



29 January 2013

Peter Ryan
State Aviation Strategy
Department of Transport
GPO Box C102
Perth WA 6839

peter.ryan@transport.wa.gov.au

Dear Mr Ryan,

Western Australia Draft State Aviation Strategy

The RAAA is pleased to be able to comment on the Western Australia Draft State Aviation Strategy.

The RAAA and its Members

The Regional Aviation Association of Australia (RAAA) was formed in 1980 as the Regional Airlines Association of Australia to protect, represent and promote the combined interests of its regional airline members and regional aviation throughout Australia.

The Association changed its name in July 2001 to the Regional Aviation Association of Australia and widened its charter to include a range of membership, including regional airlines, charter and aerial work operators, and the businesses that support them.

The RAAA has 29 Ordinary Members (AOC holders) and 67 Associate/Affiliate Members. The RAAA's AOC members directly employ over 5,000 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than \$1b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. Annex A lists the Ordinary Members of the RAAA.

RAAA members operate in all States and Territories and include airlines, airports, engineering and flight training companies, universities, finance and insurance companies and government entities. Many of RAAA's members operate successful and growing businesses providing employment and economic sustainability within regional areas.

Some examples of RAAA members' presence in regional Australia is the REX hub in Wagga Wagga, Skywest, Maroomba Airlines and Skippers Aviation in WA, Sharp Aviation in Hamilton, Airnorth and Chartair Northern Territory networks, West Wing Aviation in Mt Isa, Airlines of Tasmania in Hobart and Skytrans operations from Cairns, to name a few.

Serving regional aviation, and through it, the people and businesses of regional Australia

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RAAA Charter

The RAAA's Charter is to promote a safe and viable regional aviation industry. To meet this goal the RAAA:

- promotes the regional aviation industry and its benefits to Australian transport, tourism and the economy among government and regulatory policy makers;
- lobbies on behalf of the regional aviation industry and its members;
- contributes to government and regulatory authority policy processes and formulation to enable its members to have input into policies and decisions that may affect their businesses;
- encourages high standards of professional conduct by its members; and
- provides a forum for formal and informal professional development and information sharing.

The RAAA provides wide representation for the regional aviation industry by direct lobbying of Ministers and senior officials, through parliamentary submissions, personal contact and by ongoing, active participation in a number of consultative forums.

RAAA response to Version 4 of the draft WA State Aviation Strategy Draft Objective ID:A987552

We agree very strongly with the statement in the Minister's Forward "it is imperative that Perth Airport now needs to bring forward the development of a third runway to avoid any further damage and disruption to air traffic".

Using the same headings as in the contents listing we comment as follows:

Perth Airport Infrastructure

Perth Airport has done nothing but "talk" about this third runway. The State Government should insist on the immediate development of the third runway.

Whilst there has been a slow down in the so-called mining boom, it is just that, a slow down. There is no sign of contraction and therefore Perth Airport needs to address the congestion issue now. When the boom picks back up, as it is likely to do, Perth Airport will be even further behind.

The Strategy paper spent significant time discussing the inaccuracies of forecast passenger movements at Perth Airport, without arriving at a conclusive answer. Suffice to say that passenger traffic will continue to increase through Perth Airport barring a major international event.

Nearly all respondents to the strategy paper, including UKNats, indicate that a third runway is required now.

The statement on page 8 that there is “little opportunity for peak loads at the airport to be spread.....” is correct in itself; however some relief could be gained immediately if the leisure market flights were moved out of the peak periods.

Also, the use of the term “peak periods” which has been used of most of 2012, is now outdated as the congestion at Perth Airport is from about 0530 through to 2030. When the departure peak slows the arrival peak increases. There are only small periods throughout the day when there is no requirement for delays to flights, either by being held on the ground prior to departure or by airborne delays.

The comments in **9.7 Additional Runway Capacity** state that there are two ways to increase runway capacity; extend the existing cross runway or build a new parallel runway. Extending the existing runway will NOT add capacity. The better utilisation of this runway by Airservices; that is using both runways at the same time will add capacity. The State government should also meet with Airservices to insist on better utilisation of existing infrastructure including the re-introduction of simultaneous operations.

