

ATTACHMENTS

Economic Development Committee Meeting

4 August 2014

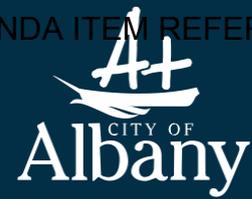
6.30pm

City of Albany Council Chambers

COMMITTEE
ATTACHMENTS –04/08/2014
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City of Albany Air Services Deregulation Survey

Community Engagement Results, June 2014

City of Albany Air Services Deregulation

1.0 Project Overview

The City of Albany was asked by the State Government to form a position on the deregulation of passenger air services between Albany and Perth. Currently the services are regulated from Albany to Perth. This has provided a regular schedule of services to Albany and this arrangement will be in place until February 2016.

The Minister for Transport is currently reviewing options for Albany. The general view of the State Government is to support deregulation unless it would cause a negative impact on the destination and its community.

2.0 Community Engagement

A community engagement plan was developed by the City of Albany. The objective was to ask community their opinion to assist Council in forming a position about the deregulation of air services in Albany. The level of engagement identified was to CONSULT with communities aiming to facilitate a two-way communication designed to obtain public feedback. This was achieved through a survey and a public comment period. While the aim was to get a vote for or against deregulation, additional questions were asked to collect information to assist Council in forming a position.

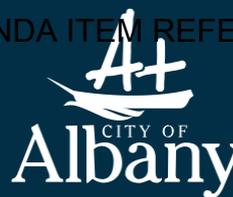
The public comment period was undertaken between 22 May – 13 June 2014, with an extension provided due to community feedback to 16 June 2014 (25 days).

On 22 May 2014 the City of Albany contacted agencies and key stakeholders to invite them to respond with a position on the possible deregulation of air services. Key Stakeholders were invited to make comment including:

- Community groups/agencies
- Transport providers
- Education Industry
- Health Industry
- Airport service Industry
- Business community
- Individual members of community
- Airport users

Various internal and external stakeholders identified were invited to make comment through:

- Email letter to database with link to survey;
- Hard copy mail out letters;
- Inclusion in staff and stakeholder community newsletters;
- City of Albany Social media;
- City of Albany website;



- Face-to-face survey of users at the Albany Airport;
- Media releases and articles in print media;
- Radio interviews; and
- Public notice advertising in local papers.

A FAQ information sheet was developed to assist in educating community to make an informed opinion. Community Information Repositories provided access points throughout Albany for residents to access hard copy surveys and information sheets, located at:

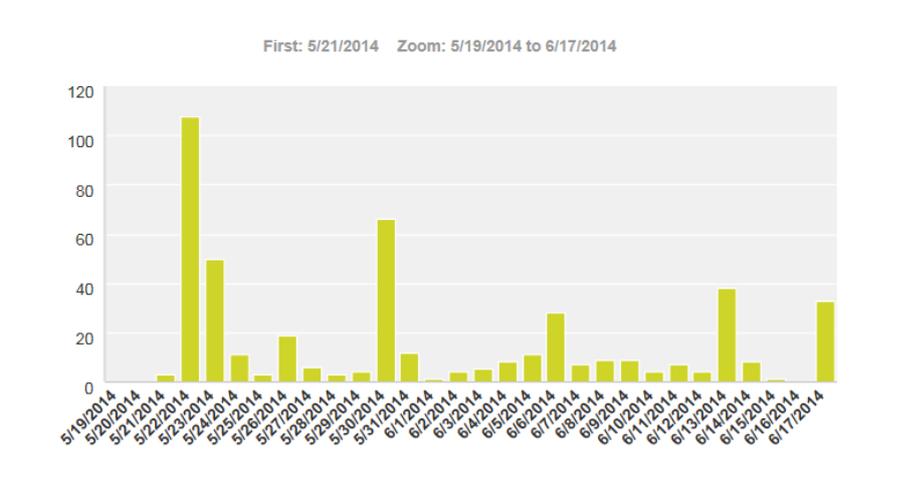
- Albany Regional Airport
- Albany Public Library
- North Rd Administration
- Vancouver Arts Centre
- Albany Leisure & Aquatic Centre
- Albany Regional Day Care

The Albany Chamber of Commerce (ACCI) also engaged with its community with an online survey, the result of their survey has been considered within this report.

