

Burnie airport

Burnie Airport Corporation

Inquiry into Australia's aviation sector—regional service delivery

Submission from Burnie Airport to the Parliamentary Inquiry on
Regional Aviation

13 February 2026

1. INTRODUCTION

- 1.1 This submission to the *Rural and Regional Affairs and Transport References (RRAT) Committee* is made by the Burnie Airport Corporation (BAC) Unit Trust, the owner/operator of Burnie Airport – also known as Wynyard Aerodrome – located in Tasmania.
- 1.2 The purpose of the trust is to provide sustainable airport infrastructure that supports the commercial, social, tourism and industrial needs of Tasmania's Northwest Coast.¹
- 1.3 BAC's objective is to maximise economic benefits and enhance transport services for the region, while delivering appropriate financial returns to its joint unitholders/stakeholders – the Burnie City Council (BCC) and Australian Regional Airports (ARA).

2. BACKGROUND INFORMATION

2.1 *Australia's network of airports/aerodromes*

- 2.1.1 The Aeronautical Information Publication (AIP) Australia identifies around 2,000 facilities which it classifies as either certified aerodromes or aircraft landing areas (ALAs)². The Civil Aviation Safety Authority (CASA) confirms that 329 of these are certified aerodromes³ which are subject to regulation in the interests of aviation safety.
- 2.1.2 Part 139 of the Civil Aviation Safety Regulations (CASR) is the primary legislative instrument that sets out the applicable regulatory requirements.
- 2.1.3 These certified aerodromes are widely dispersed geographically with many being located in regional, rural and remote areas of Australia. We note that while these locational descriptors are widely used they are also imprecise and subject to significant differences in interpretation.
- 2.1.4 In this submission, our preference is to adopt the Australian Statistical Geography Standard (ASGS) remoteness structure utilised by the Australian Bureau of Statistics (ABS) as a measure of community access to services and connectivity to larger population centres.
- 2.1.5 This identifies 5 classes of remoteness: Major Cities, Inner Regional, Outer Regional, Remote and Very Remote areas of Australia – these being assigned the designators RA1, RA2, RA3, RA4 and RA5.

¹ Burnie Airport Corporation Unit Trust, Trustee Reports for the year ended 30 June 2025.

² Airservices Australia, Aeronautical Information Publication – Enroute Supplement Australia, Aerodrome and ALA Codes, 27 November 2025.

³ <https://www.casa.gov.au/operations-safety-and-travel/aerodromes/all-aerodromes>

- 2.1.6 Using this remoteness structure, the aerodromes subject to this inquiry will be located in remoteness classes RA3, RA4 and RA5 – outer regional, remote and very remote areas of Australia.
- 2.1.7 Aerodromes in remote and very remote Australia will typically serve small population clusters that are unable to support regular air transport services unless these are subsidised, or there are specific stimulants to passenger traffic such as tourism or fly in fly out (FIFO) workforce arrangements associated with mining, construction or major infrastructure projects - with Ayers Rock, Broome, Newman and Paraburdoo as specific examples of this low population/high passenger exception.
- 2.1.8 Aerodromes in outer regional localities are similarly identifiable in 2 groupings, generally by reference to large population base/high passenger numbers or lower population and passenger numbers, but again with some exceptions that have low population/high passenger traffic aerodromes like Proserpine/Whitsunday Coast, Kalgoorlie, Emerald and Moranbah.
- 2.1.9 Burnie, Griffith, Mount Gambier, Albany, Broken Hill and Merimbula aerodromes are all in this outer regional group with lower population base and modest passenger numbers, and with all facing a change in security category that means introduction of aviation security screening.
- 2.1.10 Whyalla, which is also in this group and has previously been required to introduce security screening, is a much publicised example of the negatives of further extending the current security funding model.⁴

2.2 Safety regulation of aerodromes

- 2.2.1 Amendments to Part 139 of the CASR which took effect from 13 August 2020 have significantly changed the regulatory environment for aerodromes and increased their operational cost base.
- 2.2.2 The former distinction between certified and registered aerodromes has been abolished and the latter transitioned to certified aerodrome status – a change from light handed to prescriptive regulation with similar intent to the framework CASA applies to the much larger airports.
- 2.2.3 Previously certified aerodromes retained that status but had to demonstrate ongoing compliance with the more complex and demanding rule set.
- 2.2.4 The updated rule set mandates that an aerodrome must be certified if there is a published instrument approach procedure that permits aircraft operations under the instrument flight rules (IFR).

