

## **STANDING COMMITTEE ON STATE DEVELOPMENT INQUIRY INTO REGIONAL AVIATION SERVICES – SUPPLEMENTARY QUESTIONS: TAMWORTH REGIONAL COUNCIL**

### QUESTION:

**Mr SCOT MacDONALD:** Could council do a quick opportunity cost calculation of those fees taking 12 weeks to get to you? So for anything beyond, say, 30 days what is the cost of that to council?

### RESPONSE:

Given the 12 week delay in receiving funds – at our current passenger throughput the cost to council would be \$ 852 per month for Tamworth Regional Council. If council were to receive the funds at the time of purchase the cost to council equates to \$2,556 for the 12 weeks. This is the cost to Tamworth Regional Airport, multiply this by the number of Regional Airports (26) operating RPT services (some larger, some smaller than Tamworth) the figure becomes quite significant.

### QUESTION:

**Mr SCOT MacDONALD:** Would council support scheme a bit like the General Employee Entitlements and Redundancy Scheme where, say, 5¢ or 10¢ per ticket is put into a scheme or a bond? So if we do have a collapse along the lines of Brindabella Airlines or Vincent Aviation then there could be some recourse to a fund like that.

### RESPONSE:

An aviation relief funding scheme would provide some support for airports which suffer hardship when outstanding unpaid fees and charges remain following the collapse of an airline. From a Council owned and operated airport perspective we would support a minimal fee added to tickets to secure payment on unpaid debts at small regional airports – the airports most at risk due to the uncertain viability of the smaller regional airlines servicing their communities.

### QUESTION:

**The Hon. MICK VEITCH:** What are your views around the need for a regional airport strategy?

### RESPONSE:

As a major portion of the passenger fees collected at Regional Airports are held in Reserve for major airport infrastructure upgrade and renewal projects, creation of a State Government administered and Committee assessed Regional Airport Grants Fund for Regional Airport upgrades & renewals is proposed. Approved major upgrade and renewal projects would be State funded, providing the State Government with opportunities to invest in critical State infrastructure – not commercial private businesses. This financial support to Regional Airports would allow significant savings to be passed on to the Regional Airlines through reduced passenger fees whilst still allowing the airport to provide support to new regional aviation businesses which grow the economy at their Regional Airport.

Please also find attached the drawing of the Tamworth “Hub & Spoke” diagram presented by Tamworth Regional Council to the then NSW State Premier Barry O’Farrell in 2012. This is the drawing Councillor Webb was referring to in his response during the hearing.

Julie Stewart  
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Tamworth Regional Council