3.0 Data Trends

A total of 462 people completed the survey, including written submissions. The survey was accessed from 22 June 2014 to 17 June 2014. A spike occurred on the launch of the engagement (108) as a result of an email letter distribution. A further spike in responses occurred post a media release and newspaper articles on 30 June 2014 (66).

Chart 1: Display Trend: Participation



3.1 Local Levels

Of the 462 people who completed the survey, 436 (94%) included their postcodes. Of those 353 (81%) live in Albany. The survey showed 83 respondents (19%) live outside of Albany.

The ACCI respondents were also mainly from Albany, 177 (94%), postcodes were not collected.

3.2 State Level

Of the 19% of respondents who were not from Albany 81 respondents (98%) provided postcodes. Of those 38 lived within the Great Southern region, 37 respondents lived within the State and 6 lived outside of the State of WA.

Table 1: Data Trend: Postcodes Detail

SUMMARY OF DATA	No	Percentage (rounded)
Great Southern	38	46%
State	37	44%
Outside State	6	7%
No postcode	2	2%
TOTAL	83	

Based on the data, the overall trend indicated the survey attracted the interest of the local community firstly with some interest equally from within the region and state.

It is to be noted that three face-to-face survey periods were carried out at the Albany Regional Airport.

4.0 Data Summary

4.1 Question 1: How often do you fly from Albany to Perth and/or return?

Of the 462 respondents, 443 people answered this question. The majority of respondents use air services 2- 5 times per year (34%) with the next highest category indicated the respondents fly once per year (26%).

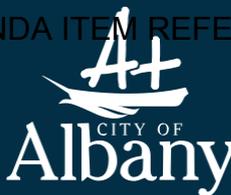


Chart 2: Summary Display Q1

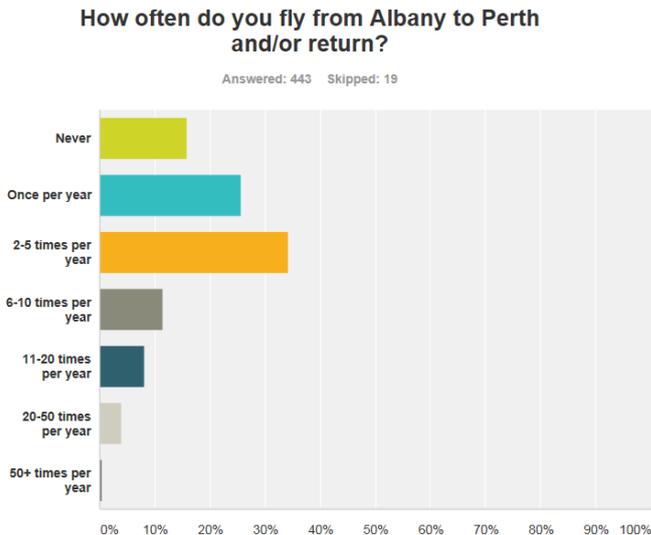


Table 2: Summary Data Q1

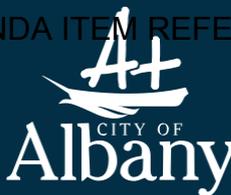
SUMMARY OF DATA	No	Percentage (rounded)
Never	70	16%
Once per year	114	26%
2-5 times per year	152	34%
6 – 10 times per year	51	11%
11-20 times per year	36	8%
20-50 times per year	18	4%
50+ times per year	2	0.4%

Of the majority of respondents this data indicates that travelling by air is infrequent with most people only using air services 2-5 times per year.

This question asked respondents about air services. It does not ask about how often they drive to Perth.

The Albany Chamber of Commerce (ACCI) indicated a direct connection between how often people fly and how often they drive to Perth. The data from the ACCI survey indicated that most people drive to Perth (6-10 times per year) than those who also fly to Perth 2-5 times per year.

This data may assume that the deregulation of air services could provide an opportunity for the conversion from driving to flying to Perth and may increase numbers using air services. The ACCI survey also asks for the main reason why people choose to drive rather than fly. The majority of people indicated that flying is too expensive. This survey also asked at what



point people would choose to convert from driving to flying to Perth. The majority of people indicated that they would fly to Perth if fares cost between \$100 - \$140.

