

**Submission  
No 36**

## **INQUIRY INTO REGIONAL AVIATION SERVICES**

**Organisation:** Coonamble Shire Council

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STANDING COMMITTEE ON STATE DEVELOPMENT  
**SUBMISSION FROM COONAMBLE SHIRE COUNCIL**

13<sup>TH</sup> March, 2014.

The Hon Rick Colless MLC  
Chair  
Standing Committee on State Development  
Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Sir

**INQUIRY INTO REGIONAL AVIATION SERVICES**

We refer to the Standing Committee on State Development's Terms of Reference regarding the Inquiry into Regional Aviation Services.

Coonamble Shire Council welcomes the opportunity to provide feedback to the Standing Committee. Please find below Coonamble Shire Council's formal submission.

**Background**

Coonamble LGA has a population of 4700. Dubbo Airport is approximately 2 hours driving time from Coonamble township. A one-way trip to Sydney takes around 7 hours by car and just over 12 hours by Countrylink bus/train via Dubbo. Flights from Coonamble to Sydney via Dubbo would take around 2.5 hours including transfer times.

Coonamble Shire Council maintains a fully-functional all-weather airport and has a well-appointed Passenger Terminal available for use. The airfield can easily accommodate any size RPT aircraft. Coonamble is a Controlled Airfield with well-maintained security fencing, a 1500m sealed runway, automatic weather station on the airfield, two published instrument approaches with remote access night lights, and radar coverage from Brisbane in the area. Coonamble is one of the few airfields between Dubbo and the Queensland border which have Aviation Fuel available seven days per week.

Historically, Coonamble was one of the first regional towns to be connected to Sydney by air. Most recently, the district was serviced by AirLink, a wholly owned subsidiary of REX Airlines, operating out of Dubbo with Coonamble on the Walgett, Lightning Ridge route which yielded over 3000

passenger movements per year in a period when the region had been in drought for approximately 6 years.

### **1. Cost of Access to Regional NSW Airports.**

Coonamble Shire Council does not currently impose landing fees at Coonamble Airport. Council continues to maintain the airport to relevant standards at a recurrent cost of at least \$90,000 per annum.

Access to relevant areas of the airport is by negotiation and may include access to the existing Passenger Terminal.

### **2. Financial Management and viability matters impacting on RPT operators.**

The long-standing RPT service to Coonamble was terminated by REX Airlines' subsidiary AirLink in December 2008. Reasons cited by REX's Managing Director were "soaring fuel prices, ever increasing regulatory requirements and the critical shortage of pilots" compounded by the phasing out of the federal government's En Route Charges Rebate Scheme. REX claimed that they were no longer able to commercially justify operations on "thinner routes".

Coonamble Shire Council is not in a position to undertake the research necessary to determine the current circumstances in terms of fuel prices, compliance costs, and pilot availability. We would, however, argue that there is a social and economic imperative for all levels of government to provide support for air travel to remote regional communities. Council urges the NSW Government to consider ways of reducing the regulatory burden for operators on these routes and to urgently consider financial assistance for operators servicing the more remote communities.

At the time the Coonamble-Walgett-Lightning Ridge route was cancelled, the Queensland Government was injecting \$5.3m into remote air services while the NSW Government contributed nothing. Given that NSW has fewer communities located two or more hours' drive from an existing RPT service, the contribution needed to maintain reasonable access to air services could be expected to be far lower.

Council is advised that regional airlines prefer the 'hub and spoke' system rather than a point to point service sometimes referred to as a 'milk run'. We appreciate that the 'hub and spoke' model allows operators to use smaller, less expensive aircraft on routes where passenger numbers are lower. Council would support either model to regain RPT services.

The 'hub and spoke' would need to work towards minimising transfer times and improving connectivity with inter-state and international flights. Demand is also price sensitive and the previous regime whereby no discounted fares were available to passengers out of or into Coonamble, regardless of the discounts available on the Dubbo to Sydney leg, is a deterrent to travel.

Demand for the 'hub and spoke' model out of Dubbo or another regional centre such as Mudgee, would be enhanced if flights were available to a greater number of destinations including interstate. Currently, flights from Dubbo are only available to Sydney or Broken Hill. Additional services to more distant destinations such as Melbourne or Brisbane would attract greater patronage to the 'hub'.

