

## Admin, LACO

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**Subject:** FW: Inquiry into regional airfares in Western Australia  
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**From:** neil smithson  
**Sent:** Wednesday, 26 July 2017 1:43 PM  
**To:** Committee, Economics & Industry Standing  
**Subject:** Inquiry into regional airfares in Western Australia

The Hon. Jessica Shaw MLA  
Chairperson EISC Legislative Assembly  
State Parliament of Western Australia  
[laeisc@parliament.wa.gov.au](mailto:laeisc@parliament.wa.gov.au)

Dear Ms Shaw – I refer to the Parliamentary inquiry into regional airfares in Western Australia, and the nominated terms of reference.

For the benefit of the Committee Members, Smithson Planning is a sole-trader consultancy in regional development, and a registered lobbyists in WA - now based in Perth, but for the past 20 years operating from Albany, Western Australia.

Mr Neil Smithson as the Managing Director of the practice holds a Master of Arts in Urban Studies (Curtin), and has accumulated 35 years experience in the areas of city planning, business and regional development, including airport administration – and more particularly for regional development at the City of Melville (City Development Planner) and the Rural City of Mildura (Manager Business Development). He has also held the position of Senior Vice-President of the Albany Chamber of Commerce & Industry, and is a two-time Past-President of the Rotary Club of Albany. Mr Smithson also contested the O'Connor seat in the 2010 federal election (as an independent), and stood for Mayor of the City of Albany in 2015.

Please find attached our briefing note for this Inquiry, which is a derivation of the briefing notes we have previously provided to relevant project stakeholders ... typically, State & Federal politicians, and related business groups.

You will also find extensive background information at Smithson Planning's facebook pages, and in particular the powerpoint presentation that accompanies the Rainbow 2000 Project.

[https://www.facebook.com/pg/SmithsonPlanning/photos/?tab=album&album\\_id=154042347988361](https://www.facebook.com/pg/SmithsonPlanning/photos/?tab=album&album_id=154042347988361)

The Rainbow 2000 Project is a regional planning strategy for regional development in Australia, focusing initially on Albany, Western Australia – it was published under copyright in 1997, and examines the hypothesis ... Is planning the antithesis of politics.

The project specifically identified and proposed the Anzac Centenary 2014-19 commemorations and the forthcoming Albany Bicentennial 2026-27 celebrations, as two major 1:100 year international tourism and business development opportunities for the city of Albany and the Great Southern Region ... unprecedented was the analogy at the time.

Part of that regional strategy includes the establishment of an Albany Port Corporation as a public private partnership, and the development of an Albany International Airport as one of the major assets of the corporation ... along with sea port relocation, and a toll route ring road for metropolitan freight accessibility.

In the years we operated from Albany, Smithson Planning presented two specific proposals for international hotel groups whom were aware of the prospect of better domestic and international air services to and with the proposed Albany International Airport ... suffice to say that multiple hotel and aviation interests were canvassed to support

the growth path envisaged for hospitality and business in the city and region over two decades, most of whom were also aware of the Anzac relationship.