4.2 Question 2: When choosing to travel by air, which of the following factors matter to you the most?

Chart 3: Summary Display Q2

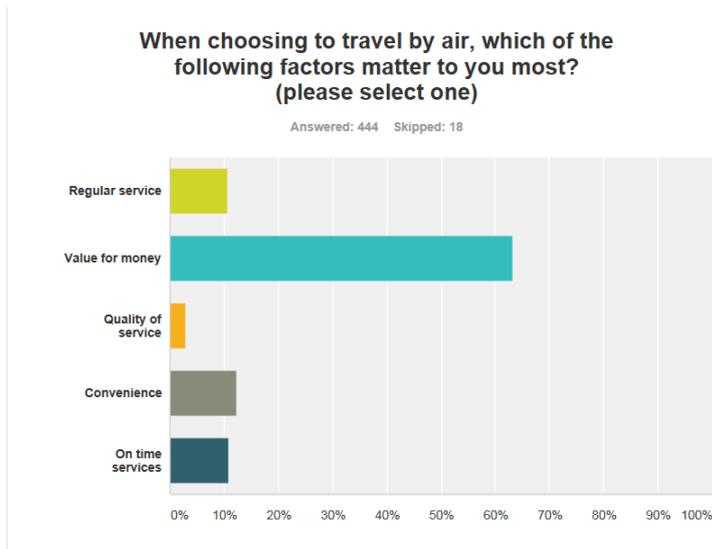


Table 3: Summary Data Q2

SUMMARY OF DATA	No	Percentage (rounded)
Regular service	47	11%
Value for money	281	63%
Quality of service	13	3%
Convenience	55	12%
On time services	48	11%

Of the total 444 respondents who answered question two, most people (63%) believe value for money is the most important factor when choosing to travel by air. Secondly, convenience was a large factor (12%).

4.3 Question 3: In a typical month, about how much do you spend on travelling from Albany to Perth by air?

There were two parts to this question, an approximate of cost per month and further comments.

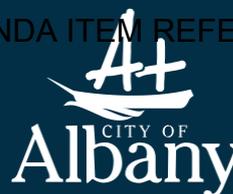


Chart 4: Summary Display Q3A

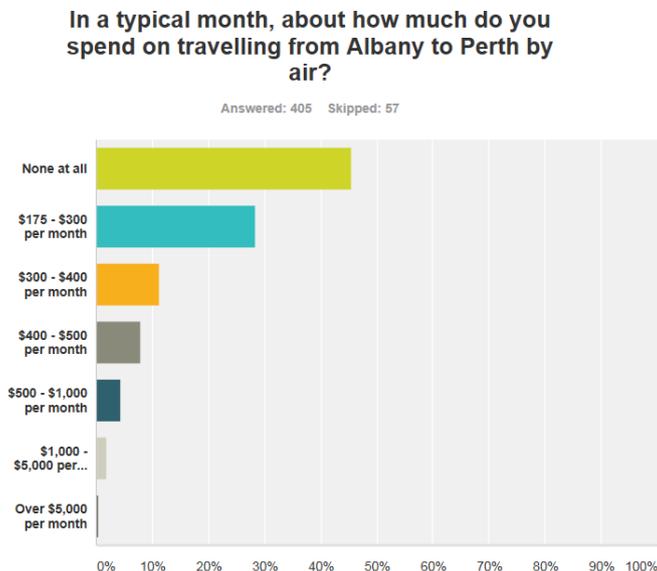


Table 4: Summary Data Q3

SUMMARY OF DATA	No	Percentage (rounded)
None at all	184	45%
\$175 - \$300 per month	115	28%
\$300 - \$400 per month	46	11%
\$400 - \$500 per month	32	8%
\$500 - \$1,000 per month	18	4%
\$1,000 - \$5,000 per month	8	2%
Over \$5,000 per month	2	0.5%

Most of the 405 respondents who answered question three indicated that they did not typically use the services each month. Secondly, people said they spent \$175 - \$300 per month. In this question 9% of people said this question was not asked well, the options were not specific enough considering the actual figures were lower than anticipated. This data supports question one which indicates that the majority of the respondents are not regular users of air services.

The second part of the question had 44 additional comments. These comments highlighted that the options were not low enough and should have related to a yearly option rather than a monthly option.

