



Our Ref: TR04-02

Ms J.J. Shaw, MLA
Chair
Economics and Industry Standing Committee
laeisc@parliament.wa.gov.au

Dear Ms Shaw

INQUIRY INTO REGIONAL AIRFARES IN WESTERN AUSTRALIA

The Gascoyne Development Commission (GDC) welcomes the opportunity to make a submission to the inquiry into regional airfares in Western Australia.

As part of its charter, the GDC is tasked with the economic and social development of the Gascoyne region. The monitoring and development of quality, accessible and affordable aviation services for the three civil aviation routes servicing the Gascoyne; that is Perth to/from Carnarvon, Monkey Mia and Learmonth (Exmouth), fits well within this charter.

Air services are integral to the growth, liveability and sustainability of regional Australia. They play a pivotal role in transport networks, generate employment and training opportunities and support economic development with synergies across tourism, resource and agricultural industries.

In regions such as the Gascoyne, aviation is often regarded as the preferred travel option because of its expediency and relative economy. It is also a major contributor in growing prosperity, expanding opportunity and building communities. The aviation industry supports existing business, tourism, evolving market opportunities, job creation, training and capacity building, and has the potential to increase the efficiency of trade and social development.

Unfortunately, aviation within the Gascoyne is identified as a primary constraint on growth. Accessibility and connectivity has been identified as one of the six Transformational Pillars in the Gascoyne Regional Investment Blueprint because it represents one of the most significant challenges for the region. The region's aviation services are currently regarded as incompatible with sustainable economic and social development; they are deemed to be inadequate and fragmented, impeding growth and competition and unaffordable for many.

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Terms of Reference Comments

a) Factors contributing to the current high cost of regional airfares

Airline operators function in an environment that is highly sensitive to global economics, carry high capital costs and operate on high volume, low profit margins. Issues that have, and continue to challenge the industry include the price of fuel (noting the current short term decline in the price of oil), high airport charges, high costs of maintenance and a heavy regulatory burden. These challenges have resulted in industry restraint and caution, and where necessary, the reduction of services and high airfare costs.

Airline services are relatively expensive and infrequent to Monkey Mia and Carnarvon, while Learmonth (Exmouth) has a more regular and affordable service (due to higher economic activity generated from tourism and the offshore oil and gas industry).

Competitive and affordable airfares are essential to sustain the appeal of flying for Exmouth's holiday/leisure market. Exmouth airfares are currently deemed competitive, however this is vulnerable given reliance on the resource sector and services by a sole operator (limited competition).

The Carnarvon –Monkey Mia route is highly vulnerable and considered to be "thin", thereby generating limited revenues for the airline operator and high airfares for consumers. The cost of travel on the Carnarvon – Monkey Mia air route is prohibitive and passenger movements have dramatically declined reaching their lowest in a decade; placing increasing pressure on the viability of the route itself. It is notable that the decline in tourism and passenger numbers to Shark Bay/Monkey Mia directly correlates with the withdrawal of Skywest from the route. Skywest was part of the Global Distribution System (GDS), whereas the current carrier is not.

Within the Gascoyne, airport fees contribute to the day to day cost of running airports, as well as supporting essential maintenance and future development. To some extent, this constrains a carrier's price flexibility and is more often than not passed onto the consumer.

All airports in the Gascoyne charge a Head Tax of \$18 or higher. The Head Tax at Monkey Mia is considerably higher than other regional towns of a similar populations; Mt Magnet charges \$8.24 and has a population of 458, whilst Leonora charges \$11.00 with a population of 1,412 (ABS 2006). Carnarvon is also deemed high, with a large disparity in the landing fees and charges for various aircraft. For example, in Carnarvon, a Dash 300 landing fee is \$477, whereas in Leonora, Laverton, Meekatharra and Mt Magnet, the landing fee is universally lower at \$220, \$218, \$382 and \$336 respectively.

Another significant factor in the cost structure of all airlines, is that of air navigation charges. In the case of regional airlines (and all others) these charges are built into the price of the ticket, and relate to in the flight direction and coordination of the aircraft between its points of departure and arrival. Air navigation charges have been the subject of steady and substantial price increases over a number of years.

A review of the structure and pricing of aviation refuelling services in regional locations may provide some additional information on cost factors affecting airline operators. The GDC has not been in a position to undertake such a review, but understands that this may be an area where significant cost savings could be made.

The aircraft(s) currently operating to/from Carnarvon and Monkey Mia are below 20 tonnes, and therefore do not require security screening of passengers and baggage. Long term, the absence of airport passenger screening would be deemed as a deterrent to improving competition on this route as it restricts the range of airlines and aircraft that can operate to these airports. Through the provision of security screening, opportunities exist for a wider range of airlines (using a wider range of aircraft) to consider servicing Carnarvon and Monkey Mia routes. While security is not the only barrier, it is a primary hurdle – it is a 'showstopper' for local airport owners and will prohibit the introduction of larger aircraft to the route. This may create disinterest among airlines that currently recognise potential on the route.

To permit the landing of larger aircraft such as a Boeing 717 or Fokker 100, both Carnarvon and Monkey Mia would need to make a substantial investment in infrastructure and security screening equipment, with costs likely to be absorbed by the consumer through higher airfare costs. The introduction of "light jets" such as the Embraer EMB 135/145 series aircraft, currently operating on the east coast by JetGo, while providing a comparable number of passenger seats, offer the potential to introduce an affordable option to the turbo prop services currently received by Carnarvon and Monkey Mia. It is argued that the improved amenity in quality and flying time of such aircraft would raise the profile and attractiveness of flights on the Carnarvon and Monkey Mia routes.

b) Impacts that high-cost regional airfares have on regional centres - from a business, tourism and social perspective

Connectivity is recognised as a significant component to maximise productivity and growth in the Gascoyne. In considering the region's proximity to populous neighbour Asian countries, its strategic location between two major mining regions and adjacent Carnarvon oil and gas basin, the Gascoyne is well positioned to act as a logistics and supply hub with exports recognised as a key opportunity for growth in the economy. As such, the Blueprint supports a coordinated and efficient freight logistics system incorporating and integrating road, sea and air transport.

One of the industries that relies most heavily on aviation in the Gascoyne is tourism. Without the connectivity provided by flight, the region would not be able to enjoy the same level of economic growth. Tourism is the largest revenue earner of all industry sectors in the Gascoyne, with an estimated turnover of \$222.7 million in 2014. The region retains its focus on providing an intimate and personal experience for visitors and is positioned as a premium experiential eco-tourism destination, recognised by the Australia's National Landscape Program and boasts two World Heritage Areas; Shark Bay and Ningaloo.

Currently intrastate tourism is constrained by perceptions of high airfares. The cost of travel on the Carnarvon – Monkey Mia air route is prohibitive, resulting in local residents, tourism and leisure travellers often choosing to drive, with lower cost to the consumer outweighing the convenience of shorter air travel times. Similarly, the influence of price on consumer behaviour can lead to the comparison of cost vs location/experience (visitors choosing cheaper locations to visit). The 2013 DoT surveys reported that only 58 per cent (Carnarvon) and 78 per cent (Monkey Mia) of travellers on this route deemed the cost of airfares to be “acceptable”.

The continued general economic downturn in recent years has played a large part in consumer spending patterns, and has added to the decline in passenger numbers on this route. However, efforts have been made to reduce costs through the availability of residential discounts. Further cost savings are unlikely given the route's vulnerability, economic viability or until such time that the route experiences significant passenger growth.

It should be noted that cost is not the only constraining factor. Factors influencing consumer behaviour and air passenger movements include;

1. Price of air fares relative to prices of other substitutes which compete with air travel;
2. Price and availability of alternative transport;
3. Quality of services, including timetabling;
4. Socio-demographic characteristics of travellers; and
5. Level of economic activity in the catchment area.

Noting the above, a further detractor for use of this route from a business perspective (including health related travel) is the current flight schedule. The schedule clearly favours Perth-based travellers, who are able to travel to and from Carnarvon in one business day, arriving into Carnarvon around 10am and departing around 5pm. The reverse is not true for Carnarvon-based travellers, who are unable to fly to Perth and return to conduct even a half day of business (at least 2pm by the time they disembark and travel to their destination). This provides further disincentive to flying due to the costs incurred in lost business hours and overnight accommodation. Alternative flight schedules favouring Carnarvon-based travellers could significantly improve passenger numbers on this route.

