

**Submission
No 49**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Charles Sturt University

Date received: 17/03/2014

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**NSW Inquiry into Regional Aviation
Services**



Front Cover:

TOP: CSU Regional Dental Building, Orange; CSU National Life Sciences Hub, Wagga Wagga

BOTTOM: CSU Regional Clinical Simulation Centre, Bathurst; CSU Medical School Building Concept Drawing

What history teaches us is that the territories with the best access win. The airport's role is closely linked with that of the territory: there cannot be passenger growth without the territory's economic growth and vice versa. Location matters, in order to provide ease of access and ease of doing business. It is unthinkable to locate an enterprise in a difficult to reach city.

Camillo Bozzolo, Venice Airport Sakles Director "Airports Role in the Economic Development of a Territory" Airports as Poles of Economic Development – European Conference Brussels 7-8 June 2012, p 15 (<http://www.airportregions.org/wp-content/uploads/Genval-Web-1-11.pdf>)

Charles Sturt University (CSU) is the largest University in rural and regional Australia enrolling more than 35,000 students, with campuses and study centres in Albury-Wodonga, Bathurst, Canberra, Goulburn, Dubbo, Manly, Melbourne, Orange, Parkes, Parramatta, Port Macquarie, Sydney, Wagga Wagga and Wangaratta. Staff travel extensively between our regional campuses and study centres to deliver teaching, undertake collaborative research, engage with industry and provide student support.

The University also operates a campus in Ontario, Canada, and delivers in-country education through partner relationships with universities in China, Hong Kong and Cambodia requiring staff to travel internationally throughout the year. Our research staff travel extensively regionally, nationally and internationally to link with industry, and engage in research collaborations.

The University also operates a student exchange program that allows students to spend periods of time studying at overseas universities to gain credit towards their degree. The University currently has agreements with 12 universities in the United States, 6 universities in Canada, 4 universities in Sweden, 4 universities in China, 3 universities in France, 2 universities in the UK, 2 universities in Japan, and one university in each of South Korea, India, Malaysia, Ireland, Netherlands, Switzerland, Spain, Denmark, Germany, Norway and Finland. In addition, students undertake work-based placements and work experience programs around the world and Australia as part of their studies, including in the Asia Pacific.

The University has also developed extensive teaching relationships with vocational education providers in Australia and Canada, including a partnership with the C Y O'Connor Institute in Western Australia in the deliver of agricultural programs, Canberra Institute of TAFE in business, Holmesglen TAFE in Victoria in oral health therapy, North Sydney Institute of TAFE in hotel management, South Australia TAFE in the delivery of environmental science, wine science and information management, Mowhawk College of Arts and Technology in Ontario in early childhood education, and business administration with Sheridan College of Technology and Advanced Learning in Ontario.

Due of the geographical distribution of our campuses and higher education and research partnerships, CSU has benefited from access to regular air services between its regional campuses, as well as access to major cities and international airports to support student and staff travel within Australia and overseas.

One of the major benefits of having access to strong regional aviation services is that it has allowed Charles Sturt University to develop a substantial regional, national and international market for its educational and research offerings from regional NSW, generating new business for our regions and income for the NSW economy. As noted above, the University has partnered with the C Y O'Connor Institute for the delivery of its agricultural programs to students in Western Australia. It delivers programs from regional NSW into China through relationships with four Chinese universities, and is the only Australian university to operate a major campus in the North American higher education market. Access to regional aviation services have also enabled our students and staff to connect nationally and globally through industry collaborations, international study exchanges and work placements.

As a consequence, the University and its students are major user of regional aviation services and other forms of transport in all aspects of its operations.

For example, the University's two most distant primary campuses are in Albury-Wodonga and Port Macquarie, which are 928 kilometers apart. The expansion of higher education accessibility to regional centres like Port Macquarie would not have been possible without reliable regional aviation services. While the University operates a large fleet of cars for inter-regional travel, the distance between individual campuses require the use of aviation services to ensure staff make the best use of their time and appropriate support can be provided to students.

Prior to Charles Sturt University commencing operations in Port Macquarie in 2012, the region did not have a comprehensive higher education provider locally. As a result, the proportion of students enrolling in university on the Mid-North Coast was significantly below the State and National average, and skills shortages were a significant constraint on regional economic development. Over the coming 5 years, the University expects student enrolments on its Port Macquarie Campus to grow from its current base to more than 2,000 students, with longer-term projections for over 5,000 students. Our programs target areas of identified skills needs on the Mid-North Coast to ensure programs are relevant to the future employment opportunities available for local students, and that we address critical regional skills needs that support long-term economic development.

While the University has implemented a range of technologies to reduce travel between campuses to improve productivity and staff safety, including one of the largest interactive video conferencing services in the higher education system, demand for inter-regional air travel is expected to remain high into the future as staff and students travel between regional centres, and to major cities and internationally, to work with industry, undertake staff and student exchanges, and to do work placements.

Regional aviation services will accordingly underpin the capacity of the University to continue to grow its market reach globally and nationally, while also addressing skills needs across regional NSW and Australia.

The continuation of high quality, reliable and cost-effective regional air services is therefore critical to the future growth of the University's business, the social and economic development of our regional communities and the generation of economic value for the NSW economy.