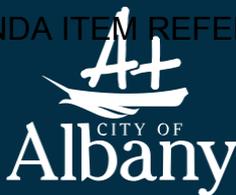


Table 5: Summary Data Q3B

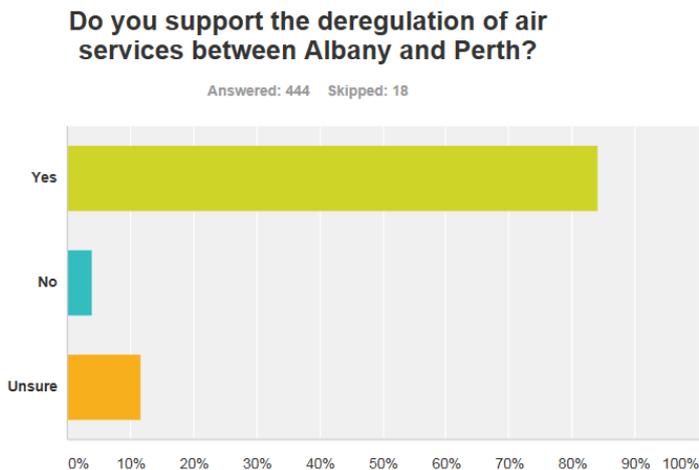
COMMENTS DATA	No	Percentage (rounded)
Under \$175 per year	7	16%
Between \$175 - \$250 per year	1	2%
Between \$300 - \$400 per year	8	18%
Between \$500 - \$600 per year	5	11%
Between \$800 - \$900 per year	2	5%
Over \$1,500 per year	2	5%
Not sure	1	2%
Needs to be cheaper	10	23%
Not relevant	4	9%
Rephrase question	4	9%
TOTAL	44	

Question three respondents indicated that they would spend more if the cost of flying was cheaper. It reflects the majority of people (45%) who would not regularly spend money on travel because it is too expensive, showing the majority of respondents determining a reason for the 'none at all' option (23% of additional comments).

4.4 Question 4: Do you support the deregulation of air services between Albany and Perth?

Of the 462 respondents 444 people answered this question.

Chart 5: Summary Display Q4A



The majority of respondents supported the deregulation of air services in Albany with 84% in support, 4% against and 11% unsure.

The second part of the questions offered the opportunity for additional comments, which attracted 245 responses. This represents 55% of the question.

The main themes below highlight public perception regarding the majority of support for the deregulation of air services between Albany and Perth:

- Cheaper, cost
- Choice
- Competition is healthy, bring fares down and improve service
- Delayed, unreliable service
- Needs to be more affordable
- Value for money and viability
- Medical appointments

Many people reasoned that the deregulation of air service would equal cheaper fares through more competition. Of those who provided additional comments, table 6 shows further details on their opinions and the main reasons for their choice.

Of the reasons why respondents made their choice, the majority of people chose deregulation (87%) based on cost (70%). Most people perceived that deregulation will reduce the cost of air fares, offer more choice and improve services.

The ACCI survey also showed a majority in support of the deregulation of air services from Albany to Perth (78%), with 19% being unsure and 3% not supportive.

The ACCI survey also asked why people chose to drive rather than use air services to Perth. The results indicated that most people believe that flying is too expensive (Q.4 59% & Q.5 75%) and that flying times are not suitable for business (Q.4 20% Q5. 15%). The ACCI survey responses match the City of Albany survey responses as cost being the main reason for the support of the deregulation of air services. The ACCI also asked what would make people fly over driving. The results showed a high rate of people (87%) believed that cheaper air fares would encourage them to use air services over driving to Perth. Although it also indicated secondly that people would use air services more often if there were earlier flights to Perth, later return flights to Albany (31%).

Table 6: COA Summary Data Q4

COMMENTS DATA ONLY	Yes	No	Unsure	Reasons	NO's
In support of deregulation	214			Cost Convenient Improved level of service More choices Time/schedule	166 14 50 76 16
Against deregulation		5		Time/schedule Unviable Improve level of service	5 5 50
Unsure on deregulation			26	Cost Improve level of service Unviable Convenient Need more options for deregulation	4 1 2 4 1

In both parts of questions four confirm the overall majority vote (84% and 87%) was in support of the deregulation of air services between Albany and Perth.

The main reason for this vote shows a public perception that it will reduce the cost (69%).

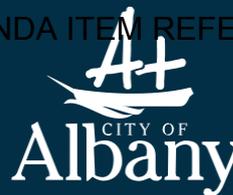
4.5 Question 5: What is your age?

The respondents of the survey represented a majority of people between the ages of 45-64 years (43%).