There has been much discussion by Perth Airport on the funding of a new runway. Perth Airport says it will not proceed with the construction of this runway without agreement from airlines and other stakeholders with funding. From a layman’s point of view if Perth Airport is to charge for the use of this runway, which they surely will do, then it would seem logical that Perth Airport should fund it.

To suggest that the resource industry should underwrite the investment in return for priority access would give a huge advantage to large multi-national companies over all smaller and local businesses. Is this good policy or politics?

Tourism and Aviation Route Development

The input by tourism on this strategy paper is becoming a cause for concern. Whilst tourism is an important part of the WA economy we are concerned about the push for increased air traffic into and within WA when Perth Airport cannot cope with the current air traffic demands.

On page 10 of the paper tourism states that low-cost carriers can stimulate traffic growth on a route by 300%. If this route was into or out of Perth it would be catastrophic and potentially damage the WA economy still further. We therefore cannot support the statement that the State Government will aim to attract new airlines including low-cost carriers to Perth. When Perth Airport has completed the third runway and infrastructure, this proposal would have merit.

Developing Quality and Affordable Air Services

Quality and affordable air services are very much a function of “demand”. Unfortunately in WA the demand for flights to many smaller regional centres is considered less than economical and is only possible by State Government intervention through its licensing system. This licensing system is quite unfair in that it forces the resource sector and smaller operators to “subsidise” larger operators by having to place passengers onto the RPT service. If a new mine starts in one of these regulated towns they are forced to negotiate with the RPT operators and at their price. This means that the RPT operator does not need to look for passengers as they will be passed to them under the State licensing system.

Under the current licensing system an operator can fly over a RPT route on only one occasion per week for any one customer. The anomaly with this is that an operator could use, say, a 75 seat aircraft once per week without breaching a licence, however if the mining customer had to downsize to say 60 passengers which would only require two 30 seat aircraft which in turn means two flights per customer which would be outside the licence terms. Whilst using one aircraft with 75 seats is acceptable and does not affect the RPT service, the downsizing and then using two flights is seen as having an effect on the RPT when in reality it is the same as using the single aircraft which has absolutely no effect on the RPT service as these passengers were never carried on the RPT. They were not considered in the State government passenger numbers for the regulation of these routes.

For the State Government to cooperate with the Commonwealth to allow charter operators to offer seats to the general public will be very proactive, and when instigated, will offer enormous benefits to these regional communities. Many of these communities cannot support one air service, so to say the Government will encourage new entrants into the market will only reduce the level of service. A de-regulated market with the availability of the charter operators to carry the general public is in our view the best outcome.

Key Actions

Broadly speaking we agree with most of the key actions as listed.

In item 4 we would recommend the State Government not only liaise with the stakeholders but drive some influence at Perth Airport to immediately commence construction of the third runway.

It is worth remembering that the steering committee has debated at length the style, length and aircraft type this third runway needs to meet. The third runway does not need to be the same as the existing runway 21, the main runway at Perth Airport. This has been proposed by many airlines including Qantas on more than one occasion.

Item 6: This was reviewed at the recent committee meeting and we believe the last half of the para will be deleted. We need to put to all levels of government that aviation security is of benefit to the whole community and as such some of the cost should be borne by the general public.



Item 8: As discussed above we cannot support any of this action until the congestion at Perth Airport is greatly reduced. To encourage more air traffic would certainly hinder the economic development of WA.

WA Regional Airports Infrastructure

The figure 9 in 10.3 is very interesting. Is there similar data for Perth Airport?

If you have any questions or require further information please do not hesitate to contact me on (02) 6162 0346 or email ceo@raaa.com.au.

Regards

A handwritten signature in black ink that reads "Paul Tyrrell". The signature is written in a cursive style.

Paul Tyrrell
Chief Executive Officer



Annex A: RAAA Ordinary Members