Consideration to the adequacy of regional air services and shifting consumer behaviour is a priority for this route if it is to return to a positive increase in passenger movements. The GDC encourages improvements to scheduling, marketing, branding and service infrastructure with the prospect of returning passengers to the Carnarvon-Monkey Mia route in greater numbers; improving commercial viability which would theoretically be absorbed by the consumer through a reduced airfare cost.

c) Impact of State Government regulatory processes on the cost and efficiency of regional air services

Competition is a key factor in reducing airfares; and deregulation maximises and allows for open competition, but requires at least a minimum of two airline operators to

be effective. Whilst deregulation is desirable, the State Government regulates routes where RPT services are considered too light to sustain under open competition, and where the preservation of service is regarded as creating greater community good than the damage its loss would cause.

Regulation provides a minimum level of service and a maximum airfare for certainty to the community. Currently all RPT services in the Gascoyne are regulated to some extent. In 2015, DoT released the Review of Regulated Regular Public Transport Air Routes in WA. The Review recommended

- Reduced regulation on the Perth–Learmonth air route; and
- Continued regulation on the Perth-Monkey Mia-Carnarvon route.

The Perth-Learmonth route was partially deregulated and opened to allow the possible entry of a second RPT operator (VARA at that time). It is expected, for the foreseeable future, that Qantas will be the only airline operating on this route. In this circumstance, where the route is being serviced by a sole operator, the State Government will continue to monitor and ensure adequate air services are provided.

The Perth-Monkey Mia-Carnarvon air route is not deemed suitable for deregulation due to relatively low passenger movements and commercial viability. The GDC supports a competitive environment, and in the absence of natural competition, a competitive tendering process for these protected routes is vital. The existing deed of agreement of the Perth- Monkey Mia-Carnarvon air route expires in June 2018 and it is understood that a replacement tender will be advertised in coming weeks. Upon review, the GDC has identified the following expectations of stakeholders to be considered prior to awarding future licenses, including:

- Improved methods of Deed management through Key Performance Indicators and average fare monitoring;
- Flight schedules with frequency, linkages and timing that meet the social and economic needs of the community (e.g. education and health);
- Aircraft type of a typical regional airline standard;
- Affordable airfares – benchmarked to State average;
- Participation in an industry standard airline distribution system;
- Destination marketing program;
- Passenger lounges and facilities; and
- Customer contact centre with extended operating hours.

d) Actions that the State and local government authorities can take to limit increases to airfares without undermining the commercial viability of RPT services

In late 2016, the GDC had drafted a Gascoyne Regional Aviation Strategy to guide the sustainable growth of air services compatible with community and business needs and the development of a more buoyant aviation industry. The Strategy, still in draft form, considered the current aviation environment and looked forward to 2050 as a more robust and economically productive region.

The development of this Strategy involved extensive consultation with our regional, state and national stakeholder partners, consideration to economic development, future investment potential, and a comprehensive analysis of existing information and policies.

Amongst other things, the Strategy recognised that there is no consistent approach or statutory formula for the calculation of airport fees, which influence the costs paid by the consumers and determined by airport operators according to their individual finance models. As a result, it is recommended that a cost-benefit analysis of the threshold of airport charges, including passenger head fees, landing fees and security screening is undertaken.

In addition, it is suggested that processes and controls are built in to measure and monitor average fare, benchmarked to WA averages.

e) Actions that airlines can take to limit increases to airfares without undermining the commercial viability of RPT services

The GDC is not in a position to address the above.

f) Recent actions taken by other Australian governments to limit regional RPT airfare increases.

The GDC is not in a position to address the above.

For further information, please contact myself or Anne Sinclair, A/Manager Regional Development, on 9941 7000 or email anne.sinclair@gdc.wa.gov.au. A copy of the draft Gascoyne Regional Aviation Strategy has also been provided for your review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gavin Robins', with a stylized flourish at the end.

Gavin Robins
Chief Executive Officer

28 July 2017

Gascoyne Regional Aviation Strategy

Gascoyne Development Commission

October 2016



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Foreword

The Gascoyne region is strategically located in the North-West of Western Australia. It is rich in resources and investment potential. Its stunning natural landscapes offer abundant tourism attractions in a moderate and tropical climate, with 320 days of sunshine per year. The region is renowned for its high quality food production and tourism with a relaxed and attractive lifestyle. Its climate and pristine natural environment create an enviable location in which to live and work, attributes which will underpin the future economic and social success of the region.

The region is composed of the Shires of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne; it includes the two world famous World Heritage Areas of Shark Bay and Ningaloo. The region stretches 600km along the Indian Ocean coast and over 500km inland through dramatic desert country to and beyond Mount Augustus, the world's largest monoclinal. With an area of 135,277km² and a population of around 10,000, the Gascoyne is known to have the lowest population density of any region in Australia. Despite this, the region is a key contributor to the Western Australian economy, with its Gross Regional Product in 2014/15 being \$775M, 0.30% of Gross State Product.

The Gascoyne Regional Aviation Strategy is a milestone initiative to generate growth, foster innovation, identify economic linkages and enable passengers and the economy to benefit from quality, affordable and regular aviation services. Consistent with the Gascoyne Regional Investment Blueprint, the Gascoyne Regional Aviation Strategy aims for further growth within the region through informed investment decisions and expanded opportunities that contribute in a regional, state and national environment.

The strategy has been developed following engagement and extensive consultation with our regional, state and national stakeholder partners, consideration to economic development, future investment potential, and a comprehensive analysis of existing information and policies.

This strategy is a valuable resource and will assist in developing the future community, feasibility studies, business and industry needs that underpin a durable and sustainable regional aviation environment.

Tony Beard

Chair, Gascoyne Development Commission

Acknowledgments

The Gascoyne Development Commission would like to acknowledge the following stakeholders for their contributions to the Strategy:

- Australia's Coral Coast
- Chamber of Minerals and Energy
- Department of Transport
- Gascoyne Tourism Board
- Royal Automobile Club (RAC) Parks and Resorts
- Shire of Ashburton
- Shire of Carnarvon
- Shire of Exmouth
- Shire of Shark Bay
- Shire of Upper Gascoyne
- Member for North West Central
- Tourism Western Australia

The Gascoyne Development Commission would also like to acknowledge consultants Johanna Ramsay and Anwyl Hardwired for their work in developing the Gascoyne Regional Aviation Strategy.

Disclaimer and Limitations

Care has been taken to ensure the accuracy of information contained within this document by reference to government departments, local governments, businesses, web sites, library documents and files held by the GDC. It is possible that some inaccuracies exist. However the document is intended to be a live reference and as such will need input and feedback from all stakeholders to ensure accurate, up-to-date information on project progress, proposals and infrastructure changes across the region if it is to remain a useful resource.

Please note:

1. Passenger movement statistics have been obtained from the Department of Transport (DOT) to ensure consistency across all routes.
2. The opinions, operations and growth plans of airline service providers has not been included as this information is considered commercially sensitive.

Acronyms and Definition

AAA	Australian Airports Association
CASA	Civil Aviation Safety Authority
DoT	Department of Transport
EOI	Expression of Interest
GA	General Aviation
GDC	Gascoyne Development Commission
GDS	Global Distribution System
GRP	Gross Regional Product
GTB	Gascoyne Tourism Board
MTOW	Maximum Take-off Weight
RAC	Royal Automobile Club
RFDS	Royal Flying Doctor Service
RPT	Regular Public Transport
VARA	Virgin Australia Regional Airlines
VFR	Visiting Friends and Relatives
WAPC	Western Australian Planning Commission

1.0 Executive Summary

The geographic size of the Gascoyne, the dispersion of its population centres and the value of its economic assets necessitate the development of a quality, accessible and affordable network of air, sea and road transport infrastructure.

In regions such as the Gascoyne, aviation is often regarded as the preferred travel option because of its expediency and relative economy. It is also a major contributor in growing prosperity, expanding opportunity and building communities. The aviation industry supports existing business, tourism, evolving market opportunities, job creation, training and capacity building, and has the potential to increase the efficiency of trade and social development.

