



AUSTRALIAN  
AIRPORTS  
ASSOCIATION

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12 September 2014

### Response to Supplementary Questions – NSW Inquiry in Regional Aviation Services

Dear Mr Young,

I am writing to you in relation to the New South Wales Legislative Council's Inquiry into Regional Aviation Services. The following information is provided in response to supplementary questions provided to the Australian Airport Association's (AAA) following its participation in a public hearing at the NSW Parliament House on 15 August 2014.

**Question 1.** *You mention that shortages of skilled labour are constraining the operation of many airports (page 6). Is this shortage across all occupations or are there specific roles that are experiencing recruitment issues?*

The mention of shortages in skilled labour on page 6 of the AAA submission was not in reference to any particular skillset. Rather this statement recognises that skilled labour from various fields within the aviation industry are being attracted to the high-wages of the resources sector and away from airports and aerodromes, particularly when that activity is occurring within the vicinity of regional airports.

**Question 2.** *In relation to payment of passenger landing fees, you recommend that the requirement to pay fees in a timely manner be included in the licence agreement terms of operation. Are payment terms currently negotiated by individual councils? How long does it take for the fees to be paid?*

As far as the AAA is aware, for council owned airports, in most instances payment terms for airlines are negotiated by those councils in consultation with the airport operator. With regard to the timely payment of fees, while in many cases regional airlines do pay their fees to the airport in a timely manner, the AAA is aware of numerous instances where regional airline operators have substantially delayed the payment of fees to airport operators. The AAA is aware of instances where payments have been 6 months overdue and in the order of hundreds of thousands of dollars. These types of substantial delays in cash flow can have a serious and material impact on the operation of regional airports. It is for this reason that the AAA recommended that the requirement to pay all fees related to accessing the regional airports in a timely manner be included in the licence agreement's terms of operation.

**Question 3.** *Are you supportive of Bankstown Airport in expanding its capacity to accept regional flights?*

The AAA understands that Bankstown Airport can alleviate some of the congestion likely to be experienced at Sydney Airport over the next decade or so whilst Western Sydney Airport materializes. Bankstown Airport is capable of facilitating aircraft up to code 3C, which includes the majority of the regional fleet. This

is consistent the current Bankstown Airport Master Plan and the Sydney Region Capacity Study of March 2012.

**Question 4.** You note in your submission (page 17) that there has been a shift towards greater 'hubbing' of regional air routes. Is this across Australia, rather than in NSW?

The reference to greater 'hubbing' on page 17 of the AAA submission was referring to a general trend at a national level across Australia, including within NSW.

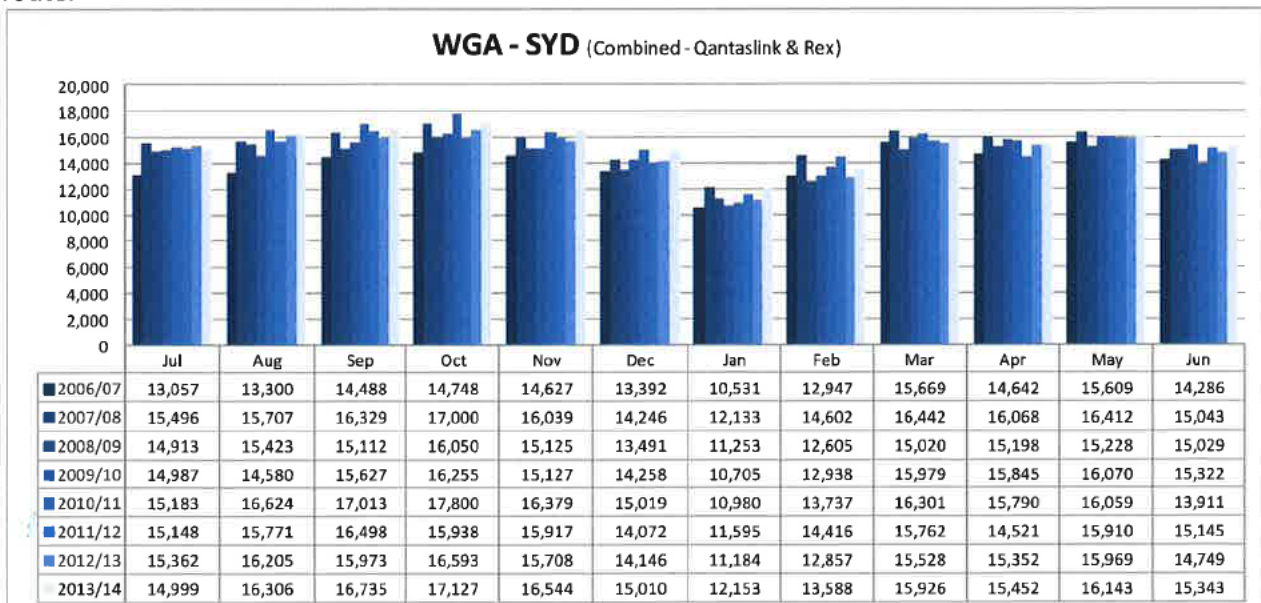
**Question 5.** You mention that Qantaslink downgraded a number of its services in Wagga Wagga from Q400 (74 seat) to Dash 8 300 (50 seat) aircraft (page 10). Was this based on declining passenger numbers? Is the screening equipment installed to support the operation of the Q400 now redundant?

