

2 March 2022

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

By Email: rrat.sen@aph.gov.au

Dear Committee Secretary

LGAQ submission to the inquiry on Australia's general aviation industry

Please find attached the Local Government Association of Queensland's (LGAQ) submission to the inquiry into the current state of Australia's general aviation industry, with particular reference to aviation in rural, regional and remote Australia.

The submission highlights key issues raised by councils during consultation on the operation of regional aerodromes and airstrips, as well as relevant motions passed by members at the LGAQ's Annual Conference and makes four recommendations for the Committee's consideration.

Local Councils manage the majority of aerodromes that are used for regular public transport in Queensland, and as such the LGAQ is happy to be available to the Committee for any further information or consultation.

Should you have any questions or concerns in relation to the feedback provided, please feel free to contact Simon Booth - Lead - Infrastructure, Policy, Regional Development on

Yours sincerely

Cory Heathwood HEAD OF ADVOCACY



Queensland Councils & Regional Aerodromes

Submission to Senate Enquiry into Australia's General Aviation Industry

March 2022



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About the Local Government Association of Queensland (LGAQ)

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting, and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

Partners in Government Agreement

In August 2019, the LGAQ on behalf of all 77 Queensland Local Governments signed a three-year partners-in-government-agreement₁ with the State of Queensland.

The Agreement details the key principles underlying the relationship between the state and local governments and establishes the foundation for effective negotiation and engagement between both levels of government.

The agreement acknowledges that local government is the closest level of government to the community, affecting the lives of everyday Queenslanders and acknowledging Local Government as a genuine partner in the Australian government system.

The intent of the agreement was to continue the tradition of working in genuine partnership to improve the quality of life for all Queenslanders to enjoy. By identifying the roles and responsibilities of each party, it provides a solid foundation for effective negotiation and engagement between both levels of government.

The LGAQ is committed to working with the Queensland Government and will continue to be a passionate advocate for councils, to serve our joint jurisdiction for the people of Queensland.

Rural and Remote Councils Compact

The Rural and Remote Councils Compact² signed on 25 June 2021, compliments the existing Partnership in Government agreement in place between the LGAQ and the Queensland Government to provide a platform to ensure issues of priority for these communities are properly considered by the Government when developing policies, programs, and legislation.

The Rural and Remote Councils Compact, pledges to amplify the voice of and improve outcomes for the state's 45 rural and remote councils and their local communities by enhancing engagement between both levels of government. It's key strategic priorities in 2021 are roads; housing and financial sustainability.

¹ https://www.dlgrma.gld.gov.au/_data/assets/pdf_file/0016/45115/partners-in-government-agreement-2019.pdf

https://knowledgebaseassets.blob.core.windows.net/images/9c61cdc2-3cfa-eb11-94ef-002248181740/Rural%20and%20Remote%20Councils%20Compact%20-%20signed%20copy.pdf



Queensland Councils & Regional Aerodromes

Executive Summary

The LGAQ welcomes the opportunity to provide input to the Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into the current state of Australia's general aviation industry.

Throughout Queensland, Local Government Areas (LGA) typically include one or more aerodromes and several unregistered airstrips all of which require maintenance and upkeep in order to ensure communities have access to mail, health services, tourism, workers, newspapers, emergency services and the delivery of essential goods – maintaining vital supply chains. These aerodromes also support the resource industry and defence forces with ready access to remote and regional areas. Without this aviation infrastructure communities could become isolated and local economies could cease to remain viable.

As providers or aerodromes, councils are subject to Part 139 of the Civil Aviation Safety Regulations (CASR) that sets out the requirements and standards for registered aerodromes with published instrument flight procedures and certified airfields. These requirements include standards for aerodrome facilities, obstacle control, operational procedures and safety management.

Councils provide regional aerodromes as part of the suite of services available to their communities, but often meeting these regulations can mean sizable costs, especially in an age of increased security requirements, and changing demands for quarantine and health obligations.

Ultimately councils seek to share the financial responsibility of regional aerodromes with costs being shared with both state and federal governments, and the industries that are reliant on these facilities.

Recommendations / Priorities for Action

The LGAQ has prepared detailed comments and has made four recommendations, summarised below:

Recommendation 1:

A regional airport infrastructure fund to be established to offer continued support for regional airports and airstrips in meeting CASA standards, acknowledging the continued need for this infrastructure for government services, health and safety and policing.