Unfortunately, aviation within the Gascoyne is identified as a primary constraint on growth. Accessibility and connectivity has been identified as one of the six Transformational Pillars in the Gascoyne Regional Investment Blueprint because it represents one of the most significant challenges for the region. The region's aviation services are currently regarded as incompatible with sustainable economic and social development; they are deemed to be inadequate and fragmented, impeding growth and competition.

Nevertheless, the Gascoyne is ideally positioned to accommodate an expanding aviation industry with an anticipated population growth of up to 23,000 people by 2050, significant development projects across all industries, an attractive climate, low terrain, three existing civil airports and a robust and developing tourism industry comprising many niche elements, including the Shark Bay and Ningaloo Reef World Heritage Area.

The Gascoyne Regional Aviation Strategy (the Strategy) is a long term plan to guide the sustainable growth of air services compatible with community and business needs and the development of a more buoyant aviation industry. The Strategy considers the current aviation environment and looks forward to 2050 as a more robust and economically productive region.

The Gascoyne Development Commission (GDC) will oversee the implementation of this Strategy and seek support from industry stakeholders to achieve the Strategy's objectives, re-assessing the demand on aviation services on a biennial basis.

2.0 Introduction

Air services are integral to the growth, liveability and sustainability of regional Australia. They play a pivotal role in transport networks, generate employment and training opportunities and support economic development with synergies across tourism, resource and agricultural industries.

Community expectations seek professionally operated air services that accommodate their needs and requirements; undertaking travel for reasons including business, health, education, family and holidays.

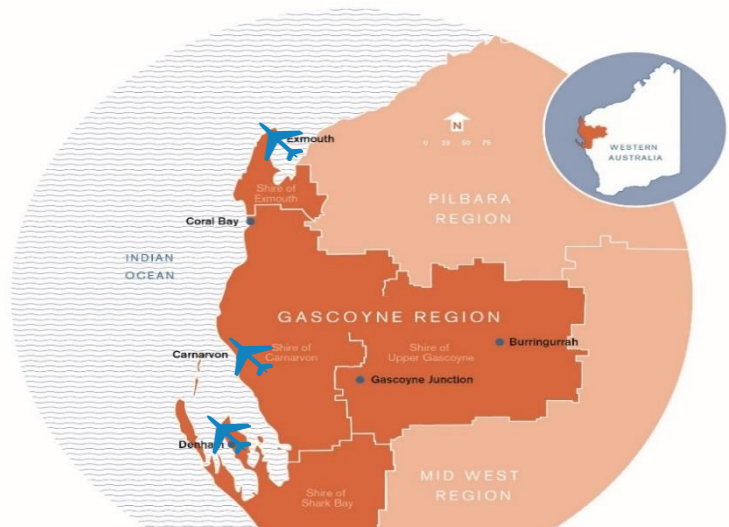


Figure 1: Gascoyne civil airports

Within the Gascoyne, airfields vary from international standards to bush strips. Some have capacity for RPT services and RFDS aircrafts, whilst most are used for aerial mustering. A list of all airstrips in the Gascoyne is provided in Attachment One.

There are three civil aviation routes servicing the Gascoyne; that is Perth to/from Carnarvon, Monkey Mia and Learmonth (Exmouth). These routes will be explored in this Strategy which will consider governance; deregulation and regulation, infrastructure and service, route development, and establish a series of objectives and actions for implementation.

2.1 Strategic Context

Airport operations, planning and development are informed by legislation and policy that is administered across all levels of government and airport ownership. The Federal Aviation Policy White Paper 2009, provides planning, regulatory and investment certainty for the aviation industry to 2020 and beyond. Under the Planning and Development Act 2005, the Western Australian Planning Commission (WAPC) provides a state policy framework and local government's adopt statutory and strategic planning documents such as Local Planning Schemes, Local Planning Strategies and Airports Masterplans/Structure Plans to safeguard airports and airspace.

The key strategic planning document for the Gascoyne is the Gascoyne Regional Investment Blueprint (Blueprint), prepared concurrently with the WAPC Gascoyne Regional Planning and Infrastructure Framework and the State Planning Strategy 2050. The Blueprint identifies improved aviation services as a high priority and is captured in the Transformational Pillar "*Improving Regional Accessibility and Connectivity*". It is understood that improved air services will contribute to developing industries and markets; enhance health and lifestyle; and contribute to employment and retention initiatives.

Consistent with the aspirations of the Blueprint, the State Aviation Strategy supports the provision of safe, affordable, efficient and effective aviation services and infrastructure. The State Aviation Strategy, developed by Department of Transport (DoT), complements Federal Aviation Policy and provides a sound framework for policy, planning and investment.

The last few decades have seen a significant reduction in economic (including aviation) regulation in Australia, however some regulation remains where it is in the public interest to achieve wider social objectives (DoT 2015). DoT is a key State advisory body on aviation related issues. In 2015, DoT released the Review of Regulated Regular Public Transport Air Routes in WA. This report assessed the current and future regulation models for eight RPT air routes including Perth – Learmonth and Perth-Monkey Mia-Carnarvon.

3.0 Key Drivers of Economic Growth in the Gascoyne

Predicting future use at regional airports is inherently difficult and uncertain as aviation is strongly influenced by economic conditions and unforeseen events. However, aspirational growth plans, such as the Blueprint, assist in identifying potential expansion and investment opportunities, avoiding shortfalls and facilitating broader economic development from links with tourism, agricultural and resource industries. It is these key drivers of economic growth in the Gascoyne that underpin the direction of this Strategy.

The Blueprint maps the way forward for the Gascoyne, identifying opportunities, barriers and strategies to guide investment and development.

Vision: Strategically located on the central coast of Western Australia the Gascoyne is an internationally recognised tourism destination, a reliable global provider of quality food products and a maritime hub for energy project supply chains. With its high value, diverse and future proof industries, 23,000 people will call the Gascoyne home by 2050.

Achieving this Blueprint's vision will mean building on existing areas of comparative advantage, leveraging beneficial outcomes from emerging global trends, maximising supply chains and markets and improving social and environmental outcomes.

Regional economic development and diversification is vital to ensuring that the Gascoyne continues to be an attractive place to live, visit, work and invest. Aviation is vital to the modern, globalised economy, supporting jobs and driving economic growth.

Noting the aspirations and projects within the Blueprint and classification of Carnarvon as a Regional Centre, demand for air services and passenger numbers are expected to rise in coming years. Projects, such as the Carnarvon Multi-purpose Food Processing Plant, Carnarvon Community College, Exmouth Deep Water Wharf, Ningaloo Centre, Babbage Island Golf Course, Shark Bay and Exmouth Aquaculture initiative's, Shark Bay Research Centre, and Dolphin Resort Redevelopment, will boost air travel during construction/development, and assist in growing the economy, population and general stability of air services.

Connectivity is recognised as a significant component to maximise productivity and growth in the Gascoyne. In considering the region's proximity to populous neighbour Asian countries, its strategic location between two major mining regions and adjacent Carnarvon oil and gas basin, the Gascoyne is well positioned to act as a logistics and supply hub with exports recognised as a key opportunity for growth in the economy. As such, the Blueprint supports a coordinated and efficient freight logistics system incorporating and integrating road, sea and air transport.

Expanding these supply chain opportunities into the mining sector and capturing a greater share of capital, operational and maintenance expenditure in the local economy will underpin economic growth in the region. Expansion of air services to allow for cross and intra-

regional travel to attract and expand FIFO is a potential opportunity, demonstrated by the recent approval of Woodside's Greater Enfield Oil Development.

In addition, the Gascoyne is a significant agricultural district and the growing food demands from both increased global population and emerging middle classes in Asia underpin the demand for freight and export infrastructure. Similarly, projects such as the Gascoyne Multi-Food Processing Plant and the Department of Agriculture and Food Western Australia Gascoyne Food Bowl Initiative, seek to grow and develop export market opportunities, complementing freight investment and an expanded aviation industry.

4.0 Aviation in the Gascoyne

4.1 Air Route Snapshot

Connecting regional areas in Western Australia, and particularly regional Western Australia, is a challenge due to the vast distances between towns and services. However, distance and time are not the only influences on an individual's decision to fly. Factors influencing consumer behaviour and air passenger movements include;

1. Price of air fares relative to prices of other substitutes which compete with air travel;
2. Price and availability of alternative transport;
3. Quality of services, including timetabling;
4. Socio-demographic characteristics of travellers; and
5. Level of economic activity in the catchment area.