The Value of Regional Aviation Services

Regional aviation services play a key role in promoting economic activity and development within rural and regional areas of NSW, and provide access to major cities for and sustaining essential services such as health (in the context of chronic shortages of doctors and other health professionals in smaller rural and remote communities).

Regional airports not only generate employment in regional economies through direct employment, and related business activities, they also attract business and populations to regions. A study of the economic contribution of aviation in the United Kingdom¹ found that access to air services influenced where a quarter of businesses located their operations.

¹ Oxford Economic Forecasting, *The Economic Contribution of Aviation in the United Kingdom* (October 2006) at <http://www.gacag.org/images/gacag/pdf/The%20Economic%20Contribution%20of%20the%20Aviation%20Industry%20in%20the%20UK.pdf>.

The same study observed that aviation services not only supported tourism, business growth and trade, but also contributed to economic productivity and competitiveness particularly in the growth sectors of the economy.

For example, higher education could not have become one of Australia's largest export industries without reliable aviation services that provided access to expanding higher education markets in the Asia-Pacific.

Charles Sturt University is an excellent example of how regional connectivity can support and grow business opportunities in the regions, and contribute to regional social and economic development. A recent study² of the impact of University and non-local student activity in our regions found that the University generated a total of 4,996 equivalent full time jobs in rural and regional NSW and \$985 million in economic output, when the flow-on impacts are taken into account. Regional aviation services are an important part of the ability of the University to compete in an increasingly globalized higher education market for the benefit of the regional NSW economy.

As reliable regional connectivity will be critical the future sustainability and growth of higher education in NSW's regions, it will also be essential to the development of new knowledge based industries such as agriculture which are uniquely located in rural and regional areas. Australia is a world-leader in agricultural productivity and sustainable farming practices. With growth in worldwide demand for food, Australian expertise in agricultural business management, agricultural science, animal and veterinary health and food production is expected to be a major growth industry over the coming decade.

Regional Australia also has potential to become a major supplier of knowledge in areas such as sustainable health workforce management, with international interest in how institutions like Charles Sturt University are addressing chronic shortages of health professionals in rural and remote areas.

The development of new knowledge based growth industries will rely on reliable and cost-effective regional aviation services to access national and international markets.

Observations

The University makes the following observations:

Integration of Regional Aviation Services into Regional Planning – regional economic and social development is reliant on access to reliable and cost-effective regional aviation services. Regional aviation services supports growth in a range of interconnected businesses and the sustainability of services in rural and regional areas. In our view, regional aviation services should be integrated into regional planning to ensure services are appropriately aligned to, and support, the growth needs of regional businesses and communities.

Air services reliability – the economic and social benefit of regional aviation is dependent on having reliable services. Consideration may be given to on-time reports being published for each regional route to determine if there are substantial variations between different locations and as a tool to improve on-time service performance.

² Western Research Institute (2011) *Economic Impact of Charles Sturt University* at <http://www.csu.edu.au/division/plandev/publications/docs/Final%20CSU%20Economic%20Impact%202011.pdf>.

Expansion capacity – in a 2012 study for the Australian Airports Association, Deloitte Access Economics³ found that annual growth in passenger movements is expected to average 3.3% for regional airports out to 2025 and aircraft movements are expected to grow by 1.7% at regional airports over this timeframe, which is the same as the rate of domestic growth at major city and international airports. There is a critical need to ensure that as domestic and international demand grows for slots at Sydney Airport, that slots for regional air services grow commensurately particularly during peak hours. To the extent that this requires a shift to larger aircraft on regional routes, this will require local government authorities to have access to infrastructure funding from government to invest in runway improvements and enhancements to airport functionality to cater for any change in aircraft types.

Access to inter-regional routes – there is a lack of inter-regional flights in NSW, which increases travel time between regional centres due to the requirement to transit through Sydney. This reduces productivity. For example, a University staff member travelling from the Orange Campus to the Port Macquarie Campus is required to travel via Sydney, often involving downtime in Sydney between flights. Support for an expansion of inter-regional flights, if passenger numbers were viable, may assist in improving travel times between regional centres and may also assist in freeing up some capacity in Sydney for expansion of direct flights for other regional services. While demand for inter-regional flights is unclear, there would be value in the Government investigating the potential demand for services with regionally based organisations such as the NSW Department of Primary Industries and NSW Health, regionally based businesses, as well as the potential tourism market for inter-regional travel, to determine if there are routes that could be viable with appropriate government support to improve connections between regions and free up capacity for growth in regional flights into Sydney.

Loss of services - The loss of the Albury-Wodonga to Canberra service with the demise of Brindabella Airlines has been noted to the University as a matter of particular concern.

Loss of access to Sydney Airport – there remains significant concern in rural and regional communities around the potential loss of direct access to Sydney Airport for regional aviation services, and the adverse impact this would have on the attractiveness of rural and regional communities for business, tourism and population growth.

³ Deloitte Access Economics, *Connecting Australia: The Economic and Social Contribution of Australia's Airports* (May 2012), p iii at http://www.tourism.australia.com/documents/Statistics/Statistics_Aviation_CONNECTINGAUS_May2012.pdf.