

WA Aviation Strategy 2020 - Supporting Documents

WA Airports

February 2020



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1. Overview

The *WA Aviation Strategy 2020* seeks to achieve four main goals:



Each of these goals are interconnected. **Informed and Future Ready** allows airport operators to deliver **Fit for Purpose Infrastructure**, which can mitigate increases in airport fees and charges and therefore contribute to **Affordable Airfares** between **Connected Communities**.

It is important to acknowledge that, like air routes, each airport is unique. There are different demand drivers, different passenger expectations and different operating models.

This document addresses airport planning and infrastructure in the following sections:

- **Section 2 - Airport Planning** addresses land use planning and state-wide considerations;
- **Section 3 - Forecasting and Trends** are essential elements to good asset management and infrastructure investment;
- **Section 4 - Perth Airport Infrastructure** details current constraints and future plans for Perth Airport;
- **Section 5 - Regional Airport Infrastructure** discusses the different types and profiles of regional airports and best practice asset management;
- **Section 6 - Airport Fees and Charges** details the need for and different types of fees and charges applied by airport operators;
- **Section 7 - Airport Security** outlines the Commonwealth directive for security screening and the financial impact on airports;
- **Section 8 - Regional Airports Development Scheme** summarises a grant program operated by the Department of Transport for regional airport operators; and
- **Section 9 - New Mining Airstrip Proposals** investigates the approval process associated with resource sector airstrips in regional and remote Western Australia, as tasked by the Parliamentary Inquiry.

All of these sections directly correspond to the goal of **Fit for Purpose Infrastructure**.

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)

2. Airport Planning

Airport planning and management is the responsibility of airport owners. Oversight of planning for designated major airports in Australia is the responsibility of the Commonwealth Government. In Western Australia, this applies to Perth and Jandakot Airports. Local government has primary oversight of the planning of regional airports. Relevant land use and environmental planning must be adhered to and may be within the jurisdiction of local, State or Commonwealth Governments.

As airports are operated by private organisations or local government authorities, there are challenges with coordinated state-wide planning for airport infrastructure and air services development due to the diversity in availability of funding and infrastructure planning processes.

2.1. Airport and Surrounds Land Use Planning

State Planning Policies have been developed to provide guidance on land use planning in the vicinity of Perth Airport and Jandakot Airport.

2.1.1. Perth Airport Planning

Perth Airport, including its 2,105 hectares of land, is owned by the Commonwealth and leased to Perth Airport Pty Ltd (PAPL). PAPL operates the Perth Airport under a 50-year lease (with a further 49-year option), which was granted by the Commonwealth Government in 1997. The lease covers the rights for the commercial development and subleasing of land on the estate. The scale and location of this land development is significant in the Perth metropolitan context due to its size, location and governance arrangements. Land use planning and building control at Perth Airport is primarily regulated by the *Airports Act 1996* (Commonwealth).

2.1.2. Jandakot Airport Planning

Jandakot Airport occupies an area of 622 hectares and is leased to Jandakot Airport Holdings under a 50-year lease (with a further 49-year option), which was granted by the Commonwealth Government in 1998. Land use planning and building control at Jandakot Airport is primarily regulated by the *Airports Act 1996* (Commonwealth).

2.1.3. Airport Planning in WA

The Department of Planning, Lands and Heritage, on behalf of the Western Australian Planning Commission (WAPC), is currently considering issues relating to land use planning in the vicinity of airports in the State, including the National Airports Safeguarding Framework (NASF) Guidelines.

Incompatible development around airports can result in constraints on airport operations and negative impacts on community amenity due the effects of aircraft noise. These impacts need to be managed in a balanced and transparent way.

The WAPC's State Planning Policy 5.1: *Land Use Planning in the Vicinity of Perth Airport* (SPP 5.1) references the recently revised Australian Noise Exposure Forecast (ANEF), which was prepared by PAPL and endorsed by Airservices Australia. The ANEF illustrates areas impacted by different noise levels and provides guidance as to suitable land uses within these areas.

The objectives of SPP 5.1 are to:

- protect Perth Airport from unreasonable encroachment by incompatible (noise sensitive) development, to provide for its ongoing development and operation; and
- minimise the impact of airport operations on existing and future communities with reference to aircraft noise.

Likewise, State Planning Policy 5.3: *Land Use Planning in the Vicinity of Jandakot Airport* seeks to minimise as far as practicable, adverse impacts such as aircraft noise on adjacent development. The objectives of this policy are to:

- protect Jandakot Airport from encroachment by incompatible land use and development, to provide for its ongoing, safe, and efficient operation; and
- minimise the impact of airport operations on existing and future communities with particular reference to aircraft noise.

The Commonwealth Government, primarily through Airservices Australia, is committed to ensuring the impacts of airports and aircraft noise are minimised and to finding balanced and practical solutions to limit those impacts on communities.

NASF's *Guideline A: Measures for managing impacts of aircraft noise* provides advice on the use of a complementary suite of noise metrics to inform strategic planning and provide communities with comprehensive and understandable information about aircraft noise.

2.2. Airport Master Planning

Perth Airport Pty Ltd, under the terms of its lease with the Commonwealth, is required to update its airport master plan every five years for the approval of the relevant Commonwealth Minister. The State Government is invited by PAPL to provide comment at multiple stages in the development of its master plans. Information on the *Perth Airport Preliminary Airport Master Plan 2020* can be found in Section 4: Perth Airport Infrastructure.

Jandakot Airport Holdings, under the terms of its lease with the Commonwealth, is required to update its airport master plan every eight years for the approval of the relevant Commonwealth Minister. Its current direction is set out in the Jandakot Airport Master Plan 2014.

The majority of Western Australia's regional airports are managed by local governments. In a few cases, regional airports are managed by private companies either under a long-term lease or through contract for services with the local government.

There is no requirement on regional airport owners to develop a master plan. Where master plans are developed, there is significant variation in the extent and quality of these plans.

2.3. Planning for Second Perth and General Aviation Airports

The current Perth Airport is likely to meet Perth's requirements for more than 50 years. Despite Jandakot Airport being heavily utilised and remaining one of the busiest airports in Australia, it still has capacity.

Experience in other jurisdictions suggests identifying and protecting suitable sites now for a second metropolitan civil aviation airport and second metropolitan general aviation airport represents good forward planning.

2.4. Emergency Alternative Airports

Airlines must carry enough fuel to be able to land at an alternative airport if unable to land at the destination airport due to weather or other unforeseen events. Learmonth (Exmouth) Airport and Adelaide Airport are the emergency alternate airports for wide-body international flights, in the case of fog or bad weather affecting Perth Airport. In May 2018, PAPL upgraded the runway lighting at Perth Airport to mitigate the impact to airlines during fog and weather events and to limit the need to divert to alternative airports. Smaller or narrow-body aircraft, including many domestic passenger aircraft, use large regional airports in emergency situations.

The Commonwealth Department of Infrastructure, Transport, Cities and Regional Development has delegated authority for designating 'international airports' under the *Air Navigation Act 1920 (Commonwealth)*. The determination is made on a business case meeting the criteria submitted by the regional airport, subject to endorsement by Airservices Australia, the Civil Aviation Safety Authority (CASA) and border agencies.

The Commonwealth Department of Infrastructure, Transport, Cities and Regional Development has approved the use of both Busselton and Geraldton Airports as alternative airports for international services, based on recent improvements to airfield infrastructure. However, any need to disembark passengers would require mobilisation of appropriate staff for immigration and border security.

Airlines will make their own determinations as to the best airport for diversion depending on the location of the aircraft when it is decided that a diversion is required, available slots and other relevant considerations.

3. Forecasting and Trends

Understanding the different drivers affecting demand for air services is critical to forecasting demand and ensuring the timely delivery of infrastructure at metropolitan and regional airports. Both international and domestic passenger demand is impacted by variations in the economy, global markets, business investment and tourism.

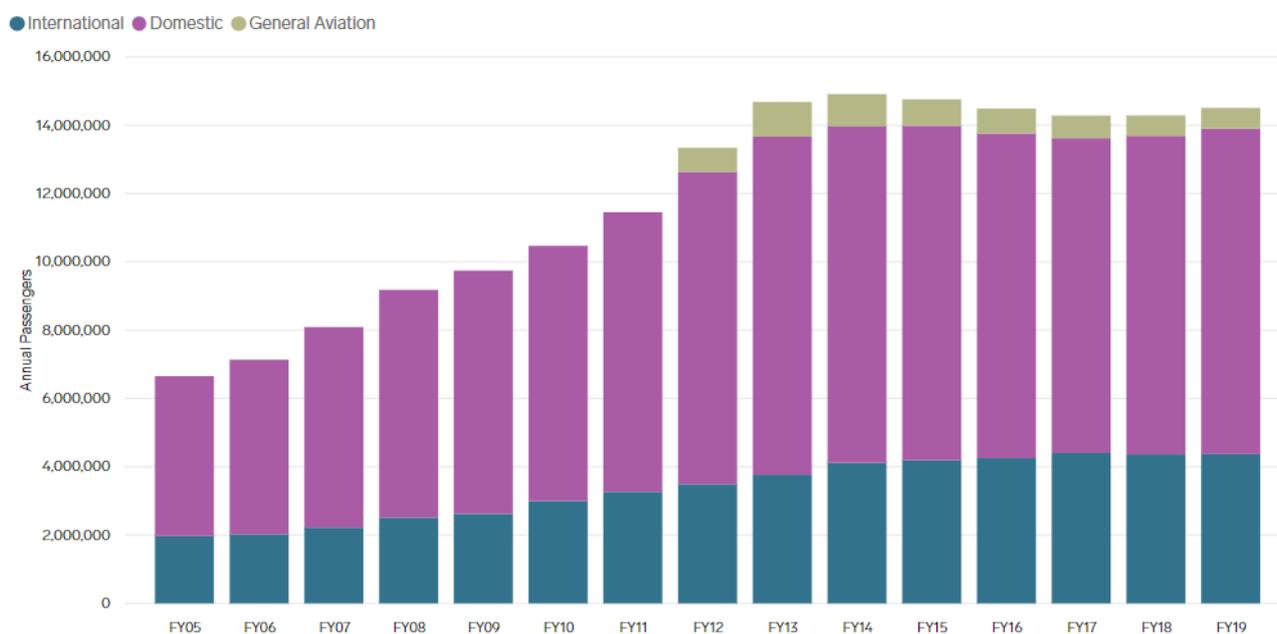
Given the sizeable lead time for the approval and construction of infrastructure, especially at major airports, robust forecasting is essential for timely delivery of infrastructure and efficient operations of airports, both for the movement of aircraft and for passengers through the terminals and airport precinct.

3.1. Perth Airport Passenger and Aircraft Movements

Note: For the purposes of this document, where total passenger movements are cited, unless otherwise stated, it refers to all passengers inclusive of General Aviation and charter passengers. PAPL refers to General Aviation as those services not departing terminals at Terminal 1-International, Terminal 1-Domestic, Terminal 2, Terminal 3 or Terminal 4.

From Perth Airport's record high of 14.9 million passenger movements during the resources boom in 2013-14, there was a subsequent decline in passenger numbers driven by a reduction in intrastate and interstate traffic. Passenger growth has since again turned positive, with growth in 2017-18 and 2018-19, with a total of 14.5 million passengers moving through Perth Airport in 2018-19.

Figure 1: Annual international, domestic and general aviation passenger numbers at Perth Airport¹



Note: While data has been collected on General Aviation passengers since 2011-12, these numbers were not recorded prior to 2011-12 and are therefore not represented here.

The longer-term total passenger growth rates at Perth Airport have been:²

- over 5 years (2014-15 to 2018-19) – decrease of 0.43 per cent per annum
- over 10 years (2009-10 to 2018-19) – increase of 4.04 per cent per annum

The historical trends in aircraft movements over the past decade include:

- the resource construction boom from 2007 to 2014, which contributed to significant aircraft movement and passenger growth at Perth Airport
- domestic and general aviation movements declining between 2013 and 2018, associated with a slowing economy and resource sector
- relatively strong and stable growth in international aircraft movements, noting that the decline in 2014-15 and 2015-16 was a result of airlines transitioning to larger aircraft types.³

¹ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.55. Update supplied by Perth Airport Pty Ltd, November 2019.

² Calculated as 4-year and 9-year compound annual growth rates since 2014-15 and 2009-10 respectively; note General Aviation passengers are not included prior to 2011-12. Provided by Perth Airport Pty Ltd in November 2019.

³ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.55.

International passengers have typically represented a third of the total passengers through Perth Airport, with volumes growing at an average annual rate of 4.3 per cent over the past ten years.⁴ Most of the growth has been attributed to resident departures, with approximately 30 per cent of outbound passengers going to Indonesia (primarily Bali).⁵

In 2012-13, intrastate traffic peaked at just under five million passenger movements, of which one million travelled through the General Aviation precinct.⁶ Fly-in fly-out (FIFO) resource sector employees account for approximately 70 per cent of all intrastate passengers through Perth Airport.⁷ Initial figures indicate intrastate passenger numbers are increasing, with the first quarter of 2019-20 showing a 10.4 per cent growth on 2018-19 to 4.7 million passengers.

Intrastate aircraft sizes vary depending on the customer(s) and distance, with many aircraft operating in Western Australia in the 70 to 125-seat range (such as the Bae-146, Fokker 100 and Boeing 717). Increasingly, mine site airstrips have been designed to accommodate the larger aircraft of 160-190 seats (such as the Airbus 320 or Boeing 737), enabling larger workforce changeovers. Large regional airports receiving flights heavily used by the resource sector also accommodate these larger aircraft.

A large portion of the FIFO workforce is moved by chartered air services from Perth Airport either direct to mine sites or to regional airports, with the others travelling on Regular Public Transport (RPT) services to major regional airports and then being moved by bus or helicopter to work sites. Some charter services depart from small terminals in the General Aviation precinct of the airport, with others departing from Terminal 1, Terminal 2, Terminal 3 and Terminal 4.

The proportion of charter air services conducted through Perth Airport is significant, with 38 per cent of Australian domestic charter passengers departing or arriving at Perth Airport.⁸ Total aircraft movements at Perth Airport (see Figure 2) have decreased by an average of 2.95 per cent each year since 2014-15.⁹ This is a greater decrease than passenger numbers over the same period, which suggests that, as well as lower total demand over much of this period, there has been an “upgauging” (larger substitutions) of aircraft.

⁴ Calculated as 9-year compound annual growth rate since 2009-10. Provided by Perth Airport Pty Ltd in November 2019.