Noting the above, the reasons as to why air travel within the Gascoyne differs from route to route can be understood. For example, services are relatively expensive and infrequent to Shark Bay and Carnarvon, while Learmonth has a more regular and affordable service (due to higher economic activity generated from tourism and the offshore oil and gas industry).

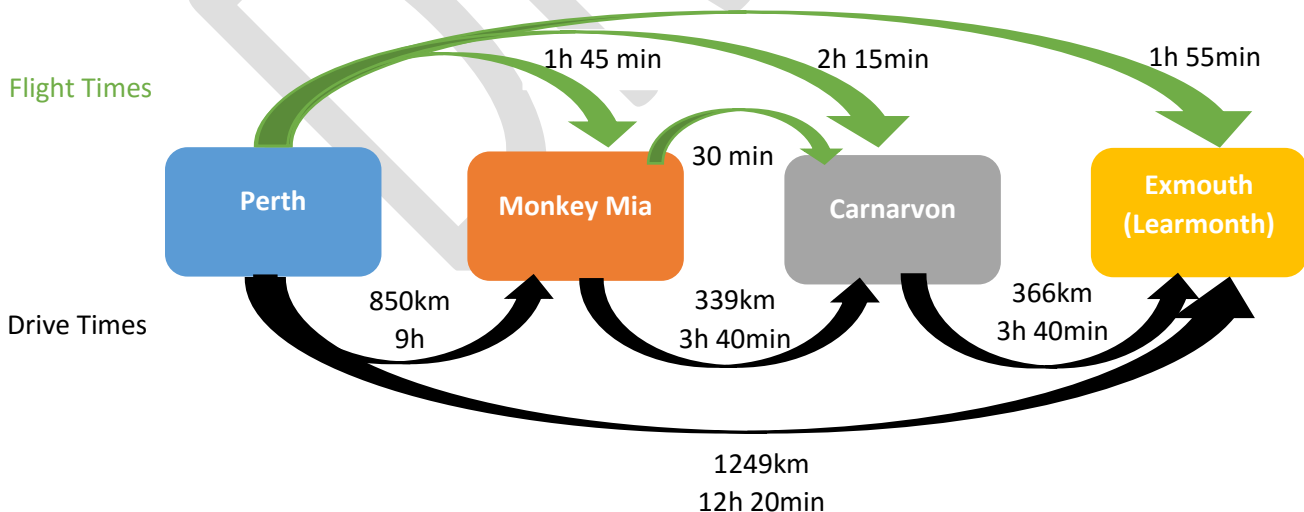


Figure 2: Drive and flight time comparison between Perth and Monkey Mia, Carnarvon and Exmouth.

Carnarvon, Monkey Mia and Learmonth air passenger movements are captured in Figure 3. Over a period of ten years, Learmonth demonstrated the highest peak in passenger numbers, increasing by nearly 150 per cent since 2006. And while all three routes experienced a decline in 2014-15, Learmonth demonstrated growth in 2015-16.

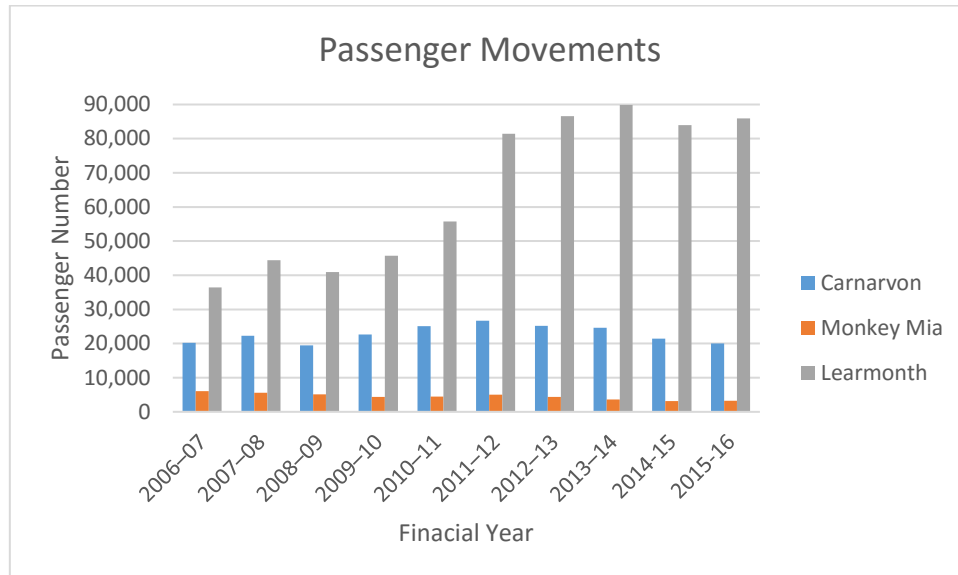


Figure 3: Comparison of passenger movements through Carnarvon, Monkey Mia and Learmonth Airports

4.1.1 Perth – Learmonth (LEA)

Learmonth Airport (also referred to as Exmouth) was first established in 1943 as an operational air base during World War Two. In 1993, the Commonwealth leased the civil facilities area of the Learmonth Airport to the Shire of Exmouth for a term of 30 years and has since seen the development of a new airport terminal with common domestic and international capability, dedicated helicopter, and GA aprons (Shire of Exmouth 2015).

The Perth-Learmonth route continues to play a major role in the economic and social development of the region. Exmouth is the northern gateway to the Ningaloo Coast World Heritage area, Cape Range National Park and is in close proximity to off-shore oil and gas activity. In 2013, DoT conducted passenger surveys on this route over a two-week period during the main tourist season. The results indicated that 44.8 per cent were travelling for holiday/leisure and 43 per cent for business (resource sector comprising of 31.3 per cent).

In the Shire of Exmouth Learmonth Airport Departure Survey; Comparison Report (August 2016), the result of passenger surveys collected over the following periods; August to October 2015, February to April 2016 and July school holidays 2016 were compared. The report illustrated a greater dominance from the holiday/leisure market (70.6 per cent), followed by the business market (16.9 per cent). Given that a fair proportion of those travelling for business/work are likely to be repeat visitors, and noting surveying during school holidays, the Shire acknowledged that the ratio for leisure verses business travel was likely to be diluted over the course of a full year. However, the survey serves to demonstrate that demand on this route is heavily influenced by the tourism and offshore resource sectors. Without the passenger movements generated by either one of these sectors, Exmouth's air service would look vulnerable.

Competitive and affordable airfares are essential to sustain the appeal of flying for Exmouth's holiday/leisure market. Airfares are currently deemed competitive, however this is vulnerable given reliance on the resource sector and sole operator service provider (limited competition). To minimise any potential threats of market failure, reporting on average airfares, passenger numbers and on-time performance rates is required, through which the State Government monitors the route to ensure the provision of adequate air services.

Exmouth receives twice daily return (daily on weekends) RPT services from Qantas. Figure 4 provides a breakdown of passenger movement from 2006-07 to 2015-16. The table demonstrates some fluctuation in passenger numbers pre-mining boom, and some fluctuation during the boom. In 2014-15, the route experienced a drop in passenger movements which stemmed from reduced drilling by offshore oil and gas companies, a drop in the international price of oil and the vacation of the route by Virgin Australia Regional Airlines (VARA).

Exmouth is currently experiencing a period of unparalleled growth and development, which has seen passenger movements maintain previous high numbers into 2015-16. The construction of the Ningaloo Centre, upgrades to Exmouth Boat Harbour, offshore oil and gas projects and introduction of the in-water humpback whale interaction trial provides justification for a robust and continued aviation service.

