

**Submission  
No 20**

## **INQUIRY INTO REGIONAL AVIATION SERVICES**

**Organisation:** Cessnock City Council

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## **Cessnock City Council**

### **Submission to the Inquiry into regional aviation services**

Cessnock Airport is a registered aerodrome owned by Cessnock City Council and located in the Hunter Valley of New South Wales.

With the adoption of its strategic plan earlier this year, Cessnock Airport is well positioned (both geographically and organisationally) to take advantage of regional aviation opportunities.

While there is currently no regular passenger transport at Cessnock Airport, the recently adopted Cessnock Airport Strategic Plan identifies an objective to promote economic and tourism development across the local government area and this could, in the future, include the provision of aerial regular passenger transport.

This submission provides Council's comments on the financial management and viability matters impacting airports with regular passenger transport operations.

Around half of Australia's regional airports operate at a loss<sup>1</sup>. In many cases, these government-owned utilities provide services desired by local businesses and residents, but are unable to cover the cost of providing and maintaining this infrastructure.

Airport infrastructure assets have long lives and few, if any, alternative uses.<sup>1</sup> This means that investments in infrastructure do not provide a return for many years and, in the case of local government-owned airports, have to compete with many other funding priorities.

Concurrently, the demand by airlines is generally not underpinned by long-term contractual arrangements and there is therefore substantial risk associated with investing in the infrastructure for regular passenger transport.

In addition to the infrastructure, the additional staffing requirements associated with regular passenger transport operations can result in much higher costs per passenger at regional airports with low passenger numbers.

Council recognises the importance of aviation services to regional centres and supports the Standing Committee on State Development in its endeavours to ensure the continuation of aerial regular passenger transport throughout New South Wales.

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References:

1. Australian Airports Association, "Australia's Regional Airports – Facts, Myths & Challenges", November 2012