

WA Aviation Strategy 2020



Minister's Foreword



The Hon. Rita Saffioti MLA Minister for Transport

Access to affordable airfares is central to the liveability of our regional towns. Regional air services help reduce isolation, are essential to health services, and play a key role in supporting economic development and job creation in the regions.

Western Australia's isolation and sheer distances make aviation an integral part of our State's economic and social wellbeing.

This draft *WA Aviation Strategy 2020* (the Strategy) is a blueprint for advancing aviation in Western Australia and sets out a practical policy approach for the aviation industry in WA into the future. The McGowan Government came into office with a commitment to address community concerns about high regional airfares, and this Strategy delivers on that commitment.

Access to affordable airfares is central to the liveability of our regional towns. Regional air services help reduce isolation, are essential to health services, and play a key role in supporting economic development and job creation in the regions.

The McGowan Government recognised ongoing concern among the community about the high cost of airfares and delivered on a key commitment by initiating the Parliamentary Inquiry into Regional Airfares in 2017.

With a record number of 122 submissions, the Parliamentary Inquiry elicited a strong and clear response from the WA community who wanted action taken on airfares.

There is no single solution to reducing airfares on regional routes. This Strategy aims to balance the needs of the community, while taking into account the commercial realities of industry.

WA is supported by a substantial network of air routes; it is connected to more than 100 destinations around Australia and overseas, and serviced by 18 international and 12 domestic carriers operating out of Perth Airport.

Aviation has, and will continue to play a key role in our State's prosperity. Efficient and affordable air services are crucial not only to the community but also to the tourism and resources sectors that rely on air services to get in and out of Perth.

Aviation in WA operates in a complex environment involving airlines, airports, industry, community and all levels of government. At a State Government level, our policies and regulatory environment need to foster airfares that are affordable to those who rely on them, and we need to ensure that our airport infrastructure is fit for purpose and continues to support future growth in the aviation industry.

While our preference is for airlines to work with airport operators and other stakeholders to take voluntary steps to improve the affordability of regional airfares, the State has the option of taking a more interventionist approach if positive changes do not occur.

From 1 July 2019, the State Government placed new conditions on airlines that were operating on unregulated air routes, requiring them to provide data relating to airfares and service levels to the State Government and to engage with regional communities they service on a regular basis. Comprehensive airline data sets and increased engagement between airlines, airports and the community enables the State Government to make informed and data driven policy decisions.

Increased and collaborative engagement between airlines, communities, airport operators and government agencies has resulted in new and innovative airfares and air routes being introduced to WA.

To date this has resulted in reduced fares for 15 regional towns, including Carnarvon, Monkey Mia, Geraldton, the Northern Goldfields (Mount Magnet, Meekatharra, Wiluna, Leonora and Laverton), Broome, Exmouth, Kalgoorlie, Karratha, Port Hedland, Newman and Kununurra. Additionally, new inter-regional air services in the Pilbara (linking Karratha, Newman, Port Hedland and Broome) are being provided by a private airline with local government support as well as in the Kimberley (linking Kununurra, Kalumburu, Halls Creek and Balgo). While we are starting to see a number of positive changes help to reduce airfares and increase air routes, we know there is more to be done.

This Strategy takes into account the 13 recommendations from the Parliamentary Inquiry, and reflects the feedback collected from over 240 stakeholders and community members at the nine workshops and community drop-in sessions that were held across WA. Close consultation has also occurred between State Government agencies, airports, airlines, local governments, peak bodies and the tourism and resources sector to develop the Strategy.

The Strategy sets out four key goals of the State Government for aviation in WA which are:

- A. Affordable Airfares**
- B. Connected Communities**
- C. Fit for Purpose Infrastructure**
- D. Informed and Future Ready**

Each of the four goals have clear outcomes, approaches and actions that will be undertaken.

The WA Government will continue to partner with communities, airlines, airports, and key industry sectors to implement the Strategy. To this end, I encourage industry and individuals to review the draft *WA Aviation Strategy 2020* and provide feedback.



Close consultation has occurred between State Government agencies, airports, airlines, local governments, peak bodies and the tourism and resources sector to develop the Strategy.

Plane taking off from Perth Airport. Photo: David Eyre.



The draft *WA Aviation Strategy 2020* has been developed through data analysis and a collaborative approach which included extensive engagement and consultation with airlines, airport operators, government agencies, tourism and resources industry associations, peak bodies, community groups, and other stakeholders throughout 2018 and 2019. Public comment on the draft *WA Aviation Strategy 2020* will be reviewed and considered for the final version of the *WA Aviation Strategy 2020*.

Aviair provides air services to a number of region/remote locations in WA.

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1. The Strategy at a Glance

The draft *WA Aviation Strategy 2020* (the Strategy) is a blueprint for advancing aviation in Western Australia to support and promote the State's economic and social development. The Strategy also builds and responds to the recommendations of the Parliamentary Inquiry into Regional Airfares.

It supports whole-of-Government priorities relating to a **strong economy, regional prosperity, and aboriginal wellbeing**.

The Strategy has four main goals with respect to Regular Public Transport (RPT) air services and associated airport infrastructure as outlined below:

A.	Affordable Airfares
B.	Connected Communities
C.	Fit for Purpose Infrastructure
D.	Informed and Future Ready





For each goal, the Strategy sets out the State Government's desired **Outcomes**, the overall **Approach** to deliver those outcomes, and the specific **Actions** that will be undertaken to achieve these goals.

Table 1 provides an overview of the Strategy's goals, outcomes and approach at a glance.

In addition to the core actions identified in the Strategy, other ongoing actions have been identified to support the Strategy's goals and outcomes, including:

- » **Ongoing engagement** between State Government agencies, airlines, airports, resources companies, the tourism industry and key community groups to identify opportunities to:
 - reduce the cost of airfares;
 - minimise increases in airport fees and charges;
 - identify, promote and adopt innovative approaches to air services that can both help sustain affordable airfares on existing routes and develop new routes to bring about greater connectivity;
 - educate the community about the costs of air travel and opportunities to access reduced price airfares through sales, community fares, and government subsidy programs; and
 - support the creation of jobs, economic growth and the diversification of the WA economy.
- » **Collaboration** between State and Commonwealth Government agencies to ensure a consistent approach to the assessment of airport infrastructure grant applications, information sharing and an agreed approach to major aviation initiatives which impact WA.
- » **Review and enhancement** of existing regulations, licensing and tender processes, programs and initiatives, such as the Regional Airports Development Scheme, to ensure the most appropriate allocation of limited funds.
- » **Education** of small to medium sized RPT airport operators (on best practice airport asset management), and airlines (on community needs and opportunities).
- » **Monitoring** of new technologies, Government inquiries, trends and legislative changes to identify impacts on the Western Australian aviation industry.

» Table 1: WA Aviation Strategy 2020 – At a Glance

Goals	 A. Affordable Airfares ↓	 B. Connected Communities ↓	 C. Fit for Purpose Infrastructure ↓	 D. Informed and Future Ready ↓
Approach	<p>Airlines, airport operators, industry, community groups and government agencies to work together to identify collaborative and innovative approaches to delivering lower airfares</p> <p>Where voluntary actions by airlines are not sufficient, the State Government may intervene through increased regulation</p> ↓	<p>Airlines, airport operators, industry and community groups, and government agencies will work together to identify collaborative and innovative approaches to delivering better access to existing routes and new air routes where viable</p> <p>Where voluntary measures are not sufficient, the State Government may intervene through increased regulation</p> ↓	<p>Airport operators engage with airlines, local and state governments, the resources and tourism industries, and other stakeholders to forecast demand, plan for the future, and deliver infrastructure in a timely, cost-effective way</p> <p>The State Government engages with stakeholders to plan future airports</p> ↓	<p>Relevant data is collected, analysed and presented in a way that enables government, airlines, airport operators, industry and the community to understand trends, forecast accurately, and make timely, informed decisions</p> <p>The State Government and the aviation industry work together to identify training needs and resources for the future, in consultation with the Commonwealth Government</p> ↓
	<p>Regional communities have access to affordable airfares, with affordability measured through community surveys</p> <p>Flights are a viable option for tourists and visitors to regional WA</p>	<p>More regional communities have access to air services</p> <p>Air routes support WA's diverse economy, including the resources and tourism sectors</p>	<p>Infrastructure at metropolitan and regional airports is planned and delivered in time to meet demand</p> <p>Long-term plans are in place for future airports servicing Perth and regional WA</p>	<p>Regulation, plans and decisions are data-driven</p> <p>The appropriate skills and training are available to support the aviation industry</p>

» **Charter Air Services** - While this Strategy primarily focuses on RPT air services for the community, it also takes into account charter air services in WA (*refer to Section 4.3: Charter Policy*).

2. Vision

Vision for Aviation in Western Australia:

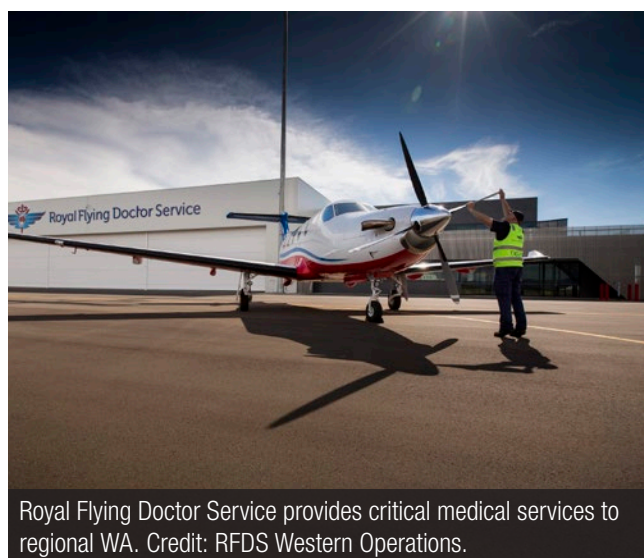
Western Australia has a comprehensive network of affordable air services and fit for purpose airport infrastructure that supports and promotes the State's economic and social development.

Plane flying overhead.

To achieve the vision and outcomes for Western Australians, the State Government will engage with communities, airlines, airports, and key industry sectors to implement the Strategy.

In **Our Priorities: Sharing Prosperity**, the WA Government has identified whole-of-Government priorities to deliver better outcomes for all Western Australians.¹ Achieving the State Government's vision for aviation in WA contributes to achieving three of its key priorities:

- » **A strong economy:** by facilitating tourism and servicing the resources sector, aviation plays a critical role in supporting and strengthening WA's economy.
- » **Regional prosperity:** by continuously improving the accessibility and affordability of air services to regional communities, improves liveability and fosters regional economic and social development.
- » **Aboriginal wellbeing:** by supporting access to remote aboriginal communities through improved airport infrastructure and air service delivery.



Royal Flying Doctor Service provides critical medical services to regional WA. Credit: RFDS Western Operations.



Passenger arrivals at Kalgoorlie Airport. Photo: David Eyre.

To achieve the vision and outcomes for Western Australians, the State Government will engage with communities, airlines, airports, and key industry sectors to implement the Strategy.



Public consultation workshops were held in nine regional communities, including Geraldton.