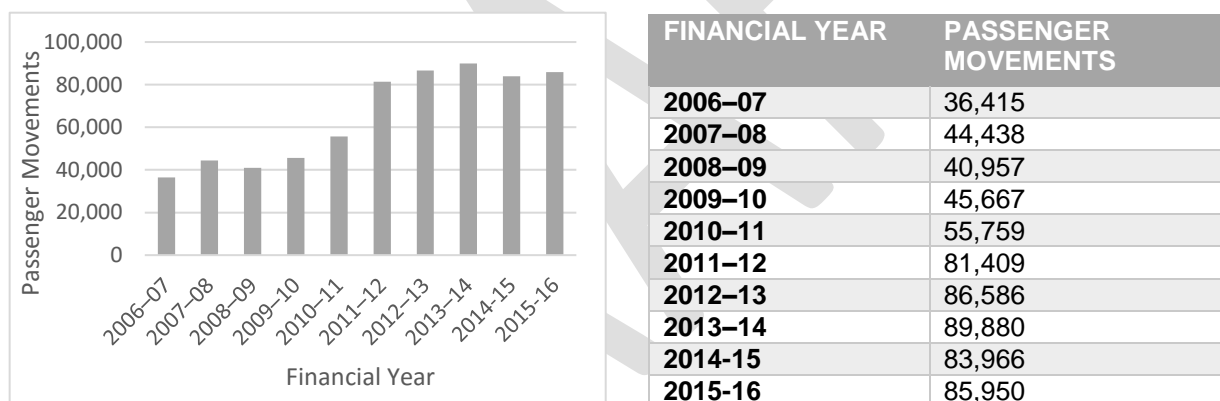


Figure 4: Learmonth Passenger Movements (Source: DoT 2016)

Significantly, a number of international airline operators have received formal Defence approval to use Learmonth Airport as an alternate airport in the event of on-board emergencies or adverse weather conditions at Perth. As of March 2014, these airlines include Qantas, Emirates, Cobham Regional, Cobham Special Mission, Malaysian, Air Asia, Air Austral, Air Mauritius, Air New Zealand, Network, Qatar, Scoot, Singapore and Turkish Airlines. However, international passenger routes have not been considered in this Strategy given the significant increase in passenger movements required to justify this level of connectivity.

Local stakeholders have expressed their desire for greater competition, state connectivity and diversity on this route. The GDC encourages connectivity (where justified by demand) and the possibilities of providing flexibility through alternative models of air transport services e.g. charter flights. Similarly, the GDC encourages the reintroduction of a second airline to further foster airline competition, particularly if passenger numbers exceed 100,000 annually. GDC is examining the possibility of direct flights from Asia to Learmonth to expand the tourism sector and potentially provide a means of exporting regional produce into Asia.

4.1.2 Perth - Monkey Mia - Carnarvon

The Perth - Monkey Mia – Carnarvon air route is also referred to as the Coral Coast air route.

Carnarvon Airport was originally built as a World War Two airstrip and first opened for passenger travel when it was transferred to the Department of Civil Aviation in 1947. Control of the airport site was transferred to the Shire of Carnarvon in 1993.

Carnarvon currently receives ten return RPT services per week from/to Perth. Of these, six services per week are direct between Perth and Carnarvon and the remaining fly via Monkey Mia.

Monkey Mia Airport is located within the Shark Bay World Heritage-listed area, and is owned and operated by RAC Parks and Resorts. Monkey Mia currently receives four RPT air services per week. All four services are direct from Perth to Monkey Mia, but indirect on the return leg (via Carnarvon).

Both the Carnarvon and Monkey Mia air routes have a reduced number of flights across the summer period commensurate with the significantly reduced passenger demand. For the 2016-2017 summer period, December to February, services will reduce to eight and three respectively.

The demand for air services in Monkey Mia is somewhat similar to Exmouth, that is, tourism, business (with the exception of the resource sector) and social travel. In contrast, air services in Carnarvon are predominantly business related. Surveys conducted by DoT (in 2013) indicate that 58.4 per cent of travellers through Carnarvon were business related, and 20.4 per cent for holiday/travel. In Monkey Mia, only 26.9 per cent were for work purposes and 58.5 per cent for holiday/travel.

The Coral Coast route is highly vulnerable and considered to be “thin”, thereby generating limited revenue for the airline operator. A breakdown of passenger movements from 2006-07 to 2015-16 is provided in Figure 5 below.

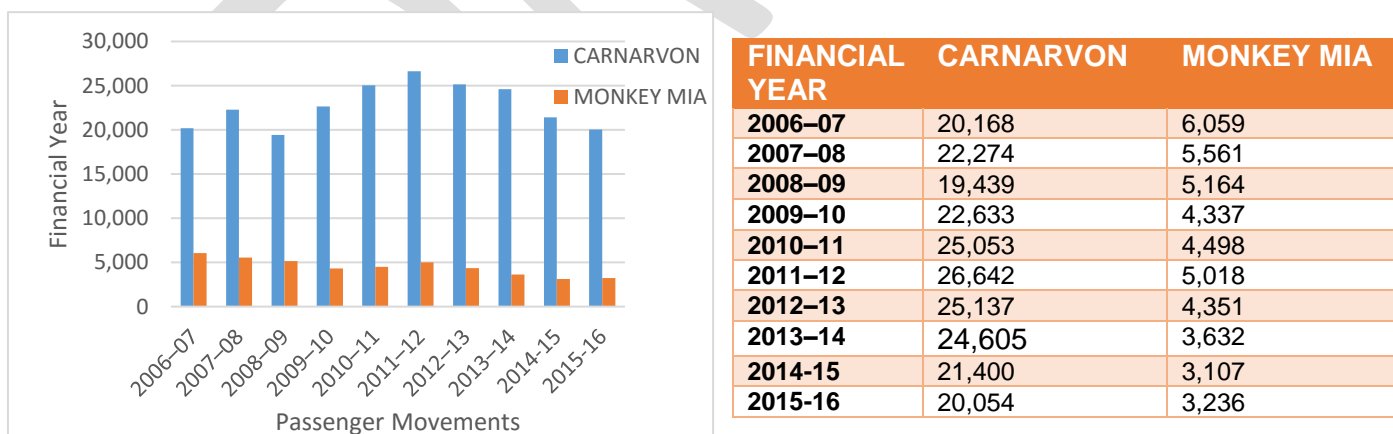


Figure 5 Carnarvon/Monkey Mia passenger numbers Movements (Source: DoT 2016)

Carnarvon passenger movements have fluctuated over the period and are at their lowest in a decade following a peak in 2011-12. Monkey Mia passenger movements have also declined by approximately 40 per cent since 2006. The current decline in passenger numbers is largely due to the State's economic transition from its investment and

construction phase into a consolidation and operational phase. In addition, there is some competition arising from the proximity of Carnarvon to Exmouth, with the frequency of Exmouth air services and the type of aircraft used drawing the majority of tourist/leisure passengers to that destination.

The cost of travel on the Carnarvon – Monkey Mia air route is prohibitive, resulting in local residents, tourism and leisure travellers often choosing to drive, with lower cost to the consumer outweighing the convenience of shorter air travel times. Similarly, the influence of price on consumer behaviour can lead to the comparison of cost vs location/experience (visitors choosing cheaper locations to visit). The 2013 DoT surveys reported that only 58 per cent (Carnarvon) and 78 per cent (Monkey Mia) of travellers on this route deemed the cost of airfares to be “acceptable”. The continued general economic downturn in recent years has played a large part in consumer spending patterns, and has added to the decline in passenger numbers on this route. However, efforts have been made to reduce costs through the availability of residential discounts. Further cost savings are unlikely given the routes vulnerability, economic viability or until such time that the route experience significant passenger growth.

Airport infrastructure can also be said to be contributing to largely static growth and competition on this route. Larger aircraft, such as Fokker 100 or Boeing 717, would be able to land at Carnarvon and Monkey Mia if the airports and runways were upgraded to accommodate security screening operations. This improved equipment would also attract a broader range of passengers. However, until sufficient demand is evident, aircraft will remain restricted to the current weight of 20 tonnes or less. This topic is explored further in Section 5.

A further disincentive of this route for business travel (including health related travel) is the current flight schedule. The schedule clearly favours Perth-based travellers, who are able to travel to and from Carnarvon in one business day, arriving into Carnarvon around 10am and departing around 5pm. The reverse is not true for Carnarvon-based travellers, who are unable to fly to Perth and return to conduct even a half day of business (at least 2pm by the time they disembark and travel to their destination). This provides further disincentive to flying due to the costs incurred in lost business hours and overnight accommodation. Alternative flight schedules favouring Carnarvon-based travellers could significantly improve passenger numbers on this route.