We offer the following comments relative to the Committee's Terms of Reference –

- a. factors contributing to the current high cost of regional airfares; fuel; landing fees; aircraft maintenance regimes; aerodrome administration; lack of effective regional planning; lack of commitment to regional growth; political discord between local, regional, state and national politics; strength of market (supply and demand); market regulation by the State; operation of FIFO routes / standards of comparable service within aviation.
- b. impacts that high-cost regional airfares have on regional centres - from a business, tourism and social perspective; not all regional centres are the same ... but for Albany in particular, the airport and RPT service have a direct relationship to business, tourism and purpose-related travel (eg. health and recreation), and facilities such as hotels, short-stay accommodation, medical services, visiting specialists, sporting and cultural events, entertainment, premium agricultural export, accessibility for business training & development.
- c. impact of State Government regulatory processes on the cost and efficiency of regional air services; both sides of state politics have maintained regulated monopoly RPT services over selected routes for spurious reasons over the past 20 years; WA Labor more recently advocated deregulation of RPT services; the State in association with the Commonwealth makes decisions on alternate destinations for airport / aircraft movements, which has a consequent bearing on aerodrome related infrastructure and support services; there is a potential relationship between aerodromes and heliports for the delivery of rotating-wing aircraft to specific destinations / and industry groups.
- d. actions that the State and local government authorities can take to limit increases to airfares without undermining the commercial viability of RPT services; proactively encourage regional development for growth in passenger traffic and the transport of premium goods; airport operators can reduce their fees & charges, but implicitly, such charges have been levied in the past to secure asset management and address depreciation, while also encouraging business development within the industry group.
- e. actions that airlines can take to limit increases to airfares without undermining the commercial viability of RPT services; is a nonsense question ... monopoly operators will manage their cost structures to deliver a profitable service, given projected passenger numbers and available aircraft specifications; if an aviation operator's market is dominated by a mining / FIFO client group, it will impact on the delivery of standard RPT services to the rest of the community (access to seating and cost); there was a time when the relationship between aviation operators and hotel accommodation providers was more definitive to destination management ... in simple terms, if there is no 5-star accommodation in a destination, certain aviation groups will not consider operating a service to that destination, and hence that destination will not be 'marketed'.
- f. recent actions taken by other Australian governments to limit regional RPT airfare increases; not aware of any in particular ... but other governments outside Australia have looked to deregulate the provision of RPT services to their network of aerodromes, and most particularly how to maintain LAME accreditation and Jet

A-1 aviation fuel supplies into the future; suffice to say the WA State Government's recent decision on the future of the Kwinana BP refinery and aviation fuel supply was significant to the industry.

I trust our submission meets with your expectations, and I would be pleased to appear before the Parliamentary Committee to provide further information / address questions as appropriate.

Yours faithfully  
**SMITHSON PLANNING**

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Managing dDirector

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# SMITHSON PLANNING

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## The RAINBOW 2000<sup>©</sup> PROJECT.

(Incorporating Albany Anzac 2014-18<sup>©</sup> Re-enactment and Albany Bicentennial 2026-27<sup>©</sup>)  
- a Regional Planning Strategy for Albany and the Great Southern.

### Briefing Note

#### Smithson Planning – 26 Jul 2017 – WALA Inquiry (Regional Airfares)

And following a change of State Government on 11 Mar 2017 - the State gazetted the City of Albany LPS #1 on 28 Apr 2014 (15 years in preparation).

What will the Transport, Planning & Lands Minister **Rita Saffioti** recommend to Cabinet and State Government for approval under City of Albany LPS #1 – LandCorp, Emu Point; Middleton Beach & Albany Waterfront Marina; Albany Ring Road & Albany Airport.

What will the Regional Development; Agriculture & Food Minister **Alannah MacTiernan** do in relation Albany waterfront development; Tier 3 railway lines, and Albany Ring Road, port access and rail freight?

What will the Veterans; Housing Minister **Peter Tinley** do in relation to Albany Beersheba 2017, Albany Remembrance 2018, Albany Home-comings 2019, the National Anzac Centre, and tourist accommodation? Albany Airport & Seaport.

What will the Tourism; Defence Issues Minister **Paul Papalia** do in relation to waterfront hotel development? Middleton Beach & Albany Marina, and Albany Airport / Seaport.

What will the Environment Minister **Stephen Dawson** and Heritage; Local Govt; Culture & the Arts Minister **David Templeman** do as Anzac, the waterfront, the bicentennial and the port all go head-to-head? Albany Entertainment Centre / WA Museum Albany?

What will the Mines Minister **Bill Johnston** do when Grange Resources wants a solution for the \$2.9bn Southdown Magnetite Project at Wellstead with Albany Port export?

What will the Treasurer; Finance and Energy Minister **Ben Wyatt** do in relation to the Bunbury-Albany gas pipeline? the Collie high-voltage transmission line? Nuclear power?