⁴ <https://www.abc.net.au/listen/programs/pm/rex-airlines-leaves-sa-hub-over-security-costs/102365360>

2.2.5 The operator of a certified aerodrome – whether previously certified or registered – is required to:

- appoint appropriately qualified personnel to the roles of accountable manager, reporting officers, and works safety officers and ensure that aerodrome personnel meet prescribed training and qualification requirements
- maintain an aerodrome manual that documents procedures identified in the Part 139 Manual of Standards (MOS)
- maintain a safety management system (SMS) or risk management plan including hazard reporting, risk assessments, and safety assurance
- maintain a wildlife hazard management plan (WHMP) to minimise the risks of wildlife strike damage to aircraft
- monitor and maintain airspace free of hazardous objects in the vicinity of the aerodrome, and accurately report details of temporary obstacles
- provide validated data required for aircraft performance calculations and timely notification of any changes
- maintain runway/taxiway/apron pavements, lighting, markers/markings, and other aerodrome facilities in a serviceable condition, safe for aircraft operations
- regularly inspect the condition/operation of aerodrome facilities during air transport operations
- monitor, assess and report the runway surface condition for each third of an operational runway in accordance with international practice using the Global Reporting Format (GRF)
- arrange the conduct of detailed annual technical inspections and annual manual validations
- maintain emergency plans/procedures, in conjunction with state and local emergency responders, to ensure preparedness for an aviation accident/incident at the aerodrome.

2.2.6 Where the aerodrome operator has a policy of full cost recovery, the overhead costs imposed by the updated Part 139 of the CASR, will be passed on to the users – aircraft operators and air transport passengers – through landing fees and/or passenger service fees, the latter often referred to erroneously as a “passenger head tax”.

2.2.7 Where the aerodrome is owned/operated by a state government entity or a local government authority (LGA) there may be a case for only partial recovery, with the shortfall justified as a subsidy that recognises the wider community benefit of the aerodrome.

2.2.8 Where the owner/operator is corporatised there will be a commercial imperative to recover the overhead costs and provide an appropriate financial return to the shareholders.

2.2.9 The principle of user charging is long established in Australia as air travel has been regarded as largely a question of consumer choice, where an alternative surface transport mode is generally assumed to be available.

2.2.10 For now we simply note that an alternative surface transport mode is not readily available for intrastate travel between mainland Tasmania and King/Flinders Island, or for connectivity to mainland Australia.

2.3 Safety regulation of air transport operators

2.3.1 Providers of regional air transport passenger services – whether scheduled or charter - are subject to Parts 121 and 135 of the CASR, updated rule sets which commenced on 2 December 2021.

2.3.2 Part 121 applies to operations of larger aircraft with more than 9 seats or maximum take-off weight (MTOW) greater than 8,618 kg. This category includes turboprop aircraft such as the 70 seat Dash-8 Q400, the 33-34 seat Saab 340, and the 19 seat Metroliner which are utilised respectively by QantasLink, Rex and Sharp in regional services to/from and within Tasmania.

2.3.3 Part 135 applies to operations of smaller aircraft with up to 9 passenger seats and MTOW up to 8,618 kg. This category includes aircraft like the 6-8 seat Cessna 404 Titan operated by Tasmanian-based Par Avion.

2.3.4 Part 121 was introduced to modernise airline-level safety standards, replace legacy rules, align with international airline practices, provide consistent and prescriptive rules for multi-crew IFR-capable aircraft, and address safety gaps identifiable in older charter/airline distinctions.

2.3.5 It reflects the operational complexity and risk profile of larger aircraft carrying more passengers. It represents the highest level of operational regulation for aircraft below the jet-transport category, and implies significant increase in overhead costs for ongoing compliance.

2.3.6 Part 135 of the CASR was introduced to regulate the low capacity sector where accident data had shown a significant safety gap between charter and airline operations. While the requirements are less onerous than Part 121, they nevertheless represent significant increase in compliance costs for the sector.

2.3.7 Because air transport operations will be predominantly conducted under the IFR they will inevitably service certified aerodromes.

2.3.8 The costs for which the aerodrome operator seeks recovery will form part of the final seat cost determined by the air transport operator, and the airfares that need to be set as a consequence.