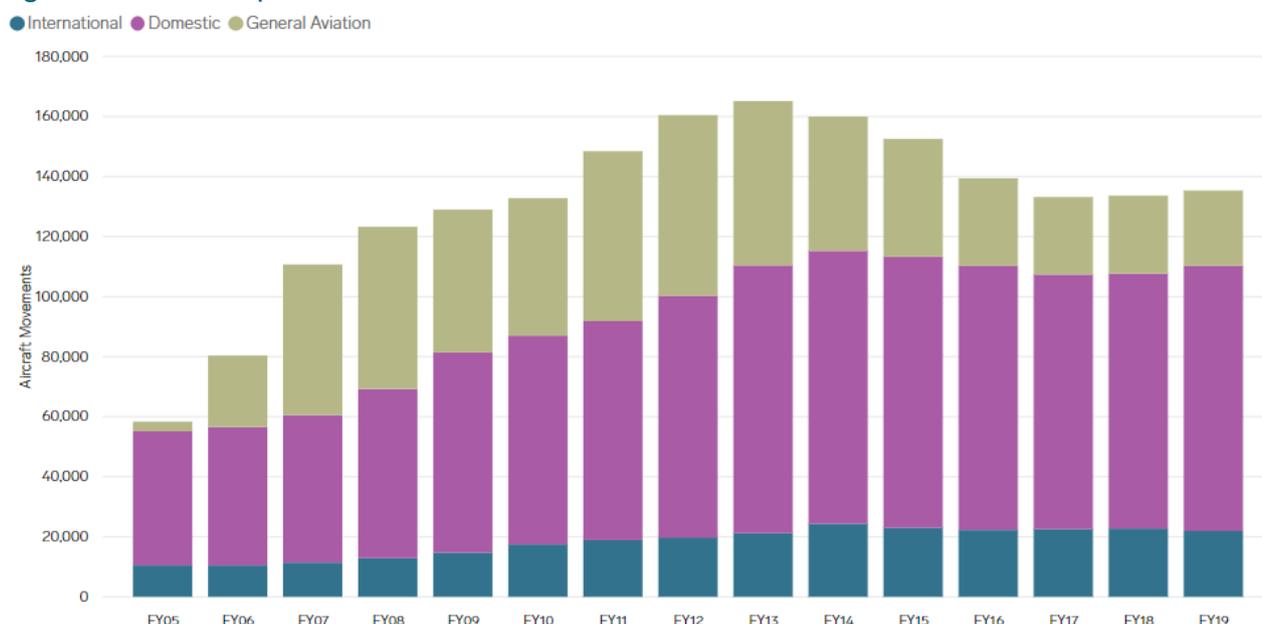
⁵ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.44.

⁶ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.56.

⁷ *Ibid*, p.29.

⁸ [Domestic Aviation Activity 2018-19, Statistical Report](#), Bureau of Infrastructure, Transport and Regional Economics, September 2019, p.24.

⁹ Calculated as 4-year compound annual growth rates since 2014-15. Provided by Perth Airport Pty Ltd in November 2019.

Figure 2: Perth Airport aircraft movements¹⁰

3.2. Forecasting Methodology and Inputs

Forecasts are developed using econometric models of air passenger demand and economic outlook.¹¹ Tailored forecasting is possible by investigating demand drivers for each market segment (international, interstate and intrastate) as well as understanding current and proposed market developments within each market segment.

Quantitative inputs to this modelling include population growth, real economic growth, exchange rates and business investment.

Preparation of high, medium and low growth profiles allows for some flexibility when planning for major infrastructure, but still requires planners to identify the relevant growth profile early enough to allow sufficient lead time to build required airport infrastructure to avoid congestion.

Uncertainties that impact on the proposed growth rates include global economic growth, financial market corrections, trade and immigration policies, geopolitical trade tensions and climate events.¹²

Other possible disruptors to growth profiles include:

- **Significant growth in the resources sector, beyond what is currently committed and forecasted** – this would significantly and quickly increase demand for intrastate air services, putting substantial pressure on airport infrastructure at peak periods, though the inherent volatility of the resources sector means such impacts may be time-limited.

¹⁰ Supplied by Perth Airport Pty Ltd, November 2019.

¹¹ *Air passenger movements through capital and non-capital city airports to 2030-31*, Bureau of Infrastructure, Transport and Regional Economics, 2012, p. iii,

¹² *Perth Airport Preliminary Draft Master Plan 2020*, Perth Airport Pty Ltd, July 2019, p.56.

- **Increasing automation of routine manual tasks in the resources sector** – which would slowly but exponentially reduce the need for, and quantum of, personnel physically attending mine site operations likely reducing intrastate passenger growth and potentially changing patterns of peak demand.
- **Increasing aircraft capability for long-haul distances making previously unviable direct routes viable, such as Sydney-London, which may reduce demand for routes from Perth** – this would provide additional new destinations within viable distance of a direct flight, but could reduce demand for international services from Perth due to competing demand from eastern states airports.

3.2.1. Resource Industry Demand

The impact of the previous resources boom (which resulted in a sudden increase in demand for turboprop and small to medium jet charter services), in conjunction with growth in other markets, caused aircraft movements and passenger numbers to eclipse forecast growth.

To assist future forecasting, the Chamber of Minerals and Energy of Western Australia (CME) aggregates available data from its members on projects either committed or under consideration, which is published in its bi-annual Resource Sector Outlook.

The resource sector is dependent on FIFO personnel due to remoteness and isolation of operations, with approximately 70 per cent of these using charter flights as opposed to RPT.¹³ The use of FIFO staff provides a better cost-benefit outcome to the resources and other sectors than housing an entire workforce remotely where a short-term construction or maintenance activity, or the offshore oil and gas industry, are not conducive to permanent regional housing. New projects and increases in production volumes require additional staff rosters and either larger aircraft or additional services.

The type of FIFO employment has a direct impact on aeronautical traffic, with traffic growing at a greater rate during construction periods and reducing and flattening out when projects move into an operational phase.

According to the CME, improving market conditions are likely to remain healthy over the outlook period to 2028, and the overall production outlook is positive. However, there was limited data available at the time of the *2018-2028 Western Australian Resources Sector Outlook* to provide estimates of projected production beyond 2021-22.¹⁴

As at September 2019, major resource sector projects estimated at more than \$25.4 billion are either committed or under construction, with a further \$82.4 billion of projects under consideration.¹⁵

While there is unpredictability with regards to resource sector investment and forecasts – which are affected by global economic conditions, can change rapidly, and change on a significant scale – the potential aviation impact from shifts in this industry cannot be underestimated. This occurred during the last resource sector boom, and due regard must be given to the most current information on the industry to ensure that infrastructure is delivered as close to when it is required.

¹³ [2018-2028 Western Australian Resources Sector Outlook](#), The Chamber of Minerals and Energy of Western Australia, April 2018, p.80.

¹⁴ [2018-2028 Western Australian Resources Sector Outlook](#), The Chamber of Minerals and Energy of Western Australia, April 2018, p.35.

¹⁵ [Industry Activity Indicators](#), Department of Mines, Industry Regulation and Safety website, retrieved 12 February 2020.

Many regional airports receiving FIFO flights are closed airstrips owned and operated by resource companies, rather than local governments or organisations servicing regional communities. Further discussion on the impact of mining airstrips and regional airport infrastructure can be found in Section 5: Regional Airport Infrastructure, and Section 9: New Mining Airstrip Proposals.

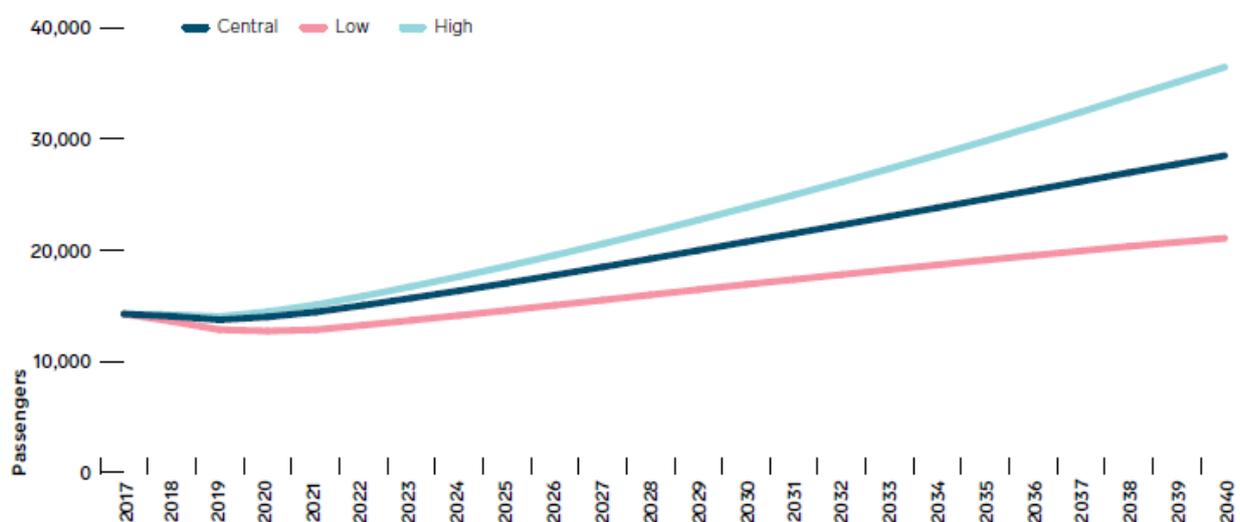
3.3. Aviation Activity Forecasts – Perth Airport

Forecasts and industry outlooks presented by PAPL in its *Preliminary Draft Perth Airport Master Plan 2020* reflect the normalising of demand since the *Perth Airport Master Plan 2014* (which reflected the stronger growth patterns of the resources boom), and predict a decline in air traffic growth in the short term, with a return to growth in the medium term, due to: the Australian dollar remaining around its long run average; anticipated increases in both domestic and international travel costs in the short term, with a decline in domestic travel costs in the medium term; increasing oil prices; stabilising mining investment; and economic growth below the WA long-term average.¹⁶

PAPL has prepared forecasts on low, central and high growth scenarios (see Figure 3). Based on a central growth rate scenario, PAPL estimates that total annual passengers (including general aviation passengers) are forecast to almost double from 14.3 million movements in 2017-18 to 28.5 million movements in 2039-40.¹⁷

Initial figures for 2018-19 indicate that passenger demand is escalating at a faster rate than anticipated, with the published forecast total passenger numbers of 13.76 million and actual recorded passenger numbers of 14.5 million. Most of this increase is attributed to the intrastate market.

Figure 3: Perth Airport Total Passenger Forecasts: high, central and low growth scenarios¹⁸



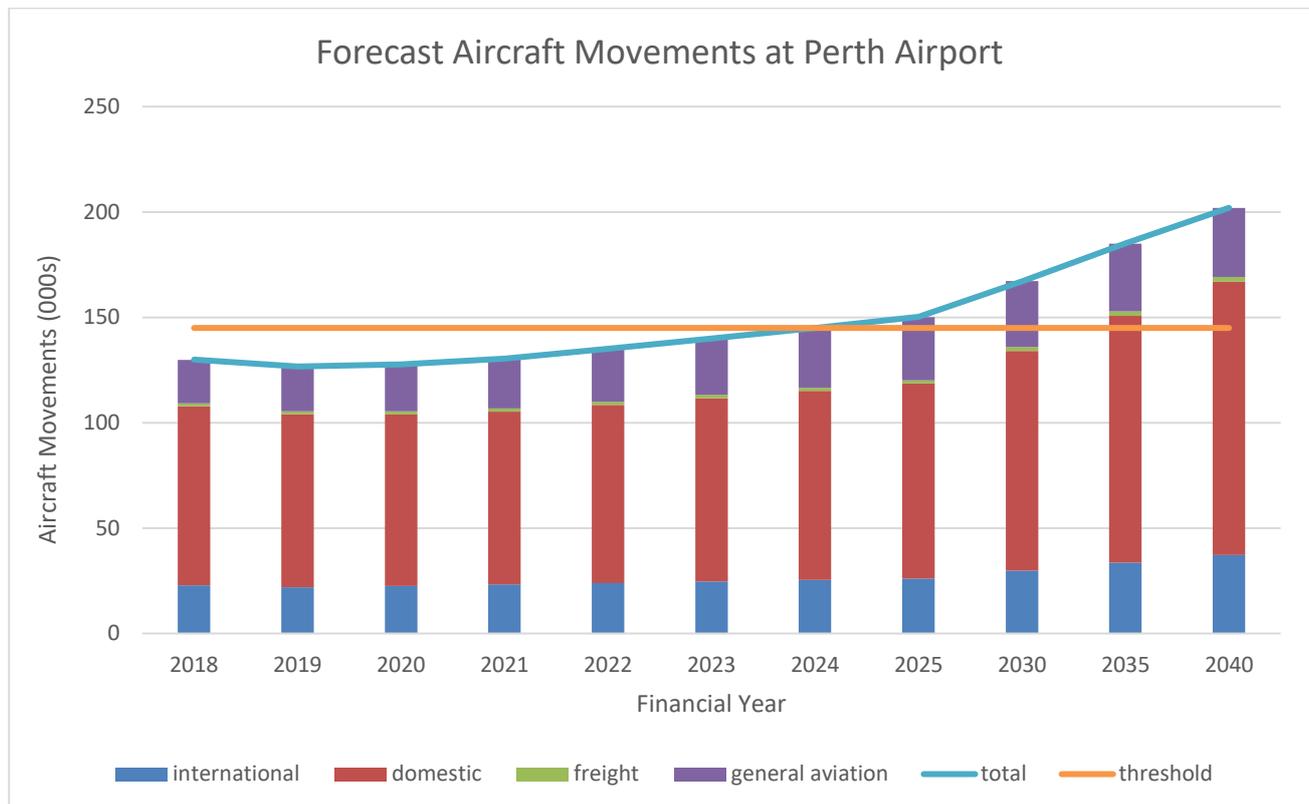
¹⁶ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.56.

¹⁷ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.59.

¹⁸ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.59.

These forecasts assume a growth in overall average passengers per aircraft movement for international and domestic services which results in aircraft movements growing at a slower rate than passenger numbers.¹⁹ Total annual aircraft movements are forecast to grow from 129,900 in 2017-18 to 202,000 movements in 2039-40 (see Figure 4).²⁰

Figure 4: Forecast annual aircraft movements at Perth Airport, using a central growth scenario²¹



In the *New Runway Project: Preliminary Draft Major Development Plan*, PAPL referenced an indicative annual threshold for aircraft movements of 145,000, using the current airfield infrastructure of a main runway and cross runway.²² This indicative threshold figure has been generated by modelling based on the ‘peaky’ profile of Perth Airport’s aircraft movements. Once this figure is reached, the runway system will continue to operate, but experience delays, exacerbated during peak periods. Forecasts indicate that the new runway will be required to accommodate aircraft movements beyond this threshold between 2023 and 2032.²³

¹⁹ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.51.

²⁰ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.60.

²¹ Created using figures supplied in [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.60.

²² [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.51.

²³ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.60.

The New Runway Project is the only means by which to increase capacity at Perth Airport in any significant way – and therefore the only real means to accommodate the forecast number of aircraft movements in the medium to long term. With corresponding proposed major developments of new and upgraded terminals and passenger rail connectivity, the landscape at Perth Airport is set to change dramatically over the next five to ten years. Details of Perth Airport’s infrastructure planning, runway capacity, peak periods and the New Runway Project can be found in Section 4: Perth Airport Infrastructure.

While PAPL updates its forecasting regularly and these forecasts take into account information on the pipeline of investments in the WA resources sector, it is difficult to predict the aviation requirements of proposed resource sector projects in advance of them commencing.

Continuing regular engagement between Perth Airport, CME, the Department of Transport and key airline partners to inform the likely trajectory of the growth profile will assist PAPL in delivering its infrastructure projects as close to the required time as possible.

3.4. Aviation Activity Forecasts – Regional Airports

Regional airports rely, in part, on aviation activity forecasts generated by PAPL and the Bureau of Infrastructure Transport and Regional Economics (BITRE), however larger regional airports undertake their own demand analysis and forecasting to plan for capital investment in maintenance or future infrastructure projects.

Some small to medium sized regional airports have not undertaken forecasting beyond the budget forecast periods; several are only serviced by a single airline. The complexity of forecasting aircraft and passenger movements varies significantly between regional airports.

The Department of Transport is working with airport operators to introduce and maintain a Strategic Airport Assets and Financial Management Framework (Framework) for small to medium sized regional RPT airports. Each Framework includes a demand model for the regional airport, considering key economic and demographic indicators, based on regression analysis.

