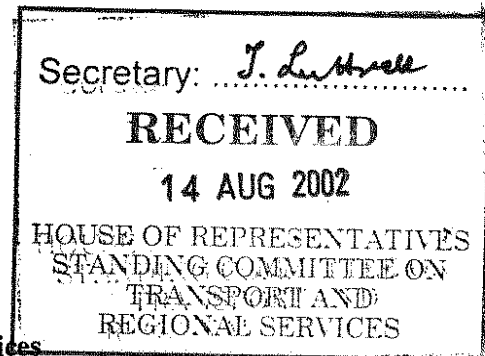




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Our Reference : 1/5/5
Date : 7 August 2002



Mr. Ian Dundas
Committee Secretary
House Of Representatives
Standing Committee on Transport and Regional Services
Parliament House
CANBERRA ACT 2601
Trs.Reps@aph.gov.au

Emailed 7 / 8 / 2002

Dear Ian

**Re: Inquiry into Commercial Regional Aviation Services in Australia
and Transport Links to Major Populated Islands.**

We welcome the invitation to provide a submission in regard to the above referred inquiry which has been forwarded to us by Ken Keech, CEO of the Australian Airports Association.

Adelaide Airport is particularly interested in the inquiry and would welcome ongoing dialogue in regard to the possible outcomes and strategies that the inquiry may establish.

We recognize the terms of reference, but with respect feel that the inquiry, despite the title, appears to be focusing on only one aspect of aviation and that is, airline operations. While this aspect is important, no single entity can survive as a stand alone but needs the input support and commitment from one or more other agencies in a "partnership" environment. Accordingly, we would recommend that the inquiry also look at the broader picture involving Airports, Shareholders, Suppliers of Goods and Services, Communities being served, Cargo in and out, other transport modes and the government agencies at any level associated with these stakeholders. It is our view that this grouping comprises "Aviation".

It is in this context that Adelaide Airport Limited supports the ongoing efforts by the National Executive of the Australian Airports Association to have the Commonwealth Government develop a National Aviation Policy. The events of the past twelve to eighteen months in this country clearly indicated the need for a National Aviation Policy seeking contributions from the stakeholder groups mentioned above.

That being said, please note our comments against the terms of reference hereunder:-

The adequacy of commercial air services in Regional and Rural Australia.

The infrastructure would seem to be adequate when the demand warrants it. However, the consistency and reliability are market driven and therefore may not be able to satisfy all the needs that communities may want and when they want it.

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We are also aware that many regional airports inherited a multi runway and taxiway airport system under the previous Local Ownership Scheme and have continued to budget and maintain the whole system when a review of 'use vs. costs' exercise would reveal significant savings if underutilized facilities were decommissioned.

These possible savings could then be utilized, for example, in a marketing campaign with airline operators to improve affordability in flying to the particular port.

Policies and measures required to assist in the development of regional air services, including:

- *Regional hub services;*
- *Small scale owner-operator services; and*
- *The deployment of most suitable aircraft types.*

These (Policies) are required to provide direction, guidance and support in the development of operator (including Airline and Airport) Master Plans, business and strategic plans specifically directed at aviation and support development. While not necessarily controlling competition, proper planning will identify the depth of the available markets and provide another tool in assessing viability of those respective markets.

A significant move in the policy arena would be the establishment of a mandated requirement for collectors of third party monies to place those monies in a recognized Trust Account to protect the cash flows on the end recipient. Recent events with the financial and business crash of Ansett highlighted an urgent need for a formal method to protect monies due to airports that are collected by the airlines.

The adequacy of commercial air services to major populated islands and the adequacy of alternative sea services.

The two modes of transport appear to compliment each other here in South Australia and while Kangaroo Island retains its attractiveness and can sustain its ecological balance all modes should be able to survive and indeed grow.

Interconnectivity between regional air transport systems, major national air services and international services (including on-carriage, through ticketing, freight handling, timetabling and airport slotting).

As more and more businesses and consumers become e-commerce aware the interconnectivity issues will become more manageable – at present there appears to be a need for policy in encouraging improved communication between regional/national/international carriers.

Similarly some policy decisions on 'de-Sydneycentricising' by Travel agents both inbound and outbound and encouraging the Commonwealth's open skies policy would go a long way to improving this issue.

The role of all three levels of Government in supporting and assisting the development of regional air services and island transport systems.

In addition to the comments under the "Policies and Measure..." Term above, the monitoring of safety, environmental and planning policy to ensure sustainability of resources is a role Government's could assist in.

Government could also provide some form of assistance program to airlines and airports by identifying and managing community service obligations and where necessary, utilize established air services rather than ad hoc charter for Health, Education, Legal and other servicing visits.

An independent audit in rationalizing the number of airfields and airfield development within regions – too many airfields in close proximity make demands on air services that cannot be sustained. We suggest that a greater than two to three hour motor vehicle trip radius would be a reasonable measure for a catchment to a regional airfield.


The issues of town planning and environmental management could also be given some aviation specific treatment at the regional and rural levels.

The role of major air transport carriers in providing regional services.

Major air transport carriers are able to assist by not abusing their lobbying power when negotiating for reduced service charges on major trunk routes to the detriment of carriers on less lucrative services. They could also make more of an effort in the consultative process to encourage schedules to coincide with regional services delivery and pick up at national ports and by encouraging affordable access to their Reservation Systems.

Thank you for the opportunity to provide some input into this inquiry and should you require any further information or explanation of any of the above please contact me on PH 08 8308 9221 or e-mail jmcardle@aal.com.au.

Yours sincerely



John McArdle
Manager Corporate Affairs
Adelaide/Parafield Airports

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