- 2.3.9 While we anticipate submissions by air transport operators will deal with the specific impacts in more detail, we note that the increased regulatory cost overhead means a higher seat cost for each aircraft operation, and that these costs will be disproportionately higher for operators of smaller aircraft and also for the smaller air transport operators.

2.4 Aviation security regulation

- 2.4.1 Aviation security regulation of airports adopts a multi-tier structure, with threshold for screening of passengers, baggage and freight carried on board the aircraft being determined by 2 separate criteria – where the largest aircraft providing air transport passenger services has 40 seats or more, and the total number of annual departing passengers is more than 30,000.
- 2.4.2 The aerodromes which are the subject of this inquiry will generally be a Tier 3 security category airport, but a small group of the inner regional airports have been advised that on review by the Department of Home Affairs (DHA) they may now meet the thresholds to be categorised as a Tier 2 airport and will be required to introduce full security screening. These are the airports identified previously in paragraph 2.1.9.
- 2.4.3 The capital costs of transitioning from a Tier 3 to Tier 2 security category have been identified as \$24-29 million in the case of Burnie Airport, with ongoing annual operating costs in the order of \$2.5 million.

2.5 Cost-recovery

- 2.5.1 The combined impacts of Parts 121, 135 and 139 of the CASR are a significant increase in overhead costs for the relevant aviation participants and, for both aerodrome and aircraft operators, these logically must be recovered from the passengers using the air transport services provided at the aerodrome.
- 2.5.2 This is reasonable, and also a long standing principle, as the demand for travel – whether for personal, business, tourism or other purpose – is determined by local factors and demographics.
- 2.5.3 On the other hand, aviation security is aimed at safeguarding larger capacity aircraft from unlawful interference and passenger security in the wider aviation network where the final destination is a higher tier category airport.
- 2.5.4 In the circumstances it is unreasonable for the departing passenger at the outer regional airport to bear a higher individual cost determined by location-specific cost recovery, than applicable to their inner regional or major city counterparts where much higher passenger numbers mean lower individual cost.
- 2.5.5 The end purpose of the regulations suggests that security screening should be funded by the uniform nationally applied fee structure.

3 TERMS OF REFERENCE

3.1 *Costs, fees, levies, taxes and charges that are core components to the pricing of airfares and associated services*

3.1.1 Airlines/aircraft operators are undoubtedly best placed to identify the core components of airfares or charges for the transport of passengers and freight, and for the delivery of goods and services by air.

3.1.2 Under the new suite of safety regulations effective from December 2021, parts 121 and 135 of the CASR apply specifically to regional airlines and/or air transport service providers serving communities located in outer regional, remote and very remote areas of Australia.

3.1.3 As noted earlier compliance with these requirements introduces higher cost overheads for regional operators which translate to a higher seat cost on relatively low volume routes, particularly for Part 135 operators utilising typically 6-9 seat aircraft serving certified aerodromes in remote or very remote Australia.

3.1.4 The aerodrome operator in turn must comply with an updated rule set in Part 139 of the CASR. These translate to increased operating costs for the aerodrome which are legitimately recoverable from users through fees and charges levied per passenger and/or on the basis of aircraft operating weight.

3.1.5 Except where a local government authority (LGA) aerodrome operator acknowledges that community benefit justifies subsidy from its wider operations budget, these costs need to be fully recovered.

3.1.6 We anticipate that air transport operators subject to Parts 121 and 135 of the CASR will provide greater detail of their operating cost overheads that stem from this modernised regulatory regime.

3.1.7 To reiterate, we acknowledge that cost recovery by the aerodrome operator as a consequence of the updated Part 139 legitimately add to these costs.

3.2 *Disparities of these costs across rural, regional and remote airports and the basis for the disparities*

3.2.1 As noted in background information, aerodromes located in outer regional, remote and very remote Australia must comply with the regulatory requirements for a certified aerodrome if they are to have the IFR capability to facilitate air transport services. While these CASA requirements are to some extent "scaled" by reference to air transport passenger numbers and/or aircraft movements the baseline costs per passenger or aircraft movement are disproportionate when compared with the high traffic volume airports.