The Frameworks will provide small to medium sized regional airport owners an individualised tool to help predict when future infrastructure upgrades and funding requirements will be needed. The Framework, including demand model, is a requirement for airport owners to seek Regional Airports Development Scheme (RADS) funding. More information about the Framework can be found in Section 5: Regional Airport Infrastructure.

3.5. Trends and Technologies

A range of trends and technological developments can impact on the supply of air services and associated forecasts of aviation activity.

3.5.1. Trends – Aircraft

The Asia-Pacific region is expected to receive more than half of the global forecast new aircraft deliveries between 2019 and 2038, with single aisle aircraft constituting approximately 72 per cent of both the current and future fleet in the Asia-Pacific (the remainder made up by widebody, freighter and regional jet aircraft).²⁴

Airlines are more frequently tailoring aircraft type to route characteristics; manufacturers are responding to market needs and delivering aircraft with more range and payload.²⁵ Long-haul flights are now more affordable, particularly for low cost carrier services, which can increase seat capacity and decrease additional extras.

In Western Australia, jet aircraft with the capability to fly a workforce direct to the Pilbara are in high demand. The Fokker 100 is a commonly used aircraft type that services the resource sector. New aircraft types will likely vary depending on the required flight task.

3.5.2. Trends – Social and Tourism

The aviation industry in Western Australia is largely resilient to external shocks, due to dependence on air travel for connecting population centres. Different social trends have opposing impacts on air services demand - an aging population, general population growth and the need for specialised skills at remote sites are likely to increase dependence on air travel, while evolving work practices, urbanisation and changing cost of energy sources will decrease demand for air travel.²⁶

Growth in leisure air travel demand is affected by disposable income of potential travellers, the promotion of tourism by governments, airlines and industry bodies and consumer tastes, and available time for travel.²⁷ Much of the State's regional leisure visitation is self-drive, due to a combination of consumer travel preference and limited availability of affordable or accessible air services.

More details on markets, visitations and options to encourage growth in regional tourism by air travel are explored in the **WA Air Services** document.

3.5.3. Trends – Economic Conditions and Operational Costs

Airlines are adversely affected by external changes to the cost of operations, such as higher fuel costs and labour costs. These increased costs may inhibit route development and see leaner routes downsized into smaller aircraft, or possibly even cancelled, where customer demand is not sufficient to warrant ongoing operations.²⁸

²⁴ [Commercial Market Outlook 2019-2038](#), Boeing, 2019, pp.1, 39.

²⁵ [Airbus "goes the distance" with its jetliner families and readies a new chapter in European Defence](#), Airbus Newsroom, 20 June 2019.

²⁶ [Study on the strategic development of Western Australia's regional airports](#), The Airport Group for the Departments of Transport and Primary Industries and Regional Development, September 2018, pp.11-18 (not published).

²⁷ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.57.

²⁸ [Trade Release: Withdrawal of Virgin Australia's Perth to Geraldton Services](#), Virgin Australia, 16 May 2019.

3.5.4. Technologies

The aviation industry has recognised the need to address the global challenge of climate change, and has adopted a set of ambitious targets including:

- a cap on net aviation CO₂ emissions from 2020 (carbon-neutral growth); and
- to halve net CO₂ emissions by 2050, relative to 2005 levels.²⁹

This commitment will require new aircraft designs and propulsion systems, such as fully electric aircraft and use of sustainable aviation fuels.³⁰ As a result of technological improvements already introduced, the noise footprint of new aircraft is at least 15 per cent lower than those they replace.³¹

Developments in hybrid and fully electric aircraft are occurring all over the world. Norway's maiden electric-powered flight took place in June 2018, demonstrating the Norwegian Government's objective for all Norwegian domestic flights to be powered by electricity by 2040.³² Electric aircraft provide both CO₂ emission reductions and significant reduction in noise.

Vertical take-off and landing (VTOL) vehicles, flying passenger vehicles sometimes referred to as "air taxis", are being trialled in several areas across the globe, with an Uber Air VTOL service set to commence test flights in trial markets, including Melbourne, in 2020.³³ It is proposed these commercial operations could commence as early as 2023. While VTOL vehicles will create a significant task for air traffic control, it is more likely to compete with the landside on-demand transport industry than traditional airlines.

²⁹ [Improving Environmental Performance](#), from International Air Transport Association website, retrieved 10 June 2019.

³⁰ [IATA presents: Future Aircraft Technology \(video\)](#), from International Air Transport Association LinkedIn page, published 3 June 2019.

³¹ [Aircraft Noise](#), from International Air Transport Association website, retrieved 9 July 2019.

³² [Norway's first electric-powered flight takes to the skies](#), Avinor, June 2018.

³³ [Uber announces Melbourne, Australia as first international Uber Air pilot city](#), Uber Newsroom, 11 June 2019.

4. Perth Airport Infrastructure

Perth Airport is the gateway to Western Australia, providing access to and from the regions, the nation and the globe. Robust forward planning remains critical to the ongoing efficiency of the airport.

The Western Australian resources boom marked a period of substantial growth in Western Australia. Gross State Product grew by an average of 9.7 per cent per annum, and there was an influx of workers to WA, with a net migration of over 279,000 people over the seven-year period from 2008 to 2014 (inclusive).^{34,35}

This economic growth was reflected in the number of fly-in fly-out (FIFO) workers to remote mine sites and a comparatively high level of disposable income of Western Australians. Congestion at Perth Airport during peak periods led to flight delays, which were common and costly. In response to the unprecedented growth in air services demand, Perth Airport Pty Ltd (PAPL) introduced several airside improvements to increase efficiency, both in infrastructure and operating procedures.

Following a period of decline in aircraft movements, the airport is operating within its capacity, however there are periods during the peak where there are no runway slots available. Growth is expected to increase in the short to medium term, albeit not at the same rate as seen previously. PAPL has major infrastructure planning underway to relocate Qantas Group operations to the Airport Central precinct, expand the international terminal, and construct a new parallel runway to accommodate future demand. Commencement of works is contingent on PAPL securing Commonwealth approvals and agreeing modified terms and charges in Aeronautical Services Agreements (ASA) with all airlines.

Perth Airport is a single point in a regional, national and global aviation network. As such, flight times and schedules are not directly controlled locally.³⁶ Many international services need to connect through hub airports, such as Singapore and Dubai. To facilitate these connections, Perth Airport operates 24 hours a day, seven days a week.

A key challenge is to ensure projects to improve services to passengers and airlines are delivered in time to mitigate against congestion and delays, without significantly increasing costs for the travelling public.

4.1. Master Planning

The parcel of land on which Perth Airport sits is owned by the Commonwealth, and the Commonwealth retains regulatory oversight of the planning, development and operation of the airport and associated land. In 1997, the operation and management of Perth Airport was transferred to Westralia Airports Corporation (now PAPL), under a 50-year lease (with a 49-year option for extension).

³⁴ [Australian National Accounts: Gross State Product, 5220.0 Table 1](#), Australian Bureau of Statistics, November 2018 (line: Western Australia, Gross state product: current prices – percentage changes).

³⁵ [Australian Demographic Statistics: Population Change, 3101.0 Table 2](#), Australian Bureau of Statistics, June 2018.

³⁶ [Why Perth Airport Operates 24/7 \(video\)](#), from Perth Airport: Aircraft Noise website, retrieved 12 June 2019.

Under the terms of its lease with the Commonwealth, PAPL is required to update its Airport Master Plan every five years for approval by the relevant Commonwealth Minister. The master plan has a 20-year planning horizon, must outline anticipated major projects and changes at the airport site, and is the principal document for strategic development. Major development plans for significant works, consistent with the master plan, are also required to be submitted for Commonwealth Government approval.

The *Perth Airport Preliminary Draft Master Plan 2020* sets out a high-level vision for Perth Airport's aeronautical developments, with an investment program of up to \$2.5 billion planned to be undertaken over the next decade.³⁷

PAPL has identified five unique precincts within the Perth Airport land: Airfield, Airport Central (where Terminals 1 and 2 are), Airport North, Airport South and Airport West (currently where Terminals 3 and 4 are, the General Aviation area, commercial, office and retail developments).

Future planning for the airport site reflects the importance of 24-hour operations to maintain operational flexibility and provide access for regional communities, the resource sector, international and domestic carriers operating between time zones, and freight.³⁸

The external impacts of 24-hour operations are balanced against the broader community and economic benefits of these operations.³⁹ A study completed in 2015 found that without operational restrictions between the hours of 23:00 and 06:00, over a 25-year horizon, Perth Airport operations would account for \$43.4 billion in Gross Domestic Product and approximately 19,000 jobs across WA.⁴⁰

4.2. Terminal Development

While existing terminal infrastructure is sufficient to manage current passenger demand, Terminal 1 (International) will not be sufficient for forecast demand, with some functions of the terminal operations reaching capacity in the early 2020s.⁴¹

In response, PAPL has proposed an International Terminal upgrade, which will include a new international departures area, lounges and aerobridge-serviced aircraft parking suitable for wide-bodied aircraft. The initial scope of the project is planned for completion in the mid-2020s to provide capacity to meet forecast passenger growth to 2030.⁴²

³⁷ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.6.

³⁸ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.33.

³⁹ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.27.

⁴⁰ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.33.

⁴¹ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.92.

⁴² [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.93.

Figure 5: Proposed Airport Central development⁴³



There is an in-principle agreement between PAPL and Qantas Group to relocate Qantas Group's operations from Terminals 3 and 4 to a new terminal in the Airport Central precinct by the end of 2025.⁴⁴ Qantas Group operations at Airport Central will be conducted through this new terminal on the eastern side of Terminal 1. The relocation will see Terminals 3 and 4 demolished.⁴⁵

Associated ancillary infrastructure such as multi-storey carparks will be constructed as needed and further expansion of Terminal 2 will be considered in-line with demand.

Consolidation of all major Regular Public Transport (RPT) air services in these new or extended facilities at Airport Central will deliver seamless passenger connectivity between international, domestic and regional flights and the ground transport network, which includes the Airport Central Station on the METRONET Forrestfield-Airport Link, on-demand transport services and passenger vehicles. If growth forecasts are met, delays in these projects would increase the demands on ageing terminals, internal access roads and shuttle bus services between precincts.

4.3. Airfield Capacity

\$250 million of investment in airfield infrastructure has been made over the past several years to maximise airfield capacity and efficiency. In March 2013, a Schedule Coordination System was introduced as part of the joint Airport Capacity Enhancement (ACE) initiative

⁴³ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.26.

⁴⁴ [Perth Airport and Qantas reach agreement on the 787-9 Dreamliner direct service from Perth to London](#), Perth Airport Media Statement, 11 December 2016.

⁴⁵ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.70.

between PAPL and Airservices Australia. The Schedule Coordination System is managed by Airport Coordination Australia on behalf of PAPL.

Under the Schedule Coordination System, an airline must have a slot allocated to it before operating a flight into or out of Perth Airport, preventing a queue of unscheduled services on the airfield (as had occurred at times prior to its introduction in March 2013). This system manages demand, which has reduced arrival and departure delay by approximately 60 per cent.⁴⁶

Perth Airport infrastructure currently provides a maximum number of 42 departures per rolling hour, or 26 arrivals per rolling hour.⁴⁷ This number can reduce depending on air traffic control, weather and other variables.

An assessment to construct rapid exit taxiways on the main runway identified that no additional infrastructure would provide improved efficiency or increase runway capacity on its own.⁴⁸ PAPL periodically reviews and assesses the need for additional taxiway infrastructure.

While initiatives undertaken to date have gained some efficiencies from the existing infrastructure, a new runway is the only option available to provide a required step change in capacity to accommodate long-term growth in aircraft movements.

4.4. Peak Periods

Peak periods are those times of day when demand for air services is at its greatest and occurs where demand equals or exceeds the number of available slots (see Figure 6). Prior to the introduction of the Schedule Coordination System, demand exceeded available capacity, particularly during the resources boom (see Figure 7).

At Perth Airport, the demand for specific time slots arises from several areas.

- **The resources sector:** FIFO construction and operational staff at mine sites have rostered shifts. To accommodate the different rosters, and requisite fatigue management plans to attract and retain a skilled workforce, companies require flights during the week, with departures and arrivals common very early in the morning and mid-afternoon, respectively.
- **Connections to eastern states:** Sydney Airport has a curfew from 23:00 until 06:00. This means that flights departing from Sydney just after 06:00 do not arrive at Perth until after 08:00, and demand for arrivals from Sydney and other major ports on the eastern seaboard increases towards mid-morning.
- **Intra-state business day travel:** Passengers travelling intra-state for business want to arrive early enough in the day to conduct most of a business day in the regional centre and return to Perth in the late afternoon/early evening. Many people in regional centres want to spend an entire business day in Perth and return home in the evening on the same day. As most aircraft are housed overnight at Perth Airport, regional departures

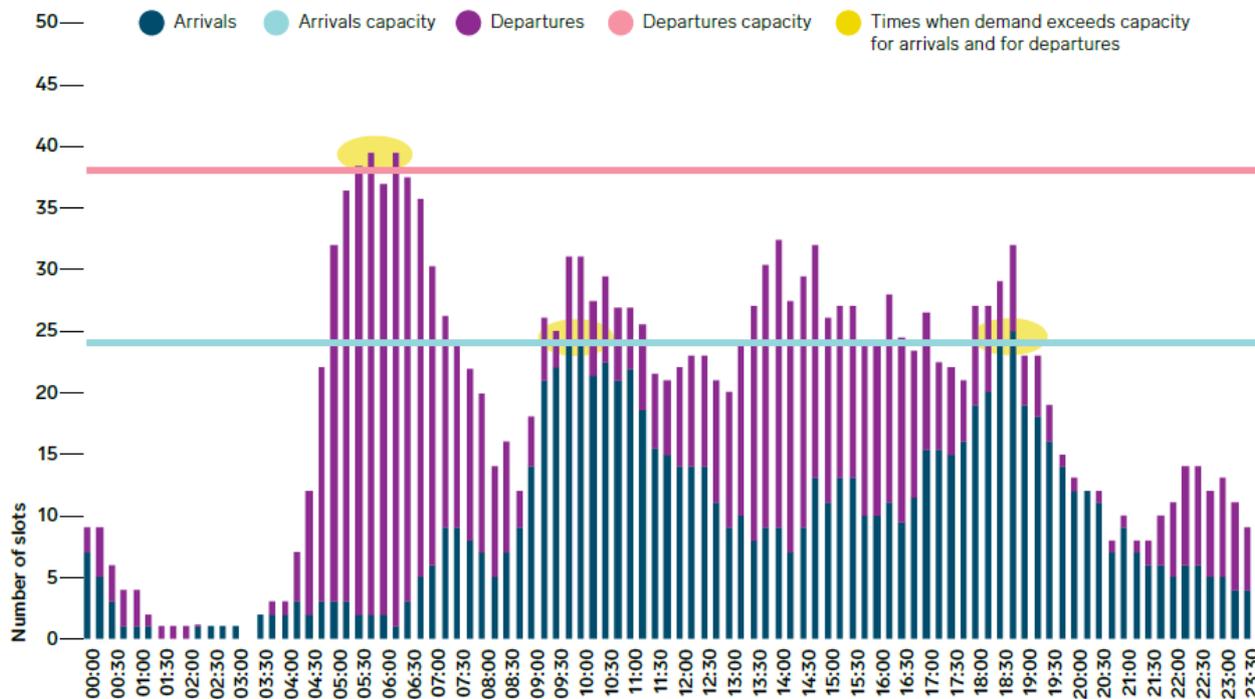
⁴⁶ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.76.