Recommendation 2:
 CASA needs to facilitate a register of available experts for managers of regional



aerodromes to access, in order to locate available skills for ongoing registration and accreditation.

Recommendation 3:

Any regulatory changes enforced by CASA, no matter what the origin, needs to have a cost /benefit analysis and a detailed costing of capital and ongoing staffing costs. Federal support needs to extend to the ongoing operation costs, and a plan as to how regional aerodromes can be supported through reasonable expectations of income.

Recommendation 4:

The Federal Government needs to include regional aviation representatives in any planned review of aviation and maritime transport and security regulatory settings.



Introduction

There are approximately 81 registered aerodromes across Queensland, with a substantial number of these in regional areas operated by local government. Regional Queensland councils are critical in the delivery of regional air services.

Local Government Areas (LGA) have aerodromes and airstrips in order to ensure community members have access to mail, health services, tourism, mineral prospecting, staffing, newspapers, emergency services, and the delivery of essential goods — maintaining vital supply chains. These aerodromes also support the resource industry and defence forces, and other ancillary training including pilot training for the aviation industry.

Aerodromes enhance the liveability of communities. Without these air services, communities could become isolated and local economies could cease to remain viable. Councils are responsible for the significant and substantial ongoing cost in day-to-day operations, staffing and maintenance.

In a time where local governments have increasing financial sustainability issues, regional aviation infrastructure facing increasing maintenance costs and regulatory burdens particularly regarding mandated security.

Regional Aerodromes and Airstrips

Regional aviation is supported by a network of aerodromes and unmanned airstrips that serve as the connection point for commerce, travel, and tourism, and are key to economic growth and the transfer of fly-in, fly-out (FIFO) workers to employment centres and job sites. Access to airstrips and aerodromes also facilitate essential government services (teachers, police, health workers), the operation of military exercises, mail and time sensitive freight deliveries, emergency medical services (the Royal Flying Doctor Service, CareFlights), bush taxis, evacuations, and police services.

The access to regional airports has become the backbone of employment in the resource industry, which is heavily reliant on the FIFO model for construction and operational staff. Also importunately, access to regional services and airports counter a sense of isolation that regional communities can feel especially in times of drought or other natural disasters.

In general, the bulk of publicly accessible regional airstrips and aerodromes in Queensland are owned by local councils with only a small percentage receiving regular public transport services³.

Background:

Many of the airstrips and regional hub aerodromes are former Federal Government assets that were transferred over to local councils in the early 1990's as part of the Aerodrome Local Ownership Plan (ALOP). Part of the transfer of these assets were agreements that imposed obligations on the councils to continue to operate and maintain the assets as an airport and maintain standards to ensure Civil Aviation Authority (what is now CASA) certification or registration.

Some of these transfers were made to private investors, but in the absence of a third party willing to purchase the aerodrome as an investment – local councils were in a position that if they did not assume ownership there was a very real risk of losing air service to their region. In

³ ACIL Allen Consulting. (2016). Regional Airport Infrastructure Study – Economic Contribution and Challenges of Regional Airports in Australia. Report to Australian Airports Association



most cases the Federal Government offered capital funding to ensure that the aerodromes were at operating standard at the time of transfer.

However, these grants were time limited and did not cover costs for upgrades going forward.

There were 89 such transfers of airstrips and aerodromes to councils and private investors (for a list of aerodromes, see appendix).

Definition certified / registered:

- CASA certified airports are able to be used by regular public transport or charter aircraft with more than 30 passenger seats;
- CASA registered airports have been checked and verified by a
 qualified person approved by CASA for use at least once a week
 by RPT or charter aircraft with more than 9 but not more than 30
 passenger seats;

Most airstrips are simple grass or gravel and not regularly used for charters or regular public transport. ⁴

To be "CASA certified" or "CASA registered" aviation assets require continual upgrade, maintenance and renewal. For regional communities this can be significantly more expensive, as specialised planners, designers and workers need to be brought in from urban centres or regional hubs, as well as materials and equipment needed for construction or maintenance.