The ACCI survey supported the City of Albany survey which also showed the majority of respondents (66%) aged between 45-64 years.

Table 7: Summary Data Q5

SUMMARY OF DATA	No	Percentage (rounded)
Under 18 years	2	0.5%
19-34 years	110	25%
35-44 years	97	22%
45-64 years	188	43%
65-74 years	37	8%
Over 75 years	5	1%
Total	439	



4.6 Question 6: Please indicate your gender?

Table 8: Summary Data Q6

SUMMARY OF DATA	No	Percentage (rounded)
Male	183	42%
Female	251	58%
Total	434	

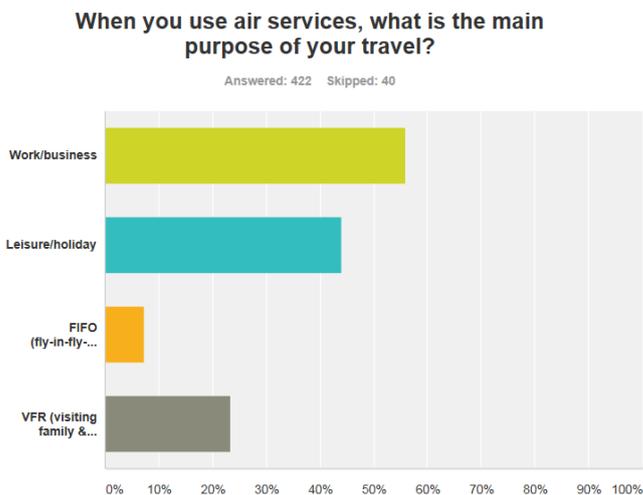
The majority of the respondents were female (58%). The majority of respondents for the ACCI survey were male (52%).

4.7 Question 7: Do you live in Albany?

The respondents were made up of 81% of people who live in Albany and 19% of people who live outside of Albany. Please refer to item 3.0 Data Trends for more detailed analysis, including ACCI results.

4.8 Question 8: When you use air services, what is the main purpose of your travel?

Chart 6: Summary Display Q8



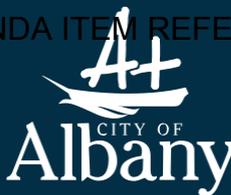


Table 9: Summary Data Q8

SUMMARY OF DATA	No	Percentage (rounded)
Work/business	236	56%
Leisure/holiday	186	44%
FIFO (fly-in-fly-out)	31	7%
VFR (visiting family & relatives)	99	23%
Additional comments	32	
*Medical	27	84% of 32 comments
*Business owner	3	9% of 32 comments
*Tourist	2	6% of 32 comments
*additional comments provided option for specific data.		

The majority of people using air services indicated that their main purpose of travel was business (56%) with the second highest representation from the leisure/holiday (44%).

The ACCI survey also supported this representation with the majority of their respondents using air services for work/business (70%) followed secondly with leisure/holiday (20%).

4.9 Question 9: Which of the following categories best describe your employment status?

The majority of respondents indicated they work in corporate business (45%) with the second and third highest category being self-employed and employed in a skilled trade.

The ACCI survey results represented a majority of people who indicated they were employed in corporate business (48%) followed closely by self-employed (44%).

Chart 7: Summary Display Q9

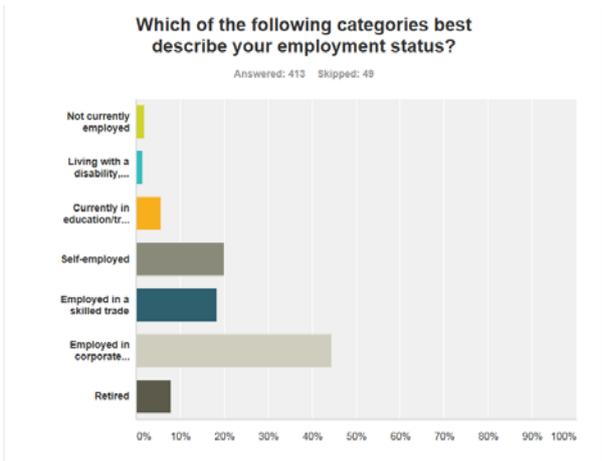


Table 10: Summary Data Q9

SUMMARY OF DATA	No	Percentage (rounded)
Not currently employed	8	2%
Living with a disability, unable to work	6	1%
Currently in education/training	23	6%
Self-employed	83	20%
Employed in a skilled trade	76	18%
Employed in corporate business	184	44%
Retired	33	8%
Total	413	

4.10 Question 10: Comments & Submissions

There were a total of 25 individual submissions received. Of those 60% supported the deregulation, 24% were unsure and 4% not supportive.