¹ **Our Priorities: Sharing Prosperity**, Government of Western Australia, February 2019

3. Why do we need a Strategy?

Western Australia covers nearly one-third of Australia, the vast land mass of WA means aviation plays a critical role within the State. As the world's most isolated capital city, Perth is heavily dependent on aviation linkages for its current and future prosperity. WA is home to around 2.6 million people, of which approximately 2.1 million live in Perth, and 0.5 million live throughout the rest of the State.²

Perth Airport is the primary WA gateway for interstate and international travellers, as well as fly-in, fly-out (FIFO) workforces to regional areas. In 2018-19, nearly 14 million passenger movements, including around four million international passengers were handled through Perth Airport.³

Aviation in WA operates in a complex environment involving airlines, airports, industry, communities, and all levels of government. There are a number of key drivers for this Strategy and challenges facing the aviation sector including:

Drivers

- » The WA Parliament's Economics and Industry Standing Committee report, *Perceptions and Realities of Regional Airfare Prices in Western Australia*, released in November 2017, provided 13 recommendations to address community concerns about the high cost of airfares in regional WA.⁴
- » Western Australia's Economic Development Framework, *Diversify WA*, sets out a vision for a strong and diversified economy.⁵ This Strategy supports that vision by providing access to WA's regions for a range of priority sectors and is essential to helping WA grow its popularity as a tourist destination.

- » As most of the recommendations from the *State Aviation Strategy 2015* have been addressed, an up-to-date strategy is required to reflect the State Government's current priorities and present-day market conditions.

Challenges

- » Air services are critical to the economic and social development of communities and are affected by many factors. Services are susceptible to volatility in the resources sector, changes in aviation fuel prices, higher costs of regional operations and passenger demand fluctuations. Changing trends in aircraft fleet and technology also impact on the growth of air services.
- » Many intrastate air services rely on resource companies to be viable. Resource companies transport their FIFO workforce to the nearest Regular Public Transport (RPT) airport or use chartered aircraft to transport their workforce directly to remote mine sites. Most charter flights are not accessible to the local community and, if not managed effectively, can impact on the viability of nearby RPT services and local economies.

2 *Catalogue Number 3218.0 – Regional Population Growth, Australia, 2017-18*, Australian Bureau of Statistics, 27 March 2019, retrieved 7 October 2019

3 *Airport Statistics*, Perth Airport website, Perth Airport Pty Ltd, retrieved 7 October 2019

4 [http://www.parliament.wa.gov.au/Parliament/commit.nsf/\(InqByName\)/Inquiry+into+regional+airfares+in+Western+Australia](http://www.parliament.wa.gov.au/Parliament/commit.nsf/(InqByName)/Inquiry+into+regional+airfares+in+Western+Australia)

5 <https://www.dpc.wa.gov.au/ProjectsandSpecialEvents/Diversify-WA/Pages/default.aspx>

- » Airport infrastructure needs to handle passenger demand efficiently on all parts of the aviation network. Given the volatility in demand for air services associated with the resource sector, aircraft may be upsized or downsized to meet demand, and regional airports need to be able to effectively plan and deliver infrastructure that accommodates such volatility where possible.
- » As Perth Airport is the hub for most of Western Australia's intrastate, interstate and international air services, any shortfall in infrastructure capacity can impact the entire network. Ultimately the efficiency of the State's

aviation network is dependent on Perth Airport having a good understanding of projected demand and being able to plan and deliver infrastructure in a timely manner, and striving to be fit for purpose at all times.

- » Making sound and timely aviation policy and planning decisions requires robust data and accurate forecasting.
- » The aviation sector and related industries need access to workforces with the appropriate skills and training to meet demand now and into the future.



RADS signage at Prenti Downs Airstrip.



FIFO workers disembarking the plane.



Patient transfer onto Royal Flying Doctor Service. Photo credit: RFDS Western Operations.

4. Regulation and Policy for Air Services

4.1. Types of Air Services

In Western Australia there are two types of air services:

- » RPT air services which are accessible to the general public; and
- » Charter air services which support the resources sector.

From a geographical perspective, RPT air services can be:

- » **Intra-regional and inter-regional air services** that connect regional centres within WA;
- » **Intrastate air services** connect Perth and regional centres, as well as many private airstrips within the boundaries of WA;
- » **Interstate air services** - RPT air services and air routes between Western Australia and/or other Australian States or Territories (e.g. connecting Perth, Kununurra, Broome, Port Hedland, Busselton and Kalgoorlie to other states in Australia, as well as Cocos-Keeling Islands and Christmas Island); and
- » **International air services** - RPT air services between Western Australia and overseas destinations outside of the boundaries of Australia (e.g. linking Perth, Broome and Port Hedland to destinations overseas).

4.2. Regulatory Options for Regular Public Transport Air Services

Under the *Transport Coordination Act 1966 (the Act)* and the *Transport Coordination Regulations 1985*, the Minister for Transport has the authority to issue aircraft licences for up to five years to airlines operating within the State or connecting regional towns with destinations in other states for commercial purposes. The purpose of the Act is to ensure Western Australians are provided with reliable, efficient and economic transport services, and to provide greater certainty for air services to regional communities.

↑ Regulatory options ↓	Unregulated routes <ul style="list-style-type: none"> » Open to competition » No aircraft licence conditions
	Lightly regulated routes <ul style="list-style-type: none"> » Open to competition » Aircraft licence conditions
	Fully regulated routes <ul style="list-style-type: none"> » Tendered by Government » Monopoly or subsidised routes » Conditions imposed under deeds of agreement

In fulfilling the role as a regulator of RPT air services and acting in the public interest, the State Government can choose the level of regulation that best suits market conditions.

4.3. Charter Policy

The WA Government can regulate charter air services, balancing the needs of regional communities and the resources industry. The Charter Policy, which is developed and managed by the Department of Transport, seeks to balance both the needs of regional communities and the needs of the resources industry. The Charter Policy is currently under review and its proposed objectives are:

- » ensure charters do not detract from the viability of RPT services on marginal RPT air routes in regional Western Australia;
- » reduce the impact of charters on existing RPT air services in terms of airfare affordability and service frequency; and
- » adopt a transparent approach to charters on a route-by-route basis.

The Charter Policy will be reviewed ensuring the policy objectives consider any impact of charters on the affordability and frequency of existing RPT air services.

Airlines will be engaged during the review of the Charter Policy in 2020. The revised policy will be submitted to Government for approval.

4.4. Policy Framework for Regular Public Transport Routes

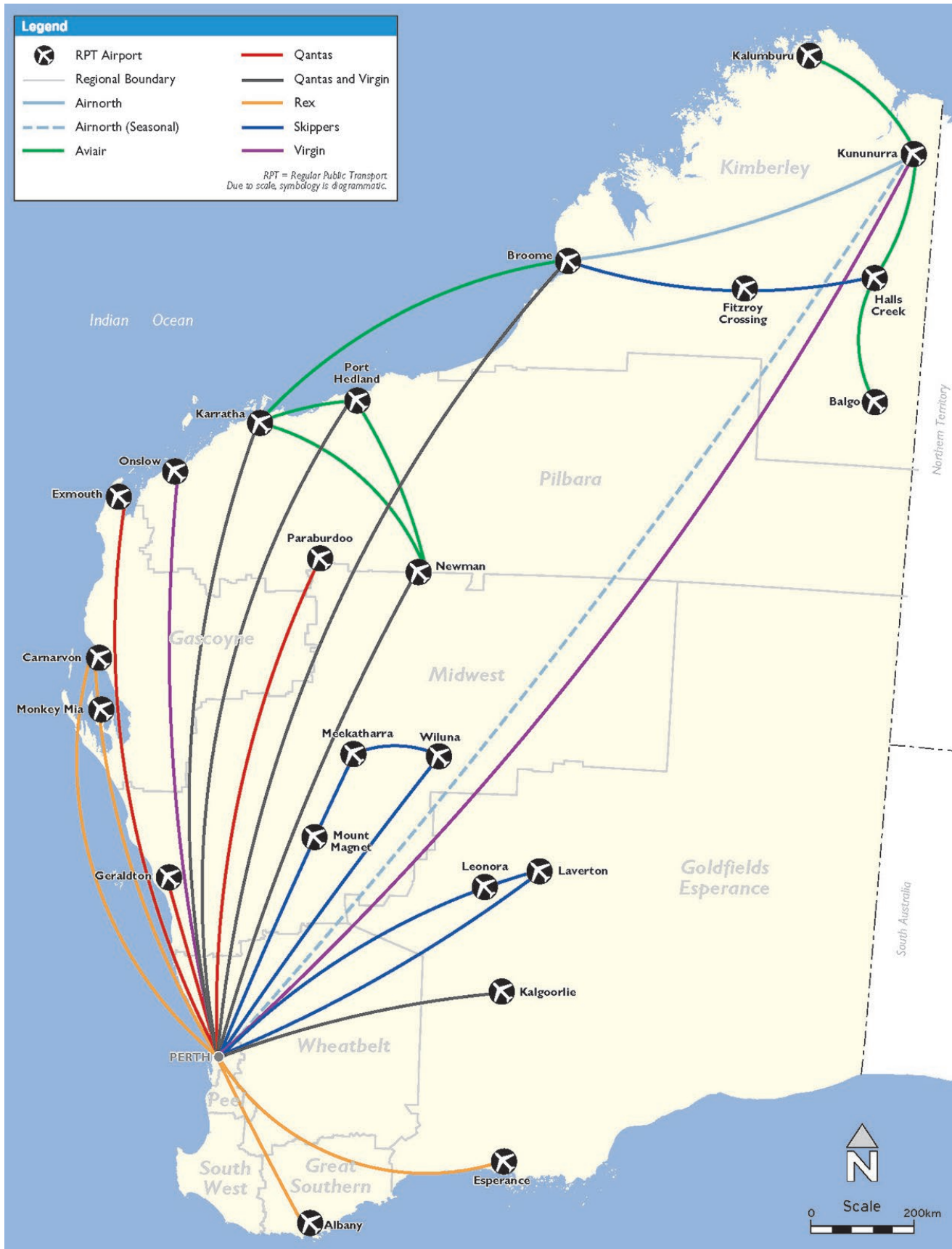
The policy framework for potential government intervention and regulatory changes are outlined in *Table 2*. Future regulatory decisions will be based on the State Government's assessment of feedback received through engagement with community and business stakeholders, results from community perception surveys, data received from airlines and through analysis of data publicly available on airline websites. The State Government may choose not to regulate routes where airline performance meets community needs. *Figure 1* provides an overview of all RPT routes in WA.

Table 2: Policy Framework for Government Intervention on Regular Public Transport Routes

No.	Route Market Type	Characteristics	Type of State Government Intervention	Regulatory Tool and Rationale for State Government Intervention
1	Duopoly	<ul style="list-style-type: none"> » Two airlines operate RPT air services » No State regulatory barriers to new carriers » Examples include: Broome, Karratha 	Lightly regulated	<p>Aircraft licence conditions for:</p> <ul style="list-style-type: none"> » community engagement » data provision <p>Application of this tool provides for both quantitative and qualitative assessment of route performance, which in turn assists with better informed decision making.</p>
2	Monopoly (underpinned by the resources sector)	<ul style="list-style-type: none"> » One airline operates RPT air services » No State regulatory barriers to new carriers » Services underwritten by one or more major resource companies » Examples: Paraburdoo, Onslow routes 	Lightly regulated	<p>Aircraft licence conditions for:</p> <ul style="list-style-type: none"> » community engagement » data provision <p>Application of this tool provides for both quantitative and qualitative assessment of route performance which in turn assists with better informed decision making.</p>
3	Monopoly (other)	<ul style="list-style-type: none"> » One airline operates RPT air services » No State regulatory barriers to new carriers » Services dependent on a range of types of demand » Example includes: Geraldton 	Lightly regulated	<p>Aircraft licence conditions for:</p> <ul style="list-style-type: none"> » community engagement » data provision <p>Application of this tool provides for both quantitative and qualitative assessment of route performance which in turn assists with better informed decision making.</p>

No.	Route Market Type	Characteristics	Type of State Government Intervention	Regulatory Tool and Rationale for State Government Intervention
4	Monopoly (marginal but commercially sustainable)	<ul style="list-style-type: none"> » Government tenders RPT air route » Airline competition at point of tender only » Government awards exclusive monopoly rights of operation and enters into a deed of agreement with a single operator » Examples include: Albany, Carnarvon 	Fully regulated	<p>Deed of agreement governing:</p> <ul style="list-style-type: none"> » aircraft » route » service levels » pricing / airfares including maximum capped airfare » data provision » community engagement <p>This tool ensures the community has access to an adequate level of RPT air services.</p>
5	Monopoly (subsidised)	<ul style="list-style-type: none"> » Government tenders RPT air route » Airline competition at point of tender only » Government awards exclusive monopoly rights of operation and enters into a deed of agreement with a single operator » Subsidy provided to operator » Example: Kununurra-Halls Creek-Balgo route 	Fully regulated	<p>Deed of agreement governing:</p> <ul style="list-style-type: none"> » aircraft » route » service levels » pricing / airfares including maximum capped airfare » data provision » community engagement » operating subsidy <p>This tool ensures the community has access to an adequate level of RPT air services.</p>

Figure 1: Western Australia's Regional Regular Public Transport Air Routes






5. Affordable Airfares

The actions outlined in this section aim to achieve the State Government's affordable airfares goal of reducing the high cost of airfares for Regular Public Transport (RPT) air services in regional WA.



