

**Submission  
No 8**

## **INQUIRY INTO REGIONAL AVIATION SERVICES**

**Organisation:** Clarence Valley Council

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The Director,  
Standing Committee on State Development,  
Legislative Council  
Parliament House Macquarie Street  
SYDNEY NSW 2000

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Dear Sir/Madam

## **Submission by Clarence Valley Council to Inquiry into regional aviation services**

### **Introduction**

The Clarence Valley Council covers an area of 10,441 square kilometres and geographically is the biggest coastal Council in NSW. The current population is 51,300 and is growing at about .5% per annum. Currently the Clarence has one Code 3C length 1709 metres, 30 metres wide airport which services aircraft up to Dash 8 Q300 (50 passengers), serviced by a three times daily Regional Express 34 seat Saab 340 to and from Sydney, 'hubbed' via Taree.

Usage at the Grafton airport is in decline, due to the advent and growth of low cost carriers (Virgin, Jetstar and now Tiger) at the larger adjacent regional airports of Coffs Harbour and Byron/Ballina. Travel times are also reducing to these airports as the Pacific Highway upgrades progress. Similarly, as the Pacific Highway construction progresses, the Gold Coast International airport is within 2 to 2.5 hours drive of the Clarence Valley. Residents are therefore taking advantage of the increasing frequency of domestic flights to Australian cities and the low cost international flights out of the Gold Coast e.g. Air Asia, Scoot. With the future upgrades of the highway reducing travel by another 30 minutes it is anticipated the Gold Coast airport will increasingly compete with the Byron/Ballina airport for Clarence Valley passengers, and to a lesser degree Coffs Harbour. **In summary, any airport strategy on the North Coast must factor in the impacts of the Pacific Highway upgrade and integration with other transport options including public and shuttle services.**

If not using the Grafton airport, Grafton people mainly use the Coffs Harbour Regional airport and Maclean/Yamba people mainly use the Ballina/Byron airport. At present around 15,000 passengers fly with REX from Grafton. Coffs Harbour airport records indicate that about three times this amount of passengers from the Clarence currently fly out of Coffs Harbour. The Grafton numbers have been in decline from 2008 when 21,000 passengers flew with REX. The Pacific Highway upgrade will accentuate this decline further as the Coffs Harbour airport comes within 50 minutes of Grafton and the Byron/Ballina airport and the Gold Coast airport similarly become more accessible from Maclean/Yamba. **There is a question in the immediate term whether a passenger service will be viable in the long term from the Grafton airport.**

There are other factors which reduce the viability of the Grafton airport for passengers. Presently REX has no direct early morning business flight out of Sydney, with the earliest flight into Grafton at 11am. Many passengers also don't like the 'stop over' arrangement into Taree. That is, due to the Taree set-down, an average flight takes over two hours to Sydney/Grafton and vice versa. A direct flight which was previously operated by Qantas took around 1.5 hours. Many passengers also prefer the jet aircraft size from Coffs Harbour or Ballina/Bryon.

It should be stated here that REX has a very good relationship with Clarence Valley Council and the Council can't speak highly enough of this regional carrier.

An important issue for regional communities is that while the low cost jet aircraft are important to domestic travel and tourism growth, they don't necessarily provide the improved business access, as extra slots in the peak time into Sydney are not available and are too expensive. Maintaining business access into the present Sydney airport is essential for regional communities.

***In response to the particular questions:-***

**1. Cost of Access**

To ensure Grafton had a passenger service contributing to its economy, landing fees have been reduced over the years in consultation with the operators to help their viability. Presently REX landing fees for an anticipated 12,500 passengers are \$117,000. In addition the airport collects about \$12,500 per annum from casual use and \$10,000 from RFS emergency services income. In all the airport makes about a \$17,000 loss per annum. It is to be noted that this loss does not account for the asset maintenance. Council will be spending over \$2 million in the next 12 months on airport redevelopment. This capital spending will come from Federal RDAF funding of \$1 million and \$1 million through a low interest loan from the NSW Government, which Clarence Valley Council will have to repay.

**The important economic issue for all regional Councils is the cost of access to Sydney airport, especially in the peak business hours.** It's absolutely crucial for the growth of regional economies for a business person to arrive in Sydney by 8:30am and have access out after 6:00pm. Similarly, flights from Sydney need to be available to make regional centres by at least 9:00am. The concept of some future plan to put regional aircraft out at Badgerys Creek would have major economic impacts to regional economies. At present the demand for landing and terminal access during peak times at Mascot Airport in Sydney results in the smaller carriers such as REX being delayed to accommodate the larger carriers. It is not uncommon for a flight from Grafton to be unexpectedly held for lengthy periods of time on the ground in Taree by air traffic control in Sydney. This can and does have significant impact on planned activities in Sydney.

With the roll out of the NBN it is increasingly possible for smart digitally enabled businesses to relocate to country areas. Evidence indicates that these businesses also need regular reliable business flights to Sydney (and ideally other capital cities) where they can fly down and back in the one day without the costs of overnight accommodation.

## **2. Economic impact of gaining or losing RPT services**

The Clarence Valley Council, as part of its RDAF submission to obtain Federal funding to upgrade the tarmac and terminal, produced an input/output economic model for the airport. Based on the 2011/12 passengers numbers of 16,624, and assuming between 50-70% of passengers would not have come to the Clarence Valley without the passenger service, the impact on the economy is between \$8.9 million and \$12.5 million, with additional wages of \$1.8 to 2.5 million, adding around another 60-80 jobs to the economy.

## **3. Potential future additional uses of the Grafton Airport**

With the North Coast population continuing to **grow it is obvious a strategic airport plan is needed to look at the future of the array of airports along the east coast.** Already at the major regional airports there are reports of conflict developing between increased frequency of passenger services and other services that operate from these airports e.g. flight training schools, freight services and recreational services (joy flights, parachuting etc). There is potential for the smaller airports to take a bigger role in these other services, which also increases their viability.

Clarence Valley Council has worked actively with both the Department of Planning and Roads and Maritime Services (RMS), to land bank industrial land around the Grafton airport for future freight services. The future Pacific Highway upgrade channels the highway straight to the airport. The RMS has also planned the positioning of the Pacific Highway off and on ramps to take advantage of this strategic location.

The Grafton airport is already acting as a central point for flight operations during floods (SES) and bush fire emergencies (RFS) from Coffs Harbour to Lismore. **Given its strategic location on the future Pacific Highway upgrade and having space around it for growth and related infrastructure, there are prospects for the Grafton airport to be developed as an emergency services centre.**

## **4. Other matters**

Given the large leakage of passengers, especially tourist, to adjoining regional airports, for the Clarence Valley economy to benefit from these services, there is a need to ensure good public and private bus services. A commercial shuttle service tenuously operates between Yamba and Byron/Ballina airport although several attempts have failed and likewise Coffs Harbour and Grafton runs have also failed.

As such, it is considered that any airport strategic plan will need to incorporate ground transport 'hubbing' as a priority.

If you require further information please contact

Yours faithfully

**Richie Williamson**  
**Mayor**