⁴⁷ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.65.

⁴⁸ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.76.

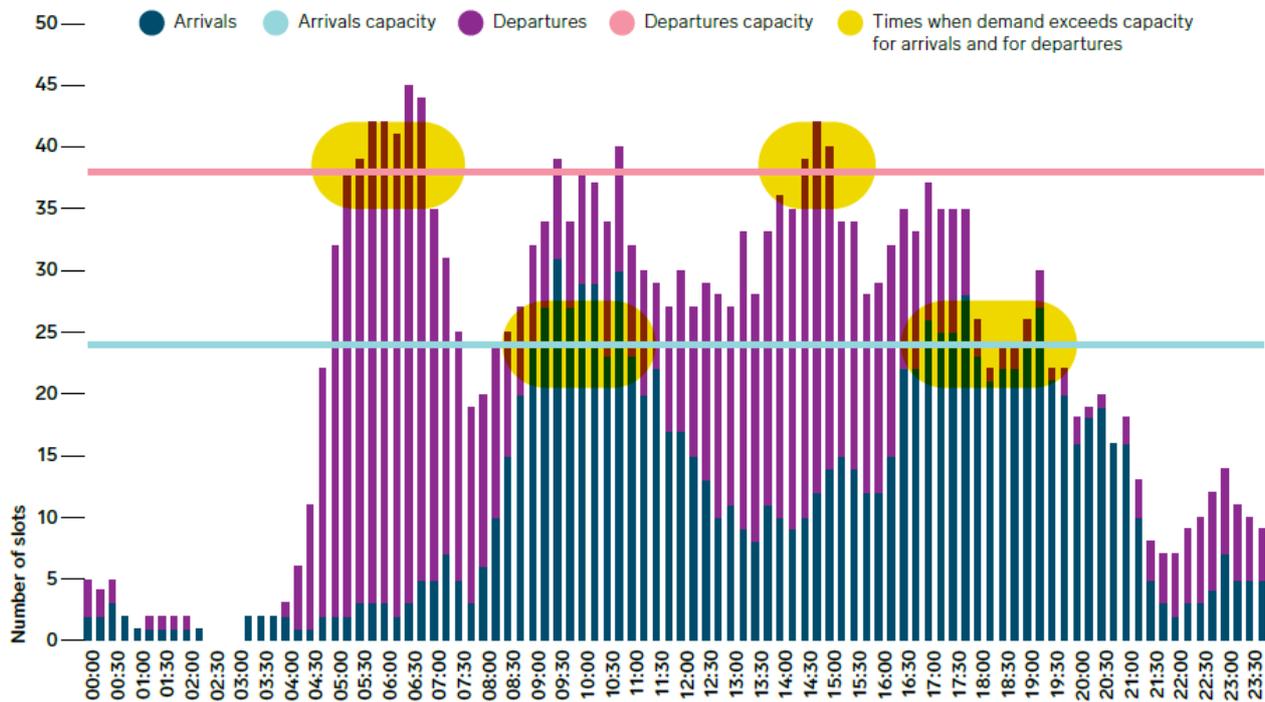
from Perth tend to be earlier in the morning, with the aircraft returning mid-morning with regional passengers.⁴⁹

Figure 6: Wednesday total runway slot demand - winter 2018 season⁵⁰



⁴⁹ Regional Express parks aircraft overnight in Albany and Esperance.

⁵⁰ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.86.

Figure 7: Wednesday total runway slot demand - winter 2013 season⁵¹

From 2013 to 2018, total aircraft movements decreased.⁵² This provided some airfield capacity during peak periods; however, an economic upturn could see demand increase quickly at relatively short notice.

Peak period pricing is a capacity allocation efficiency initiative, which involves charging airlines a minimum price to use the airport in periods of high demand. In effect, the main benefit of peak period pricing is that it acts as a disincentive to smaller aircraft operators to operate in the peaks, thereby freeing up capacity for larger aircraft carrying significantly more passengers, and allowing more effective use of the runway and taxiway systems during the peak periods.

These peak period charges apply as a minimum charge to both arrivals and departures operating between 05:30 – 07:30 and 15:00 – 16:00, Monday to Friday.⁵³ Airlines are charged the higher of standard passenger charges or the peak period charge, but not both (more information on charges can be found in Section 6: Airport Fees and Charges). These peak periods are under review by PAPL and may change subject to airline consultation.

The Chamber of Minerals and Energy has predicted a positive outlook for the resources sector to 2028. As at September 2019, this equates to more than \$25.4 billion worth of major resource projects, either committed or under construction, with a further \$82.4 billion under consideration.⁵⁴

⁵¹ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.86.

⁵² [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.48.

⁵³ [Schedule of Aeronautical Charges effective 1 July 2019 to 30 June 2020](#), Perth Airport Pty Ltd, July 2019.

⁵⁴ [Industry Activity Indicators](#), Department of Mines, Industry Regulation and Safety website, retrieved 12 February 2020

Significant increases in demand for aircraft movements at certain periods of the day will extend the number of hours at which the current runway system is operating at capacity. Complete allocation of slots in consecutive hours further increases the risk of delays. Efficient slot allocation and effective management of peak periods can accommodate demand increases at Perth Airport to a certain extent, but ultimately total capacity will need to be increased through the delivery of new infrastructure.

4.5. New Runway Project

Identified by a joint Commonwealth and State Government Committee in 1979, the new runway for Perth Airport was first proposed in the *Perth Airport Master Plan* in 1985. The proposed new runway will be located two kilometres east of, and parallel to, the existing main runway (see Figure 8). The distance will permit both runways to be used independently and will significantly increase the number of aircraft that can land or take off from Perth, within any given period.

The indicative threshold for the existing runway infrastructure is 145,000 movements a year.⁵⁵ Operations can continue once this number of movements is reached, but delays will be experienced, particularly during peak periods.

In 2013, in part due to the exponential growth in flights to accommodate FIFO workforces for resource sector construction projects and in part due to strong growth in interstate and international flights, flight numbers peaked at more than 151,000 per year, putting pressure on airfield infrastructure and resulting in significant and costly delays.⁵⁶

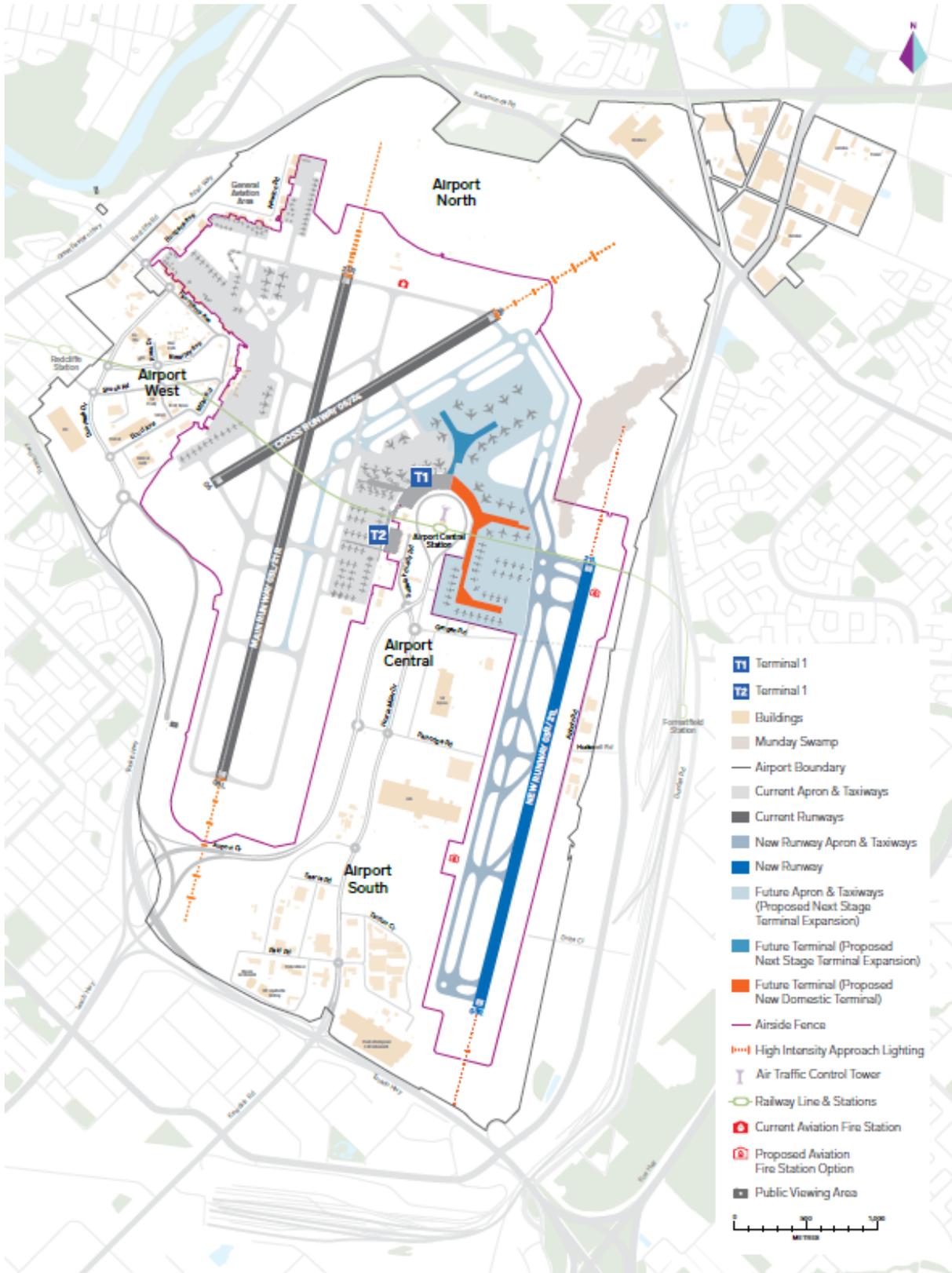
When resource projects transitioned from construction to production and growth slowed in other markets, the passenger demand at Perth Airport normalised and measures introduced by PAPL to improve efficiencies during peak periods were sufficient to cater for the reduced demand.

As the economy improves, air services demand will once again increase, requiring greater airfield capacity.

⁵⁵ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.65.

⁵⁶ [New Runway Project: Frequently Asked Questions](#), Perth Airport Pty Ltd, May 2018, p.2.

Figure 8: Proposed future airfield layout⁵⁷



⁵⁷ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.88.

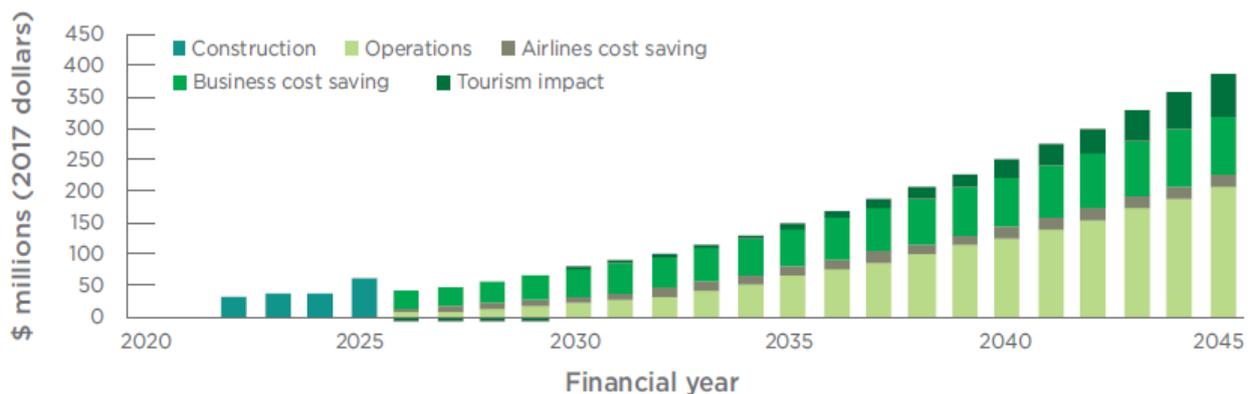
4.5.1. Delivering the New Runway

Commonwealth Government approval for the construction of a new runway requires a full assessment of its environmental impacts, including aircraft noise. PAPL has undertaken detailed investigations and community consultation on the potential noise impact of a new runway as part of its MDP approval process. This is also reflected in the *Perth Airport Preliminary Draft Master Plan 2020*.

The new runway will accommodate growth into the foreseeable future, including the 202,000 aircraft movements PAPL has forecast for 2040. Detailed design and construction of the new runway is expected to take four to five years. It is expected to be operational, if not before, by 2032, subject to demand and agreements with airlines.⁵⁸

The cost of constructing the new runway is estimated at \$520 million; however, the positive impact of the project on Perth’s real economic output is forecast to significantly exceed the infrastructure cost (refer Figure 9).

Figure 9: Impact of the New Runway Project on Perth's real economic output⁵⁹



Airport users do not generally want infrastructure to be delivered in advance of it being required, due to the additional cost incurred (in the form of fees and charges), without efficiency benefits.

There will be an as-yet undetermined additional cost for air services into Perth Airport once the new runway is operational, which will flow on to the price of air fares. However, this should be considered in the context of significantly improved airside operations at the airport.

4.5.2. Without a New Runway

PAPL has improved efficiencies with the existing infrastructure such that there are limited opportunities to derive further efficiencies from existing infrastructure.⁶⁰

⁵⁸ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.26.

⁵⁹ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.104.

⁶⁰ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.78.

Without the additional capacity provided by a new runway, increased demand will lead to regular and lengthy delays. During the mining boom, estimates of the cost of air services delays included \$72 million per annum or \$100,000 per one-hour delay.⁶¹ Foregone flights estimated at 51,000 aircraft movements per year by 2045 would result in additional economic cost for the State.⁶²

4.5.3. Risks to the New Runway Project

According to the *Perth Airport Preliminary Draft Master Plan 2020*, a central growth profile will see the indicative annual threshold for aircraft movements on the existing runway infrastructure reached by 2024.⁶³ Whether the infrastructure is delivered in time to avoid delays in aircraft movements will depend on when Commonwealth approvals are received, airline agreements are made and what level of growth is ultimately experienced (low, central or high).

4.6. Demand Management in the Short-term

In the short-term, additional flights above the indicative annual threshold of 145,000 per annum will be addressed by spreading demand (leading to extended peak periods) and further improvements to capacity achieved through the ACE program (noting there are limited cost-effective opportunities for efficiency gains remaining).

Assuming all approvals are secured, the decision to commission the New Runway Project is dependent on airlines and the degree of delays or slot restrictions they find acceptable.

The practical impact for passengers of the airfield infrastructure reaching or exceeding its indicative threshold before the new runway is operational will largely depend on the scale and timing of increasing resource sector air services demand.

4.7. Regional RPT Air Services

For flights where the combined passenger charges do not exceed the peak period charge, the peak period charge applies instead, which increases the cost per passenger. Many regional RPT air services are underwritten by the resource sector and carry enough passengers not to be impacted by the peak period charge. RPT flights to small and medium sized regional communities without a significant FIFO workforce are more heavily impacted by the additional cost of peak period pricing. Examples of such communities include Albany, Esperance, Carnarvon, Monkey Mia and towns on the Northern Goldfields air routes.

Most RPT flights to small and medium sized regional communities occur outside of the current peak periods to avoid the additional cost. Any extension of the peak period and associated charge will either increase the cost of airfares on these flights with low passenger numbers, which currently operate outside peak periods, or push the services out of the extended peak period, reducing access to and from the regions for same-day business travellers.

⁶¹ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, p.73.

⁶² [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, pp.73-74.