Karratha Airport check-in.

5.1. At a Glance

Goal A	Affordable Airfares
Outcomes 	<ul style="list-style-type: none"> » Regional communities have access to affordable airfares, with affordability measured through community surveys and other information, as may be appropriate » Flights are a viable option for tourists and visitors to regional WA
Approach 	<ul style="list-style-type: none"> » Airlines, airport operators, industry, community groups and government agencies to work together to identify collaborative and innovative approaches to delivering lower airfares » Where voluntary actions by airlines are not sufficient, the State Government may intervene through increased regulation
Actions  Progress to date	A1. Fares have reduced to many regional destinations A2. The State Government regulates marginal, monopoly air routes, including setting maximum airfare prices on fully regulated routes A3. From 1 July 2019, airlines operating RPT services on previously unregulated routes in WA became subject to licence conditions which require them to provide data to the State Government and to regularly engage with the regional communities they service A4. The State Government provides travel subsidies for vulnerable groups
 Priorities	A5. The State Government to identify and investigate the potential for trials that support lower airfares in regional WA A6. Airlines to engage regularly in the regions with airport operators, community groups and other stakeholders, to explain cost drivers, route dynamics and service requirements, listen to feedback, and consider new and innovative solutions (<i>per licence conditions – refer Action A3</i>) A7. Airlines to work with regional airport operators and other stakeholders to identify opportunities to cap airfares A8. The State Government to regularly measure community sentiment towards the cost of regional airfares via community surveys
 Future actions	A9. The State Government to review regulatory settings in light of voluntary responses from airlines to the Parliamentary Inquiry – if satisfactory measures have not been introduced voluntarily, it will take a more interventionist approach to air routes that are presently lightly regulated

5.2. Affordable Airfares – Context

In regional WA the affordability of airfares directly impacts on the liveability of the regions and, by extension, regional economic and social prosperity. Access to affordable airfares helps to reduce social isolation, ensures access to essential health services, and supports regional businesses by reducing travel costs; encouraging tourism and customers to regional centres.

The costs associated with operating safe, reliable air services are reflected in the price of airfares. Airfares consist of many components:

- » the base airfare (including aircraft, staff, fuel);
- » ancillary airline charges (which include items such as advanced seat selection, baggage fees, meals);
- » airport charges (including passenger service charges, landing fees and security screening charges); and
- » Government taxes and charges (including GST on domestic airfares and the \$60 departure tax on international flights).

On occasion there may be other charges, such as fuel surcharges when fuel prices are high, and peak pricing at airports to manage aircraft time slots during periods of high demand. Flight distance, frequency and demand for services also affect airfare prices.

5.3. Progress to Date

There are a number of actions in place to improve the affordability of regional airfares, or that have been introduced in parallel with the development of this Strategy.

A1. Fares have reduced to many regional destinations

The 2017 Parliamentary Inquiry into Regional Airfares made 13 recommendations aimed at reducing airfares and improving regional air services across the State.

On the regulated air routes, the process of responding to community concerns about high airfares commenced in 2016. Regional Express (Rex) introduced \$129 one-way Community Airfares for Albany and Esperance, providing discounted airfares for local residents, which has led to record levels of demand on both routes.

Since the Parliamentary Inquiry and the more recent community workshops held in 2019, other airlines have followed suit, introducing discounted community fares and other airfare benefits for regional residents and visitors.

In 2019, the Department of Transport held nine workshops in regional communities serviced by previously unregulated air routes, including Broome, Geraldton, Kalgoorlie, Karratha, Kununurra, Newman, Onslow, Paraburdoo and Port Hedland. The community engagement process through the community workshops was particularly important in identifying future options to improve fare affordability. The workshops were designed to identify the key challenges faced on each route, and to generate ideas for making airfares more affordable to regional communities. The workshops were attended by airlines, local government and private airport operators, small businesses, the resources and tourism sectors, relevant State Government agencies, and community groups.

Tourism WA has been partnering with airlines to promote tourism growth in key regional centres through the introduction of lower airfare trials. The trials allow tourists and local residents to access lower weekend airfares to/from Broome and Exmouth. Drawing a greater number of tourists to the regions, is intended to stimulate local economies and encourage investment in the regions. The lower airfare trials will be assessed and, if successful, may be extended.

These new initiatives have improved the affordability of airfares on 15 routes in WA, including:

Introduced		Airfare Initiative*
2017	November	Qantas Resident Fare Program, providing up to 20 per cent discount for Broome, Kalgoorlie, Karratha, Newman, Paraburdoo and Port Hedland residents
2018	July	Rex Community Airfares to Monkey Mia (\$157) and Carnarvon (\$199)
	August	Trial Qantas/Tourism WA Broome Affordable Airfares (\$179 off peak/\$199 peak) funded to August 2020
	September	Skippers Community and Standby Airfares for Northern Goldfields residents (\$227 to \$253)
	November	Qantas extends their Resident Fare Program to 20-30 per cent discount on up to 12 return trips per year
2019	June	Trial Qantas/Tourism WA Exmouth Affordable Airfares (\$169) funded to 30 September 2019
	June	Qantas removes \$99 change fees for flights purchased through the Resident Fare Program
	July	Virgin introduces discounted fares to Kalgoorlie, Karratha, Port Hedland, Newman, Broome and Kununurra
	August	Qantas reduces fares to Geraldton
	August	Qantas introduces a maximum fare (or 'cap') of approximately \$400 (\$800 return) under the Resident Fare Program for residents of Kalgoorlie and Karratha
	September	Qantas introduces a maximum fare (or 'cap') of approximately \$400 (\$800 return) under the Resident Fare Program for residents of Newman
	November	Qantas introduces a maximum fare (or 'cap') of approximately \$400 (\$800 return) under the Resident Fare Program for residents of Broome, Paraburdoo and Port Hedland
	December	Trial Qantas/Tourism WA Exmouth Affordable Airfares (\$169) funded to October 2020

*Airfare price is one-way inclusive of fees, charges and GST.

A2. The State Government regulates marginal, monopoly air routes, including setting maximum airfare prices on fully regulated routes

The State Government continues to regulate marginal air routes where demand for RPT air services is so low that it is only possible for an airline to operate in a protected monopoly market (refer Figure 2).

WA's lowest passenger volume air routes (including Albany, Carnarvon, Esperance,

Monkey Mia, the Northern Goldfields, and some Kimberley routes) are put out to tender by the State Government for a fixed term, typically five-year contracts to ensure these communities have adequate access to air services.

The terms and conditions of operations on these routes (including maximum and discounted airfare prices) are negotiated between the airline and the State Government, and documented in deeds of agreement.

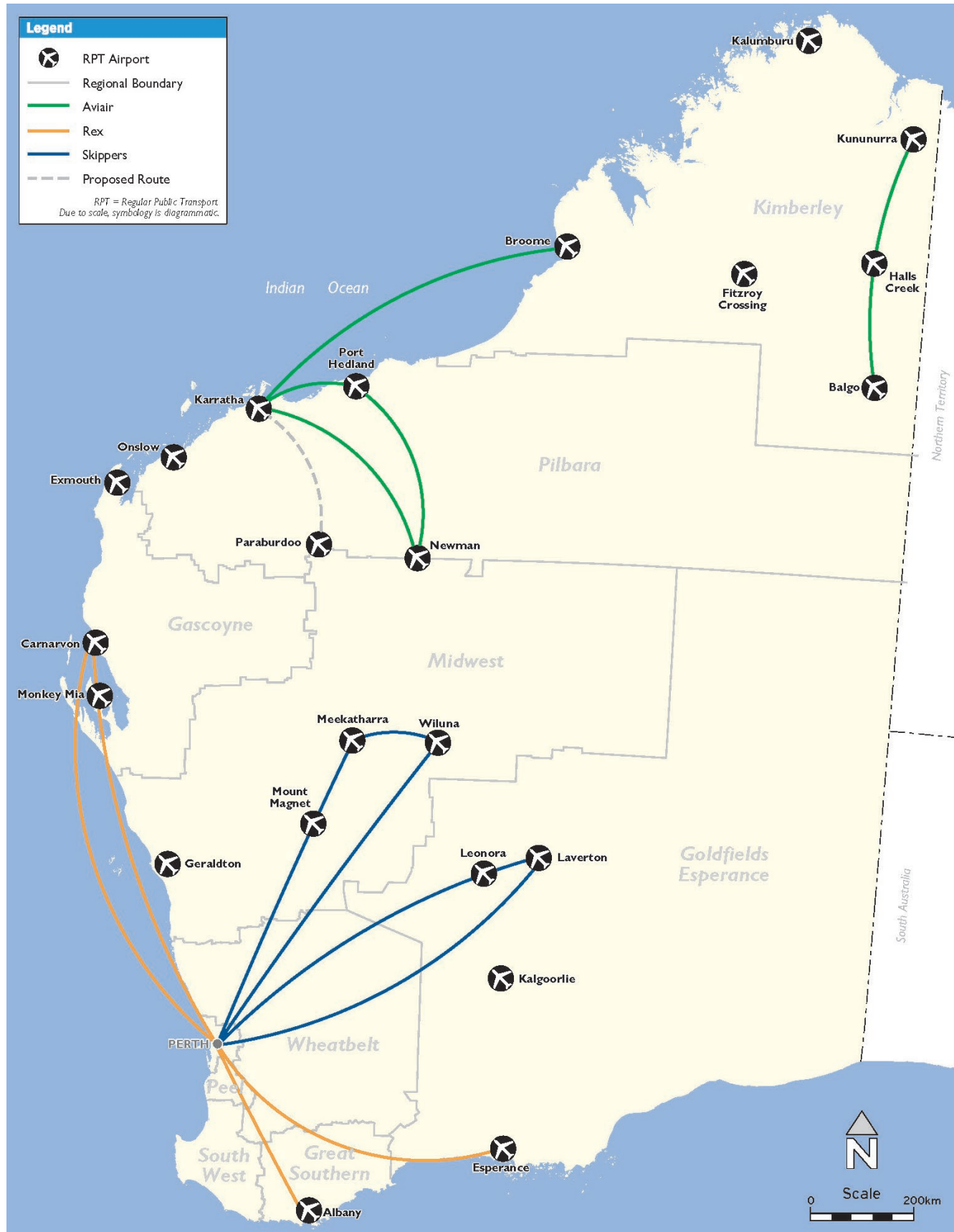
The Parliamentary Inquiry determined community sentiment regarding the price of airfares on fully regulated routes to be more positive than that on unregulated routes.