For these regional hubs – many airlines offered less frequent services from larger modern turboprop aircraft (most are over 50 seats),– meaning that airstrips had to be upgraded or regions would risk losing their air services altogether. This became a trend going forward for regional aerodromes requirements.⁵

Costs capital

Required infrastructure for a certified or registered aerodrome includes:

- Runway Construction, lengthening, widening or upgrading work;
- Taxiway and apron works;
- Terminal facilities;
- Navigational aids/instrument landing systems;
- ATC Tower/data and communication links;
- · Rescue and firefighting services and equipment; and
- Surveillance and security including perimeter fences and screening facilities.
- And more recently: screening, secure areas, biohazard testing

Simple airstrips that are not certified because of the scope of their operations are below the threshold requiring certification or registration do not require the same scope of works – but even simple maintenance to maintain basic safety standards require ongoing work that can easily run into hundreds of thousands of dollars. One council reported that a simple livestock fence upgrade would incur costs of upwards of \$200,000 on an airstrip that would not generate income for the council – making the upkeep impossible without Federal Government support.

⁴ Australian Airports Association. (2012). Australia's Regional Airports Facts, Myths & Challenges.

⁵ ibid



Other costs include:

- Fencing
- Clearing of flora, wildlife
- Lighting
- Runway maintenance grading (or upgrading).

Recommendation 1:

A regional airport infrastructure fund to be established to offer continued support for regional airports and airstrips in meeting CASA standards. Acknowledging the continued need for this infrastructure for government services, health and safety and policing.

Costs regulatory

To maintain CASA certification, assessments by qualified experts are required. This skill set is not readily available in regional and remote areas and as such, it is markedly more expensive to engage a consultant that needs to travel into regional and remote Queensland to carry out certifications on a regular basis.

Simply locating the qualified experts can be a costly and time-consuming exercise.

Specialised training is also required for operational staff: reporting officers, works safety officers and aircraft guidance, lighting maintenance, wildlife management and pavement repair staff. This includes undertaking simple radio operation for smaller airstrips, to training of ground staff, security training, and operation of specialised scanning equipment. These skills are not likely to be found in regional areas.

Recommendation 2:

CASA need to facilitate a register of available experts for managers of regional aerodromes to access, in order to locate available skills for ongoing registration and accreditation.

Costs operation

Even with smaller services (unregistered/uncertified airstrips) some councils have reported that staff are forced to close council offices in order to attend airstrips to ensure safety for approaching aircraft and monitor radios. In smaller aerodromes, staff are needed to be onsite to maintain basic security and to facilitate passengers. This creates a substantial gap in services and time for regional council workers, that cannot be avoided due to the minimum standards that are set out for safety.

In larger aerodromes, at a minimum, security services need to be maintained as well as screening services and safety and ground staff are required, these can be five to seven personnel that need to be onsite seven days a week. On top of this, hospitality services and transport staff also need to be present when flights are due to land.⁶ Mandated security requirements also bring significant cost implications.

⁶ AEC Group. (2018). Environmental Scan of Air Route Service Delivery to Rural, Regional, and Remote Communities. Report to Local Government Association of Queensland



Case Study: The Increased Costs of Implementation at Emerald Aerodrome.

At its pre-pandemic peak, Emerald aerodrome had a yearly throughput of passengers of approximately 208,000. QantasLink, Virgin Australia Regional Airlines and Alliance Airlines all operated out of Emerald for a combined (on average) 30 return flights to Brisbane a week.

At the time increased security measures were introduced, the aerodrome itself was not designed to have security screening, separate secured areas, or areas to hold passengers waiting for security screening.

The aerodrome was refitted to include security areas, and the outlay of the passenger processing areas was redesigned substantially. Changes were also required to introduce upgraded screening of passenger baggage, as well as accommodating access to screening technology for freight. This needed to be done in such a way as to not disrupt passenger check-in.

The necessary changes resulted in the airport space needing to be much larger, and as a result there were ancillary issues with the structure encroaching on access roads and established parking areas. Though there were admittedly upgrades to passenger facilities and fuel storage factored into the redesign as well, the overall redesign of the facility and carparks is estimated on completion to have been around \$7.7M.

Security screening operations commenced at Emerald Airport from 1 July 2012. Increased security requirements were supported by grants of just above \$400,000 for the purchase and installation of body scanners and baggage X-ray machines. The initial purchase cost of the body scanner from the preferred supplier was close to \$250,000, as well as the purchase of the upgrade to the baggage scanner of \$150,000. The annual maintenance fee from the supplier is \$65,000, and a warranty period of 8 years. Over the projected life span of 8 years the service fees alone will total \$520,000.