The decision by Qantaslink to downgrade a number of weekly services is a question better asked of them. Certainly there was no significant decline in passenger numbers on the Wagga / Sydney route.

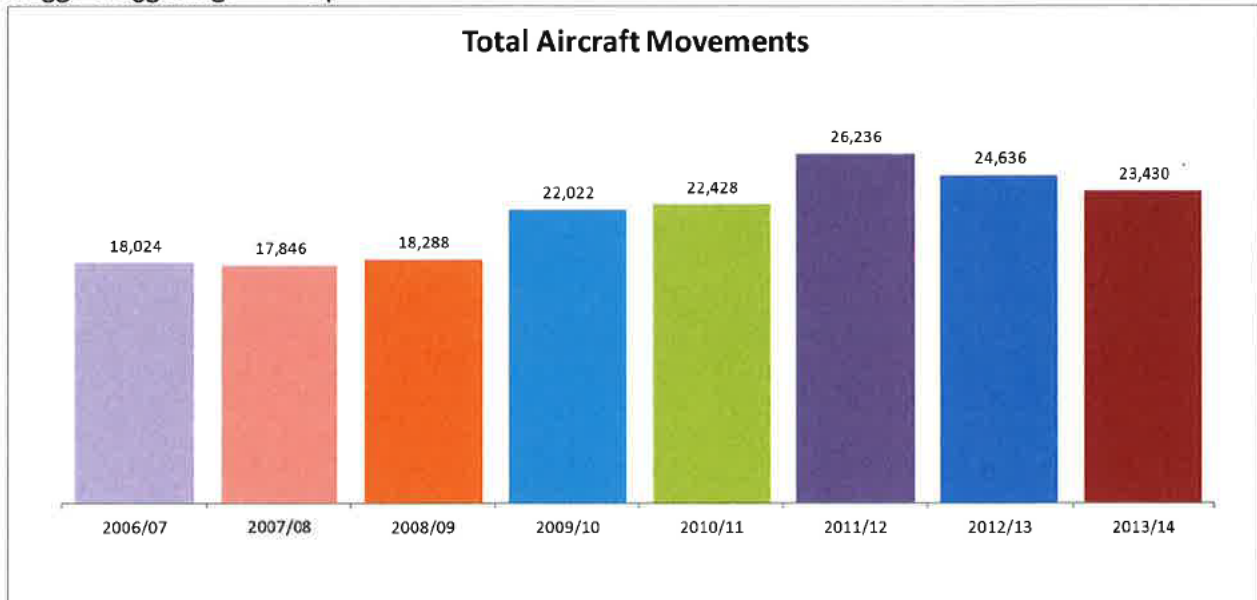
The following table show the historical passenger number for Wagga Wagga Airport.



The following table show the historical passenger numbers (2006/07 to 2013/14) for the Wagga / Sydney route:



The following table show the historical aircraft movements, excluding circuits (2006/07 to 2013/14) for Wagga Wagga Regional Airport:



The downgrade in some services from a 74 seat Bombardier Q400 to a 50 seta Bombardier Dash 8 300 has not impacted on security screening at Wagga Wagga. Qantaslink has continued to service Wagga Wagga with Q400 aircraft on a daily basis. Only the Q400 is above the 20,000kg MTOW threshold. However Qantaslink require all their departures to be screened at screened airports, irrespective of the aircraft MTOW.

Qantaslink have reinstated Q400 services for the majority of services. This means generally three of the four daily services at Wagga Wagga are serviced by the Q400 and 1 is serviced by the Dash 8 300.

Should you have any queries in relation to any of the above information, please do not hesitate to contact me.

Yours sincerely,

**Caroline Wilkie**  
Chief Executive Office