The Parliamentary Inquiry determined community sentiment regarding the price of airfares on fully regulated routes to be more positive than that on unregulated routes.



Rex provides air services on four regulated air routes in WA.

Figure 2: Western Australia's Fully Regulated Regular Public Transport Air Routes



A3. From 1 July 2019, airlines operating RPT services on previously unregulated routes in WA became subject to licence conditions which require them to provide data to the State Government and to regularly engage with the regional communities they service

The Parliamentary Inquiry recommendations focused on airfares on unregulated air routes where community concern was highest. In response to recommendations 5 and 7 of the Inquiry new licensing conditions were introduced from 1 July 2019 requiring airlines operating on previously unregulated routes to:

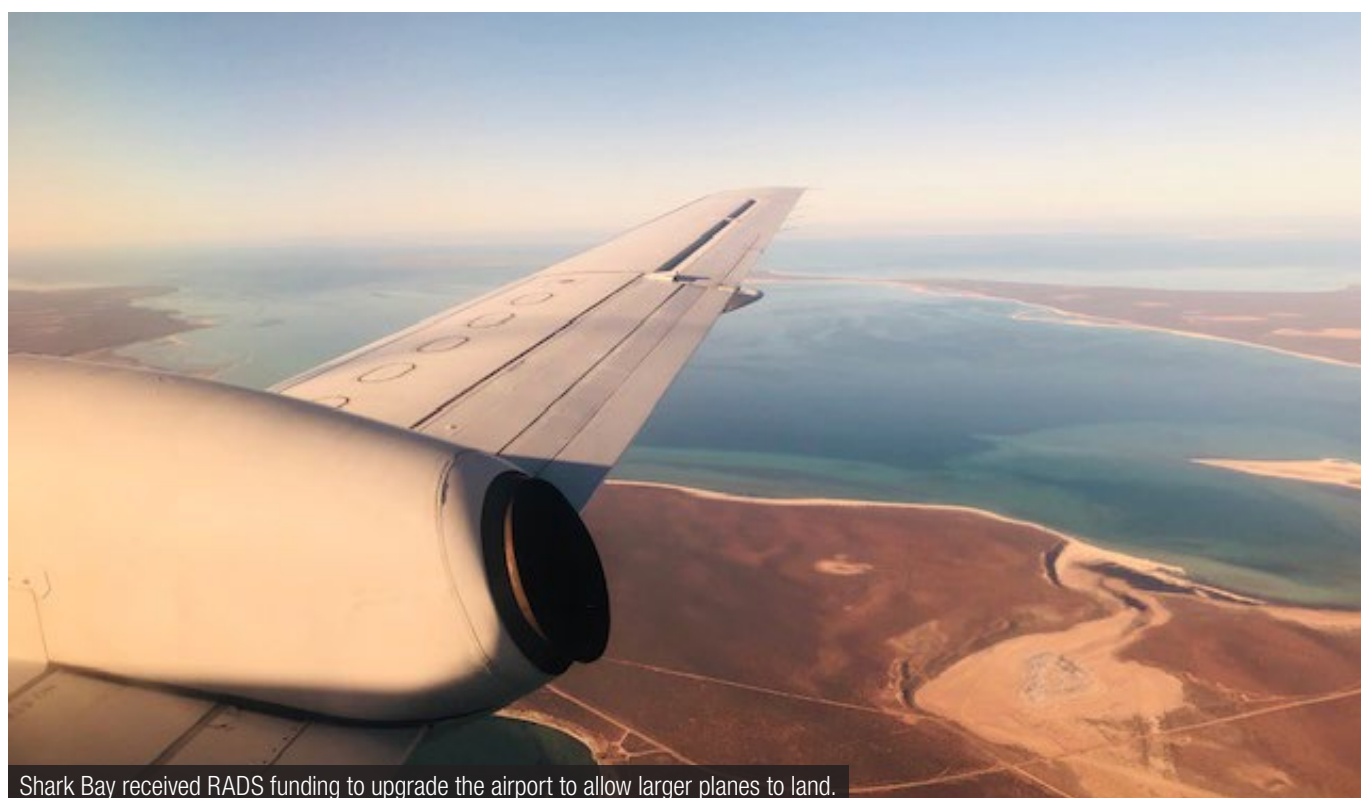
- » provide data to the State Government relating to service levels and airfare prices on a quarterly basis; and
- » engage with the regional communities they service on a regular basis.

See *Action D2 in Section 8: Informed and Future Ready* for more information on airline data requirements.

These new conditions, reflecting light regulation, are aimed at improving airlines' understanding of and responsiveness to the needs of WA's regional communities, and enables the State Government to make evidence-based decisions regarding the State's aviation policy and regulation. *Figure 3* provides a map of WA's lightly regulated air routes.

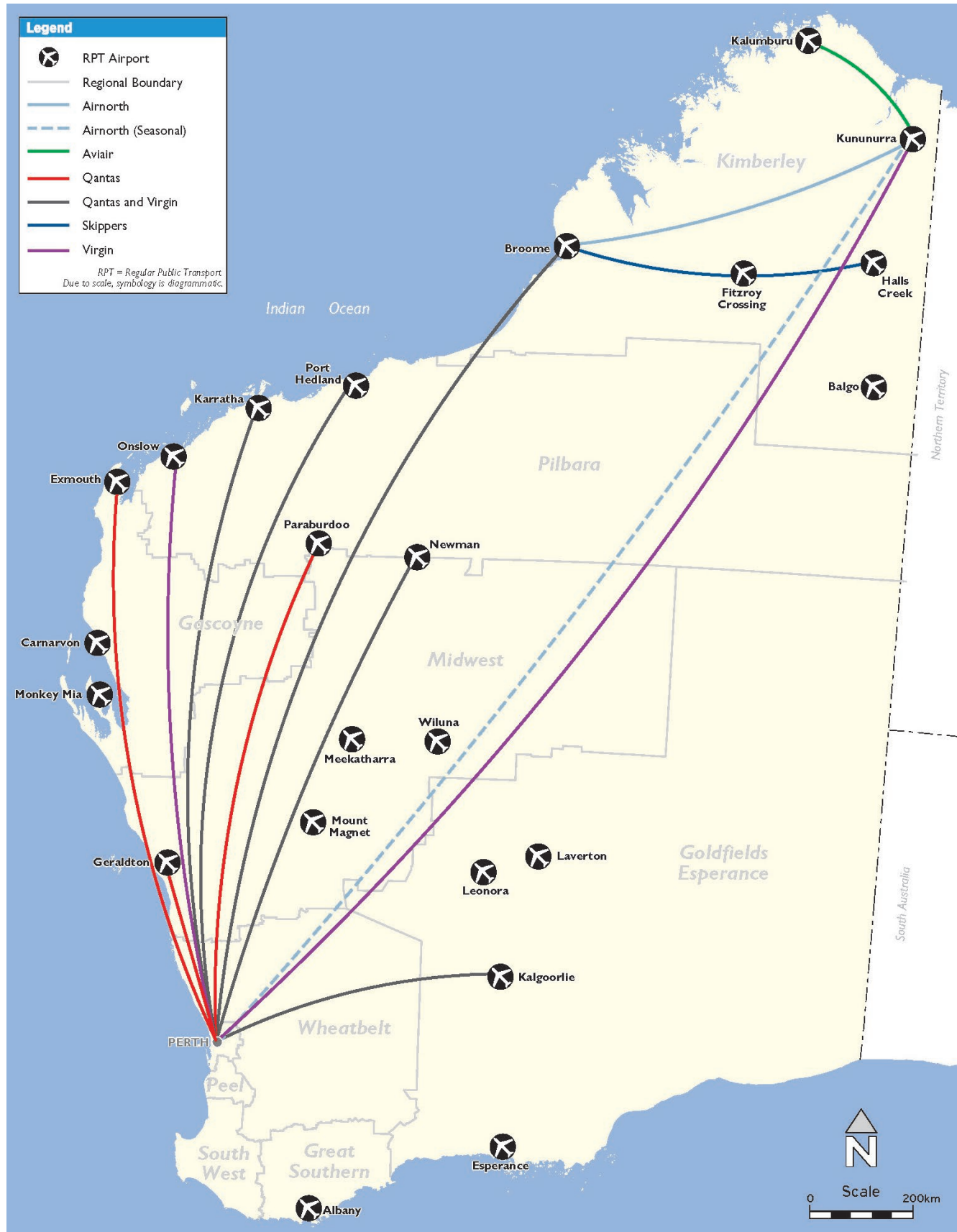
A4. The State Government provides travel subsidies for vulnerable groups

The State Government provides reduced cost air travel on a targeted basis through the Pensioner Annual Free Trip Scheme and the Student Subsidised Travel Scheme.



Shark Bay received RADS funding to upgrade the airport to allow larger planes to land.

Figure 3: Western Australia's Lightly Regulated Regular Public Transport Air Routes



5.4. Priorities

While a range of initiatives have already been introduced, more needs to be done to improve the affordability of airfares in regional WA. This requires action by State, Commonwealth and local governments, airlines, airport operators and the resources and tourism sectors. The State Government's priorities for action are outlined below.

A5. The State Government to identify and investigate the potential for trials that support lower airfares in regional WA

The focus of the trials will be on opportunities that will lower airfares, and create a commercial environment that will sustain lower airfares on an ongoing basis without continued government subsidisation.

Experience from fully regulated air routes such as Albany, Esperance, Monkey Mia and Carnarvon has shown that the meaningful lowering of airfares can increase demand in a commercially sustainable manner.

A6. Airlines to engage regularly in the regions with airport operators, community groups and other stakeholders, to explain cost drivers, route dynamics and service requirements, listen to feedback, and consider new and innovative solutions (as per licence conditions – refer to Action 3)

In accordance with the new licence conditions introduced from 1 July 2019, airlines operating on previously unregulated routes in regional WA are now required to engage with the regional communities they service on a regular basis (refer to Action A3).

While a range of initiatives have already been introduced, more needs to be done to improve the affordability of airfares in regional WA. This requires action by State, Commonwealth and local governments, airlines, airport operators and the resources and tourism sectors.

Airlines are expected to participate in consultation meetings during the year, which will be chaired by the Department of Transport (as advised by the State Government, according to the needs of each individual route).

The public consultation workshops held in 2019 led to an improved understanding of community concerns among the airlines, and contributed to new airfare initiatives being introduced (refer to Action A3). The expectation is that ongoing consultation between airlines and the regional communities they service will continue to enhance communication and understanding, leading to ongoing improvements in affordable airfares.

A7. Airlines to work with regional airport operators and other stakeholders to identify opportunities to cap airfares

Between August 2019 and November 2019, Qantas introduced capped resident airfares to Broome, Kalgoorlie, Karratha, Paraburdoo, Port Hedland and Newman (refer to Action A1). Capping airfares provides certainty to local residents on the cost of travel.

The State Government encourages airlines to work with local airport operators and other stakeholders around WA to identify opportunities to cap airfares at an affordable maximum price for local residents.

A8. The State Government to regularly measure community sentiment towards the cost of regional airfares via community surveys

The 2017 Parliamentary Inquiry identified significant differences between community sentiment on previously unregulated and fully regulated routes. The most significant community concerns were on the unregulated routes. To address affordability concerns on these routes, the WA Government is taking a series of steps to monitor the response of airlines, airport operators and others in response to the Inquiry, including requiring more data to be provided regarding airfare prices (*refer to Action D2 in Section 8: Informed and Future Ready*). This has resulted in the unregulated air routes now being lightly regulated by the State Government.

The State will monitor changes in community sentiment towards the cost of regional airfares via regular (biennial) community surveys. Along with the other data collected, the survey information will be used to inform whether the State Government needs to adjust its regulatory approach on some or all regional air routes (*refer to Action A9*).