- 3.2.2 The air transport service provider also faces increase in regulatory compliance costs which mean higher overhead costs that need to be apportioned for each available seat on the operating aircraft, resulting in a disproportionately high cost per seat for smaller aircraft.
- 3.2.3 User charges imposed by the aerodrome operator are one element that needs to be included and apportioned.
- 3.2.4 The form of ownership is a significant factor here as an LGA aerodrome owner may subsidise the aerodrome operation by:
- waiving user charges for aeromedical and/or deployment of emergency response aircraft, justified by social obligations
 - subsidising aerodrome operations from general LGA revenue to recognise the wider community benefit of the aerodrome
 - relying solely on federal or state government funding of capital or major maintenance works
 - using LGA plant, equipment and workforce in aerodrome maintenance and operation without directly attributing the accounting cost of doing so
 - setting an objective for cost neutral rather than profitable operations.
- 3.2.5 As a consequence the LGA may seek to recover only a relatively small proportion of the operating overhead costs legitimately attributed to the operation of the aerodrome.
- 3.2.6 In contrast the corporate/corporatised aerodrome owner - as typified by Burnie Airport - needs to seek full cost recovery which include a reasonable profit margin for its shareholders.
- 3.2.7 If the LGA operator relies solely on grant funding for capital works but the corporate/corporatised operator employs business case methodology with costs amortised and recovered from users over the life of the new asset, the cost recovery calculation will be further distorted.
- 3.2.8 When the relevant costs are passed on to the air transport operators they may appear unjustified on the one hand because of the differing cost recovery imperatives.
- 3.2.9 Such differences add further disparity to the make up of airfares adopted by the air transport operators.
- 3.2.10 Where an airport is a Tier 2 security category and its counterparts are not, the location-specific cost recovery required by current aviation security policy add further to the disparity between the aerodrome cost structures.

3.3 *Mechanisms for recovering federally mandated security and regulatory costs and options for achieving greater financial equity across the aviation sector, including the merits of a uniform national levy to cover security arrangements*

- 3.3.1 We have previously noted the accepted and long standing practice of location-specific user charging for recovery of safety regulation (regulatory) costs attributable to aerodrome operation.
- 3.3.2 This principle has been extended to recovery of security costs but with far less equitable results as the security footprint has extended to outer regional aerodromes with lower population/fewer passengers profile.
- 3.3.3 There is fundamental inequity in the threshold for security that links aircraft seat capacity and total passenger numbers, where a significant proportion of passengers still utilise smaller aircraft yet might be called on to share the cost of providing security at the aerodrome.
- 3.3.4 There are 2 separate cost considerations in implementing security screening at an aerodrome, the initial capital cost of acquiring and housing the necessary equipment, and the ongoing costs of its operation.
- 3.3.5 The capital cost of providing security at an outer regional aerodrome will be significant, especially where the aerodrome operator was “gifted” legacy terminal facilities in the transfer of ownership from the federal government.
- 3.3.6 These security requirements alone may require a two- or three-fold expansion of the terminal footprint.
- 3.3.7 Even with the most modest building structure the costs of construction are significantly higher than the building costs per unit of area/volume for the major city or inner regional aerodrome.
- 3.3.8 In such cases, the aerodrome operator cannot reasonably be expected to bear the costs of such fundamental changes in terminal footprint that are externally imposed as a consequence of government policy.
- 3.3.9 In the case of Burnie Airport, we commissioned acknowledged industry specialists Airbiz Aviation Strategies to advise the terminal footprint and floorspace layout to accommodate passenger and checked-bag screening equipment and processes. Airbiz developed two proposals – a new terminal, or alternative modification of the existing terminal with incorporation of adjacent buildings to achieve the necessary increase in size, but nevertheless a far from ideal long term solution.
- 3.3.10 Their designs were costed by specialist aviation infrastructure construction cost estimators who advised that (complete with the required fit out) the build

cost of a new terminal would be \$27 million, while modification/expansion of the existing terminal would be a cost of \$22 million. These estimates include the cost of acquisition/installation of the security screening equipment, currently representing some 8-10% of the total project cost. Accounting for cost increase since 2024, the current day cost is estimated at \$24-29 million.