Shifting consumer behaviour is a priority for this route if it is to return to a positive increase in passenger movements. The GDC encourages improvements to scheduling, marketing, branding, service infrastructure and the completion of upgrades being undertaken at Carnarvon Airport with the prospect of returning passengers to this route in greater numbers.

4.2 Objectives

The vision is to provide safe, secure and efficient aviation services in the Gascoyne, which support and promote quality of life, sustainability and economic development. The objectives of the Strategy include:

- Improved cohesion, collaboration and advocacy across the region's aviation sector, including the implementation of the Gascoyne Regional Aviation Strategy;
- Deliver quality services whilst maintaining safe, secure and affordable movement of passengers, freight and aircraft;
- Maximise and facilitate economic growth and investment through coordinated planning, funding and the provision of key 'hard' and 'soft' infrastructure;
- Realise private, commercial, recreational and industry development opportunities that are compatible with on-site aviation activity that supports diversification, economic development and employment creation in the Gascoyne;

- Maximise airport accessibility and connectivity by planning for communities that are designed to enhance and protect our lifestyle through greater social engagement, health, sport and recreational needs; and
- Pursue the building of the relationship between tourism and aviation; ensuring the aviation industry supports tourism initiatives, mutually leveraging their respective contributions.

5.0 Understanding Regional Services

RPT services in regional Australia have experienced considerable change over recent decades. Since the 1980s, the number of regional airlines has declined from 52 to 27, and continues to fall, while the number of regional airports receiving scheduled services falling from 278 to around 138.

Airline operators function in an environment that is highly sensitive to global economics, carry high capital costs and operate on high volume, low profit margins. Issues that have, and continue to challenge the industry include the price of fuel (noting the current short term decline in the price of oil), high airport charges, high costs of maintenance and a heavy regulatory burden. These challenges have resulted in industry restraint and caution, and where necessary, the reduction of services.

Airport charges, including passenger head fees, landing fees and security screening, influence the costs paid by the consumer as part of their fare. There is no consistent approach or statutory formula for the calculation of airport fees, which are determined by airport operators according to their individual finance models.

Within the Gascoyne, airport fees contribute to the day to day cost of running airports, as well as supporting essential maintenance and future development. To some extent, this constrains a carrier's price flexibility and is more often than not passed onto the consumer. Table 1 provides a breakdown of fees and charges for airports in the Gascoyne.

Airport	Regional Head Tax (adult)	Landing Fee and Charges (RPT)	Security Levy (per departing passenger)
Carnarvon	\$18.09	Metroliner - \$159 Brasilia - \$239 Dash 100 - \$382 Dash 300 - \$477	NA
Learmonth	\$19.00	\$12.50 per Tonne of MTOW	\$20.00
Monkey Mia	\$18.00	No landing fees through agreement with owner	NA

Table 1: Airport Fees and Charges (Source: DoT 2016; Shire of Exmouth 2016)

All airports in the Gascoyne charge a Head Tax of \$18 or higher. In comparison, Albany and Esperance charge a Head Tax of \$30.48 and \$20.91 respectively. The Head Tax at Monkey Mia is considerably higher than other regional towns of a similar populations; Mt Magnet charges \$8.24 and has a population of 458, whilst Leonora charges \$11.00 with a population of 1,412 (ABS 2006). Carnarvon is also deemed high, with a large disparity in the landing fees and charges for various aircraft. For example, in Carnarvon, a Dash 300 landing fee is \$477, whereas in Leonora, Laverton, Meekatharra and Mt Magnet, the landing fee is universally lower at \$220, \$218, \$382 and \$336 respectively.

Exmouth is unique, both in terms of passenger movements and being the only RPT service in Western Australian with security services. It is noted that Exmouth calculates landing fees on MTOW rather than aircraft type and has greater costs which is partially attributable to the security charges required.

Another significant factor in the cost structure of all airlines, is that of air navigation charges. In the case of regional airlines (and all others) these charges are built into the price of the ticket, and relate to in the flight direction and coordination of the aircraft between its points of departure and arrival. Air navigation charges have been the subject of steady and substantial price increases over a number of years.

The risk of lost or failed aviation services is unwelcomed and has a detrimental effect on local business and community. Existing conditions indicate that the cessation of RPT services to some destinations in the region is an increasing possibility, namely for Carnarvon and Monkey Mia. Since 2002, 12 regional RPT routes have been lost in New South Wales, including Cobar, Mudgee and Narrabri, which had annual passenger movements of 11,496, 11,705 and 14,137 respectively. These figures underline the precariousness of the Carnarvon and Monkey Mia routes, which possess similar annual passenger movements; Carnarvon, 20,054 and Monkey Mia, 3,236 in 2015-16.

Similarly, various regional operators such as QantasLink have indicated that routes with annual passenger movements below 30,000 are not viable. Although, Exmouth exceeds this figure, it is an alarming reality for Carnarvon and Monkey Mia. Considering the airline viability of the Coral Coast route, residents are fortunate in the level of service available. To ensure this service continues, a study of regional carrier airlines and aircraft charter companies servicing passenger movements of less than 30,000 is recommended.

6.0 Governance; Deregulation and Regulation

Regional airfares in Western Australia are high in terms of cost per seat kilometre, when compared with international destinations such as Bali and Thailand and the Australian east coast. The predominance of the less price sensitive business market (e.g. resources sector) has been a significant contributor to the high costs of intrastate fares.

Competition is a key factor in reducing airfares; and deregulation maximises and allows for open competition, but requires at least a minimum of two airline operators to be effective. Whilst deregulation is desirable, the State Government regulates routes where RPT services are considered too light to sustain under open competition, and where the preservation of service is regarded as creating greater community good than the damage its loss would cause.

Regulation provides a minimum level of service and a maximum airfare for certainty to the community. Currently all RPT services in the Gascoyne are regulated to some extent. However, the GDC is very aware that regulation does not guarantee the ongoing viability of the Carnarvon-Monkey Mia route due to the current low passenger numbers.

In 2015, DoT released the Review of Regulated Regular Public Transport Air Routes in WA. The Review recommended

- Reduced regulation on the Perth–Learmonth air route; and
- Continued regulation on the Perth-Monkey Mia-Carnarvon route.

The Perth-Learmonth route was partially deregulated and opened to allow the possible entry of a second RPT operator (VARA at that time). It is expected, for the foreseeable future, that Qantas will be the only airline operating on this route. In this circumstance, where the route is being serviced by a sole operator, the State Government will continue to monitor and ensure adequate air services are provided.

The Perth-Monkey Mia-Carnarvon air route is not deemed suitable for deregulation due to relatively low passenger movements and commercial viability. The GDC supports a competitive environment, and in the absence of natural competition, a competitive tendering process for these protected routes is vital. The existing deed of agreement of the Perth-Monkey Mia-Carnarvon air route expires late 2017. Upon review, the GDC has identified the following expectations of stakeholders to be considered prior to awarding future licenses, including:

- Improved methods of Deed management through Key Performance Indicators and average fare monitoring;
- Flight schedules with frequency, linkages and timing that meet the social and economic needs of the community (e.g. education and health);
- Aircraft type of a typical regional airline standard;
- Affordable airfares – benchmarked to State average;
- Contractual requirement that the successful operator is a registered participant and user of a recognised airline global distribution system;
- Destination marketing program;
- Passenger lounges and facilities; and
- Customer contact centre with extended operating hours.

To assist in the improved cohesion, collaboration and advocacy of the aviation industry the GDC recommends the development of a Gascoyne Aviation Working Group. The Gascoyne Aviation Working Group, which can be made up of industry, community and government representatives from the region, will be responsible for implementing this Strategy and would seek involvement/consultation in the 2017 tendering process; ensuring the needs and expectation of the region are realistic and achievable.

7.0 Infrastructure and Service

7.1 Infrastructure Maintenance and Planning

A lack of investment in aviation infrastructure, airport branding and quality of service has historically detracted from the region's economic and social development. Consequently, an improvement in infrastructure planning and development is essential if the objectives identified in this Strategy are to be delivered.

Airport infrastructure must be capable of reaching targeted levels of customer service and satisfaction during periods of peak demand. Similarly, the service offered must provide quality, diversity and flexibility. The Gascoyne currently offers limited civil and general aviation services. The opportunity to provide additional private, recreational and tourism related air travel exists and will contribute to the region's quality of life and improved connectivity.