The State Government encourages airlines to work with local airport operators and other stakeholders around WA to identify opportunities to cap airfares at an affordable maximum price for local residents.

5.5. Future Actions

A9. The State Government to review regulatory settings in light of voluntary responses from airlines to the Parliamentary Inquiry – if satisfactory measures have not been introduced voluntarily, it will take a more interventionist approach to air routes that are presently lightly regulated

As part of the response to the recommendations of the Parliamentary Inquiry, the State Government has intervened on certain regional air routes in WA. The Department of Transport has placed licence conditions on airlines for data reporting and community engagement effective from 1 July 2019 (*refer to Action A3*).

The State Government's preference is for airlines, airport operators and other stakeholders to take voluntary steps to improve the affordability of regional airfares. However, if voluntary actions are not sufficient or timely, the State Government could take a more interventionist approach to regulation, which may include additional conditions being placed on aircraft licences or fully regulating additional routes.

Regulatory decisions will be based on the State Government's assessment of feedback received through consultation with community and business stakeholders, results from community perception surveys (*refer to Action A8*), data received from airlines and through extracting and analysing airline website data (*refer to Section 8: Informed and Future Ready*). The State will give particular consideration to increasing the level of regulation or tendering regional routes that are serviced by a sole operator (i.e. monopoly routes) or where airline competition occurs only seasonally.



6. Connected Communities

WA is a vast state that relies on air services to connect the communities within our borders, to connect WA with the rest of Australia and the world, and to bring visitors to WA. The actions aimed at achieving the State Government's Connected Communities goal are focussed on delivering accessible air services, which includes capacity, routing and scheduling, and identifying new air routes.



Tjuntjuntjara community receiving RADS grant funding for airstrip upgrades.

6.1. At a Glance

Goal B	Connected Communities
Outcomes	<ul style="list-style-type: none"> » More regional communities have access to air services » Air routes support WA's diverse economy, including the resources and tourism sectors
Approach	<ul style="list-style-type: none"> » Airlines, airport operators, industry and community groups, and government agencies will work together to identify collaborative and innovative approaches to delivering better access to existing routes and new air routes where viable » Where voluntary measures are not sufficient, the State Government will intervene through increased regulation
Actions  Progress to date	B1. Airlines, airport operators and government agencies have been working together to introduce new and innovative air routes servicing regional WA B2. The State Government fully regulates marginal, monopoly air routes to secure cost-effective services for low-demand regional centres B3. The State Government provides subsidies on selected air routes to support social and health outcomes in remote communities (Balgo-Halls Creek-Kununurra) B4. Air routes dependent on primary demand from a single sector (resources, health) are underwritten by the main beneficiary
 Priorities	B5. Airlines, airport operators and government agencies to collaborate on attracting and growing the number of international, interstate and intrastate passengers to Perth and regional WA through expanded capacity on existing routes, strong trade relationships, tactical marketing and establishing new air routes B6. The Department of Transport to review its tender design for fully regulated routes, to ensure that air services are most effectively delivered to regional communities

6.2. Connected Communities – Context

Having a range of air services with underlying strong demand, and connecting both into and within WA, is essential to support the State's economy and to ensure people living in regional areas have access to sustainable, safe and reliable air services.

In Western Australia, the dominant demand for air services on most regional RPT air routes is from business passengers (including the resources industry). WA is unique in that air operations have largely grown as a result of FIFO workforce from the resources industry particularly in the Pilbara and northern Goldfields regions. Without the demand generated by the resources sector, some small regional towns in WA would not have an RPT air service.

Western Australian travellers are connected to more than 100 destinations around Australia and overseas, and are served by 18 international and 12 domestic carriers operating to Perth Airport (*refer to Figure 4 illustrating regional Western Australian interstate and international connections*).

WA's tourism sector is highly dependent on air services, with more than 93 per cent of all international and domestic visitors to Western Australia arriving by air.⁶ The direct non-stop service from Perth to London has reported a very high average load factor of 94 per cent in the first year of operation, bringing more tourists to WA.⁷ There has been increases in the number of direct flights to China, Hong Kong, New Zealand and Malaysia. Direct services to Japan were introduced in September 2019.

Opportunities for direct services to India and Europe are being considered. Port Hedland has an international direct flight with Indonesia, and there have been trial flights between Broome and Singapore. These opportunities will improve direct travel to and from Perth, cutting down flight times and improving connectivity to and from international destinations.

There is a growing willingness and desire in the regions to actively seek out new opportunities to improve access to state, interstate and international destinations. Regional communities are actively looking at ways to make regional air travel more affordable for residents and tourists. Regional aviation infrastructure and services development requires a collaborative and innovative approach across all stakeholders.

Direct connections between regional centres, as seen in the Pilbara, northern Goldfields and Kimberley, allow regional residents to travel within WA without having to connect through Perth.

Expansion of new routes to interstate and international destinations may require significant upgrades to aerodromes to ensure they meet standards, which must be taken into account.

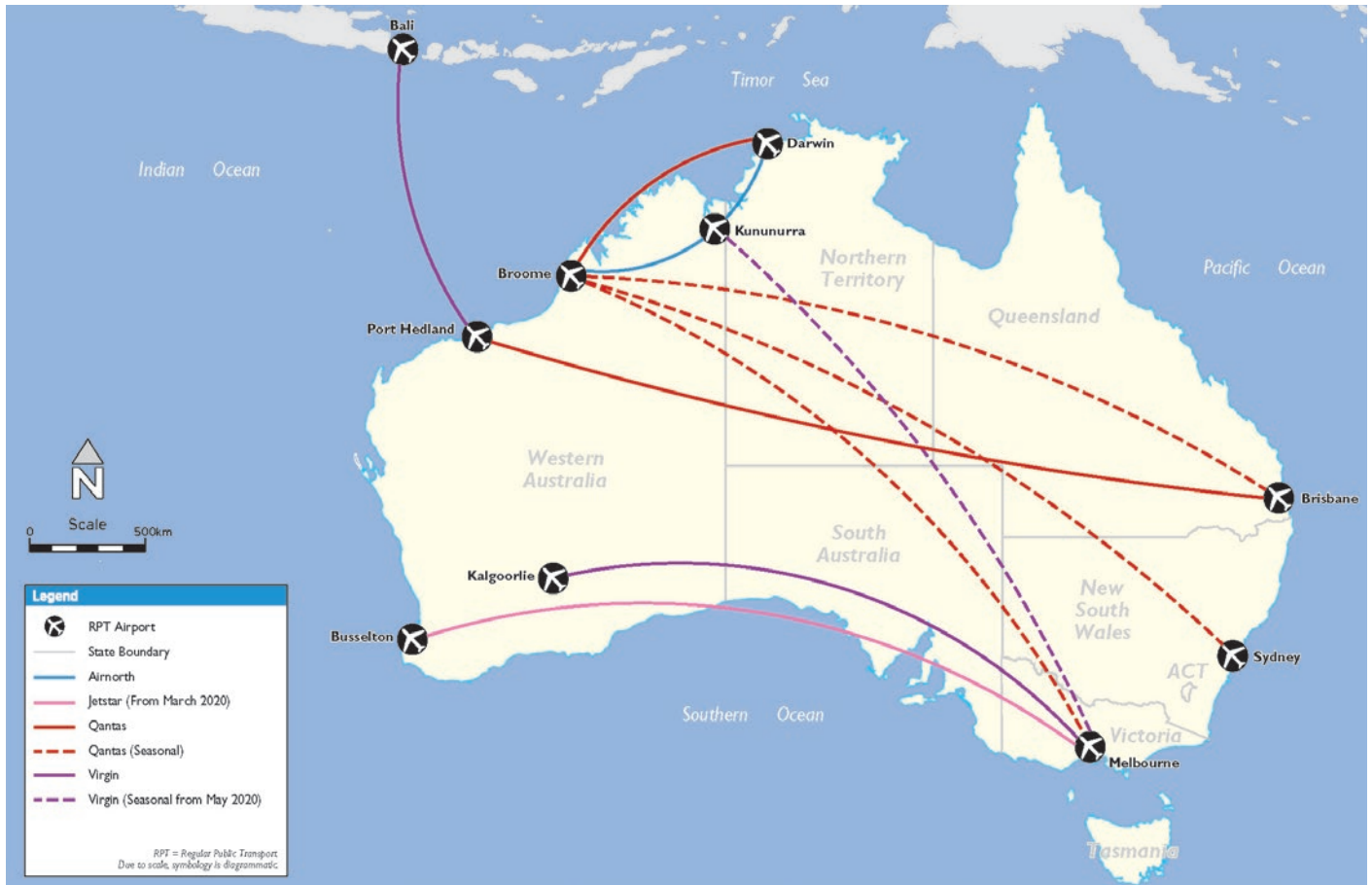
Fully regulated and subsidised air services ensure that communities with low levels of passenger demand support a minimum level essential air services.

Setting minimum standards for aviation infrastructure at regional communities allows services to be provided by general aviation operations such as aeromedical and emergency service operations.

⁶ Tourism WA Strategy and Research, YE 2018

⁷ Media Release: One Year Later: Perth-London exceeds expectations...and speed records, Qantas Airways Ltd, 26 March 2019

Figure 4: Connecting WA - International and Interstate Air Routes



WA is unique in that air operations have largely grown as a result of FIFO workforce from the resources industry particularly in the Pilbara and northern Goldfields regions.

6.3. Progress to Date

A number of actions are already underway to improve the accessibility of air services for regional communities and to support the resources sector and tourism, particularly in regional WA.

B1. Airlines, airport operators and government agencies have been working together to introduce new and innovative air routes servicing regional WA

A key challenge for regional communities is accessing other regional centres by air. To move around the regions using RPT air services, travellers typically must first fly to Perth and then connect with a flight to another regional centre. This creates inefficiencies, particularly for travel between regional centres in the Pilbara and Kimberley, which requires new approaches to be developed.

Below outlines initiatives that are helping improve connectivity between regional centres.

Introduced	Initiative
May 2019	The WA Government announced a trial for a new seasonal service between Kununurra and Melbourne, to be operated by Alliance Airlines. This was achieved through the collaborative efforts of the Shire of Wyndham-East Kimberley, East Kimberley Marketing Group, Tourism WA and Alliance Airlines. The new flights are due to commence in May 2020, with financial contributions from the local tourism and business community and the WA Government. With up to three return flights a week operating between May and August 2020, the flights aim to stimulate tourism from the east coast and create new opportunities for Kimberley communities.
August 2019	New inter-regional and intra-regional RPT air services were established connecting the towns of Karratha, Newman, Port Hedland, and Broome in the Pilbara and Kimberley regions. The City of Karratha and the Shire of East Pilbara worked collaboratively to establish the route, with assistance from the Department of Transport to complete an open and competitive tender process. The State Government regulates these air routes by giving exclusive monopoly rights to a single airline and by monitoring the performance of the RPT air services.
October 2019	The WA Government announced a new route between Busselton-Margaret River Airport and Melbourne, operated by Jetstar. The new service will consist of three return flights a week due to commence in March 2020. This is intended to stimulate tourism demand to the broader Margaret River region. The Jetstar service represents the first ever low-cost carrier service to operate into regional Western Australia.

B2. The State Government fully regulates marginal, monopoly air routes to secure cost-effective services for low-demand regional centres

The State Government continues to regulate marginal air routes where demand for RPT air services is so low that it is only possible for an airline to operate in a protected monopoly market (see *Action A2 in Section 5: Affordable Airfares*).

Without significant regulation on these marginal routes, it is likely that communities in Albany, Carnarvon, Esperance, Monkey Mia, and the Northern Goldfields would not have reliable connections to Perth. The regulation of these routes also enables smaller airlines, such as Rex and Skippers, to offer more affordable community and standby fares that would not be possible without a protected monopoly.