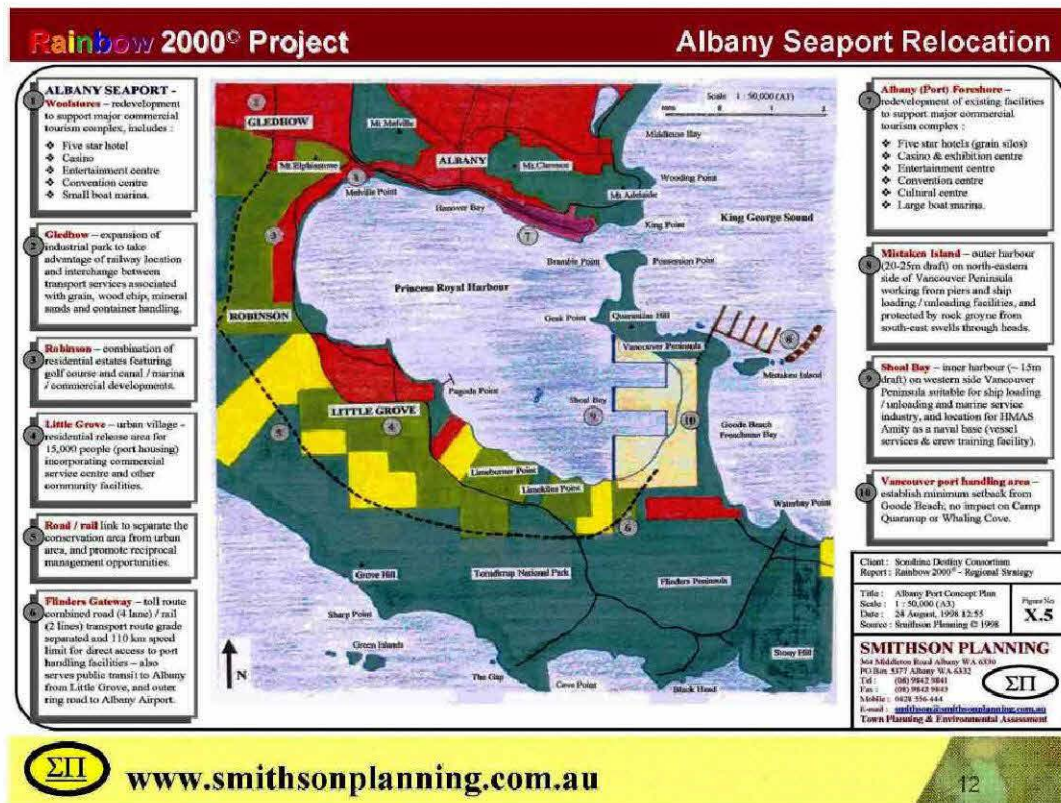
What will the Forestry & Water Minister **Dave Kelly** do in relation to plantation timber exports, a paper pulp mill, and port access for Bunbury, Albany & Esperance?

What can **Peter Watson**, the Member for Albany and now Speaker of the Legislative Assembly do? After 16 years in the job, he can prevail on the alternative Prime Minister and Leader of the Opposition **Bill Shorten** not to betray Albany, Anzac, and the nation – or sit back and watch the implosion.