Below are the main themes categorised from within each comment/submission. The most common theme in submissions was that flights are currently too expensive with 68% of comments mentioning it that flights were too expensive. The following second highest theme was from people who believed more research was required.

Table 11: Summary Data Q10

Comment Theme	No of comments
Deregulation with provisions	1
Delay miss flight connect	2
Lots of cancellations	3
Need aircraft overnight	1
Need better research	5
Need direct to Eastern States flights	3
Need to seek Eastern States air services	1
Need larger aircrafts	1
Need to monitor/measure services	1
Not convenient	1
Other fares cheaper	3
Current poor customer service	1
Current poor scheduling	2
Need to promote tourism	2
Should use train services	1
Too expensive	17
Unreliable service	2
Use airline data/research	1

5.0 Summary of Results

Table 12: Summary Data

PUBLIC PARTICIPATION (combined)	
Albany	530
Outside of Albany	94
Unknown	26
Total surveyed	650

To summarise results both the City of Albany and ACCI survey data, they both showed a combined total of 650 people who responded to the invitation to participate in the consultation. It represents a participation rate of 1.46% of the Albany population (36,262 ABB ERP 2013).

The main objective of the community engagement was to determine community opinion prior to Council forming a position on whether community support the deregulation of air service from Albany to Perth.

Based on the survey results, both qualitative and quantitative data the community indicated:

To support to the deregulation of air services from Albany to Perth.

From the City of Albany results the main driver in forming this opinion, is the perception that deregulation would reduce the cost of flights, 70% of people provided cost as the main reason for their choice (Q.4 additional comments).

The ACCI survey indicated that 87% of people would choose to fly if the air fares were cheaper.

5.1 Additional Information

Further review of the data provided the following additional information:

- Most people use air services 2-5 times a year;
- Value for money is the most important factor when choosing or using air services;
- Mostly, the participants in the survey were aged between 45- 64 years;
- Most of participants in the survey were from Albany;
- More woman participated in the survey than men;
- Mostly, the participants in the survey were employed in corporate business;
- Most of the participants travel by air for both business and leisure;
- Most of the participants perceived that deregulation would mean cheaper fares; and
- Additional comments and submissions raised a need for more research a review of the current service provisions.

The ACCI survey results asked an additional question. It asked respondents to choose the maximum ticket price should they convert from driving to flying. The majority of people said they were prepared to use air services if the maximum cost was from \$100 - \$140. This question assumed the general perception by community that deregulation would mean more competition and therefore a reduction in fares.

6.0 Recommendations

Based on the feedback from submissions and surveys the following recommendations are made without bias:

1. City of Albany Council should support the State Government position to review the deregulation of air services from Albany to Perth prior to 2016.
2. City of Albany Council should be committed to listening to the views of community and therefore should be supportive, in principle, of the deregulation of air services between Albany and Perth, as long as it does not have a negative impact on its community.
3. City of Albany Council should request that the State Government undertake an extensive review of air services to include the following:
 - 3.1 Further research to determine the viability of a competitive deregulated air services between Albany and Perth;
 - 3.2 Further research on the alternative options to a fully deregulated air services (trial, partial deregulation);
 - 3.3 Further research and monitoring on the value for service, service improvement and scheduling of air services currently in place and/or part of any new deed; and
 - 3.4 To inform the Albany community of the results of market research and complete implications of a deregulated market prior to the State Government making any decision to deregulate air services.

Conclusively, the community engagement activities have been appreciated by the community. The City of Albany acknowledges and supports the State Government in undertaking a review of the Albany to Perth air services. The City of Albany consultative data has limitations and therefore does not provide any prediction on any future changes to behaviours of community should the air services become deregulated between Albany and Perth.

There is concern that community believe deregulated air services equals the reduction of air fares. This public perception must be addressed through further research by the State

Government, beyond the vote for or against the deregulation topic. It is highly recommended that the State Government continue to engage with its community on this topic and keep the City of Albany informed about the ongoing process to review the air services from Albany to Perth prior to 2016.

Version Control

Version	Date	Status	Distribution	Comment
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