

**Submission
No 6**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Mid-Western Regional Council

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STANDING COMMITTEE ON STATE DEVELOPMENT

SUBMISSION

Dear Sir/Madam

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.

Mid-Western Regional Council appreciates the opportunity to provide feedback to the standing committee. Please find below Mid-Western Regional Council's formal submission.

Cost of Access to Regional NSW Airports

As the airport operator at Mudgee Airport, Council charges landing fees to the providers of regular passenger transport (RPT) services. In the 2013/14 Fees and Charges, the landing fee per passenger was \$6.00 plus GST.

The current rate for landing fees is not considered prohibitive in terms of accessing Mudgee Airport for an established RPT operator. However, if an operator was seeking to introduce a new route, it is likely that some form of relief from the full amount of landing fees would be requested, either through a waiving of landing fees for a specified start-up period or with a discounted rate until a target number of passengers for the route were achieved.

This was experienced several years ago when Aeropelican introduced RPT services between Mudgee and Sydney.

The Standing Committee should report on the methodology used to calculate landing fees at Sydney Airport for the different classes of aircraft.

Financial Management and Viability Matters Impacting on RPT Operators

Financial management and viability matters are and should remain an important responsibility of the RPT operators.

However, there are a number of external factors which can make it commercially challenging for RPT operators in regional NSW, particularly where there is a small catchment area for passengers. The Standing Committee should consider any areas in which it can alleviate the burden on RPT operators for compliance related matters etc. without compromising on maintenance and safety standards.

The Standing Committee should also seek information on the impact of compliance costs including the per passenger cost, the suitability of a hub and spoke system and the suitability for potential routes with smaller passenger numbers.

Economic Impact on Regional Communities of Gaining/Losing RPT Services

The gain or loss of an RPT service has a significant economic impact for local communities. Maintaining an RPT plays a critical economic role in the following:

- Encouraging new business investment
- Maintaining investor confidence
- Attracting tourism
- Facilitating major events
- Accessing medical services

Council is well placed to comment on the experience of gaining/losing RPT services having had two operators come and go since 2009. The lack of a service impacts all of our major industries (mining, viticulture, agriculture, tourism) and has widespread community impacts for locals relying upon the service for health related issues, to travel to other areas both nationally and internationally, and to visit family and friends.

Past studies have shown that the GDP of an area with an RPT service will grow 6 x faster than an area without an RPT service. As a Region that is experiencing strong population growth as a result of significant local economic activity, having a RPT service operate regular return flights between Mudgee and Sydney is absolutely critical.

Development of Future Modern RPT Aviation

Council encourages the Standing Committee to work closely with the aviation industry to identify potential opportunities for the future development of modern RPT aviation services. Many regional areas of NSW are geographically isolated and it is critical that the availability of aviation services is established to support and continue growth in these areas.

The development of modern RPT aviation services should take into account a number of issues in particular manufacturing, development and supply of skilled personnel and the opportunity for dual RPT services that include both light freight and passengers on the same route.

Thank you again for the opportunity to provide feedback to the Standing Committee. If you would like to discuss these matters further, please contact me on

Yours sincerely

WARWICK L BENNETT
GENERAL MANAGER