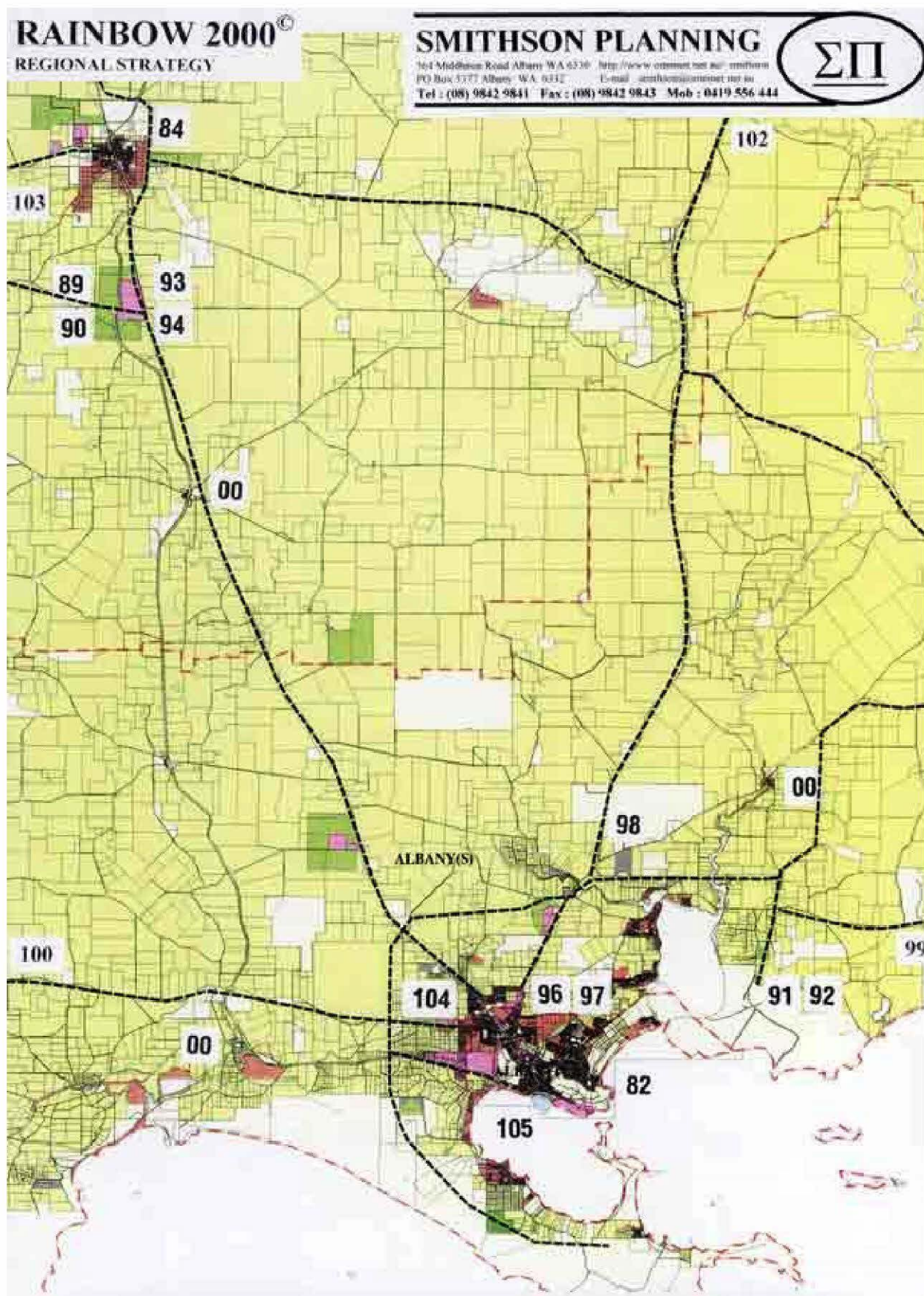
And finally, what will the Premier Mark McGowan do in relation to the Rainbow 2000® Project - vision, leadership & decision-making.

## Albany Port Corporation (PPP)





## Albany Regional Planning Strategy





## Rainbow 2000® Project

## Albany International Airport (ALH)

Harry Riggs Airport (Certified Aerodrome 1-6JL0), City of Albany, Western Australia

Amazing Albany

Western  
Australia

It is assumed that the aerodrome will continue to service General Aviation (GA) aircraft; however, the design logic for airside facilities might cater for the following range of Regular Passenger Transit (RPT) aircraft :

❖ A350-800	16,000km & 250 passengers
❖ A380	15,000km & 550 passengers
❖ B787-800 Dreamliner	15,000km & 250 passengers
❖ B777-200 and B777-300	14,000km & 300 and 365 passengers
❖ B747-300 and B747-400	14,000km & 450 and 430 passengers
❖ A330-200 and A330-300	10,000km & 300 and 300 passengers
❖ B767-200, B767-300 and B767-400 ER	10,000km & 250, 275 and 375 passengers
❖ A310	9,600km & 220 passengers
❖ A300-600	7,500km & 250 passengers
❖ B757-200 and B757-300	6,500km & 225 and 280 passengers
❖ A320-200	5,500km & 150 passengers
❖ B737-300, B737-400, B737-500 and B737-800	4,500km & 130, 150, 110, 170 passengers
❖ B717-200	3,700km & 125 passengers
❖ British Aerospace Bae 146	3,000km & 87 passengers
❖ Fokker 50, 70 and Fokker 100	2,500km & 50, 70 and 100 passengers
❖ Bombardier Q400 and Bombardier Dash 8	2,000km & 75 and 50 passengers.