A minimum of two extra staff are needed to facilitate the security screening protocols and operate the equipment for screening pre-flight. With a smaller aerodrome there may only be one outgoing flight each morning, however this will still require two staff to be working for at least one hour. The EBA under which security staff are employed states that there is a minimum four-hour shift for the security personnel, so staff will be on-site for that 4-hour block. Regional timetables are most likely to have another block of flights in the afternoon, and another later in the evening. This will require three blocks of four hours for two staff to be on-site to implement security screening throughout the day.

There is no increase in passenger numbers due to increased security protocols, it is simply a new operating cost and factored into the costs for operators to use the facility.



Additionally, councils need to factor in management and operation of the facility itself, which requires a high degree of specialist knowledge and experience - not just to operate the airport's physical assets, but to meet the diverse requirements of the many government agencies that regulate airport activity.

Income from aviation services

Larger regional hubs are able to generate income from passenger, screening and landing fees, however these fees do not typically cover the ordinary operating costs for a regional hub. Costs can be passed on to airlines and their passengers to an extent – but if a regional hub becomes unsustainable it could easily push regional airlines to review operations.

Every legislative change in airport security requirements, changes to runway requirements, lines markings, runway lighting, fencing, safety, and screening procedures – often from outside of CASA (i.e. Defence, or Health) means a cost in equipment, staffing, and training. Though subsidies are offered for upgrades to equipment, the ability to maintain security screening and procedures requires ongoing and continual monitoring and staffing.

With upgrades and investment on any aerodrome made without certainty of ongoing air services – councils bear all of the cost and risk in maintaining the regional aerodromes.

With regional airports losing millions of dollars a year, regional councils cannot continually absorb the costs of legislative change.

Smaller aerodromes can access services such as Avdata⁷ to manage billing and generate an income stream. Councils can attempt to generate an income from airstrips by installing equipment to record and register what aircraft are using the facility, this equipment is costly however – and can be easily circumvented by not radioing to unmanned aerodromes or switching off transponder equipment temporarily. As a result, it is not likely to generate a return on investment that would justify the time and expense for smaller councils.

Ironically, even with the offer of discounted one-way flights through "resident airfare" schemes, the rising price of regional airfares has made air travel beyond the budget of the community who are funding the ongoing operation of the aerodromes through their local councils.8

Recommendation 3:

Any regulatory changes enforced by CASA, no matter what the origin, needs to have a cost /benefit analysis and a detailed costing of capital and ongoing staffing costs. Federal support needs to extend to the ongoing operation costs, and a plan as to how regional aerodromes can be supported through reasonable expectations of income.

Recommendation 4:

The Federal Government needs to include regional aviation representatives in any planned review of aviation and maritime transport and security regulatory settings.⁹

⁷ https://avdata.com.au/airport-charge-rates

⁸ Mount Isa City Council. (2018). Un-fare, Un-Australian – Why is it so? Submission to Australian Senate Inquiry into Regional Air Services 2020.

⁹ Australian Government (2021). Aviation Recovery Framework - Flying to Recovery – Issues Paper. Department of Infrastructure, Transport, Regional Development.



Conclusion

The need for regional aerodromes and airstrips is unquestioned, as they play a vital role in liveability of communities as well as the continued delivery of emergency services, government programs, tourism and regional economies.

Regional councils need further support from federal agencies, and for CASA to understand the downstream effects of changes in legislation and compliance costs.

Contact Details

Please do not hesitate to contact Simon Booth, Lead – Infrastructure, Policy and Regional Communities via email simon_booth@lgaq.asn.au or phone 1300 542 700 should you wish to discuss any aspect of this submission.



References

ACIL Allen Consulting. (2016). Regional Airport Infrastructure Study – Economic Contribution and Challenges of Regional Airports in Australia. Report to Australian Airports Association

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Mount Isa City Council. (2018). *Un-fare, Un-Australian – Why is it so?* Submission to Australian Senate Inquiry into Regional Air Services 2020.