Ongoing maintenance costs and infrastructure upgrades can place immense financial strain on regional airports, thereby threatening their sustained operations. Funding the maintenance and expansion of the local government owned and operated airport is usually the biggest challenge. Many regional airports are operating at a loss each year with 61 per cent of regional airports in Australia having budget deficits in 2014-15 (ACIL Allen 2016). In addition, the AAA Regional Airport Study indicated a funding gap of 3.4 per cent for RPT airports and 45.6 per cent for non-RPT airports in 2014-15. With expenditure expected to rise by an additional 38 per cent over the next decade discussions around funding shortfalls is a priority for the regions (ACIL Allen 2016).

From July 2012 new Commonwealth aviation security requirements came into effect across all Australian airports. These included;

1. Grouping of airports into bands with similar operating environment, threat and risk profiles following the assessment of a number of relevant factors; and
2. Airports handling aircraft with a maximum take-off weight (MTOW) of 20 tonnes or greater are required to conform to Office of Transport Security requirements for airport security.

Learmonth Airport is the only RPT route which possess security screening services. The airport owner, Shire of Exmouth, is responsible for sustaining the ongoing costs of equipment and staffing associated with passenger and carry-on luggage screening services. These costs are recovered via a security levy on ticket sales, \$19.50 per departing passenger.

The aircraft(s) currently operating to/from Carnarvon and Monkey Mia are below 20 tonnes, and therefore do not require security screening of passengers and baggage. Long term, the absence of airport passenger screening would be deemed as a deterrent to improving competition on this route as it restricts the range of airlines and aircraft that can operate to these airports. Through the provision of security screening, opportunities exist for a wider range of airlines (using a wider range of aircraft) to consider servicing Carnarvon and Monkey Mia routes. While security is not the only barrier, it is a primary hurdle – it is a ‘showstopper’ for local airport owners and will prohibit the introduction of larger aircraft to the route. This may create disinterest among airlines that currently recognise potential on the route.

To permit the landing of larger aircraft such as a Boeing 717 or Fokker 100, both Carnarvon and Monkey Mia would need to make a substantial investment in infrastructure and security screening equipment, with costs likely to be absorbed by the consumer through higher airfare costs. The introduction of “light jets” such as the Embraer EMB 135/145 series aircraft, while providing a comparable number of passenger seats, offer the potential to introduce an affordable option to the turbo prop services currently received by Carnarvon and Monkey Mia. It is argued that the improved amenity in quality and flying time of such aircraft would raise the profile and attractiveness of flights on the Carnarvon and Monkey Mia routes. Combined with participation in the global distribution system, such aircraft offer the prospect of a measurable increase in patronage.

There have been public calls for Carnarvon to be serviced by larger aircraft directly into the main Perth Airport terminals. In order for this to occur, significant infrastructure upgrades are required to the Carnarvon facilities. This includes implementation of security screening, use of a Perth Airport terminal, extended and enhanced runway safety areas and an increase in maximum aircraft landing and take-off weights enabling aircraft between 30 and 40 tonnes to be accommodated. However, it should be noted that this expansionary

approach has not always been successful. Prior to commencing and/or supporting any infrastructure upgrades, the following implications need to be clearly understood and considered:

- Carriers such as VARA and Qantas are not currently suitable for Carnarvon and Monkey Mia due to low passenger numbers. This situation is likely to continue into the medium term future (3 – 5 years). It is anticipated that aircraft(s) below 20 tonnes will continue to fly into Carnarvon and Monkey Mia until passenger numbers significantly increase to match the likes of Exmouth and Geraldton, approximately 85,000 and 100,000 respectively. Of note, Albany and Esperance both receive between 50,000-60,000 passengers and are serviced by aircraft below 20 tonnes in weight.
- Operations at Perth Airport terminals are expensive, adding \$36 per return passenger for the use terminal 3 (terminal used for the Perth-Learmonth service). By comparison, the cost to the current RPT operator is only \$9.54 per return passenger due to its use of a private terminal. By moving to this service to Perth Airport the approximate additional cost on each ticket would be in the vicinity of \$26.46 plus fees and charges associated with security, airfield use and aircraft parking (Perth Airport Charges 2016-17).
- Investment in security screening leads to substantial increases in ticket price. For example, Esperance, which receives approximately 50,000 passengers annually, had previously charged a \$41 per passenger screening charge. If screening was introduced into Carnarvon and Monkey Mia based on current passenger movements, costs would be substantially more considering that the Carnarvon/Monkey Mia route has less than half the amount of passengers to recoup operating and maintenance costs.

Albany and Esperance, both possessing higher passenger movements than Carnarvon, abolished security services following the departure of VARA and in an effort to reduce passenger fees. Albany reduced passenger fees by more than 30 per cent, with an almost \$14 saving passed on to the customer. Similarly it should be noted that the replacement of smaller aircrafts with a larger aircraft has in many cases, resulted in the withdrawal of air services altogether or convenience has been adversely affected; small aircraft allow airlines to offer flights each day, thereby matching the supply of seats more closely with demand, attracting more flexibility and choice.

The above demonstrates that infrastructure should only be implemented once demand is adequately justified and stable (and strong) passenger numbers are achieved. Based on the current market conditions and trends in the aviation services to/from Exmouth, Carnarvon and Monkey Mia investment in the short term is considered minimal. A change in economic growth and rise in the GRP may indicate a shift in the infrastructure required.

Notwithstanding the above, the Shire of Carnarvon has successfully secured State and Commonwealth funding to upgrade the runway and aircraft movement area for their airport. This redevelopment will improve the condition of the main runway and is expected to reduce maintenance costs over the next 10 years. To maximise the investment in runway improvements, it is important that new or additional high quality, value adding services and capabilities be introduced at Carnarvon and potentially Monkey Mia airports in the future.

Currently, all of the potential tenderers on the Coral Coast route offer an undifferentiated, lowest cost service and product. One of the key challenges for government in the forthcoming tender will be to inject a requirement that the tenderness for these routes will introduce a minimum level of innovation in respect of service, product and adaptability.

RAC Parks and Resorts is undertaking significant expenditure on its resorts; an aviation expert has been retained to calculate the capital cost of an upgrade to its Shark Bay runway to permit the landing and handling of significantly larger aircraft.

8.0 Route Development

A multi-faceted approach is required to increase demand on Gascoyne aviation services.

Given the region's isolation, connectivity is vital in contributing to the attraction and retention of an increased population. All too often the region loses individuals and families for education and medical reasons. As a result, improved connectivity and route development will contribute to the sustainability and social wellbeing of the region.

Opportunities to support route development in the Gascoyne include;

- Inclusion on the Global Distribution System;
- Cooperative Destination Campaign Activity and Improved Destination Branding and Communication; and
- Expanding links within and beyond the region.

One of the industries that relies most heavily on aviation is tourism. Without the connectivity provided by flight, the region would not be able to enjoy the same level of economic growth. Tourism is the largest revenue earner of all industry sectors in the Gascoyne, with an estimated turnover of \$222.7 million in 2014. The region retains its focus on providing an intimate and personal experience for visitors and is positioned as a premium experiential eco-tourism destination, recognised by the Australia's National Landscape Program.

Aviation plays a central role in supporting the tourism growth and marketing of the region. Currently intrastate tourism is constrained by perceptions of high airfares. The importance placed upon air access in regional WA is significant due to lack of regional rail transport and long distances for coach and self-drive transport. As a result, the attraction of new airlines, including regional carriers and aircraft charter operations to the Gascoyne is a priority.

Facilitating faster travel between iconic destinations fits with the desire to increase high yield visitation, match the growing trend by visitors taking shorter more 'punchier' holidays and accommodating the emerging Asian traveller who typically has shorter leave entitlements.

Opportunities exist to leverage off the regions iconic attractions, including Shark Bay and Ningaloo World Heritage Areas and attract luxury airline operators to the region. This could create a niche tourism market for indulgent travellers seeking an "extraordinary" experience.

