

BUSSELTON MARGARET RIVER AIRPORT

1130. Hon COLIN TINCKNELL to the Minister for Regional Development:

- (1) Now that the commercial airline Jetstar has taken the first step to introduce direct flights between Melbourne and Busselton, can the minister explain why the government has reneged on the pledge to upgrade the Busselton Margaret River Airport once the major carrier could be secured?
- (2) Can the minister provide a breakdown of where the funding is coming from for the reported \$6 million to \$8 million subsidy to Jetstar over the three years, and —
 - (a) how much is being footed by the state government;
 - (b) how much is from the royalties for regions legacy; and
 - (c) how much is being left to be funded by the local council?

Hon ALANNAH MacTIERNAN replied:

- (1)–(2) I thank the member for the question. I am sure the member shares our sense of celebration that after all this time we have finally been able to secure those air services. We have worked very closely with the City of Busselton to achieve that outcome. When we were able to negotiate those services, it was made very clear to our government by Jetstar—indeed, by the CEO and by the chairman of the Qantas group—that it did not require a new terminal because these services, which are on a trial basis for three years, are not of such a scale that a new terminal is required. I wonder why people would think that we would then spend \$16 million of ratepayer and taxpayer funds to build a terminal when we can get the air services without that. If this trial works—I am pleased to say that the assisted tickets are going out the door rapidly—we are optimistic that over time this service will be entrenched. However, obviously we need to have a business case to back the investment and use of taxpayer funds. We are making some enhancements to the airport to enable the trial to go ahead for the next three years. If it shows that there is a need for bigger aircraft and we need a bigger terminal, that is when we will build it. The government as a whole has already put in \$43.25 million towards the airport and the site and also to airline attraction, and it will put in an extra \$3.2 million to upgrade the terminal. However, as is usually the case, the overall package that has been presented to Jetstar is considered to be commercial-in-confidence.