

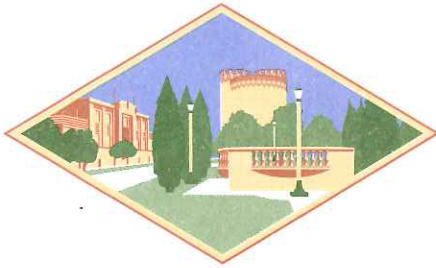
**Submission  
No 7**

## **INQUIRY INTO REGIONAL AVIATION SERVICES**

**Organisation:** Leeton Shire Council

**Date received:** 10/03/2014

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# LEETON SHIRE COUNCIL

*Preserving the Past, Enhancing the Future*

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The Director  
Standing Committee on State Development  
Parliament House  
Macquarie St  
Sydney NSW 2000

10 March 2014

## **Regional Aviation Services Inquiry**

Leeton Shire Council would like to make a submission to the Inquiry based on the needs of the residents and business community of Leeton and the surrounding villages, which make up Leeton Shire.

### ***The Shire of Leeton***

Leeton Shire has an area of 1,167 square kilometres, adjacent to the Murrumbidgee River, falling within the Murrumbidgee Irrigation Area.

The primary land use is intensive irrigation farming, with the manufacturing of agricultural products being a major employer of residents. Leeton has the highest number of people involved in manufacturing, predominantly agriculturally based, of any Shire in the region, including nearby regional cities.

Council recognised that access to aviation is a critical issue in the workplace in the Shire, and as a result, jointly oversees the Leeton/Narrandera Airport, in conjunction with Narrandera Shire Council.

### ***The Current Service***

Ratepayers of Leeton Shire are currently serviced the jointly run Leeton/Narrandera Airport, which is serviced twice daily by REX, in conjunction with Griffith Airport.

Council recognises the issues with regional aviation availability, and has taken the stance to support the carrier by maintaining reasonable airport fees and charges.

Customers from our airport are predominantly business or medical passengers, who need access to daily return flights which can be fitted to appointments and meetings.

### ***Licence Issues***

Council has had a sound relationship with REX, and is aware of issues with the licensing of this route, which need to be addressed to ensure a long term viability of regional aviation.

The recent collapse of Brindabella Airlines is a sobering reminder of the commercial realities of running a regional airline, and Council brings forward these issues, including those with the licences, in the hope of protecting the very good service we have access to currently.

The licence system would appear in need of an overhaul, rather than remain the long and drawn out paperwork only process, which occurs every 5 years, as it is now.

There needs to be a refined or revised process, and better monitoring of performance during the five year period, for the good of the industry.

### ***Regional slots at Sydney Airport are now exhausted***

Due to the heavy demand on Sydney Airport, the slots available for regional flights are now exhausted, restricting the possibility of growth.

This has been partially relaxed due to the collapse of Brindbella Airlines but this is a short term effect and they soon be absorbed again.

The Leeton Shire region is working hard to promote business growth and employment, and this is seen to be a major impediment to the area, regardless of other advantages.

### ***Continued access to Kingsford Smith rather than a 2<sup>nd</sup> airport***

The majority of passengers from this area are on business or medical trips, requiring timely access to central Sydney, not a second airport in Western Sydney.

Travellers on leisure trips are far more likely to have the time to spend without stress on additional travel from a second western airport, than the travellers from regional areas.

Such additional time would make air travel less attractive, and financial pressure on airlines with more choosing not to fly could result in reduced or discontinued services.

### ***Regional airport pricing controls***

Some regional airports have adopted a stance of carrying out major upgrades with the hope of attracting visitation, and then having to increase their access charges.

Leeton and Narrandera Shires have adopted a less costly structure, coupled with conservative and more cost effective ground facilities, to ensure the longevity of the service it has.

It would preferable if some form of price control could be applied to the charging of regional airport fees, for their own good.

### ***Continued ACCC Price monitoring at Sydney Airport***

Leeton Shire Council applauds to cost controls at Sydney Airport by the ACCC, without these the cost of air fares from regional destinations could rise to a level where they would discourage travel.

Council recommends that the ACCC continues to monitor and control this area, for the benefit of regional air travellers.

### ***Summary***

In conclusion, Leeton Shire Council would like to see greater protection for sole operators of regional licences, such as REX, rather than simply a five yearly licence process with little result for the cost and time taken in the process.

Regional Australia will always have travel issues due to the tyranny of distance and population levels, but should not be ignored or priced out of the market.

Yours faithfully

Peter Kennedy  
Economic Development, Tourism & Events Manager

For and on behalf of Leeton Shire Council