

**Submission
No 13**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Dubbo City Council

Date received: 12/03/2014

Submission by Dubbo City Council to the Inquiry into Regional Aviation Services being held by NSW Legislative Council.

Cost of access fees to airports in NSW.

Dubbo City Council owns and operates the Dubbo City Regional Airport and is regulated by the Commonwealth Department of Transport and Regional Development and the Civil Aviation Safety Authority. The airport, which is situated 400 km west of Sydney, and is the largest hub and spoke airport between the western areas of NSW and Sydney. In 2012/13, the Dubbo City Regional Airport serviced 170,195 passengers and is currently experiencing an 8% growth in 2013/14 financial year. The cost of access to the Dubbo City Regional Airport is calculated to provide maintenance of current infrastructure, future capital works plus providing a small return to the rates and general revenue of Dubbo City Council as the business owner. These fees are collected on a per passenger basis from the RPT operators for all embarking and disembarking passengers. These fees do not include the cost of security screening, which is discussed below

Dubbo City Regional Airport is also obligated by the Commonwealth to provide security screening, being classified as a Category 3 Screened Airport for the purposes of passenger and baggage screening. This requirement came about with the introduction of the Qantaslink Q400 which triggered the minimum weight requirement for passenger and baggage screening. Dubbo City Council resolved to recover security screening costs on a per passenger pro rata basis from the RPT operators for all embarking and disembarking passengers. These are separately charged on a full cost recovery basis, i.e. what Council is charged is passed on the airlines, with no further administration or maintenance costs added.

Dubbo City Council strives to keep charges to a minimum, whilst maintaining the \$45.052 million worth of assets in good condition and operationally safe, whilst also keeping the airport operationally safe and efficient.

The Dubbo City Regional Airport hosts the Royal Flying Doctor base on the airport which currently supports three fixed wing Kingair aircraft. This service services the majority of NSW and provides an essential medical retrieval service. The Dubbo City Council provides a donation of \$27,500 p.a. to assist in this operation. These funds are provided from the Dubbo City Regional Airport operations. This facility is anticipated to grow in the future to allow for four aircraft, as well as an additional maintenance hangar.

Economic impact on regional communities of gaining or losing RPT services

Dubbo City Regional Airport has been one of the major hub and spoke airports in regional NSW. The airport currently services flights from all over western NSW and has RPT flights to Broken Hill and Sydney. Prior to the cessation of Airlink (a Regional Express subsidiary company) services to western NSW, RPT flights operated from Cobar, Bourke, Brewarrina, Lightning Ridge, Walgett and Coonamble to Dubbo. These services were a vital link for these communities, providing transport to and from Dubbo and other centres via Dubbo for medical, business, family and leisure reasons. These services also provided freight services to these communities. In particular services between Dubbo and Cobar provided essential transport for the mining sector located in Cobar. At its peak in 2007/08, Airlink

transported 8,378 passengers to and from these communities, and in the final 6 months of operation to December 2008, carried 4,032 passengers.

It is apparent that return of the en-route subsidy to RPT operators would assist in these services remaining viable into the future. With the recent demise of Brindabella Airlines, which operated direct flights from Cobar to Sydney, some form of assistance is required. However the current slot system into Kingsford Smith Airport is restrictive, and the return to a hub and spoke system via dubbo, to link in with RPT services into Sydney, would be a more reliable and affordable option for travellers.

Currently charter services operate between these centres, as well as road transport. The NSW government currently operates a twice daily bus service between Dubbo and Cobar to compliment the lack of a suitable air transport operator. Perhaps the cost of this could be used to offset costs of RPT hub and spoke operation in the future.

Potential for development of future modern RPT aviation.

Dubbo City Regional Airport has aviation industry tenants who provide aircraft maintenance services. Airlink have a maintenance base located on the airport which services all types of aircraft in their fleet. Beale Aircraft Maintenance also maintains and repairs smaller aircraft at the airport. In particular these businesses are set up to service the smaller aircraft that can operate on regional and remote routes to the west of Dubbo.

Previous RPT services operated by Airlink to the western ports, also carried small freight to these communities. All freight is now distributed by road. Urgent daily freight services could also be delivered to these communities if a RPT service existed.

Dubbo City Regional Airport Master plan 2008 identifies future development opportunities for the airport. The airport is open to expansion for general aviation, RPT and other aviation related businesses to set up or relocate from other areas. Geographically Dubbo being in the centre of NSW and at the intersection of the Great Western and Newell Highways, is a major regional city performing a vital link to the rest of the state and interstate via road and Air. With current pressures on air transport in the Sydney basin, Dubbo could potentially provide some relief by again becoming a hub and spoke airport, not only to Western areas of NSW but to interstate of possibly international services in the future. This of course would require Federal and State Government assistance.

Council looks forward to the outcome of this enquiry and positive outcomes in relation to re-establishing regional and remote RPT services in NSW.

Mark Riley
General Manager
Dubbo City Council