⁶³ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.60.

Where runway demand exceeds capacity, it is appropriate to maximise the use of the infrastructure by providing priority to larger aircraft (generally servicing international, interstate and intrastate destinations with significant FIFO) over smaller aircraft. This can be done through a peak period charge. If demand does not exceed the available capacity subsequent to the commissioning of the new runway the peak period charge can be removed.

4.8. Ground Transport Planning at Perth Airport

Roads connecting to, from and in the vicinity of Perth Airport are significantly impacted by the land uses, activities and transport network within the airport boundary. As with airport infrastructure, the development of non-aeronautical commercial precincts and the transport network within the Perth Airport boundary is not subject to State Government approval; however, the connecting networks outside the airport boundary are, making a coordinated approach essential. The *Perth Airport Preliminary Draft Master Plan 2020* includes a ground transport plan which references connectivity to the broader State road and rail networks.

4.8.1. Congestion and Connectivity with State Network

While aviation remains the primary purpose of airport land, there is an increasing number of commercial and retail developments within the airport boundary, which generate additional local traffic on airport precinct roads, and traffic on major state routes connecting to the airport.

Recent retail developments have resulted in traffic congestion and disruption to airport users and commuters on the surrounding state and local road networks during special events, such as annual Boxing Day sales. This, combined with planned increase in commercial land-use within the airport precinct, has raised concerns about the impacts on the surrounding road network. While additional traffic was envisaged as a result of retail developments, the impact will be mitigated with the relocation of Qantas Group operations to Airport Central by the end of 2025, which will change traffic patterns within the Airport West precinct.

There is a number of roads within or connecting to the airport property for which issues remain outstanding and require resolution between infrastructure and planning authorities. Liaison between Main Roads WA and PAPL will be required to ensure the State road network around the airport remains suitable for supporting traffic volumes generated by the airport as well as any future commercial developments in the area.

4.8.2. Public Transport Access

As at November 2019, public transport access to Perth Airport is via bus, which takes approximately 45 minutes to travel between the Perth CBD and Airport Central (Terminals 1 and 2), or 42 minutes to Airport West (Terminals 3 and 4). A free terminal transfer bus operates 24 hours a day, 7 days a week, between the two precincts.

Over 90 per cent of passengers arrive by car to the airport, with multiple parking options, pick up and drop off areas, taxi ranks and dedicated rideshare pick-up areas at each of the two major precincts.⁶⁴

⁶⁴ [Perth Airport Preliminary Draft Master Plan 2020](#), Perth Airport Pty Ltd, July 2019, p.124.

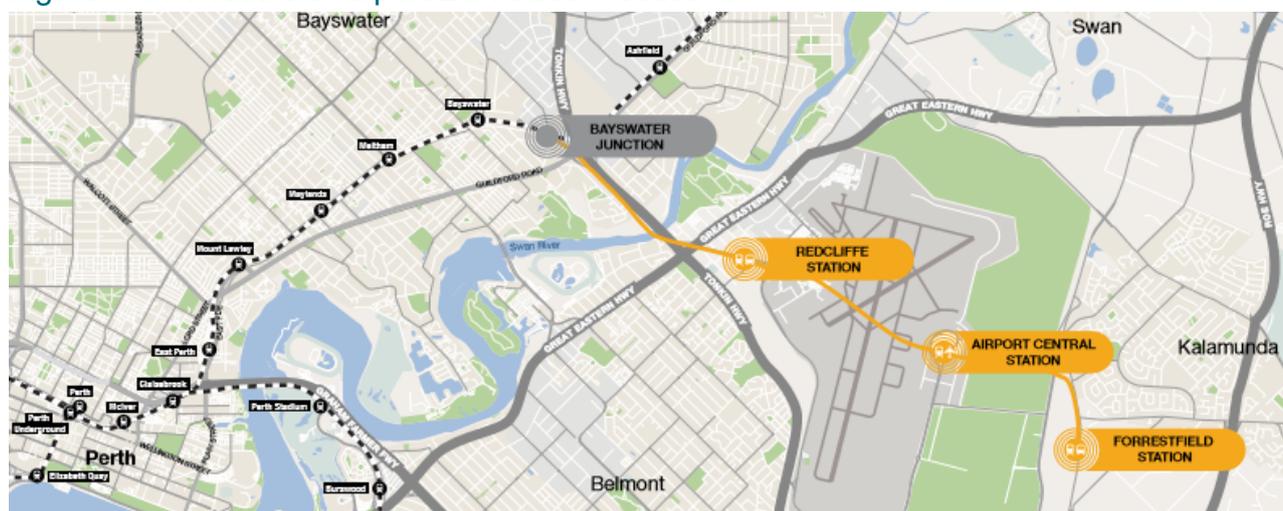
Within the General Aviation area of Perth Airport in Airport West there is a taxi rank on Valentine Road, and an express pick-up and drop-off system has recently been introduced for Terminal 2.

4.8.3. Road and Rail Access Improvements

Three major infrastructure projects have been completed or committed to by both State and Commonwealth Governments in recent years, to significantly improve travel to and from Perth Airport.

The Forrestfield-Airport Link is being constructed as part of the State Government's METRONET project and will include stations at Redcliffe (in the City of Belmont, in proximity to the Airport West precinct) and Airport Central. The rail project, jointly funded by the State and Commonwealth Governments, is due to be completed in the second half of 2021 and will support domestic and international tourism with improved access between the city and Perth Airport.⁶⁵

Figure 10: Forrestfield-Airport Link station locations⁶⁶



Airport Central Station will be co-located with Terminals 1 and 2, in the precinct where all passenger terminals are to be consolidated in future. Once on the train, passengers will have an 18-minute journey to the Perth CBD for the cost of a standard 2-zone train fare.

The Gateway WA project was completed in 2016 and co-funded by the Commonwealth Government and State Government. The \$908 million project upgraded the road network around Perth Airport and nearby industrial estates. This involved the construction and upgrade of four new grade separated major interchanges, upgrade of six other interchanges, widening Tonkin Highway to six lanes between Great Eastern Highway and Roe Highway and upgrading Leach Highway between Tonkin Highway and Orrong Road to expressway standard.⁶⁷ The new road design has improved journey times for road users due to the traffic being uninterrupted by traffic lights, and reduced congestion.⁶⁸

⁶⁵ [Forrestfield-Airport Link Project Overview Fact Sheet](#), METRONET, December 2018, p.1.

⁶⁶ [Forrestfield-Airport Link Project Overview Fact Sheet](#), METRONET, December 2018, p.2.

⁶⁷ [Gateway WA now complete](#), Joint Media Release by the Hon Malcolm Turnbull MP, Senator the Hon Mathias Cormann, the Hon Darren Chester MP and the Hon Dean Nalder MLA, 12 April 2016.

⁶⁸ [Gateway WA completion provides iconic new entrance to Perth](#), CPB Contractors, 25 May 2016.

The Commonwealth and State-funded NorthLink WA project will connect Perth Airport and Muchea, by linking to the upgraded road network completed through Gateway WA.⁶⁹ Finishing works for NorthLink WA will continue into 2020.

Both Gateway WA and the Forrestfield-Airport Link were designed to complement PAPL's long-term plans to consolidate key commercial aviation operations into the Airport Central precinct. This is where Terminals 1 and 2 already operate and will deliver the greatest benefits to the travelling public once this occurs.

⁶⁹ [NorthLink WA: Home](#), Main Roads Western Australia project website, retrieved 10 December 2019.

5. Regional Airport Infrastructure

Ownership of Australia's regional airports were transferred from the Commonwealth to local government authorities from 1991 under the *Aerodrome Local Ownership Plan*. As part of the transfer arrangements, one-off funding was provided to local governments for maintenance and approved development, with local governments having a direct role in funding and managing airports since this transfer.⁷⁰ While some local governments have subsequently sold or leased their airports to private operators, the majority remain under local government ownership.

From March 2020, RPT air services will operate to 24 RPT regional airports in Western Australia, providing an essential connection between regional and remote communities and major centres for economic development, social connectivity, business, health and tourism purposes. Most RPT services connect regional communities to Perth, while some services connect between regional centres, allowing communities to link to intrastate, interstate and international destinations.

Western Australia's regional RPT airports are classified into two broad groups: major, and small to medium sized airports. Of the 26 regional RPT airports in Western Australia:

- two are small airports (Balgo and Kalumburu), which are operated by Aboriginal Corporations receiving RPT services in small aircraft, which the State Government has some oversight, and are not further considered in this chapter;
- two currently have no scheduled RPT services (Derby and Ravensthorpe);
- three are classified as major: Karratha Airport, Port Hedland International Airport and Broome International Airport (greater or equal to 350,000 passenger movements per annum); and
- the remaining 19 are small to medium sized RPT airports (less than 350,000 passenger movements per annum).

⁷⁰ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.14.

Figure 11: Western Australian Regional RPT Airports



5.1. Major Regional Airports

The State's three major regional RPT airports (Karratha, Port Hedland and Broome) have high annual passenger movements, which allows them sufficient economies of scale to effectively fund and manage their current and future operational, asset renewal and upgrade costs. Routes connecting these airports with Perth are now lightly regulated.

While the operational challenges facing these airports vary significantly, a shared concern is the presence of mining airstrips in close proximity to their airport operations, which draw traffic from the major regional airports. This may lead to higher airfares at the major regional centres due to reduced economies of scale associated with lower passenger throughput at the airport. This issue is further considered in Section 9: New Mining Airstrip Proposals.

5.2. Small to Medium Sized Regional Airports

Western Australia's 19 small to medium sized RPT airports are predominantly owned by local governments (except for Monkey Mia and Paraburdoo Airports), have less than 350,000 passenger movements per annum, and comprise a mixture of FIFO, business, tourism, and community passenger movements. Marginal, monopoly air routes servicing these airports are regulated, while the remaining routes are now lightly regulated. These airports provide vital support to emergency air services such as the Royal Flying Doctor Service, police wing operations and firefighting operations.

Western Australia's small to medium sized regional RPT airports face a number of different challenges which are discussed in more detail below:

- low annual passenger movements;
- limited opportunities for diversified revenue streams;
- limited capacity to borrow funds;
- limited ability to attract and retain highly qualified staff;
- ageing airport infrastructure;
- high operational costs for aviation security screening; and
- high cost of doing business due to remoteness.

Local government owned airports are constrained in their ability to borrow funds for airport infrastructure renewal and upgrade works due to the size of their rate payer base. This restricts the capacity of local governments to fully fund the renewal and upgrade of airport infrastructure.

Small to medium sized RPT regional airports have average annual passenger movements between approximately 2,000 and 350,000 passengers per annum. Lower annual passenger movements limit revenue and, as a result, constrain the ability of airport owners to use aeronautical revenue to replenish their Asset Reserve Fund for future major infrastructure renewals and upgrades.

The ability to utilise excess airport land for non-aeronautical revenue generating activities (such as freight and logistics warehousing and resource industry operations) allows airport owners to diversify their revenue streams. Diversified airport revenue streams can help protect airports from downturns in future aviation activity.

Due to the remoteness and limited number of industries near many of Western Australia's small to medium sized RPT airports, the ability of airport owners to utilise excess airport land to develop diversified revenue streams is also limited.

The challenges of isolation, harsh weather conditions, constrained local government salary packages, and the high cost of living in remote areas, are limitations to attracting and retaining qualified airport staff at small to medium sized regional RPT airports. This has resulted in a loss of corporate knowledge of airports' asset bases and financial operational histories.

The renewal and upgrade of ageing airport infrastructure, especially airport pavement movement areas are a significant cost for many of Western Australia's small to medium sized airports. The need to identify, plan and source funding in a timely manner requires significant analysis and stakeholder engagement by airport owners. Recouping the cost of infrastructure development or maintenance from airlines contributes to higher fees and charges for passengers (see Section 6: Airport Fees and Charges).

It is unclear how much financial impact the proposed Commonwealth aviation security requirements will have on WA's regional RPT airports. The proposed changes may incur capital costs and increase operational costs and adversely affect the viability of some air services. The Commonwealth Rural and Regional Affairs and Transport References Committee (RRATR Committee), as a result of a Senate Inquiry, recommended the Australian Government complete, as a matter of priority, a financial analysis to determine the ongoing operational, maintenance and staffing costs of proposed passenger security screening enhancements at regional airports, and proposed that the analysis should further consider ongoing security costs at regional airports more broadly (see Section 7: Airport Security).⁷¹

In its response to the report, the Commonwealth Government noted the recommendation, stating the Department of Infrastructure, Transport, Cities, and Regional Development is working with industry and the Department of Home Affairs to undertake up to six case studies to assess the financial impact of the new aviation security requirements on regional airports and, where possible, the flow on impact to the local communities.⁷²

The cost of doing business is significantly higher in regional and remote areas of Western Australia. For many small to medium sized regional airports, the ability to pass on costs through airport fees and charges is curtailed by the risk of losing RPT air services if costs are too high. The RRATR Committee recognised that a number of Australia's local government owned regional and remote airports were willing to cross subsidise airport operations and infrastructure renewal/upgrades in order to maintain the social and economic support the air services provide to their communities.⁷³

Since 1997, the State Government has provided significant infrastructure grants to almost all of Western Australia's small to medium sized RPT regional airports through the Regional Airports Development Scheme (RADS). For more information about RADS, see Section 8: Regional Airports Development Scheme.

⁷¹ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.178.

⁷² [Australian Government response to the Rural and Regional Affairs and Transport References Committee report: Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Department of Infrastructure, Transport, Cities and Regional Development website, retrieved 11 December 2019.

⁷³ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.64.

5.3. Strategic Airport Assets and Financial Management Framework

The State Government has developed a Strategic Airport Assets and Financial Management Framework (Framework), to support sound management practices at WA's small to medium sized regional airports. The objective of the Framework is to provide a consistent, transparent and documented approach to airport asset management, that enables prudent financial management of aeronautical assets and setting of appropriate aeronautical charges. The benefits of this approach include:

- well-managed airport assets ensure that the community benefits of RADS funding are maximised
- right-sizing airport infrastructure and efficiently managing airport assets puts downward pressure on the airfares through lower airport fees and charges
- a system-wide understanding of regional airport sustainability in Western Australia; and
- an environment for improved engagement between airport operators and airlines.

