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PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC ACCOUNTS

REPORT ON WYNYARD AIRPORT FUNDING

Laid upon the Tables of both Houses of Parliament

The Committee was appointed under the provisions of section 2 of the Public Accounts Committee Act 1970 (No. 54).

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL
Mr *Archer*
Mr *Batt*
Mr *Shaw*

HOUSE OF ASSEMBLY
Mr *Robson* (Chairman)
Mr *Mainwaring*
Mr *Weldon*

REPORT ON WYNYARD AIRPORT FUNDING

Within the concept of the Aerodrome Local Ownership Plan (ALOP) adopted by both the Frazer and Hawke Commonwealth Governments respectively, the Devonport Airport and the Wynyard Airport have been taken into local ownership.

The Wynyard Airport is now controlled by the Port of Burnie Authority under the provisions of the Wynyard Airport (Special Provisions) Act.

The Port of Burnie Authority commissioned Airport Systems and Design Australia to provide a Justification Study and Master Plan Study for the upgrading of Wynyard Airport in 1982.

As a result of those studies the Port of Burnie Authority decided to proceed with substantial upgrading of the airport. Extra funding was secured as follows:—

	$m
Commonwealth Government Grant (under ALOP Plan)	1·2
State Government Loan	1·0
Dam Compensation Funds	3·0
Total	$5·2

This fund raising left a short-fall of some $1·7 million which the Port of Burnie Authority needed to raise for completion of the project.

Despite a short-fall of funds, the Port of Burnie Authority decided to proceed with the development and continue, in the interim, to pursue alternative means of funding.

In March 1986 the Port of Burnie Authority approached local government authorities on the North-West and West Coast of Tasmania with the request that those authorities provide the short-fall for the airport development.

Public concern was expressed in the municipalities approached by the Port of Burnie Authority for support funding and this concern reached your Committee which resolved to investigate the matter.

This report confines itself to the replies received by your Committee from its enquiries of local government and to the feasibility report commissioned by the Port of Burnie Authority into the redevelopment of Wynyard Airport.

LOCAL GOVERNMENT

Local government authorities contacted—

Municipality of Lyell (initially Queenstown)

Municipality of Zeehan

Municipality of Waratah

Municipality of Circular Head

Municipality of Wynyard

Municipality of Burnie

Municipality of Penguin

All of the local government authorities contaced by your Committee responded in a similar vein, i.e.:—

(1) Although local government supported the concept of the redevelopment of the airport at Wynyard it was not aware of any proposal before March 1986 that it should provide any support funding.

(2) Local government is not of the view that it has a responsibility to assist with support funding for the airport.

(3) Legislation would be required to allow the Burnie Marine Board to raise a rate for the airport development.

(4) Legislation would be required to allow for the Port of Burnie Authority to raise funds via local government for the development of the airport.

SURVEY OF FEASIBILITY STUDY

The Port of Burnie Authority opted to upgrade the Wynyard Airport to full F28 jet standard based upon the reports of Airport System and Design Australia Pty Ltd (see Annual Report Burnie Marine Board 1984–85).

'The project involves the acquisition of 134 hectares of land to enable the construction of a new aircraft landing strip 1 770 m long and 150 m wide. This will incorporate a sealed runway 1 650 m long and 30 m wide. The new runway is being designed to facilitate future full medium jet upgrading with the current construction programme being of a standard capable of handling unlimited Fokker F28 jet aircraft movement.'

FUNDING

The funding for the project from Commonwealth and State Government sources leaves a short-fall in the vicinity of $1·7 million. As stated previously the Port of Burnie Authority has been negotiating with local government to secure that funding. However local government is reluctant to become involved and is of the view that legislation will be required to enable the Port of Burnie Authority to collect revenue from ratepayers on the North-West and West Coast.

REVENUE FROM AIRPORT OPERATION

The advice received by your Committee from the Port of Burnie Authority is confined to the reports received by the Board from Airport Systems and Design Australia Pty Ltd. The reports show:—

(1) That the airport will operate at a loss unless a significant departure tax is imposed and pay car parking is introduced.

(2) That although they may increase their use of Wynyard Airport there is no guarantee that the major carriers will increase their use of the redeveloped airport.

CONCLUSION

(1) Your Committee is concerned that the Port of Burnie Authority should have determined to proceed with the redevelopment of Wynyard Airport when sufficient funding had not been secured or approved.

The action of the Port of Burnie Authority in proceeding without appropriate funding should not be seen as an example to other authorities to proceed with public works before funding is secured.

(2) The works at Wynyard Airport have reached an advanced stage.

Enabling legislation will be required as a matter of some urgency to allow for local government funding to be made available to overcome short-fall.

(3) Consideration should be given to amending the guidelines of the Parliamentary Standing Committee on Public Works to allow for consideration by that Committee of any public works involving the expenditure of public moneys in excess of $1 million from *any* public source.

Committee Room No. 1,
Parliament House, Hobart

30 October 1986

Chairman