### **3. Economic Impact on regional communities of gaining or losing RPT services.**

There is an inextricable link between the growth, prosperity and amenity of regional areas and the availability of regional transport networks and services. The population of our region makes a per capita contribution to GDP far above many of the more populated areas who enjoy the benefits of regular air passenger services. RPT services have been shown to support the growth of an area's GDP so conversely, the lack of RPT services would act as a constraint on growth. The importance of regional aviation to a country with a relatively small population and a large geographic expanse with important agriculture and mining industries needs to be recognised and supported by Government.

Regaining an RPT service would make a critical economic contribution to our region by:

- Encouraging business investment and maintaining investor confidence
- Attracting population
- Supporting tourism, in particular major events held in the Shire which attract national and inter-national competitors and spectators.
- Improving access to medical and other services.

The loss of RPT services further distances and disconnects regional communities from a wide range of health, business and other services. It transfers the financial and time expense to local businesses, individuals and organisations. By way of illustration, Coonamble has an Indigenous population of approximately 30%. The Coonamble Aboriginal Health Service (CAHS) provides essential medical and health services. Currently, CAHS pays to fly locum Medical Practitioners and Specialists on a weekly basis from Sydney and to hire a car from Dubbo. Each return trip takes 2 days, so CAHS pays for 3 days' cost for a 1 day visit, or 5 days for 3 days' work.

Coonamble High and Primary Schools, with roughly 70% Aboriginal student population, are both part of the NSW Government's Connected Communities Program. As a result, specialist consultants and other DET personnel frequently travel to Coonamble from Sydney and further afield. The lack of a RPT service into Coonamble adds a time and cost impost to every trip. If these visitors travel by car, the duration of the journey entails additional overnight stays. If travelling by plane, additional car hire and journey time.

Since the previous RPT service was discontinued, some features of the local economy have altered. This includes a greater ownership of land and a range of agribusiness enterprises by remote entities, including large corporations with headquarters in capital cities or overseas, and a small, but emerging trend of on-line businesses with international markets. Directors, consultants, customers and others would benefit from being able to access a direct flight to Coonamble. In addition, the Castlereagh Halal Regional Abattoir is scheduled to re-open within the next couple of months. The owners report that Chinese and other overseas meat buyers have queried the availability of flights to the township.

As housing and transport costs in the cities and larger regional centres increase, residential accommodation in Coonamble and other regional towns is increasingly sought-after by retirees and young families. An increasing proportion of these have family and/or business interests in the capital cities, which may also contribute to demand for RPT services. Re-establishing RPT services would assist in retaining population and support further decentralisation of population.

#### **4. Potential for development of future modern RPT aviation.**

Coonamble Shire Council owns a large parcel of land immediately adjacent to Coonamble Airport which would be suitable for aviation-related manufacturing, servicing and the like. Site advantages include low establishment costs, inexpensive access to a well-equipped and maintained airport, uncongested airspace, year-round flying conditions, and potential co-location with complementary services. There is an opportunity for the NSW Government to work with Coonamble Shire Council to encourage relevant operations currently based at highly congested urban or coastal airports to relocate.

Coonamble Airport is currently the base for a Pilot Training School jointly operated by Coonamble Aero Club and Achieve Aviation based out of Cessnock. The School has been operating for 3 years and currently has approximately 20 students undertaking their Private Pilot Licence or Licence Upgrades. This training is the first step towards a Commercial or Air Transport Pilot Licence. The School recently hosted a Check and Training Pilot from Solomon Island Airlines to undertake additional licence upgrades.

There are further opportunities to attract overseas pilots to participate in further training at the School in Coonamble. Plans are underway to establish pathways with local education providers and Aboriginal organisations to encourage local young and indigenous people to begin a career in the aviation industry. The training and testing approvals available to Coonamble student pilots are the full suite of what is available due to the range of Air Operators Certificate Approvals held by the staff of Achieve Aviation. This allows for more opportunities than are currently available in many major regional centres such as Tamworth and many coastal centres, and is a point of difference for the Coonamble Training Centre.

Coonamble Airport has daily air freight services. The potential for dual use RPT services to include both freight and passenger legs on the same route should be explored as a matter of urgency as a way of restoring RPT services.

#### **5. Any other matters relating to the provision of aerial regular passenger transport services.**

The issue of safety also needs to be considered with residents of our area being forced to access flights by travelling hundreds of kilometres by road in the early morning and late evening in order to conduct a day's business in Sydney or beyond.

Coonamble initially may not be able to sustain daily air services. In this case, a return service 3-4 times per week should be considered. Council would be happy to assist with a customer survey to help ascertain the most suitable days/times.