Appendix

89 Aerodromes transferred from the Federal Government as part of the ALOP process:

√ - indicates still CASA Certified/Registered

- Alpha ✓
- Aramac
- Atherton
- Aurukun ✓
- Ayr
- Bamaga/Injoo
- Barcaldine ✓
- Bedourie ✓
- Birdsville ✓
- Blackall ✓
- Blackwater
- Bollon
- Boulia ✓
- Boulla ▼Bowen ✓
- Bundabera ✓
- Burketown ✓
- Caloundra
- Charleville ✓
- Charters Towers ✓
- Chillagoe ✓
- Chinchilla ✓
- Clermont ✓
- Cloncurry ✓
- Coen ✓
- Collinsville
- Cooktown ✓
- Croydon
- Cunnamulla ✓
- Dajarra
- Dalby

- Dirranbandi ✓
- Doomadgee ✓
- Dysart
- Emerald ✓
- Eromanga
- Eulo
- Gayndah ✓
- Georgetown ✓
- Goondiwindi ✓
- Gregory Downs
- Gympie
- Harvey Bay ✓
- Hughenden ✓
- Ingham
- Injune
- Innisfail ✓
- Isisford
- Julia Creek ✓
- Jundah
- Karumba ✓
- Kingaroy ✓
- Kowanyama ✓
- Lockhart River ✓
- Longreach ✓
- Magnetic Island
- Mareeba ✓
- Maroochydore
- Maryborough ✓
- Middlemount
- Miles ✓

- Mitchell
- Monto Monto
- Moranbah ✓
- Mornington Island ✓
- Mt Coolon
- Mt Garnet
- Muttaburra
- Normanton ✓
- Oakey
- Pormpuraaw ✓
- Quilpie ✓
- Redcliffe
- Richmond ✓
- Rockhampton ✓
- Roma ✓
- St George ✓
- Stanthorpe ✓
- Stonehenge
- Tara
- Taroom ✓
- Thargomindah ✓
- Theodore ✓
- Thursday Island
- Toowoomba ✓
- Weipa ✓
- Windorah ✓
- Winton ✓
- Wondai
- Wyandra



LGAQ Policy Statement

The LGAQ Policy Statement¹⁰ is a definitive statement of the collective voice of local government in Queensland. The relevant policy positions of local government in the context of general aviation are as follows:

8.3 Aviation

8.3.1 Regional Services

- 8.3.1.1 Airline licensing policies should take account of the decentralised population in Queensland to ensure that rural residents are not disadvantaged by cost and inadequate service levels.
- 8.3.1.2 The state and federal governments should guarantee that regional airline networks will be protected in the conditions of sale of major airports, ensuring that access is maintained and that regional airlines are not squeezed out by higher costs.
- 8.3.1.3 The federal government should adequately subsidise regional and subregional airports and associated services as a community service obligation, with an emphasis on rural and remote areas.
- 8.3.1.4 The state government should continue to support subsidised air fares for residents of remote and discrete indigenous communities to travel to the nearest regional centre

LGAQ Advocacy Action Plan/ Annual Conference Resolutions

The LGAQ is committed to member driven advocacy and working with members to build stronger local government and more resilient local communities.

The Local Government Association of Queensland's Advocacy Action Plan (AAP)¹¹ is a roadmap designed to highlight the top policy positions and funding priorities councils believe are critical to ensuring Queensland flourishes and our communities thrive.

Relevant Advocacy Action items to this submission are:

AAP 13 - Introduce a 'per passenger charge' that spreads the costs of airport security nationally across the aviation sector, thereby providing a sustainable and equitable funding mechanism that supports regional airport operations.

Previous annual conference motions have indicated the importance of regional airport to member councils. Examples from previous years are as follows:

2020 Motion 50 - Financial Assistance for Council Owned Airports

That the LGAQ lobby the State and Federal Governments to provide financial assistance to local government owners and operators of airports that have suffered a negative economic impact because of the COVID-19 pandemic.

2020 Motion 78 - Resource Industry Contribution to Airports and other Infrastructure

¹⁰ https://www.lgag.asn.au/downloads/file/183/2019-lgag-policy-statement

¹¹ https://www.lgaq.asn.au/downloads/file/383/advocacy-action-plan-2021



That the LGAQ lobby the State Government to apply conditions to exploration and production licences and permits issued under the Minerals Resources Act 1989, Petroleum Act 1923 or the Petroleum and Gas (Production and Safety) Act 2004 requiring resource companies to contribute to the maintenance and upgrade of airports and other infrastructure managed by local governments.

2014 Motion 102 – Regional Airports – Increased Funding for Construction, Maintenance and Security

That the Local Government Association of Queensland lobby the State Government for increased funding for the maintenance, capital construction and security of regional airports, currently the responsibility of local governments.