- 3.3.11 The relatively high costs of the modification/expansion option reflect the additional complexity of construction activities compared with a build on a “greenfield” site, but do not take account of the significant disruption and inconvenience to airlines/passengers during the extended construction period.
- 3.3.12 These capital costs cannot be funded by Burnie Airport where the largest capital project self-funded to date since transfer of ownership in 2002 is \$800,000. Subsequent infrastructure improvements have been possible with grant funding but with maximum contributions of \$400,000 for any one project by the airport operator.
- 3.3.13 There is a clear case for federal government funding of the terminal upgrade which is otherwise unjustified by forecast growth.
- 3.3.14 There is a current precedent where the federal government is funding a \$2 billion upgrade to equipment at all airports that conduct mandatory security screening, in an initiative to implement government policy that all screening is conducted with new generation scanner technologies. We understand that government funding also provides for the necessary terminal modifications.⁵
- 3.3.15 Without similar direct grant funding Qantas will be required to cease operations at Burnie Airport.
- 3.3.16 If implemented, we estimate that the ongoing overhead costs of staffing and operating the screening equipment and processes at around \$2.5 million annually, meaning a threefold increase in the operating cost overheads for the aerodrome.
- 3.3.17 These location-specific security costs have been determined by reference to current QantasLink schedules which would require activation of security screening for 9 discrete 4 hour periods each week, including weekends and public holidays.
- 3.3.18 Since screening is mandatory only for QantasLink departures this represents an additional cost of \$170 for each departing QantasLink passenger.

⁵ <https://www.canberratimes.com.au/story/9098855/airport-security-upgrades-at-major-australian-airports/>

- 3.3.19 Even where the capital works had been government funded the subsequent charging regime may mean that QantasLink has no practical option other than to cease services to Burnie Airport.
- 3.3.20 In contrast, requiring Rex or Sharp passengers to meet a share of these costs is likely to result in their withdrawal of services.
- 3.3.21 In either case the loss of capacity would see a fall in total passenger volume through Burnie Airport.
- 3.3.22 We contend that such charging is unwarranted and, in the case of Rex, specifically at odds with the government strategy to assist the airline's ongoing regional operations. The withdrawal of Rex services and/or decline in their passenger numbers, is clearly not intended by government policy.
- 3.3.23 It is obviously time to review the current policy settings in regard to aviation security rather than to oppose change in the current arrangements on the basis that "It has been a longstanding policy of successive governments that industry is responsible for the cost of security, including operating costs...[and that]...The majority of regional airports...already conduct security screening and are responsible for managing the associated costs."⁶
- 3.3.24 BAC does not oppose the expansion of security screening to outer regional airports but argues for recognition that security is an essential element of air travel that should logically be funded by a uniform national levy of air transport passengers.
- 3.3.25 The Bureau of Infrastructure and Transport Research Economics (BITRE) has reported 161,217,667 total revenue passengers in 2024/25⁷. As an example, a uniform levy of \$10 per passenger recovered from each airfare would provide \$1.6 billion to meet annual operating costs for airport security screening. We use this as an example only as the quantum of cost is either not known or not made publicly available.
- 3.3.26 At the end of the day, the fundamental objective of governments must be to provide a safe and secure environment for the vast majority of aviation operations, and to ensure the connectivity provided by those aviation operations is available at equitable cost to the majority of Australians.

⁶ Australian Government response to the Rural and Regional Affairs and Transport Reference Committee. 1 August 2019, accesses accessed on https://www.infrastructure.gov.au/sites/default/files/documents/government_response_to_rrat_report_dec191.pdf

⁷ BITRE, Airport traffic data 1985-86 to 2024-25-XLXS (financial years), accessed on https://www.bitre.gov.au/publications/ongoing/airport_traffic_data

3.4 *Competitiveness of the aviation sector to service regional, rural and remote communities and the implications of reducing or withdrawing those services*

- 3.4.1 Aerodromes that serve outer regional, remote and very remote communities offer comparatively “thin” routes for airlines because of the small resident population bases that would support a service. Where regularity of service is the key attribute this means providing the services in comparatively small aircraft.
- 3.4.2 While emerging technology and the possible advent of pilotless passenger and freight transport can offer greater flexibility in providing these services, the reality for now is the operation of conventional aircraft and the 2 pilot operation predominantly required to operate air transport services.
- 3.4.3 Competition on these routes will be unlikely except for those between an outer regional aerodrome that serves a substantial population centre and a major airport. In other cases the population base alone will be insufficient to support more than one airline.
- 3.4.4 The disproportionately high seat cost in operating smaller aircraft means that airfares will remain high compared with higher density, competitive routes unless subsidised by government policy settings. The higher cost structure will often cause a potential air transport passenger to use an alternative surface transport mode when one is available.
- 3.4.5 In very remote areas of Australia where surface transport is not available due to seasonal weather conditions, or year round in the case of an island community, specific policy and subsidy initiatives are justified on the basis of equity.
- 3.4.6 In those cases the withdrawal or reduction in air transport services means the loss of connectivity which is otherwise taken for granted in most of Australia.