Code 4F

Code 4E

Code 4D

Code 4C

Code 3C

# RPT Aviation Criteria



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## Airport has high hopes for future of gateway

More than \$1 billion has been spent to bring the facility up to the highest standard, writes **Daniel Mercer**

It seems almost quaint now. In 1997, Perth airport was not only the city's gateway to the world, but the size of a parking lot. Perth Airport, recalls the place of birth with a very smile as he explains the vast changes that have taken place at the facility in just two short decades.

This weekend marks 20 years since the then Howard Federal government sold the airport to a private consortium for \$60 million. In that last time, Mr Brown notes passenger numbers have increased from about four million a year to over 14 million. The number of international airlines flying to Perth has increased from 15 to 21, while the world's largest aircraft – the Airbus A380 – now uses the facility daily.

Whereas passengers waiting to fly domestic to 30 years ago had a choice of only Qantas or the new domestic Ansett, there



are now 10 airlines providing the service. If passengers turn out to be true, there will be a staggering 20.5 million passengers moving through Perth Airport by 2024. There are now 18,000 people working in the airport precinct, generating \$2.5 billion in gross regional product, with those figures set to grow by a further 20 per cent within the next 20 years.

Everywhere you look, the numbers are impressive. Mr Brown, a Scotman who started his career as an oil and gas engineer before switching to airport administration, says the game show how for the airport has come but concedes they also reflect how far it needed to go.

"We know in the past we've had a lot of feedback that the service providers is not what it needs to be," Mr Brown says. "We've been chastised as not being one of the best airports, whereas we've now recognised as being one of the best."

But among other things there is also the entirely new Terminal 2, built at a cost of \$1.1 billion to accommodate domestic and international arrivals and departures. More than \$1 billion has been spent in the past five years upgrading or building new facilities.

The results of that investment should be obvious to anyone who has recently used the airport. Most conspicuously there is the new \$20 million Virgin domestic terminal and a refurbished and expanded international departure area.

But among other things there is also the entirely new Terminal 2, built at a cost of \$1.1 billion to accommodate domestic and international arrivals and departures. More than \$1 billion has been spent in the past five years upgrading or building new facilities.

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Perth Airport chief executive Kevin Brown is confident the airport is heading for a bright future. The wild thruster season is very similar with the Japanese and they come here for that. But we would like... (for them to) come and enjoy it year round. Crucial to the success of the endeavour – and WA's economic potential more broadly – is a well-coordinated strategy to sell the State overseas and interstate and go to "brand awareness". Mr Brown notes the international trade and tourism market is crucial and getting ahead is dependent on having a good strategic vision. And while he says WA has a "fantastic" product to sell with its blue skies, beautiful beaches, high-quality produce and dining scene and more of the same, the State has sometimes struggled to put it all together. "You can almost experience all the wonders of Australia just within WA itself – from the rugged to the sublime to the beach and the leisure and the park life and the city life," he says. "We have been an on-selling ourselves for a long time and we need to stop doing that." Having recently been appointed to a role as head of Greater WA, Mr Brown plans to use his position to help Perth find its voice. And ahead of Qantas' first London Perth 787 Dreamliner flight early next year – when all eyes will be on the airport – he says he will be looking for that same excitement that goes smoothly. "We want people to stay and put on the ground and enjoy what we've got to offer, because that's where the economy will come from," he says. "We want people coming here and having fantastic experiences for the region." It's also that anecdote – one person has a good experience and they may tell five or seven people about it. There have been experiences they tell 20 or 30 people."

West Australian - 01 Jul 2017 p74-75 - Airport has high hopes for future of gateway.