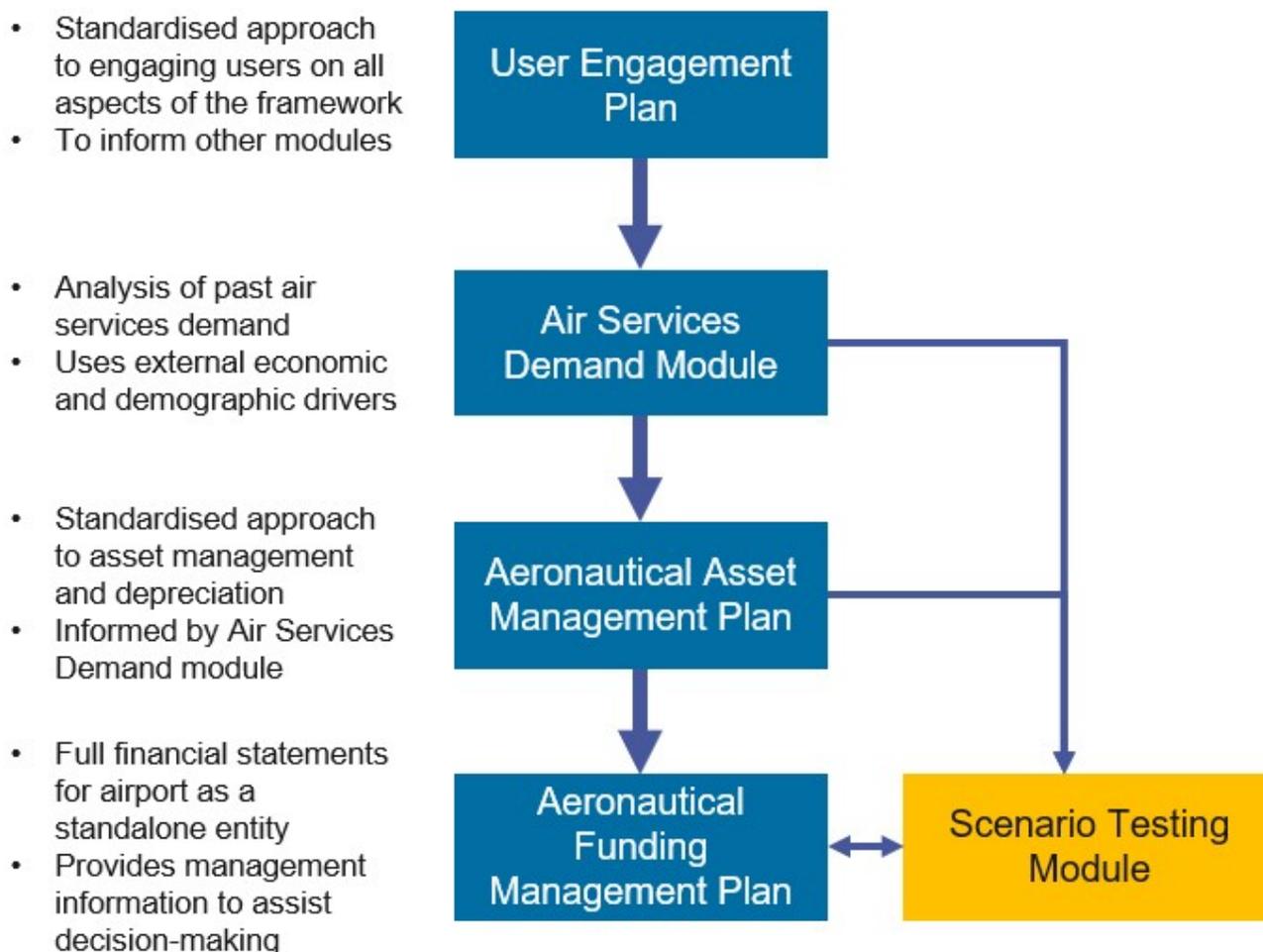
The Framework is being tailored to each regional airport by the Department of Transport, in consultation with airport owners and a reference group comprising of the Australian Airports Association, Institute of Public Works Engineering Australasia, WA Treasury Corporation, Qantas, Regional Express, Virgin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

5.3.1. Framework Structure

Figure 12 provides an overview and linkages of the Framework modules.

Figure 12: Modules of the Strategic Airport Assets and Financial Management Framework

Framework Overview



The Framework's modules include:

1. A **User Engagement Plan** that outlines the process of how airport owners engage with airlines and key stakeholders, when discussing future airport asset development and the associated fee and charge strategy.
2. An **Air Services Demand Module** that can determine future aeronautical demand.
3. An **Aeronautical Asset Management Plan**, which provides a long-term approach to the efficient management of airport assets to meet the current and predicted level of airport services demanded by airport users.
4. An **Aeronautical Funding Management Plan**, which justifies the funding strategy required by a regional airport owner to support their current and future operations, and airport asset management.
5. A **Scenario Testing Module** that provides airport owners the ability to scenario test core assumptions within the Framework.

The Framework links the airport's asset base and its strategic funding strategy, including the setting of airport fees and charges. An airport's strategic funding strategy will vary according to whether the airport is a:

- **Subsidised Community Airport** whose operational and/or depreciation costs are partially or fully funded by the airport owner;
- **Full Cost Recovery Airport** whose operational and/or depreciation costs are fully covered by the airport's fees and charges; or a
- **Fully Commercial Airport** whose fees and charges are sufficient to cover operational and depreciation costs, while also providing an annual return to the airport owner.

5.3.2. Framework Outcomes for Airport Owners

For airport owners, the Framework will provide the tools to allow them to:

- plan for future levels of service required at their airport;
- understand and manage the life cycle of their aeronautical assets;
- determine the appropriate airport pricing regimes and identify operational and capital funding gaps;
- run capital scenario tests (i.e. runway expansion or terminal development) to determine the effect capital builds will have on future revenue and costs at the airport; and
- provide a set structure as to how airport owners and key stakeholders should engage on airport matters.

5.3.3. Regional Airport Infrastructure Investment Funding

The State Government has established various support mechanisms, including RADS and the Framework, to enable regional airports to provide levels of service that meet access and regional development needs in their communities.

The Commonwealth Government has an aviation-specific funding program known as the Remote Airstrip Upgrade (RAU) Program, which is similar to RADS. Other funding sources may be available to local governments through State and Commonwealth infrastructure funding programs.

Access to State and Commonwealth transport infrastructure funding is highly competitive and limited across all transport modes. The Framework provides readily accessible airport data that can be used to form the basis of strong business cases that support airport operators' infrastructure grant applications. The Framework allows airport owners to be proactive, rather than reactive, when engaging with the State Government regarding their needs for future State funding assistance.

From 2019, it is a requirement of RADS that, prior to an application being considered for funding, a small to medium sized RPT airport must have a current Framework.

5.3.4. Overcapitalisation of Regional Airport Infrastructure

In its inquiry report, *Economic Regulation of Airports*, the Productivity Commission found that unnecessary or unjustified infrastructure upgrades at regional airports could lead to negative outcomes and that, in some instances, these were partly funded by Government agencies.⁷⁴

The overcapitalisation of regional RPT airport infrastructure creates a cost to passengers, regional airport owners and the State Government. This cost is expressed through higher operational and renewal costs that are required to be funded by the local rate base, State Government or regional RPT airlines (in the form of higher airport fees and charges, which are passed on to passengers).

The Framework will assist regional airport owners to improve their business cases and reduce the risk of overcapitalisation, by providing a robust and consistent approach to:

- forecasting passenger and aircraft movement growth;
- testing the impact potential capital expansions have on revenue and costs at the airport; and
- engaging in discussions with airlines regarding proposed airport infrastructure expansion projects.

5.4. Recognition of WA Approach

Western Australia is leading the way nationally in its approach to asset management at small to medium size airports. The potential benefits of the Framework have been recognised at a federal level. The Productivity Commission considered that the Framework would help build the capability of local governments to manage airport infrastructure and address issues of user engagement, unwarranted infrastructure investment, transparency and asset management practices.⁷⁵

The RRATR Committee found that there was considerable support for the WA Framework, which would allow for greater transparency in setting airport charges and help local governments manage airport infrastructure, and recommended it be assessed with a view to applying a similar approach nationally.⁷⁶

⁷⁴ [Economic Regulation at Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.326.

⁷⁵ [Economic Regulation at Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.319.

⁷⁶ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.177.

6. Airport Fees and Charges

Airport fees and charges vary significantly – depending on geography, governance, utilisation (passenger throughput) and infrastructure type. Comparing fees and charges between airports is complex, due to the above differences, discounts applied based on airline agreements, and the commercial viability of each airport.

Airport fees and charges are based on the use of airside and landside infrastructure and apply equally, regardless of the value of the airfare. Airport fees and charges are said to average less than ten per cent of a standard airfare, though this is a simplistic assessment.⁷⁷ Each airport has a unique investment cycle, and adjustments to charges are generally required with the commissioning of new infrastructure to address capital costs and provide an appropriate return on investment. Total airport fees and charges on an airfare are a combination of the fees and charges applied by both the departure and arrival airport.

A reduction in airport fees and charges does not automatically cause an equivalent reduction across the spectrum of available airfares. However, ideally, any cost savings that can be made at either the originating or destination airport that reduce the cost of the service will be passed through to the customer as a reduction in the price of airfares.

In some cases, airport owners and airlines put in place long-term agreements regarding fees and charges applying to Regular Public Transport (RPT) operations. This can provide airlines confidence to put in place discounted community or resident fares.

Security outcomes and related levels of service are mandated by the Commonwealth Government. The capital and operating costs to meet these security outcomes are borne by the airport operator and passed on to airlines, and consequently passengers.

6.1. Price Monitoring

Prior to 1997, Australia's major airports were operated and managed by the Federal Airports Corporation. The transfer of these airports to private leases on 50-year terms (with 49-year options) was accompanied by a price cap system for increases in aeronautical charges for the first five years. In response to a 2002 Productivity Commission report, this price cap system was replaced by price monitoring, which is undertaken annually by the Australian Competition and Consumer Commission (ACCC). The Commonwealth Government released *Aeronautical Pricing Principles*, which outline the principles relating to prices for aeronautical services and facilities provided by the four major airports.⁷⁸

Australia's four largest airports are recognised as a major component of national transport infrastructure.⁷⁹ Airports, and the timely development of aeronautical infrastructure, are critical to Australia's economic development.

⁷⁷ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.72.

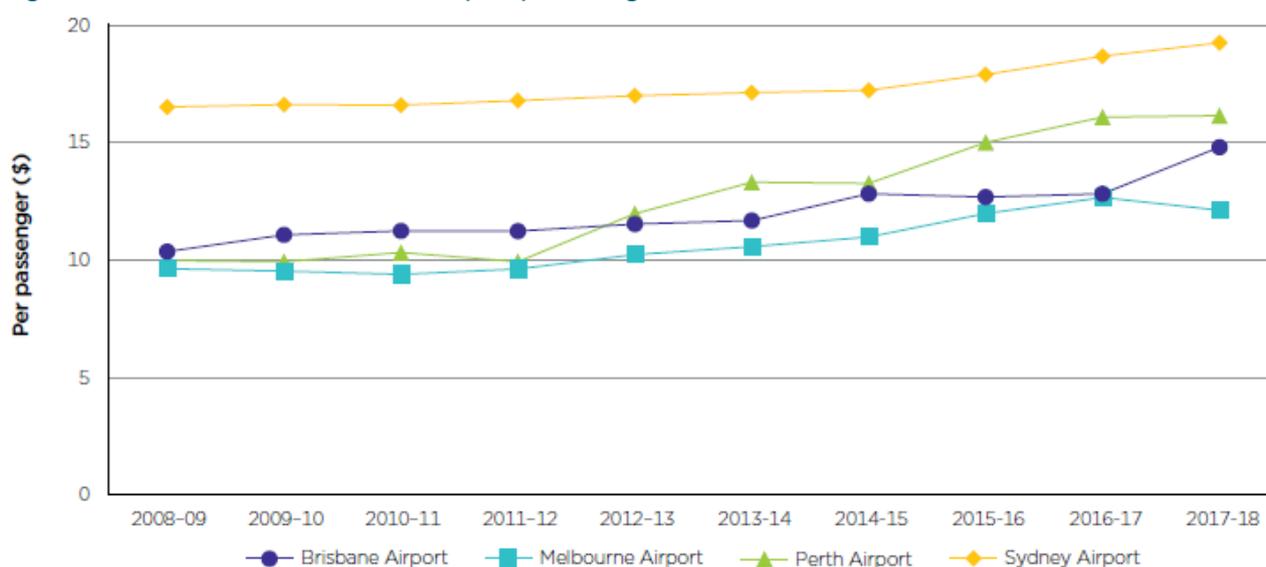
⁷⁸ [Aeronautical Pricing Show Cause Guideline: Draft](#), Department of Infrastructure, Transport, Regional Development and Local Government, January 2009, p.6.

⁷⁹ [Economic Regulation of Major Australian Airports](#), Commonwealth Department of Infrastructure, Regional Development and Cities website, retrieved 26 November 2018.

The ACCC releases a report on prices, costs, profits and service quality at Sydney, Melbourne, Brisbane and Perth Airports each financial year. In the *Airport Monitoring Report 2017-18* published in February 2019, Perth Airport received the highest overall quality of service rating of the four major airports for the second year in a row and was the only airport to receive a 'good' rating from airlines.⁸⁰

Perth Airport has invested over \$1 billion in infrastructure over the last seven years, which has resulted in airport pricing increases. Reduced passenger volumes following the resource sector boom also increased the aeronautical revenue per passenger.

Figure 13: Aeronautical revenue per passenger in real terms: 2008-09 to 2017-18⁸¹



Note: Figures do not include revenue from leased terminals (Qantas and Virgin parts of Brisbane's domestic terminal, and Qantas terminals in Sydney until late 2015, Melbourne and Perth). Real prices are in 2017-18 dollars.

Airports and their associated financial modelling are complex. The ACCC provides consistently collected data in its Airport Monitoring Report which allows comparisons over time; however, standalone measures of profitability do not clearly illustrate the impact of the investment cycle. Step changes in airport infrastructure charges are expected as a result of new airport infrastructure being delivered, including the proposed new terminal for Qantas Group services at the Airport Central precinct, and the New Runway Project.

6.2. Productivity Commission Inquiry

In June 2018, the Deputy Prime Minister, Minister for Infrastructure and Transport and Treasurer, jointly announced the Productivity Commission Inquiry into the economic regulation of airports. The review was not limited to the four major airports, this provided opportunity to consider inclusion of other major regional airports in such Commonwealth oversight in the future.

⁸⁰ [Airport Monitoring Report 2017-18](#), Australian Competition and Consumer Commission, 25 February 2019, p.1.

⁸¹ [Airport Monitoring Report 2017-18](#), Australian Competition and Consumer Commission, 25 February 2019, p.15.

The Productivity Commission Inquiry report, released by the Commonwealth Government on 22 October 2019, found that the current approach to airport regulation benefits passengers and the community and remains fit for purpose.⁸²

To improve the existing regime, the Productivity Commission made recommendations to increase the detail of some financial reporting by major airports and prevent anticompetitive contract provisions between airports and airlines. The Productivity Commission found that clauses consequently inhibit opportunities for downward pressure on airfares and should be removed.

It also found little value in the voluntary reporting by second-tier airports and recommended to discontinue second-tier airport monitoring and not require monitoring for airports other than the four major airports.⁸³

With respect to regional airports, the Productivity Commission recommended that states and territories better allocate and manage regional airport infrastructure investment, and that the Australian Government review the efficacy of the Strategic Airport Assets and Financial Management Framework being introduced in Western Australia for small to medium sized RPT airports.⁸⁴ In its response in December 2019, the Commonwealth Government supported (entirely or in principle) this recommendation.⁸⁵

6.3. Perth Airport Fees and Charges

The fees and charges associated with the use of airports are set to cover the use of the runway and terminal infrastructure, and other airport operations costs, including (but not limited to) roads, electricity infrastructure, water and communications.

Most air services in Western Australia originate or terminate at Perth Airport, and as such, the fees and charges set by Perth Airport are a component of most regional airfares.⁸⁶

A significant factor in the setting of airport fees and charges is the investment cycle. Adjustments to charges are required to recoup costs incurred in major infrastructure delivery; however, the building block model used by PAPL decreases charges associated with major capital projects over time, assuming there are no significant additional capital costs or projects. Charges at Perth Airport include:

- airfield charges (per passenger or maximum take-off weight of the aircraft, with a minimum charge);
- aircraft parking charges (where applicable);
- peak period charges (this operates as a minimum charge and does not apply where airfield charges exceed the nominated amount, and only applies for arrivals and departures in nominated periods);
- terminal charges (per passenger, which vary between terminals); and

⁸² [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.2.

⁸³ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.12.

⁸⁴ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.43.