3.5 *Adequacy of government fees and levies to equitably address costs for airline services incurred due to federal legislation and regulations*

- 3.5.1 The intent of this term reference is not immediately obvious. We have attempted in this submission to establish that federal government legislation for safety regulation of “regional” airline services to certified aerodromes directly increases airline costs measured on an available seat basis, and the location specific overhead costs of aerodrome operation.
- 3.5.2 These costs are disproportionately high with increasing remoteness of the aerodrome, lower population, and lower seat capacity of smaller aircraft. There is currently no government mechanism which attempts to equalise these costs across the full range of certified aerodromes.

- 3.5.3 This implies the need for direct government subsidy and/or levy on major air transport or aerodrome operators to address the inequality in cost structures.

3.6 *Effectiveness of government processes and mechanisms to identify and quantify capital and ongoing costs due to federal legislation and regulations*

- 3.6.1 BAC has not been requested to provide details of increased operating costs and staffing requirements that resulted from implementation of the enhanced Part 139 of the CASR. If aerodrome operators have been requested to provide input to a post-implementation review this has been by selective invitation rather than full industry consultation.

- 3.6.2 BAC has been advised by DHA that we may now meet the threshold for Tier 2 security classification. Our response identified similar cost structures to those outlined in this submission and their implications for:

- initial grant funding for capital works
- cost recovery of operating cost overheads
- likely negative impacts on air transport services and passenger numbers.

- 3.6.3 We have had on-site meetings with DHA staff to demonstrate inadequacies of the passenger terminal and detail our concerns but as yet no further communication has resulted.

- 3.6.4 The Department of Infrastructure, Transport, Regional Development and Communications (Infrastructure) has published a case study of selected regional airports in May 2020⁸, but using pre-Covid cost structures without apparent allowance for increased hourly staff costs on weekends and public holidays, or realistic allowance for routine inspection, calibration and servicing of screening equipment.

- 3.6.5 These findings need to be recalibrated against the significantly higher post-Covid cost structure, and to take account of further operational experience at the case study airports.

3.7 *Policy and practical measures in place, or that could be established, to assist the aviation sector to provide services to rural, regional and remote communities*

- 3.7.1 There are policy measures in place to provide specific grants funding for capital or maintenance projects at what have been identified as regional airports with fewer than 200,000 passengers, and separately for what have been classed as rural and remote airports.

⁸ Department of Infrastructure, Transport, Regional Development and Communications: Passenger security screening enhancements – case studies on financial impacts at six regional airports, May 2020

- 3.7.2 These programs appear to have had funding made available in tranches related to election cycles but in any case with allocated funding not correlated with the quantum of need established for the target aerodromes.
- 3.7.3 As a policy measure it should be possible to request airports to submit forward capital and maintenance budgets and formulate a response based on a specific funding of the aggregate project costs. Data collection/aggregation not been attempted on this scale as it is counter to the user pays proposition that triggered privatisation and the federal government's divestment of aerodromes under the Aerodrome Local Ownership Plan (ALOP).
- 3.7.4 A specific and ongoing grants program could also be established with the objective to fund a percentage of aerodrome operating costs which have escalated as a consequence of CASA regulatory change. This initiative would be aimed primarily at aerodromes located in remote or very remote Australia.

3.8 *Review of government responses to recommendations from previous relevant inquiries and the status of associated actions*

- 3.8.1 This term of reference allows the Committee to determine whether previous recommendations on regional aviation have been fully implemented, particularly in regard to sustainable funding for small aerodromes, security cost burdens, and the viability of thin routes.
- 3.8.2 The 2019 RRAT aviation inquiry received a formal government response outlining funding programmes – Building Better Regions Fund, the Regional Aviation Access Fund, the Regional Airports Programme, and short term security screening support – and acknowledged issues such as high regional airfares.
- 3.8.3 The 2019 RRAT Committee made 9 recommendations, 8 of which were noted without commitment in the government response, and one agreed. Committee member Senator Rex Patrick independently tabled 5 recommendations, 4 of which were simply noted and one where the government stated it did not agree.
- 3.8.4 In general terms the government response made much of the fact that most regional aviation occurs intrastate and that it is consequently the constitutional role of state and territory governments to determine what economic regulation or subsidy was appropriate.
- 3.8.5 Arguably this ignores the fact that the economics of regional aviation are significantly impacted by the costs of regulatory compliance with the CASR, and the even more significant cost impacts of aviation security screening, these being Commonwealth imposts.
- 3.8.6 In specific regard to aviation security screening the government was adamant in its response to the 2018 RRAT that there was no intention to review

