

**Submission
No 40**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Tamworth Regional Council

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TAMWORTH REGIONAL COUNCIL



INQUIRY INTO REGIONAL AVIATION SERVICES



Submission – March 2014

Tamworth Regional Airport is one of busiest Regional Airports in NSW with some 400 hectares set aside and partly occupied by aviation developments and supporting industries. Ample quantity of quality real estate and capacity remains available for further aeronautical business developments. Qantaslink Dash-8 maintenance hangars, Aviskills technical training hangar and Sigma Aviation engineering services hangar all provide aeronautical services and employment at Tamworth. There are a number of flight training schools, the largest, BAE Systems, currently contracts to the Australian Government & other foreign governments for defence Basic Flight Training. Aviation fuel suppliers, Westpac Rescue Helicopter Service base, CASA regional office, aeromedical transfer and air freight services also operate out of Tamworth Regional Airport.

Tamworth's ideal central location to Brisbane, Sydney and Melbourne; and our temperate dry climate and geography attract many aviation businesses, airlines and air travellers who make Tamworth their preferred regional airport. Potential for airport growth and the expansion of airport businesses is strategically planned and is encouraged. Premium air and ground services and facilities provide the perfect venue for convenient, regular and reliable air services, as well as support for existing and potential aviation businesses.

Tamworth has a long history with aviation and has been the birthplace and home to a list of recognised regional airlines and their support administration and maintenance facilities, amongst them Qantaslink, East West Airlines and Tamair. Tamworth continues to offer support to Regional Airlines and is working towards welcoming new and viable regional airlines. The rapid growth in the district has seen the number of air services increase bringing Tamworth closer to metropolitan businesses and other service facilities whilst providing the regional community and businesses with better access to essential air transport services.

Tamworth Regional Council would like to thank the Standing Committee on State Development for the opportunity to make comment in relation to the *"Inquiry into Regional Aviation Services"*. The submission which follows reflects Council's views on a number of issues in relation to Regional Aviation and provides comments in relation to a number of matters listed in the "Terms of Reference".

Tamworth Regional Council considers that the following matters are essential to the provision and sustainability of regular passenger transport (RPT) services to regional airports:

- Access to Sydney airport at peak hours for regional air services should be protected and supported allowing regional passengers proximity to connecting domestic and international flights; access to centralised and specialised medical, legal and other regionally unavailable business

facilities; and access to frequent and affordable public transport facilities. This would allow regional passengers to make time & budget constrained journeys. Apart from appropriate number of time slots, available aircraft parking bays, access to terminal departure/arrival gates, check-in and baggage delivery services needs to be made available for regional services to ensure any barriers to facilitating any regional services are minimised or removed.

- Collection of fees on behalf of regional airports need to be preserved and paid in a timely process. Recent outstanding fees owed by Brindabella formed the majority of debt owing to many of the affected regional airports. Airport fees are received by the airlines on the airports' behalf at the time of ticket sales. These are not received by the respective airport for up to 12 weeks. Preservation of the fees in a trust would ensure the fees are available and paid on due dates – interest & advantage is unfairly received by the airlines who hold these fees for the 12 weeks.
- Airport fees and charges need to be acknowledged and accepted as being vital to keeping Regional Aviation services and airport infrastructure viable and maintained. In the last few years Tamworth Regional Airport safety and security compliance expenses prompted infrastructure investments amounting to around \$ 7.3 million in terminal upgrades, a carpark upgrade of approximately \$ 1 million and lighting upgrade of around \$ 300,000. Upcoming necessary upgrades to runways, taxiways, aprons, navigational equipment and lighting will see an investment of around \$ 7.5 million – without airport fees these upgrades would require substantial government grants. Ongoing airport maintenance and operational costs amount to around \$ 2 million annually.
- Loss of RPT services see isolation of regional passengers from necessary metropolitan services. It causes a reduction to aviation employment and places airport infrastructure at risk due to loss of revenue to fund the required maintenance and renewal works; finding replacement air services becomes increasingly difficult as airlines lose confidence in the route and place alternate ports as a higher priority; and loss of aviation related businesses – aviation fuel suppliers and aviation engineering businesses soon close their doors at regional airports due to the dilution in contracts and available work. The rippling

effect of the RPT service loss is passed on to the local community forcing many would-be passengers to travel by car, an unnecessary & unwelcome cost and time constrained stress. Many regional businesses suffer due to lack of access to affordable products and time-limited services. Without a regular RPT air service gaining employees, visitors & tourists from outside the regional area becomes difficult. Access to services and facilities as well as families and friends outside the region seems more complex and prejudices the decision of many potential businesses, residents and visitors leading to population decline and industry & business growth reductions.

- Introduction of new RPT operators, promotes airport upgrades and the introduction of new infrastructure to meet the compliance and regulations of the RPT operators fleet. To ensure Regional Airports do not lose valuable services it is essential air services remain financially viable for providers. There is a sorry tale of regional airlines which have collapsed due to a host of different reasons, including financial ruin caused by fare discounting at the hands of intense competition within relatively small markets. While air travel needs to be affordable ensuring services to and from regional centres remain in the air is also a key consideration.
- Access to specialised trained aviation staff requires assistance and a sponsored regional aviation apprentice program. Regional Airports source the majority of their specialised staff from metropolitan areas. Without financial incentives these staff prefer to remain in positions in the larger city airports where access to training and promotion is attractive, readily available and affordable. Losing even one staff member due to resignation, illness or even periodic training without a suitable local replacement puts many Regional Airports in financial and operational adversity.
- Introduction of combined freight and passenger services on RPT aircraft prompt fleet changes introduced by RPT air service providers – in turn runway, taxiway and freight processing facility upgrades and maintenance to provide for the new aircraft types & freight services. An apron upgrade to accommodate the variety of aircraft costs approximately \$300,000. Without the current security requirement for freight screening some contradiction in risks to RPT air services and aviation infrastructure seems glaringly apparent.

Tamworth Regional Council supports the Australian Airports Association and Inland NSW Tourism submissions into the Inquiry into Regional Aviation Services. This submission is attached to further emphasise Council's views on a few of the difficulties facing Regional Aviation.

Should you wish to discuss this submission, please do not hesitate to contact Tamworth Regional Airport's Manager, Julie Stewart by telephone (02) 6767 5543