B3. The State Government provides subsidies on selected air routes to support social and health outcomes in remote communities (Balgo-Halls Creek-Kununurra)

In 2018, the Department of Transport provided a \$500,000 per year subsidy for an initial two years to establish the Balgo-Halls Creek-Kununurra air route in the Kimberley, which provides essential connections to health and other services for these remote communities. The subsidy enabled the route to be established and tested, to determine levels of community demand on this route.

B4. Air routes dependent on primary demand from a single sector (resources, health) are underwritten by the main beneficiary

Air services on some routes are heavily dependent on travellers from a single sector to remain viable. This is most commonly routes dependent on FIFO workers from the resources sector, but also includes other sectors. The Broome-Fitzroy Crossing-Halls Creek route, for example, is underwritten by the Department of Health.

Where a single sector underwrites an air route, there are opportunities for local residents to benefit from access to flights at prices that would be unsustainable if the service was provided on public demand alone.

Examples include:

- » Chevron Australia, in conjunction with Virgin Australia, offers a discounted airfare available to all travellers on the Onslow-Perth route. The Onslow RPT air services are underwritten by Chevron, and the discounted airfare was established following a tender process and collaboration with Virgin Australia.
- » Similarly, support from the gold mining company Ramelius Resources, in conjunction with Skippers Aviation, enables improved community access for Mount Magnet travellers. Despite marginal passenger demand, the Mount Magnet community has access to two direct flights per week to Perth in addition to the indirect services (linking with Wiluna and Meekatharra) provided under a deed of agreement with the State Government.

These examples underscore the important role that the resources sector can play in connecting communities and generating affordable airfares in regional WA.

6.4. Priorities

While there has been good progress, there are more opportunities to improve connections to and throughout WA. The State Government's priorities for action are outlined below.

B5. Airlines, airport operators and government agencies to collaborate on attracting and growing the number of international, interstate and intrastate passengers to Perth and regional WA through expanded capacity on existing routes, strong trade relationships, tactical marketing and establishing new air routes

To stimulate inbound tourism growth through improved aviation access, the State Government will:

- » seek to increase aviation capacity from mainland China by way of building on the existing direct Guangzhou-Perth route, as well as explore further direct routes and secure an ongoing Shanghai-Perth air service;
- » continue to seek opportunities to improve accessibility and lower air fares for regional aviation travel within Western Australia, and seek further opportunities for low cost carriers in the longer term;
- » continue to work with mining companies to explore further opportunities to provide improved services and reduced airfares;
- » investigate opportunities for direct routes from India and other priority markets, positioning Western Australia as the western gateway to Australia;
- » seek opportunities to secure ongoing services between Singapore and Broome; and
- » reignite interest from the east coast market

through strong trade relationships and tactical advertising, a world-class event strategy, and the development of demand-driven visitor experiences.

B6. The Department of Transport to review its tender design for fully regulated routes, to ensure that air services are most effectively delivered to regional communities

To achieve better outcomes for neighbouring communities, including intra-regional air services that avoid the need to travel via Perth, and more cost-effective opportunities for airlines, the Department of Transport has combined fully regulated air routes into single tender packages. Examples include the Skippers Aviation operated Northern Goldfields routes (servicing Laverton, Leonora, Meekatharra, Mount Magnet and Wiluna), and the Rex operated Monkey Mia-Carnarvon route.

The Department of Transport will continue to identify opportunities to combine destinations on fully regulated routes, particularly where it promotes connections to communities that could not sustain an air route alone.



Kalumburu Airstrip upgraded with RADS grants.

A key challenge for regional communities is accessing other regional centres by air. To move around the regions using RPT air services, travellers typically must first fly to Perth and then connect with a flight to another regional centre.



Passengers embarking a Rex flight at Albany Airport.



Qantas plane taking off at Paraburdoo Airport. Photo: Desmond Hill.



7. Fit for Purpose Infrastructure

Air services must be supported by airports and aviation infrastructure that is fit for purpose. The actions aimed at achieving the State Government's Fit for Purpose Infrastructure goal are focussed on the timely planning and delivery of infrastructure to meet passenger demand and to support efficient, quality air services.



Albany Airport runway surface upgraded through RADS funding.

7.1. At a Glance

Goal C	Fit For Purpose Infrastructure
Outcomes	<ul style="list-style-type: none"> » Infrastructure at metropolitan and regional airports is planned and delivered in time to meet demand » Long-term plans are in place for future airports servicing Perth and regional WA
Approach	<ul style="list-style-type: none"> » Airport operators engage with airlines, local and state governments, the resources and tourism industries, and other stakeholders to forecast demand, plan for the future, and deliver infrastructure in a timely, cost-effective way » The State Government engages with stakeholders to plan future airports (especially second metropolitan airports for civil aviation and general aviation)
Actions  Progress to date	C1. The State Government provides Regional Airports Development Scheme (RADS) grants to support regional airports C2. The State Government engages in the Perth and Jandakot Airport Master Plan and Major Development Plan processes, ensuring robust forecasting to improve infrastructure and service planning C3. The State Government has commenced investigations to identify suitable sites for a second civil aviation airport (to Perth Airport) and second general aviation airport (to Jandakot Airport)
 Priorities	C4. The State Government to undertake a policy review to holistically address all matters in relation to land use planning and development in the vicinity of airports throughout Western Australia C5. The Department of Transport to work with airports to deliver Strategic Airport Assets and Financial Management Frameworks for small to medium sized regional RPT airports C6. The State Government to progress investigations in relation to suitable sites for a second civil and general aviation airport to service the metropolitan region C7. The Department of Planning, Lands and Heritage, in consultation with relevant State Government agencies, will investigate providing guidance to local government which aims to: <ul style="list-style-type: none"> » outline the development requirements for mining airstrips under the <i>Mining Act 1978</i>, the <i>Planning and Development Act 2005</i> and associated regulation; and » identify the role of the local planning framework in the planning and development of mining airstrips

7.2. Fit for Purpose Infrastructure – Context

An effective aviation network relies on having the appropriate infrastructure available at the required time. When infrastructure is developed too early, it adds unnecessary costs to passengers; when it is developed too late, demand for air services cannot be met by existing infrastructure and results in adverse economic and social consequences.

Perth Airport is Western Australia's main airport. It is the fourth busiest airport in Australia in terms of passenger movements, after Sydney, Melbourne and Brisbane. Western Australia's remoteness and limited transport options for long-distance travel make the efficiency and effectiveness of Perth Airport vital to the State's social and economic development.

In addition to the airport itself, the Perth Airport precinct is a major economic centre. *Perth and Peel @ 3.5 Million* anticipates there will be around 20,400 jobs at the Perth Airport specialised centre by 2050; an additional 7,490 jobs compared to 2011. To support this growth, integrated land-use and transport planning is essential.

Jandakot Airport is the main general aviation airport in Western Australia. It is the base for flight training schools, the Royal Flying Doctor Service, Police Air Wing, the Department of Fire and Emergency Services and recreational aircraft.

There are 26 regional Regular Public Transport (RPT) airports in Western Australia, which provide essential connections for regional communities. Of these:

- » three are major airports, with 350,000 or more passenger movements per year (Broome, Karratha, and Port Hedland);

- » 21 are small to medium RPT airports, with less than 350,000 passenger movements per year, including two small airports operated by Aboriginal Corporations (Balgo and Kalumburu); and
- » two are not currently receiving RPT services (Derby and Ravensthorpe).

Accurate forecasting is pivotal to ensuring infrastructure is delivered in a timely way at both metropolitan and regional airports. This requires a sound understanding of the different factors affecting demand, including economic conditions, the resources sector and tourism trends, and technological advances.

The State Government has spent \$43.25 million towards the development of the Busselton-Margaret River Airport and attracting an airline to operate an interstate RPT air service. A further \$3.265 million is being invested by the State Government to upgrade the Busselton-Margaret River Airport terminal in readiness for the commencement of direct RPT air services between Busselton-Margaret River Airport and Melbourne in March 2020.⁸

Throughout the State there are a number of mining airstrips, some which are located close to regional RPT airports. Many are constructed to accommodate large turboprop or medium-sized jet aircraft for the sole purpose of moving workers to and from remote mine sites in a timely manner. Through the Parliamentary Inquiry, community concern was expressed about mining airstrips reducing the number of passengers moving through nearby RPT airports. It is important that community views are considered when decisions are made by the State Government about the location of any new mining airstrips.

⁸ Hon Alannah MacTiernan, Minister for Regional Development and Hon Paul Papalia CSC MLA, Minister for Tourism. *Media Statement: Jetstar direct flights to Busselton to take off*, 4 October 2019

7.3. Progress to Date

There has been a strong focus on the planning and delivery of fit for purpose airport infrastructure over many years. Some of the long-standing planning and infrastructure initiatives carried out in WA are outlined below.

C1. The State Government provides Regional Airports Development Scheme (RADS) grants to support regional airports

The Regional Airports Development Scheme (RADS) was established in 1997-98 and is administered by the Department of Transport. RADS provides financial support for regional and remote airport owners to upgrade and maintain airport infrastructure, ensuring safe and reliable air access for regional and remote communities.

In the last ten years, 282 regional airport projects have been granted almost \$42 million in RADS funding, helping transform regional airports across Western Australia.

RADS is a competitive grants program, with airport operators applying for a contribution to the total cost of their project. Projects are generally funded 50-50 between the airport operator and RADS, or in thirds if Commonwealth funding is also secured.

Eligible projects generally fall into one of the following categories:

- » aircraft movement area development (such as construction, extension, sealing or marking of runways, taxiways and aircraft parking areas);
- » airside development (such as the provision of airport lighting or navigation aids);
- » grounds development (such as animal exclusion fencing, drainage or obstacle limitation areas);
- » terminal development; or
- » strategic airport planning.

C2 The State Government engages in the Perth and Jandakot Airport Master Plan and Major Development Plan processes, ensuring robust forecasting to improve infrastructure and service planning

Under the terms of Perth Airport Pty Ltd's (PAPL) lease, it is required to update its Airport Master Plan every five years for the approval of the relevant Commonwealth Minister, and Jandakot Airport Holdings (JAH) every eight years.

In July 2019, PAPL released its Preliminary Draft Master Plan 2020 for public comment, which is expected to be submitted to the Commonwealth Government for approval in 2020. In addition to its Master Plan, PAPL must develop Major Development Plans for approval of significant works. The most notable of these at present is for the New Runway Project.

In the interest of ensuring timely delivery of major infrastructure projects, which underpins the State's economic growth, the State Government has been reviewing PAPL's forecasting and working collaboratively with PAPL and other stakeholders to improve the accuracy of required inputs. This has included a forum facilitated by the Chamber of Minerals and Energy of Western Australia to improve understanding of resource sector demand for certain departure and arrival times at Perth Airport and to educate airport users on peak-period demand on runway infrastructure.

Jandakot Airport is also required to prepare Major Development Plans for significant infrastructure projects.

C3. The State Government has commenced investigations to identify suitable sites for a second civil aviation airport (to Perth Airport) and second general aviation airport (to Jandakot Airport)

Perth Airport is likely to meet Perth's aviation requirements for more than 50 years into the future. Identifying and protecting a suitable site for a second metropolitan civil aviation airport represents good forward planning. Jandakot Airport is heavily utilised and remains one of the busiest general aviation airports in Australia.

The Department of Planning, Lands and Heritage, on behalf of the Western Australian Planning Commission (WAPC), is undertaking investigations to identify suitable sites for a future second metropolitan airport and second metropolitan general aviation airport.

7.4. Priorities

Although there are actions in place relating to the planning and delivery of fit for purpose airport infrastructure, the State Government recognises the need for continual innovation and improvement. The State Government's priorities for action are outlined below.

