the Act may be separated legislatively, these facilities are physically and commercially connected to surrounding infrastructure and communities. There must be more awareness of this in the way that airport master planning is developed and implemented.

Airport planners must build stronger relationships with local and state planning and infrastructure authorities, through regular meetings and more transparent sharing of information. The problems are often in the interpretation or implementation of

the existing regulatory regime rather than the regime itself. An example of how this can be made to work is Northshore Hamilton. Prior to the creation of the Urban Land Development authority in Queensland; the Port of Brisbane had developed an approach to redevelopment of the Hamilton Northshore site that used a cooperative master planning approach with the Brisbane City Council and other authorities that was intended to create a local area plan to be administered under the Brisbane City Council City Plan.

Relationships with local communities need to be well resourced and ongoing. Communities will reject tokenistic approaches or approaches that just seek to achieve regulatory tick-off. The Port of Brisbane is an example of a similar master planned area for which the Port of Brisbane Authority engages in a well resourced and continuous engagement with the community. This does not eliminate controversy or opposition, but provides a basis on which such matters can be resolved.

In order to address the issue of reducing conflict between non-aeronautical development and airport operations, the regulatory approach may be to set clearly defined benchmarks in the Act (or subordinate legislation) about the level of non-aeronautical development that can take place or the impact thresholds related to non-aeronautical development.

Where airports managed under the Act are of regional and/or state significance; it is reasonable to require that master planning should include a public cost benefit analysis of proposed non-aeronautical developments related developments on a regional scale.

Finally, in relation to safeguarding key airport infrastructure, Queensland has had a State Planning Policy (SPP) on development in the vicinity of airports since 1992. The current SPP 1/02 came into effect in 2002. The SPP has provided a long running coherent policy that has been included in local government planning schemes and development assessment to ensure the safeguarding of airport infrastructure in Queensland. It is a good model to be considered or adopted in other jurisdictions.

3.1 Safety regulation and regulatory reform

1. Are there ways in which the approach to Safety Management Systems could be enhanced?

A number of regional airport operators expressed their satisfaction in their relationship with CASA citing that their approach has always been practical and the safety management systems are appropriate and did not see the need for a review. A remote airport operator had a different perspective and suggested that:

“For isolated and remote communities the Safety Management System could be enhanced by ensuring that documents are reader friendly and that on site assistance is made available from professionals for training etc.”

5. Aviation Security

1. Should we expect the same security technology standards from all airports regardless of location, the traffic levels at the airport, and the costs?

Remote airports expressed strong views on this issue stating that it is not feasible to have the same technology to screen the 20 to 30 passengers who depart an airport every week. As one airport stated:

“Screening is a very part time activity, mostly carried out by labourers in our workforce. These people are not used to dealing with the public, and are not well equipped to do so. Others for example police or airline staff would be far better equipped to do this when required.”

This view is supported by regional airports who suggested that the requirement for high level security installations should be based on the assessment of individual airports. It is clear from the responses from both the regional and remote airports that the introduction of a one size fit all approach will place increased burden on a stretched resources and that without proper resourcing will be detrimental to regional aviation with no guarantee of improved security outcomes.

One remote council estimated the cost of providing a new terminal which would meet security requirements at around \$6M. However, as this airport points out that with annual landing fees of some \$300,000 it is not a feasible option.

One rural airport using RPT aircraft stated they are not capable of meeting current security demands which can be imposed at short notice, such as passenger and luggage screening, sterile areas for passengers post screening and pre embarkation etc. This council made the point that:

“Security fencing is often a joke with funding provided for some fencing which can be easily circumvented by walking around the amount of fencing funded. ”

The cost of providing security officers was also major impost for small airports:

“To provide security officers for the regular RPT flights will cost in the order of \$15,000 per year. A full time airport security officer would be in the order of \$60,000 per year - much more if 24 hours is required. There wouldn't be very much for them to do.

The high cost of providing security officers is particularly unreasonable when considering the overall operating costs of a small airport - one airport estimated this to be in the order of \$60-70,000 per year. It does not seem an appropriate usage of funding to address what is likely to be a very low security risk.

Another council gave a very comprehensive overview of the impacts of providing a security controlled airport environment:

“It is a time consuming exercise when it is not a core responsibility. Unlike major centres, in most regional centres the role of security initiatives and management at the airport is a secondary duty of usually an already stretched resource from the manager down to more junior staff. The

provision of maintaining a level of security training in house is in most cases beyond the local government's capability and this is usually externally resourced on an as required basis. The previous federal government provided initial training but has not offered any assistance in keeping this level of skill competency within the community; this usually falls back on the local Council in most cases and has to be budgeted within normal operation budgets. "

The additional cost of meeting security requirements is a major impediment for councils considering upgrading their airport in order to receive RPT services. For example, one remote airport has a carrier who wants to trial three RPT services a week, but in order for the trial to occur council needs to spend \$50,000 on modifications to the terminal to make a secured area for passengers, screening equipment will cost in the order of \$60,000 and from December 2008, when all baggage needs to x-rayed, the additional expense would be over \$500,000. These costs are prohibitive to small operators and are likely to stymie future expansion for as this operator points out:

"It is a "catch 22" situation. We are trying to get more services and need to encourage these but to do so, a significant expense is incurred for what may end up being a failed trial and therefore any money spent is "wasted". Without compromising aviation security, there really needs to be some flexibility in the security requirements so as to allow services to at least be trialed."

Throughout all the responses received from councils there were continuing themes of frustration from managing an airport under government policies and systems which are designed for large urban airports. All councils expressed frustration at the overly bureaucratic administrative arrangements, raised concerns relating to the difficulty in providing safe and secure airport with little ongoing support and at the "one size fits all" approach of the Australian Government.

The current security arrangements are having a significant impact on remote and regional airports which are struggling to provide what is an essential service for their community with little financial support. One remote council succinctly expressed their frustration thus:

"Finally it all falls down to costs and funding. Our airport runs at a significant loss in supplying the community with a service. Passing these costs onto the airport users would be prohibitive and would reduce the current service regime. God forbid, but it may be necessary to subsidise remote airport operations."

It is evident from the responses received from councils that any increase in security requirements for airports must be fully funded and that a provision be made for ongoing maintenance funding. The Australian Government needs to recognise and value the crucial role of regional and remote airports and recognise that for the majority of these they do not have the volume of traffic to make them sustainable in the long term and therefore require ongoing financial assistance.