⁸⁵ [Australian Government response to the Productivity Commission Inquiry into the Economic Regulation of Airports](#), Government of Australia, 11 December 2019.

⁸⁶ [Schedule of Aeronautical Charges Effective 1 July 2019 to 30 June 2020](#), Perth Airport Pty Ltd, July 2019. - Note these are 'rack rates' and may vary with charges applied under Aeronautical Service Agreements.

- security charges (includes both security recovery and passenger and baggage screening, which vary between arriving or departing passengers, domestic or international services, and whether the aircraft exceeds the threshold for security screening).

Airport security screening is legislated by the Commonwealth Government. At Perth Airport and other major regional airports, screening is required for RPT and open charter air services conducted by aircraft with 40 or more seats. Closed charter and general aviation aircraft departing from the same area as screened aircraft must also be screened and also incur security screening charges. Security operating costs are levied by PAPL on airlines on a pass-through basis, that is, there is no mark-up or profit component for the airport.⁸⁷ Security charges are levied by the airlines as part of the total airfare, and are further discussed in Section 7: Airport Security.

As the pivotal airport in Western Australia's regional air network, Perth Airport plays an important role in supporting lower regional airfares. For example, when Regional Express (Rex) entered the Western Australian air service market it sought to address community concerns about high air fares to Albany and Esperance. Rex introduced an innovative Community Fare. In order to take the commercial risk associated with introducing lower innovative air fare pricing, Rex required medium-term certainty and incentives around future airport fees and charges. Perth Airport supported reduced regional air fares through volumetric airport fee incentives whereby if Rex achieved demand increases on the route, then the fee cost per passenger declines. See Case Study on Regional Express Community Fares in the **WA Air Services** document.

6.3.1. Aeronautical Service Agreements

Construction costs of major infrastructure projects are borne by PAPL, which then recovers the cost of these projects through new or increased charges over an extended period. In general, airport users are not charged until the project has been commissioned and the corresponding level of service is being delivered.

Aeronautical Service Agreements (ASA) are the means by which those charges are levied by PAPL. ASAs incorporate conditions of use, airport operating protocols, service level agreements, passenger demand and charges associated with the infrastructure to be provided over the term of the agreement. ASAs are in place with all but one of the terminal-based airlines to 2025.

Air service agreements with airlines are commercial-in-confidence. All publicly available costs and charges are "rack rates" which are used when there is no governing ASA in place.

The New Runway Project at Perth Airport will require agreement with airlines for the project, which will include the determination of price increases that will take effect once the new runway is commissioned and available for use.

⁸⁷ [Airport Monitoring Report 2017-18](#), Australian Competition and Consumer Commission, 25 February 2019, p.162.

6.3.2. Perth Peak Periods and Charges to Regional RPT Services

Many larger aircraft servicing international and interstate routes have limited flexibility for movement of their arrival and departure times, constrained by the slot allocation at their points of origin and destination or aircraft utilisation requirements of the major airlines. Charters servicing the resources sector are constrained by the shift rosters of workers, with arrival and departure times dictated by the start and finish times of rosters. Smaller intrastate charter and RPT flights do not have the same significant constraints under which other airlines or routes operate. Without a disincentive such as peak pricing, these services might otherwise choose to operate in the peak period – increasing peak period demand, reducing the number of slots available to other airlines and reducing the overall effectiveness of the airfield during peak periods.

Perth Airport introduced peak pricing in 2013.⁸⁸ To the extent that Perth Airport is able to extract greater efficiencies from its existing runway, peak pricing allows significant capital investment for a new runway to be deferred, keeping the cost of operating at Perth Airport lower for longer.

In 2019-20, the peak period minimum movement charge for airlines with a current ASA is \$230.40 per movement which only applies if the nominated amount is not exceeded by airfield charges. The peak period charge does not apply to aircraft carrying 38 or more passengers (at the 38-passenger threshold the fees and charges approximate the “rack rates” in the published Schedule of Aeronautical Charges).⁸⁹ The peak period charge disproportionately impacts small regional air services due to the lower seat capacity of their services, which represent a less efficient use of the runway and taxiway systems during periods of high demand. The impact on a cost per seat basis increases as seat capacity decreases (see Table 1 below).

Table 1: Peak period charges as applied at Perth Airport⁹⁰

# Passengers	Passenger Charges	Peak Minimum Charge	Invoiced Amount	Peak Period Impact
15	\$91.41	\$230.40	\$230.40	\$138.99
30	\$182.82	\$230.40	\$230.40	\$47.58
45	\$274.23	\$230.40	\$274.23	-

Peak periods are between 05:30 and 07:30 and 15:00 and 16:00, Monday to Friday. These peak periods are determined based on historic traffic volumes. Only three regulated RPT services currently operate during published peak periods. Peak periods are under review and may change subject to airline consultation.⁹¹ Further reference to the peak period charges can be found in Section 4: Perth Airport Infrastructure.

⁸⁸ [New Runway Project: Preliminary Draft Major Development Plan, Volume A: Background and Need](#), Perth Airport Pty Ltd, May 2018, pp.74.

⁸⁹ [Schedule of Aeronautical Charges Effective 1 July 2019 to 30 June 2020](#), Perth Airport Pty Ltd, July 2019.

⁹⁰ The charges shown are 2019-20 rates as applied to those airlines with Aeronautical Services Agreements in place with Perth Airport.

⁹¹ [Schedule of Aeronautical Charges Effective 1 July 2019 to 30 June 2020](#), Perth Airport Pty Ltd, July 2019.

It is noted that there is a flow-on effect of these peak periods on regional airport infrastructure. During the last mining boom, regional airport infrastructure was put under pressure both for aircraft arrivals (runway capacity) and holding aircraft at the regional airport (apron capacity) to line up with slots at Perth Airport at peak times or to avoid peak period pricing.

This then has a detrimental impact on the investment profile of regional airports. Liaison with key airport users to ensure high quality forecasting will allow for timely delivery of demand management principles and any required infrastructure improvements.

6.4. Regional Airport Fees and Charges

Western Australia's regional airports generally operate autonomously. All regional airports in Western Australia receiving RPT air services are managed by local governments, except for Monkey Mia, Broome, Paraburdoo and Port Hedland, which are privately managed. Learmonth (Exmouth) is a Commonwealth Department of Defence base, but the civilian passenger terminal is leased to and managed by the Shire of Exmouth.

Large regional airports may operate using the same methodology as Perth Airport, including use of the building block model in setting aeronautical fees and use of pricing agreements with airlines.

The State Government has no direct authority over the setting of fees and charges at regional airports. The *Local Government Act 1995* (the LG Act) allows for a local government to impose and recover a fee or charge for any goods or service it provides, including admission to any facility owned, controlled or managed by the local government (Section 6.16 of the LG Act).

In many regional communities, the provision of an airport to receive regular, publicly accessible flights is an essential community service. In others, where the airport does not receive RPT air services and the community has good road connectivity to other major regional centres, the airport provides more limited but important services for the community, such as an aero club or general aviation activity, including access for the Royal Flying Doctor Service.

Fees and charges for regional airports are required to take into consideration the cost to provide the service, importance of the service to the community, and the price at which an alternate service may be provided (Section 6.17 of the LG Act). Local governments can subsidise the service for the common good.⁹²

In some circumstances, the airport managers have, by negotiation with airlines, put in place fee and charge agreements to enable the provision of lower-cost airfares for community members. This approach is demonstrated in the establishment of Community Fares by Regional Express and capped Qantas airfares for residents of Karratha and Kalgoorlie.^{93, 94}

The Productivity Commission identified that airports in regional centres have less (or no) market power compared to the four major capital city airports.⁹⁵

⁹² [Local Government Act Review Summary Discussion Paper: Rates, fees and charges](#), Department of Local Government, Sport and Cultural Industries, accessed 4 December 2018, p.5.

⁹³ See Case Study on Regional Express Community Fares in [WA Air Services](#).

⁹⁴ [Media Statement: McGowan Government welcomes capped airfares for Kalgoorlie and Karratha residents](#), Hon Rita Saffioti MLA, Minister for Transport; Planning, 20 August 2019.

⁹⁵ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.24.

It is challenging for both regional airports and airlines to operate sustainably in regional centres and remote areas of Western Australia. The Commonwealth Senate Inquiry found that, “when combined with the other higher costs of operation into regional and remote areas, it may be that airport charges become more significant as a contribution to the total airfare.”⁹⁶

The Department of Transport is working with local governments operating small to medium sized regional RPT airports to develop and maintain a Strategic Airport Assets Financial Management Framework for each airport. The Framework will enable a consistent, transparent and documented approach to the management of regional airports across Western Australia. It will enable prudent financial management of airport assets and setting of appropriate and sustainable airport fees and charges. Through improved airport data and analysis, airport owners can identify new opportunities to reduce operational and capital expenditure costs, which can be passed on as reduced airport fees and charges. For example, some regional airports calculate a standard depreciation rate across their entire runway asset. The runway asset can be the most expensive asset at an airport. Normally, the life cycle of a runway’s sub-grade course, sub-base course, base course should last for approximately 200 years, compared to the top surface layer lasting approximately 15-20 years. As part of the Framework it will be a requirement that regional airports apply a range of depreciation rates that reflect the true-life cycle costs of the differing components of their runway asset. This may result in a lowering of the depreciation costs at some regional airports, and consequently assist with reducing airport fees and charges.

More information about the Framework is discussed in Section 5: Regional Airport Infrastructure.

6.5. Other Fees and Charges

While not imposed by the airport itself, additional costs are incurred for providing an air service into an airport. Airservices Australia is Australia’s air navigation services provider, responsible for air traffic control, air navigation and aviation rescue firefighting. The charges it applies vary depending on an aircraft’s size and the airport of departure and arrival. In some cases, navigation charges (known as enroute charges) on marginal routes may be eligible for partial reimbursement where they meet certain criteria.

Commencing in the 2019-20 financial year, Airservices Australia announced it will reduce aviation charges for the first time and is seeking to minimise operational costs for the airline industry and light aircraft operators.⁹⁷

⁹⁶ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.175.

⁹⁷ [Media Release: Airservices Australia cuts aviation charges](#), Airservices Australia, 16 June 2019.

7. Airport Security

Aviation security settings are based on judgements informed by intelligence and the individual characteristics of airports. These include, but are not limited to, location, proximity to infrastructure, regular passenger numbers and the types of services and aircraft hosted.

Since the 2015 State Aviation Strategy was issued, the State Government and the aviation industry have continued to raise with the Australian Government the need for a balance between ensuring safety and security for Australian citizens and affordable public aviation to regional WA communities.

A number of submissions received in the 2017 Parliamentary Inquiry linked the high cost of regional airfares with the cost of airport fees and charges in WA. Many costs associated with security screening cannot be absorbed and are passed on as higher fees and charges which ultimately leads to higher airfares. Airport security costs are significant on many air routes in regional WA due to low passenger numbers and high fixed screening costs that result in a relatively high per passenger charge.

The RRATR Committee found that there was agreement from all parties regarding the negative impact of higher security screening costs on the viability of regional airports and the price of airfares.⁹⁸

Security costs have consistently made up the greatest share of operational costs at major capital city airports, comprising about 30 to 40 per cent of operating costs over the past decade.⁹⁹ The cost of aviation security at Perth Airport – or any other major airport – also forms a component of regional airfares. While the economies of scale associated with major airports mean that significant capital costs can be spread over the large number of passengers using the airport, changes to screening requirements or upgrading of equipment at these airports will also increase the cost of airfares.

7.1. Commonwealth Aviation Security Legislation

Aviation security is regulated under the *Aviation Transport Security Act 2004* (Commonwealth) (Security Act) and the *Aviation Transport Security Regulations 2005* (Commonwealth) (Security Regulations). These instruments embody Australia's international obligations under the Convention on International Civil Aviation.

From 1 July 2012, Commonwealth aviation security requirements took effect across all Australian airports requiring:

- grouping of airports into bands with similar operating environments and threat and risk profiles following the assessment of a number of relevant factors; and

⁹⁸ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.81.

⁹⁹ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.157, p.142.

- airports accommodating aircraft maximum take-off weight (MTOW) of greater than 20,000 kilograms (20 tonne) as the trigger for screening of RPT and open charter services.

The Security Act and Security Regulations are administered by the Commonwealth Department of Home Affairs. The cost of security, including the day-to-day management and ongoing funding of security operations, is the responsibility of industry. Cost negotiations, including for security services, are commercial decisions between airports and airlines.

Perth Airport has significant security screening requirements and the airport operator, PAPL, is responsible for ensuring that each of the common user terminals has the appropriate infrastructure to meet the Commonwealth's requirements. Western Australia's regional RPT airports currently requiring aviation security screening are Geraldton, Kalgoorlie, Learmonth, Onslow, Karratha, Port Hedland, Paraburdoo, Newman, Broome, and Kununurra. Of these 10 regional RPT airports, seven are classified as small to medium sized RPT airports.

Operational security costs borne by airports as mandated by the Commonwealth Government, are generally treated as a "pass through" cost – that is, airports recover the cost of the security services from airlines, and airlines include a charge to passengers as part of the total airfare.

7.1.1. Amendments to Commonwealth Aviation Security Legislation

In 2017, the Commonwealth Government directed all major airports (including Perth Airport) to implement an enhanced airside screening regime for airport staff. Compliance with this direction required an estimated capital expenditure of between \$17 million and \$20 million and additional operational costs of over \$1 million per annum.¹⁰⁰ PAPL recovers the cost of any new legislated security services from airlines, as stated in each of its Aeronautical Service Agreements and Schedule of Aeronautical Charges.

Strengthened security requirements announced in the 2018-19 Commonwealth Budget were introduced to address an evolving threat environment, while maintaining the safety and security of the travelling public. The Aviation, Air Cargo and International Mail Security Package requires all passengers and staff on RPT flights with 40 or more seats with annual airport passenger throughput above a nominated threshold to undergo security screening.¹⁰¹ This was accompanied by the allocation of \$50.1 million, through the Regional Airport Security Screening Fund, to support regional airports that are required to undertake security screening to purchase or upgrade their equipment. This includes capital works funding of up to \$1 million, for airports newly required to implement X-ray technology for baggage screening, in recognition that these systems may require additional infrastructure to accommodate the new equipment. No ongoing funding has been allocated by the Commonwealth towards the maintenance, staffing and depreciation costs associated with the required security infrastructure.

¹⁰⁰ [Perth Airport Response to Qantas Group and A4ANZ Submissions](#), Perth Airport Pty Ltd, 17 April 2019, p.11.

¹⁰¹ [Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Rural and Regional Affairs and Transport References Committee, Commonwealth Senate, June 2019, p.82.

The Commonwealth Government has also directed major airports to implement enhanced security screening measures for both domestic and international passengers, requiring capital expenditure. PAPL is continuing engagement with airlines with regards to this project and, once in place, will recover the costs from airlines, consistent with the provisions of its Aeronautical Service Agreements.

7.2. Impact of New Aviation Security Measures on Regional Airfares

The State Government notes that no financial analysis or economic modelling had been undertaken to determine the ongoing financial impact of enhanced security measure at regional airports. However, as at December 2019, the Department of Infrastructure, Transport, Cities, and Regional Development is working with industry and the Department of Home Affairs to undertake up to six case studies to assess the financial impact of the new aviation security requirements on regional airports and, where possible, the flow on impact to the local communities.¹⁰²

Discussions were held between the Department of Home Affairs, Department of Transport and small regional airport operators (with low passenger throughput) as to the appropriate categorisation of these airports and the appropriate security measures. The Commonwealth has responded positively to these discussions and has modified security arrangements for small regional airports. Medium sized regional RPT airports are not expected to be unduly impacted as these have existing security screening arrangements.