“longstanding policy of successive governments that industry is responsible for the cost of security, including operating costs.”⁹

- 3.8.7 Clearly this disregarded submissions made to the 2019 RRAT which argued that alternative and far more equitable mechanisms are available for industry – and not government - to fund security screening on a national rather location-specific basis.
- 3.8.8 A common theme in the government response to the 14 recommendations made was the statement that “The Australian Government is currently developing a Regional Aviation Policy statement.” There is no publicly available evidence that this task was advanced or completed, except that it may have been overtaken by the subsequent “White Paper” process which included some consideration of regional aviation. but little of direct relevance to regional, remote or very remote aerodromes.
- 3.8.9 Recommendation One of the 2019 RRAT Committee was that the “Australian Government direct the Productivity Commission to undertake a standalone, public inquiry into the determinants of domestic airfares on routes to and between regional centres in Australia.” This recommendation was noted in the government response and is only now being actioned, some 6 years later, with a Productivity Commission hearing to take place in 2026.
- 3.8.10 The sole recommendation agreed in the government response entailed a commitment to review the efficacy of Western Australia’s Strategic Airport Asset and Financial Management Framework as suggested by the Productivity Commission, to assess the efficacy of the framework and determine its suitability for application across all jurisdictions.
- 3.8.11 We submit that this term of reference fully empowers the Committee to determine what progress has been made in actioning this commitment in accordance with the government response to Recommendation Three of the 2019 RRAT, as that information is not publicly available.
- 3.8.12 The terms of reference for the current inquiry are tacit acknowledgment that regional communities continue to experience the same problems identified in 2019, and that there has been little or no willingness to address the longstanding structural problems of high airfares, route viability, aerodrome funding or security costs.

3.9 Other related matters

- 3.9.1 None are noted.

⁹ Australian Government response to the Rural and Regional Affairs and Transport Reference Committee. 1 August 2019, accesses accessed on https://www.infrastructure.gov.au/sites/default/files/documents/government_response_to_rrat_report_dec191.pdf

4 CONCLUSION

- 4.1 In our submission we have highlighted that changes in Parts 121, 135 and 139 of the CASR introduced since the previous RRAT inquiry have increased overhead costs for regional aviation participants, and that the accepted mechanism for recovery of those overheads means an upward pressure on airfares.
- 4.2 Where the airport security footprint extends to outer regional aerodromes, the current location-specific mechanism for recovery of the annual operating costs will add further upward pressure – in the case of Burnie Airport, by tripling the overhead cost structure.
- 4.3 If this increment in cost is recovered solely from QantasLink departing passengers – all that is required by security regulations – this would equate to an additional \$170 on each Burnie-Melbourne airfare. It would be a logical outcome for QantasLink to suspend its services from Burnie Airport.
- 4.4 Should we seek to recover a share of this additional overhead cost from Rex and Sharp whose passengers do not require screening, we would anticipate both airlines withdrawing their services, as occurred in similar circumstances at Whyalla.
- 4.5 In either scenario the loss of services would inevitably mean a significant downturn in passenger numbers, a result completely at odds with the apparent intent of the terms of reference established for this inquiry.
- 4.6 We have noted that apart from these underlying overhead cost increases little has changed as recommendations of the 2019 RRAT have largely been noted without commitment or, where action was agreed, there is no substantive evidence that an outcome has been achieved.
- 4.7 In reality the structural problems of higher airfares, route viability, and sustainable funding for aerodrome and security costs are still to be addressed. In its report and recommendations this Committee should strive for a government commitment to allow transparent tracking of implementation, not simply one-off responses.
- 4.8 Policy inertia is no longer an option.
- 4.9 The Burnie Airport Corporation thanks the Committee for this opportunity to provide our input on these matters which are of critical importance to regional air transport providers and to the operators of outer regional, remote and very remote aerodromes.