C4. The State Government to undertake a policy review to holistically address all matters in relation to land use planning and development in the vicinity of airports throughout Western Australia

Both Perth and Jandakot Airports are the subject of State Planning Policies (*SPP 5.1: Land Use Planning in the Vicinity of Perth Airport* and *SPP 5.3: Land Use Planning in the Vicinity of Jandakot Airport*), which aim to protect the

airports from encroachment by incompatible land and minimise the impact of airport operations on the community.

The WAPC is considering issues relating to land use planning in the vicinity of airports in the State more broadly, including matters of noise and safety. This work will have regard to the National Airports Safeguarding Framework and its application to regional airports.

C5. The Department of Transport to work with airports to deliver Strategic Airport Assets and Financial Management Frameworks for small and medium sized regional RPT airports

The State Government's Strategic Airport Assets and Financial Management Framework is being rolled out to support sound management practices at WA's small to medium sized regional RPT airports, which are mostly owned and operated by local governments (see *Figure 5*).

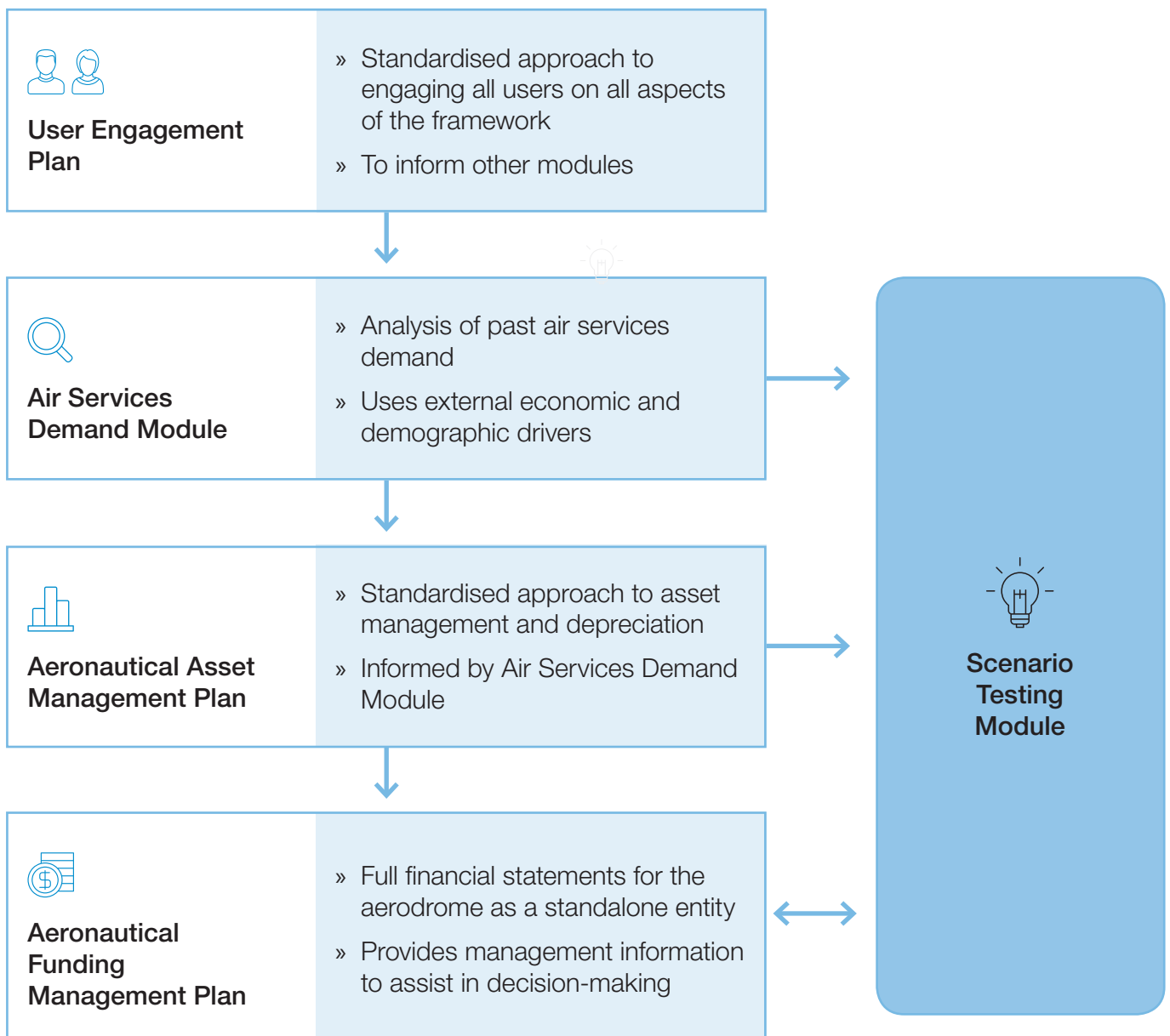
The objective of the framework is to provide a consistent, transparent and documented approach to airport asset management. This helps airport operators plan for future levels of service, manage asset life cycle, determine appropriate fee and charge regimes, run scenario testing of the impact on airport costs and revenues, resulting from the addition of new infrastructure and engage with stakeholders.

The framework will include a demand model for the regional airport, taking into account key economic and demographic indicators. The framework will provide regional airport owners with the tools to predict when infrastructure upgrades and associated funding will be needed. This will enable prudent financial management of airport assets, help local governments to set appropriate airport fees and charges, inform strong business cases that support airport operators' RADS grant applications, and reduce the risk of unwarranted or untimely infrastructure investments.

The framework is being tailored to each eligible small to medium sized RPT regional airport by the Department of Transport, in consultation with airport owners and a reference group comprised of the Australian Airports Association, Institute of Public Works Engineering Australasia, WA Treasury Corporation, Qantas, Regional Express, Virgin Australia, Shire of East Pilbara, City of Albany and City of Greater Geraldton.

Accurate forecasting is pivotal to ensuring infrastructure is delivered in a timely way at both metropolitan and regional airports.

Figure 5: Modules of the Strategic Airport Assets and Financial Management Framework



C6. The State Government to progress investigations in relation to suitable sites for a second civil and general aviation airport to service the metropolitan region

The State Government, with Airservices Australia and other Commonwealth agencies, will progress planning studies to locate suitable sites for a future second Perth metropolitan airport and future second general aviation airport.

C7. The Department of Planning, Lands and Heritage, in consultation with relevant State Government agencies, will investigate providing guidance to local government which aims to:

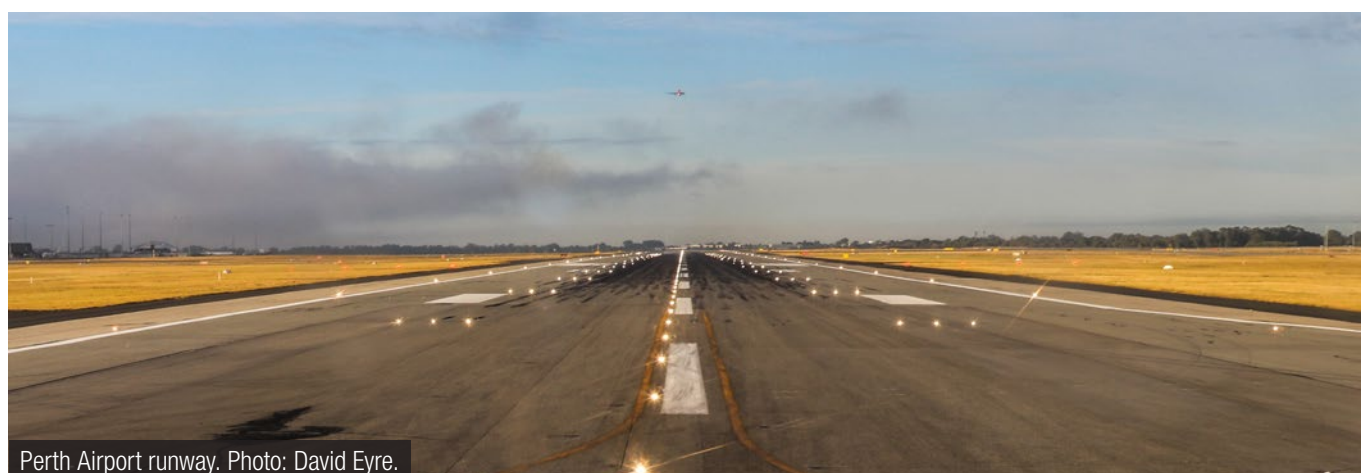
- outline the development requirements for mining airstrips under the *Mining Act 1978* and the *Planning and Development Act 2005* and associated regulation; and
- identify the role of the local planning framework in the planning and development of mining airstrips.

The primary objective of the *Mining Act 1978* is to encourage and promote the exploration for, and mining of, mineral deposits in the State. There is, however, scope within the existing legislative framework for broader consideration of the impact of an airstrip proposal as described below.

The Minister for Mines, Mining Registrar and Warden, as statutory decision makers, will continue to consider mining tenement applications for airstrips on a case-by-case basis.

The current legislative framework identified under the *Mining Act 1978* provides for the following:

- » Where local planning schemes identify a policy regarding mining airstrips within local council boundaries, this is considered in the decision making of the Minister for Mines, Mining Registrar and Warden.
- » In instances where the Minister for Mines is the decision maker for a mining lease or general purpose lease application, and the approval of a lease application would authorise a mining airstrip contrary to the provisions of the local planning scheme, the local government or the WAPC can raise the issue for Ministerial consideration. Where this occurs, the Minister for Mines is required to seek the views of the Minister for Planning, prior to making a decision on a mine-site airstrip lease application.



Perth Airport runway. Photo: David Eyre.



RFDS stopping at Mount Seabrook Mine Airstrip.



Jandakot Aero Club.




8. Informed and Future Ready

To make effective decisions about air services, infrastructure and skills requirements in WA, the State Government, airlines, airport operators and other stakeholders require access to quality and timely data.



Public consultation workshops were held in 9 regional communities, including Kalgoorlie.

8.1. At a Glance

Goal D	Informed and Future Ready
Outcomes	<ul style="list-style-type: none"> » Regulation, plans and decisions are data-driven » The appropriate skills and training are available to support the aviation industry
Approach	<ul style="list-style-type: none"> » Relevant data is collected, analysed and presented in a way that enables government, airlines, airport operators, industry and the community to understand trends, forecast accurately, and make timely, informed decisions » The State Government and the aviation industry work together to identify training needs and resources for the future, in consultation with the Commonwealth Government
Actions  Progress to date	D1. The State Government has established the Regional Aviation Taskforce to create a better informed and more coordinated approach to aviation strategy in WA D2. From 1 July 2019, all airlines operating RPT services on previously unregulated routes in WA became subject to licence conditions, which require them to provide specified data to the Department of Transport on a quarterly basis, to support improved analysis and decision making D3. The Department of Transport regularly extracts and analyses data from airline websites
 Priorities	D4. The Department of Training and Workforce Development to produce a draft State Aviation Training Strategy for WA D5. The Department of Transport, in conjunction with the Department of Jobs, Tourism, Science and Innovation and the Department of Primary Industry and Regional Development to provide biannual reports to the State Government on intrastate market dynamics and airfares D6. The Department of Transport to regularly review data requirements to inform robust analysis of intrastate market dynamics and airfares, and amend licence conditions for data provision as required
 Future actions	D7. The aviation industry to work with the Department of Training and Workforce Development to implement the State Aviation Training Strategy D8. The State Government to work with the airlines operating in WA to optimise the potential of Government's purchasing power to assist public benevolent institutions to access discounted airfares and support all airlines to maintain and develop their RPT air services in WA D9. The State Government to ensure its airfare purchasing decisions support the sustainability of Western Australian air services

8.2. Informed and Future Ready – Context

Access to accurate and timely data about passenger and aircraft movements is essential for the WA Government to assess whether the actions in this Strategy are achieving the desired outcomes, or whether adjustments are required.