The Strategic Airport Assets and Financial Management Framework being introduced at small to medium sized regional RPT airports in Western Australia will identify the costs of airport security screening throughout the state, including infrastructure changes, equipment purchases and installation, training, staffing, ongoing operation and depreciation costs and future upgrade and replacement costs. More information can be found in Section 5.3: Strategic Airport Assets and Financial Management Framework.

¹⁰² [Australian Government response to the Rural and Regional Affairs and Transport References Committee report: Operation, regulation and funding of air route service delivery to rural, regional and remote communities](#), Department of Infrastructure, Transport, Cities and Regional Development website, retrieved 11 December 2019.

8. Regional Airports Development Scheme

The Regional Airports Development Scheme (RADS) is administered by the Department of Transport and provides financial support to regional and remote airport owners in upgrading and maintaining their airport infrastructure to ensure safe and reliable access for regional and remote communities.

Owners of publicly accessible airports can submit an application to be considered for a grant towards an eligible total project cost. 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
- airport strategic planning
- other aviation infrastructure projects.

In the last ten years, 283 regional airport projects have been granted more than \$42 million in RADS funding, supporting regional airports across Western Australia.

The Productivity Commission's inquiry on economic regulation of airports highlighted that many regional airports do not have sufficient demand for airport services to cover the costs of running the airport.¹⁰³ The funding assistance provided through RADS and other local, State and Commonwealth Government infrastructure funding programs have assisted in ensuring that airport fees and charges at many regional Western Australian airports have remained lower than would have otherwise been required to recover the costs incurred.

¹⁰³ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.116.

Case Study: RADS \$6.5million Contribution to the Geraldton Regional Airport Runway Renewal Project

The Geraldton Regional Airport's main runway had reached its useful life and required a \$13 million runway renewal to ensure the airport could continue meeting its required level of operations. The City of Greater Geraldton estimated that without runway renewal works being carried out, operating costs would have continued to increase to maintain the asphalt layer in usable condition. Ongoing asphalt maintenance can only be carried out for a limited time as significant damage can occur to the subbase of the runway over time. Without RADS support for this project there would have been pressure on the City of Greater Geraldton to increase its airport's fees and charges to cover increased on-going operating costs. Increases in fees and charges would put upward pressure on airfares to and from Geraldton.

8.1. Improving General Aviation

General aviation is a broad term and occurs to some extent at all airports in Western Australia. It is distinct from regular commercial passenger transport, and often correlates with shorter and more frequent aircraft movements.

Western Australia's regional and remote airports have an important role in supporting the operations of Western Australia's general aviation community. These airports provide facilities to support tourism charters, pilot training, sport and recreational aircraft activities, services to resource and pastoral sectors and important emergency services such as patient transfer facilities for the Royal Flying Doctor Service (RFDS). Additionally, the Department of Fire and Emergency Services manages the RAC Rescue Helicopters, based in Jandakot and Bunbury, and in conjunction with the Department of Biodiversity, Conservation and Attractions, manages water bombers based in regional locations such as Bunbury, Manjimup and Albany as well as Forward Operating Bases which include 39 airstrips from Kalbarri through to Esperance.

RADS grants provide funding to assist in developing and maintaining infrastructure at these remote and regional airports to ensure safe and continued access for general aviation operations. Since 2008-09, 22 RADS grants totalling over \$2.3 million were awarded for projects which (in part or whole) specifically linked to RFDS or water bombing operations – although most regional airport infrastructure improvements by RADS provide direct benefits to all airport users, including general aviation activities.

8.2. Improving Transparency of Financial Grants

Increases in capacity at regional airports regularly needs funding through grants from state governments or the Commonwealth.¹⁰⁴ The Department of Transport recognises the challenges for both airports and airlines to operate sustainably in regional centres of Western Australia. It is therefore imperative that RADS funding is fairly allocated and airports are well managed by their owners.

¹⁰⁴ [AAA Submission to the Productivity Commission](#), Australian Airports Association, September 2018, p.65.

In its inquiry on economic regulation of airports, the Productivity Commission acknowledged the important community benefit of regional air services and the difficulty faced by some small regional airports to cover operational expenses, much less fund essential infrastructure upgrades. However, it has indicated its concerns over unnecessary infrastructure upgrades potentially leading to negative outcomes and recommended further scrutiny of infrastructure proposals put forward to government bodies for funding assistance.¹⁰⁵

The Strategic Airport Assets and Financial Management Framework (Framework) aims to provide a consistent, transparent and documented approach to the management of airport assets and setting of airport fees and charges (refer to Section 5.3 Strategic Airport Assets and Financial Management Framework). As part of all future airport infrastructure funding requests made to the Department of Transport, it is a requirement that a regional airport receiving RPT services has a current Framework.

The Productivity Commission has acknowledged this initiative and recommended that the Commonwealth Government review the efficacy of the Department of Transport's Framework, following its implementation, indicating a possible future national application.¹⁰⁶

¹⁰⁵ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, pp.325-327.

¹⁰⁶ [Economic Regulation of Airports: Inquiry Report No. 92](#), Productivity Commission, 21 June 2019, p.43.

9. New Mining Airstrip Proposals

Recommendation 13 of the Economics and Industry Standing Committee (EISC) Report is that “all proposals for new mining airstrips within 100 kilometres of existing RPT airports are to be considered at Cabinet level and be accompanied by a recommendation from the Aviation Ministerial Council”.¹⁰⁷

The EISC recognised that the development of mining airstrips must balance the needs of the resource industry for efficient transport and logistics supply chains to mine sites with the needs of regional RPT airport operators, which are able to operate more efficiently by maximising the number of passenger and aircraft movements through their airport.

Existing approval mechanisms for mining airstrips include approvals administered under the *Mining Act 1978* (Mining Act) and approvals granted on a project basis through individual State Agreements.

This section recognises competing issues arising when new airstrips are proposed in proximity of existing RPT airports in Western Australia.

9.1. Impact of Mining Airstrips

Regional local government authorities have raised concerns about the viability of RPT airports impacted by the proliferation of mining airstrips. The EISC report found that new resource project airstrips close to existing airports can undermine RPT services. It outlined problems where resource companies have built airstrips close to RPT airports, reducing the number of passengers utilising the RPT airport which, in turn, reduces overall airport revenue, placing upward pressure on airport fees and charges for remaining flights and passengers.

The State Government understands the role of the mining companies to ensure a safe workplace, including minimising the length of travel to and from site. There are additional costs associated with using airports further from mining operations, both in direct transport costs and in meeting fatigue management requirements.

CASA has also raised concerns about the proliferation of mining airstrips, particularly in the Pilbara region, in what is predominantly uncontrolled (Class G) airspace.

9.2. Assessment of New Mining Airstrip Proposals

The process for approval of a new mining airstrip varies depending on the agreements around the development of the mine site and the land it occupies. Approval authorities and information requirements for such approvals also vary.

¹⁰⁷ [Perceptions and Realities of Regional Airfare Prices in Western Australia](#), Economics and Industry Standing Committee, Report No. 2, November 2017, p.x.

9.2.1. Mining Tenure

The Mining Act provides various tenure options for prospecting, exploration, retention, mining and infrastructure. Any of the titles outlined below may be used as appropriate tenure to construct an airstrip and supporting infrastructure such as communications, terminal buildings, administration buildings and fuel storage facilities to support mining operations.

Mining Lease

- Granted for a period of 21 years and for a further term of 21 years as of right. Additional renewal/s at the discretion of the Minister for Mines.
- Section 85 of the Mining Act authorises the holder to do all acts and things necessary to effectively carry out mining operations.
- Provides the holder of the lease exclusive use of the land for mining purposes.
- Section 8 of the Mining Act, among other things, defines “mining operations” as doing all acts, incident or conducive, to any such operation or purposes.

General Purpose Lease

- Granted for a period of 21 years and for a further term of 21 years as of right. Additional renewal/s at the discretion of the Minister for Mines.
- Section 87 of the Mining Act entitles the lessee, among other things, use of the land for any other specified purpose directly connected with mining operations.
- Section 8 of the Mining Act, among other things, defines “mining operations” as doing all acts, incident or conducive, to any such operation or purposes.

Miscellaneous Licence

- Granted for a period of 21 years.
- The Minister for Mines shall renew for a further term of 21 years. Additional renewal/s at the Minister’s discretion.
- Authorises the holder to do such matters and things as are specified in the licence.
- Shall not be granted unless the purpose for which it is granted is directly connected to mining.
- Purposes as prescribed are provided in regulation 42B of the *Mining Regulations 1981*. Regulation 42B(k) provides a purpose of - an aerodrome.
- A miscellaneous licence can be granted in respect of land that is the subject of another mining tenement.

9.2.2. State Agreements

A State Agreement is a legal contract between the State Government and a proponent of a major project within Western Australia, detailing the rights, obligations, terms and conditions for the development of the specific project. State Agreements are negotiated on a case-by-case basis and have project specific clauses.

The Minister for State Development, Jobs and Trade will determine if a resource sector development requires a State Agreement, using criteria such as the lifespan of the project, requirement for long-term certainty for the proponents, the requirement for significant infrastructure development such as rail networks, and the significance of the project to the economic development of the State. The final State Agreement must be ratified by an Act of Parliament.

State Agreements can only be made where tenure exists, for example, under a mining tenement as described in the Mining Act. The development of an airstrip may be considered as part of the application for a mining tenement. All activities under a State Agreement must also be subject to a proposal which is scrutinised and approved by the Minister for State Development in consultation with relevant agencies.

The Department of Jobs, Tourism, Science and Innovation is the lead agency for State sponsored significant projects and major resource and infrastructure projects where the proposed investment is significant or of strategic importance to Western Australia, including resource development projects subject to a State Agreement.

9.2.3. Case Studies

Examination of several case examples for the development of new mining airstrips highlighted the breadth and complexity of geographic and economic contexts. The diverse issues to be considered in each case – and different approvals processes – led to different decisions, and different regional outcomes.

While the detail of some of the case studies remains confidential, characteristics considered included:

- projects subject to State Agreements as well as those subject to the Mining Act;
- tenure granted under the Mining Act and land tenure granted under other legislation;
- projects less than 100 kilometres from the closest RPT airport to projects more than 200 kilometres from an RPT airport; and
- airstrips supporting a range of resource activities including iron ore, lithium and the oil and gas supply chain.

The State Government holds different levers with which each of these projects may be influenced; State Government is able to withhold applications for freehold land tenure but under the current legal framework has less scope to restrict development on mining tenure where it is for a purpose ancillary to a mining operation.

The case studies highlighted there are many different factors the State Government must consider, and no single solution exists to address the competing interests of private aviation developments and the RPT services already available to regional communities.

9.3. Conflicts and Considerations

The EISC received evidence to suggest higher passenger numbers at a regional airport reduce the cost of RPT services. Mining airstrips which commence operations in close proximity to RPT airports diminish passenger numbers through RPT airports and potentially undermine the viability of the RPT service in two ways.

1. The cost of operating a regional airport is largely fixed. A reduction in flight numbers to an RPT airport means airport revenues decline through fewer fees and charges, and there is pressure on the airport operator to increase fees and charges, resulting in an increased airfare.
2. A loss of flights into an airport, or services conducted in smaller aircraft, reduces seat capacity. With a loss of seat capacity there is a significant reduction in the opportunity for fare discounting on the route.

The State recognises the concerns of regional communities that mining airstrips can reduce the number of passengers utilising RPT airports, which in turn reduces overall airport revenue placing upward pressure on airport charges for remaining flights and passengers.

From a broader policy perspective, the State Government has to facilitate economic development (for example, the State's focus on future battery materials such as lithium). The State is also conscious of the need to support the safety objectives of industry and community. Other industry considerations may include accessibility to sites, and suitability of existing RPT infrastructure to accommodate the required aircraft volumes and passenger movements. Accordingly, the State is acutely aware of any action that may limit the commercial outcomes of a company or discourage it from investing in the State in favour of a competing destination.

There is no 'one size fits all' solution to new mining airstrip proposals, and often situations are further complicated by the inherent conflicting objectives.

The 100-kilometre distance identified in Recommendation 13 does not necessarily capture community or economic development objectives at some locations. Different locations also present different imperatives. For example, airports such as Broome, Kununurra, and Learmonth (Exmouth) are identified by State Government as a focus for tourism development.

9.4. A Way Forward

The primary objective of the Mining Act 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 effects of an airstrip proposal, in some situations.

Section 120(1) of the Mining Act recognises that if an application for a mining tenement as described in the Mining Act involves the construction of an airstrip located within an area subject to an operative local planning scheme under the *Planning and Development Act 2005*, the statutory decision-makers, being the Minister for Mines, Mining Registrar and Warden, must take into consideration that planning scheme. While a local planning scheme cannot prohibit or affect the granting of a mining tenement, local governments could provide guidance in its local planning framework on the planning and development of airstrips in their region.

Should a mining lease or general-purpose lease application conflict with a local planning scheme, section 120(2) of the Mining Act enables the local government or the WAPC to raise their concerns with the Minister for Planning. The Minister for Planning can then inform the Minister for Mines that a proposal for a mining airstrip is contrary to the provisions of the relevant local planning scheme and make a recommendation to the Minister for Mines.

The statutory decision-makers, being the Minister for Mines, Mining Registrar and Warden, while not bound by the local planning scheme, are still required to consider the Minister for Planning's recommendation, the provisions of the planning scheme and make a decision that takes into account the planning scheme. The statutory decision-maker, after having taken this action, may still choose to approve the mining lease or general-purpose lease application.

10. Glossary

AAA	Australian Airports Association
ACCC	Australian Competition and Consumer Commission
ACE	Airport Capacity Enhancement
ALT	Aboriginal Lands Trust
ANEF	Australian Noise Exposure Forecast
ASA	Aeronautical Services Agreements
BIA	Broome International Airport
BOO	Build, own, operate
BOOT	Build, own, operate, transfer
CASA	Civil Aviation Safety Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CME	Chamber of Minerals and Energy
EISC	Economics and Industry Standing Committee
FIFO	Fly-in fly-out
Framework	Strategic Airport Assets and Financial Management Framework
GSP	Gross State Product, the total market value of goods and services produced in the state within a given period after deducting the cost of goods and services used up in the process of production but before deducting allowances for the consumption of fixed capital (as defined by the Australian Bureau of Statistics)
LG Act	Local Government Act 1995
MDP	Major Development Plan
Mining Act	Mining Act 1978
MTOW	Maximum Take-Off Weight
NASF	National Airports Safeguarding Framework
PAPL	Perth Airport Pty Ltd
Parliamentary Inquiry	2017 Economics and Industry Standing Committee report on the <i>Perceptions and Realities of Regional Airfare Prices in Western Australia</i>
PHIA	Port Hedland International Airport
PPP	Public Private Partnership
RADS	Regional Airport Development Scheme

RAU	Remote Airstrip Upgrade
RPT	Regular Public Transport
RRATR Committee	Commonwealth Rural and Regional Affairs and Transport References Committee
Security Act	Aviation Transport Security Act 2004 (Commonwealth)
Security Regulations	Aviation Transport Security Regulations 2005 (Commonwealth)
SPP 5.1	State Planning Policy 5.1: Land Use Planning in the Vicinity of Perth Airport
SPP 5.3	State Planning Policy 5.3: Land Use Planning in the Vicinity of Jandakot Airport
Upgauging	Increasing aircraft size for a flight
VTOL	Vertical Take-Off and Landing, the type of movement associated with trial flying passenger vehicles
WA	Western Australia
WAPC	Western Australian Planning Commission