The Global Distribution System (GDS) is software used to enable travel agents to access live online airline seat inventory. GDS is the tool of trade that travel agents around the world use to find schedule information and book airline tickets for their customers. An airline that does not participate in GDS is largely invisible to travel agents. Carnarvon and Monkey Mia are currently not included on the GDS. Without connectivity to this system, crucial for tourism and economic development, Carnarvon and Monkey Mia will remain disconnected from major sections of the intrastate, interstate and international tourism markets.

Connection to the GDS is pivotal to the region's continued tourism and economic development. Given the connectivity features of the GDS, it is highly desirable to include

Carnarvon and Monkey Mia. Discussions on the feasibility of cost-sharing agreements is recommended to be had with the airline servicing the Coral Coast route and included as desirable criteria in the 2017 tender process.

In addition, the importance of destination marketing and packaging needs to be considered for all air routes in the region. Cooperative marketing campaigns between Regional Tourism organisations, Tourism Western Australia, industry, wholesalers and airlines take place across Perth, interstate and strategic international markets. These cooperative campaigns market competitively priced package holidays to key destinations within the Gascoyne.

Continued partnership of cooperative marketing endeavours has resulted in an increase in airport arrivals across all key Gascoyne destinations, which has led to increased visitor numbers and length of stay, thereby increasing expenditure across the region. This increase has also stimulated interest in new product and accommodation development. Demand for Learmonth services may result in a second airline carrier showing genuine interest in developing routes from Perth and/or possible links north to ports such as Karratha, Tom Price and Broome.

9.0 Action Plan

9.1 Governance

Objective 1.1 Improve cohesion, collaboration and advocacy across the aviation industry; including the implementation of the Gascoyne Regional Aviation Strategy		
Strategies and Actions	Who	Timeframe
Create a Gascoyne Aviation Working Group to optimise air access to and within the Gascoyne region – i.e. consider aircraft types, schedules, seasonality etc.	GDC, DoT, Tourism WA, Airline Operators., Airport Owners	Short Term
Maintain strong advice across all levels of government to ensure the future prosperity of the region and to obtain high level of support for the aspirations of our local community, business and industry.	All stakeholders	Ongoing
Support the periodic undertaking of airline passenger surveys to enable monitoring and customer satisfaction and other key performance indicators.	DoT, Airport Operators, Airport Owners	Ongoing

Objective 1.2 Deliver quality services whilst maintaining safe, secure and affordable movement of passengers, freight and aircraft.		
Strategies and Actions	Who	Timeframe
Improve competition on the Perth-Learmonth and Perth-Monkey Mia-Carnarvon RPT service where feasible.	GDC, DoT,	Mid-Long Term
a) Encourage and attract a second airline to enter the Perth-Learmonth RPT service route.		Short-Mid Term
b) Identify and encourage regional carrier and aircraft charter companies to submit a tender response to operate RPT air services to Perth-Monkey Mia-Carnarvon.		
Seek to collaborate with the DoT to include new mandatory and desirable criteria for Perth-Monkey Mia- Carnarvon RPT 2017 tender process.	GDC, DoT, Shire of Carnarvon,	Short Term

	Shire of Shark Bay	
GDC to express interest in participating on any new tender assessment panel which relates to aviation services in Gascoyne the region.	GDC	Short Term
Build in processes and controls to measure and monitor average fare, benchmarked to WA averages.	All stakeholders	Ongoing
Continue to explore freight networks and associated infrastructure requirements.	GDC, Airport Owners	Mid Term
Create an opportunity / support / incentives for an airline within the region to be 'grown' to fill the existing service gap.	GDC	Ongoing
Create the capacity for a joint venture / partnership between existing potential tenderers to share the risk and develop the route.	GDC, DoT	Short-Mid term

7.2 Infrastructure and Service

Objective 2.1 Maximise and facilitate economic growth and investment through the coordinated planning, funding and provision of key 'hard' and 'soft' infrastructure;		
Strategies and actions	Who	Timeframe
Identify the infrastructure required to meet future aviation related industry and which is capable of retaining and attracting high quality air services.	GDC, Airport Owners	Ongoing
Evaluate and implement other business opportunities that diversify airport revenue streams, achieve the required financial returns, leverage the airport talent base and are consistent with the airports vision.	All stakeholders	Ongoing
Continue to monitor the feasibility and value for money assessment of the Carnarvon/Monkey Mia air services using Perth Airport terminals for departure and arrivals.	GDC, DoT, Shire of Carnarvon, Shire of Shark Bay	Mid-Long Term
Progressive discussion with the Commonwealth on the security screening network cost issue and 20,000 kg rule. Stakeholder participation to particularly include current security screening providers.	DoT, Airport Owners, Airline Operators.	Ongoing
Monitor and assist with the implementation of planned infrastructure identified by Airport Owners/Operators <ul style="list-style-type: none"> a) Ongoing enhancements of current terminal facilities to provide for a full range of passenger needs. b) A commitment to continuously improve airport security infrastructure 	All stakeholders	Mid Term - Ongoing

Objective 2.2 Realise private, commercial, recreational and industry development opportunities that are compatible with on-site aviation activity to support diversification, economic development and employment creation in the Gascoyne.		
Strategies and Actions	Who	Timeframe
Work with major companies and peak associations within agricultural, tourism, aquaculture and resource industries to get a clear understanding of the sectors needs and how the aviation industry may be able to facilitate their needs.	All stakeholders	Ongoing
Investigate the potential for charter flights over non-RPT routes to open and accept RPT passengers.	All stakeholders	Mid Term

7.3 Route Development

Objective 3.1 Maximise airport accessibility and connectivity plan for communities designed to enhance and protect our lifestyle e.g. health, education, sport and recreational needs.		
Strategies and Actions	Who	Timeframe
Ensure all RPT airline services include code-sharing agreements (e.g. GDS) between overseas airlines and Australian domestic carriers.	GDC, DoT, GTB, Airline Operators.	Short Term
Gascoyne Aviation Working Group to discuss flight schedules on the Carnarvon/Monkey Mia route to optimise efficient for the regional based traveler a) liaise with WACHS to set schedules that provide more options to meet the medical needs of these communities. To be contained within future tenders/Deeds as a minimum service requirement. b) liaise with education departments, including Geraldton Residential College to set schedules that cater for school term start and finish dates. To be contained within future tenders/Deeds as a minimum service requirement.	GDC, GAWG, Department of Health, DoT, Department of Education	Short Term
Monitor airport fee structure in partnership with airline operators and airport owners.	Airport Owners, Airline Operators.	Ongoing
Facilitate and support sports competition at a regional, state and national level in order to generate increased fly passenger demand. E.g. Kickstarters Gascoyne Dash, WAFL Game etc	Department of Sport and Recreation, GDC, Airport Owners, GTB.	Short Term
Continue to provide a diverse range of recreational and tourist flight activities including scenic and micro flights, in addition to exploring new market opportunities e.g. sky diving.	GTB, Airport Owners, Airline Operators, Tourism WA	Ongoing

Objective 3.4 Pursue the relationship between tourism and aviation; ensure the aviation industry supports tourism initiatives.		
Strategies and Actions	Who	Timeframe
Focus on fostering links with airlines and charter services to ensure relationships remain strong.	All Stakeholders	Ongoing
Support the priorities in the Gascoyne Tourism Strategy aimed at promoting the region and the development of a destination marketing plan.	GTB, Airport Owners, Airline Operators, Tourism WA	Short Term
Encourage and seek the involvement of local and State tourism bodies to be included in tender processes for airline selection.	GTB, Tourism WA	Short Term
Foster new and grow existing events in the Gascoyne (e.g. Dirk Hartog Festivities and Gascoyne in May) to increase the draw for fly visitors via airline and charter services.	All Stakeholders	Short Term - Ongoing
Consider the potential for an increase in size and frequency of aviation-related events such as air shows and the potential for niche positioning for events.	All Stakeholders	Short Term - Ongoing
Continue to explore the potential of marketing and promotional activities.	GTB, Tourism WA	Short Term - Ongoing
Leverage of two World Heritage Listed sites and investigate the feasibility of establishing a dedicated itinerary linking world heritage listed sites within WA and/or Australia.	GTB, Tourism WA, GDC	Mid-Long Term

Attract luxury airline operators to the region, creating a niche tourism market for indulgent travelers seeking an extraordinary experience.	GTB, Tourism WA	Mid Term
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