The Parliamentary Inquiry found there was limited information available with respect to intrastate aviation and made five recommendations to increase the collection, analysis and publication of air service-related data (*Recommendations 4, 5, 6, 7 and 11*).⁹ It determined that more information would assist with policy development, and that disclosure alone may place downward pressure on prices. Airlines, airport operators, industry and government all collect different types of aviation related data.

Airlines providing RPT services on fully regulated air routes are required to provide statistics on passenger numbers, on-time performance, scheduling, fares and community engagement activities. However, similar statistics have not been required for the unregulated air routes (now lightly regulated), making it difficult to monitor and evaluate how well the WA aviation system is performing overall, and on a route-by-route basis.

While training and preparing skilled and qualified workforce to meet the needs of the aviation industry requires national and international focus, it is important that the State helps contribute to a future-ready work force.

Labour shortages may impact the efficient functioning of aviation services. Without sufficiently skilled aviation staff, individual regional flights or even regular regional air

services may be cancelled. Fewer young people are entering the aircraft maintenance engineering workforce, and as a result the average age of this sector of the industry continues to increase.^{10,11}

Shortages of skilled aviation personnel affect more than just RPT and charter services, but also general aviation industries such as aeromedical and emergency service operations. There are additional challenges for regional aviation employers due to the size of their operations and the economic base of their regional area.

8.3. Progress to Date

Since the 2017 Parliamentary Inquiry, the State Government has already taken a number of steps to improve its access to data and how it collects and shares information.

D1. The State Government has established the Regional Aviation Taskforce to create a better informed and more coordinated approach to aviation strategy in WA

The Regional Aviation Taskforce (Taskforce) was established in November 2018 to create a more coordinated approach to aviation strategy and policy across State Government agencies, and to oversee the development of this Strategy.

Taskforce members include the Directors General from the Department of Transport; Department of Jobs, Tourism, Science and Innovation; Department of Primary Industries and Regional Development; and Department of the Premier and Cabinet.

⁹ *Perceptions and Realities of Regional Airfare Pricing*, Economics and Industry Standing Committee, November 2017, Chair's Foreword, pp. viii-ix

¹⁰ *Annual Report 2016-17*, Civil Aviation Safety Authority, September 2017, p.192

¹¹ *Annual Report 2017-18*, Civil Aviation Safety Authority, September 2018, p.166

D2. From 1 July 2019, all airlines operating RPT services on previously unregulated routes in WA became subject to licence conditions which require them to provide specified data to the Department of Transport on a quarterly basis, to support improved analysis and decision making

In response to recommendation 5 of the 2017 Parliamentary Inquiry, from 1 July 2019, new aircraft licensing conditions were introduced requiring airlines operating on previously unregulated routes to retain and provide specified records and statistics to the State Government. Airlines are also required to engage with stakeholders and the regional communities they service on a regular basis (*see Action A3 in Section 5: Affordable Airfares*).

The aim of the information retention and reporting licence conditions is to enable Government to make evidence based decisions regarding State aviation policy and regulation. Records and statistics are required to be provided quarterly, in the form of month-by-month data sets. Information regarding air service demand and performance, and fare prices is collected under the aircraft licensing conditions (e.g. passenger numbers, load factors, average fare price, and cancellations, by route).



Geraldton Airport.

D3. The Department of Transport regularly extracts and analyses data from airline websites

In addition to the data provided by airlines, the Department of Transport extracts and analyses airfare data from airline websites.

By collecting this data, comparisons can be made between airfare data provided by airlines and fares available in the market. This may provide an indication of the extent whereby air travel becomes financially inaccessible for travellers to and from regional Western Australia. The Department of Transport monitors, on a route-by-route basis, the average fare, pricing fluctuations and competition in the market.

The biannual report to State Government assessing prevailing market dynamics and airfares on Western Australia's RPT routes, will be informed by the data collected from airline websites. See *Action D5* in this section for more information about the biannual report to Government.



Wiluna runway.

8.4. Priorities

The State Government's priorities for action are outlined below.

D4. The Department of Training and Workforce Development to produce a draft State Aviation Training Strategy for WA

The Department of Training and Workforce Development is responsible for developing a broad training strategy and for planning, as well as the provision of funds to registered training organisations for certain types of training delivery.

Working with the Logistics Training Council, the Department of Training and Workforce Development is developing a draft State Aviation Training Strategy. This will incorporate findings from targeted consultations with key aviation stakeholders and the broader aviation sector across Western Australia. The State Aviation Training Strategy is expected to be released in 2020.

It is recognised that the issues relating to aviation are not unique to Western Australia – they are national issues, therefore any proposals on a way forward need to involve consideration of strategies at both the Commonwealth and State levels, and in partnership with industry.

D5. The Department of Transport, in conjunction with the Department of Jobs, Tourism, Science and Innovation, and the Department of Primary Industry and Regional Development to provide biannual reports to the State Government on intrastate market dynamics and airfares

The Department of Transport will be using the data collected from airlines, airline websites, biennial community perception surveys, and other sources to provide twice-yearly reports to the State Government on the market dynamics and regional airfares in WA. This report will be a key mechanism by which the State Government tracks the effectiveness of actions from this Strategy – particularly affordable airfare initiatives. It will help the State Government to make data-driven decisions about policy settings and the effectiveness of existing regulation.

If voluntary actions by airlines and others to reduce the cost of regional airfares are not sufficient or timely, the State Government intends to take a more interventionist approach to regulation, which could include additional conditions being placed on the aircraft licences of airlines or fully regulating additional routes (see *Action A9 in Section 5: Affordable Airfares*).

The reports will be produced once six months of data has been collected from airlines under the new licensing conditions.

D6. The Department of Transport to regularly review data requirements to inform robust analysis of intrastate market dynamics and airfares, and amend licence conditions for data provision as required

Using the data from the airlines (see *Action D2*), community surveys, biannual reports to the State Government and other data sources (see *Actions D3 and D5*), the Department of Transport will continuously review the usefulness of the data collected and make adjustments to licence conditions and data collection practices, as may be required.



Aviair pilots.



Planes airside at Kalgoorlie Airport.



Mount Magnet Airport, part of the fully regulated air route serviced by Skippers.

8.5. Future Actions

D7. The aviation industry to work with the Department of Training and Workforce Development to implement the State Aviation Training Strategy

Following the publication of the State Aviation Training Strategy, the Logistics Training Council, the Department of Training and Workforce Development and South Metropolitan TAFE will work together to facilitate a collaborative approach to aviation training in the State.

This will include the establishment of a formal and ongoing Aviation Industry Forum that will include representatives from the aviation industry, airport operators, training providers and State Government which will consider issues of skill shortages, training needs, planning and coordination, regional challenges and assessing opportunities to further develop aviation training in Western Australia.

D8. The State Government will work with the airlines operating in WA to optimise the potential of Government's purchasing power to assist public benevolent institutions to access discounted airfares and support all airlines to maintain and develop their RPT air services in WA

Approved public benevolent institutions (PBIs) have access to discounted airfares under the State Government's Common Use Arrangement (CUA). The WA Government will facilitate PBIs' access to discounted airfares through the CUA by increasing awareness of this facility.

D9. The State Government to ensure its airfare purchasing decisions support the sustainability of Western Australian air services

The State Government is a major purchaser of airfares both for intra-state and interstate travel. The WA Government needs to ensure, consistent with existing policy, an equitable distribution of official air travel across existing domestic airlines. This supports the long-term sustainability of Western Australian air services. The State Government airfare policy is based on the "best fare of the day" principle. This is aimed at enabling all domestic airlines to have an equal opportunity to access Western Australian Government official air travel business.



9. Way Forward

9.1. Public Comment Period and Process

The draft *WA Aviation Strategy 2020* will be open for public consultation until 27 March 2020. Submissions can be made via online www.mysaytransport.wa.gov.au/WAAviationStrategy or in writing to:

sas@transport.wa.gov.au

or

c/o Director Aviation
Department of Transport
GPO Box C102
Perth WA 6839.

The final *WA Aviation Strategy 2020* will take into consideration feedback received.

9.2. Implementation

The WA Government is responsible for ensuring the implementation of this Strategy. However, innovative and enduring aviation solutions require action and commitment from all tiers of government, airlines, airport operators, the resources and tourism sectors, and other stakeholders.

The State Government's Regional Aviation Taskforce will oversee the implementation of this Strategy and its actions. The Department of Transport will issue action progress reports every two years.

9.3. Review

The *WA Aviation Strategy 2020* will be reviewed within five years of publication.



Baggage carousel Karratha Airport.

10. Supporting Documents

The following documents support the draft *WA Aviation Strategy 2020*, and can be accessed through the Department of Transport's website once finalised www.transport.wa.gov.au/WAAviationStrategy



WA Aviation Strategy 2020 - Supporting Documents WA Air Services

This document provides information in respect of both national and state policy context, regulation of air services, regional WA air routes and air route development and tourism.



WA Aviation Strategy 2020 - Supporting Documents WA Airports

This document addresses airport planning and infrastructure.



WA Aviation Strategy 2020 - Supporting Documents WA Aviation Progress Report

Report cards outlining the key actions from the State Aviation Strategy (2015) and the implementation of the State Government response to the recommendations from the Parliamentary Inquiry.

11. Glossary

Charter air service	A ‘closed charter’ service, as defined by the Commonwealth Government Civil Aviation Safety Authority (CASA), is “the carriage, in accordance with fixed schedules to and from fixed terminals, of cargo or passengers and cargo in circumstances in which the accommodation in the aircraft is not available for use by persons generally”, under this definition the general public are not allowed to travel on closed charter air services, for example fly-in, fly-out (FIFO) operations.
FIFO	Fly-in, fly-out
Framework	Strategic Airport Assets and Financial Management Framework
Inter-regional air services	RPT air services provided between regions of Western Australia (the regions established as part of the <i>Regional Development Act 1993</i>)
Intra-regional air services	RPT air services provided within the geographical boundaries of a region of Western Australia
Intrastate air services	RPT air services provided within the boundaries of Western Australia
Interstate air services	RPT air services and air routes between Western Australia and/or other Australian States or Territories
International air services	RPT air services between Western Australia and overseas destinations outside of the boundaries of Australia
Load factor	Measures the capacity utilisation of an aircraft, identifying the extent to which an airline fills seats and generates fare revenue
Northern Goldfields	Air routes servicing Mount Magnet, Meekatharra, Wiluna, Leonora and Laverton
PAPL	Perth Airport Pty Ltd
Parliamentary Inquiry	2017 Economics and Industry Standing Committee report on the Perceptions and Realities of Regional Airfare Prices in Western Australia

Public benevolent institutions (PBIs)	<p>For the purposes of Common Use Arrangements, PBIs:</p> <ul style="list-style-type: none"> - have corporate status as an incorporated organisation under either the <i>Associations Incorporation Act 1987</i> or the <i>Aboriginal Councils and Associations Act 1976</i> or be a company limited by guarantee or by shares under Corporations Law; - are endorsed by the Australian Taxation Office as a Public Benevolent Institution under item 4.1.1 of the table listed in section 30-45 of the <i>Income Tax Assessment Act 1936</i>; - are funded directly or indirectly, partially or entirely by either the Commonwealth, State or Local Government or be in receipt of a Lotteries Commission grant; and - are a not-for-profit organisation.
RADS	Regional Airports Development Scheme
RPT	Regular Public Transport
Taskforce	Regional Aviation Taskforce
WA	Western Australia

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