



SCONE SHIRE COUNCIL

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Secretary: *J. Luff*.....

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HOUSE OF REPRESENTATIVES
 STANDING COMMITTEE ON
 TRANSPORT AND
 REGIONAL SERVICES

Mr. Ian Dundas
 Committee Secretary
 Standing Committee on Transport and Regional Services
 Parliament House
 CANBERRA
 ACT 2600

Dear Sir,

Scone Shire Council wishes to make the following submission to the Standing Committee on Transport and Regional Services, especially in relation to regional airports such as Scone.

The Upper Hunter Region, served by the Scone Airport has reverted from an adequate commercial air service to no service, isolating the community from its central service hub of Sydney and stifling business development.

Scone airport was serviced until February 2001 by Yanda Airlines using 10 seat commuter aircraft that provided daily services to and from Sydney. Yanda Airlines drew its passengers from a 50km radius of Scone and serviced significant passenger intake from the mining operations surrounding the Muswellbrook and Aberdeen areas. The company also serviced Coonabarabran, Gunnedah, Singleton and Maitland communities. Yanda Airlines planned to expand its operations by introducing a Brisbane service.

This service allowed same day return travel from Scone to Sydney or in reverse, from Sydney to Scone and was a great benefit to the business community. It also catered for those in the community requiring specialised medical treatment or consultancy and travellers connecting to or disembarking from other flights at Sydney.

Unfortunately, the company fell foul of CASA and withdrew the service.

Now our residents and visitors have a greatly extended travel time by road or rail, often forced to stay overnight, increased discomfort for the ill and business is avoiding the region.

The provision of a regular RPT service is pivotal to Scone Shire's, and indeed the Upper Hunter's, continued economic growth. Scone Airport is considered by a wide range of Upper Hunter business organisations in the coal, horse breeding, racing, beef cattle, grape growing and wine production, tourist and aviation industries to be an important factor to the continued success of their businesses.

The airport is an important contributor to the local economy. The five aviation industry businesses currently operating from Scone Airport employ 34 staff and together generate revenue totalling \$5.5m per annum. The Hunter Valley Research Foundation has indicated that this revenue's flow-on value to the Upper Hunter economy, by way of business generated in local support industries and indirect wages, would be around \$16.5m per annum based on the application of a multiplier of 3. Without a regular air service, these businesses will decline.

The Scone airport was developed in 1958 with the assistance of both government funding and contributions from the general population of Scone.



The airport is owned, operated and maintained by the Council. It is located 4 km west of the township and covers an area of 50 hectares. Lighting was provided in 1983 and the runway was bitumen sealed in 1984. It was designed to accommodate aircraft to the standard of a Fokker F27.

The airport also supports major aerial agriculture, aircraft maintenance, aircraft assembly and aircraft restoration operations. It houses one of the largest "Warbird" collections in Australia.

In addition there is an active aero club that owns its own aircraft and has provided flying training since 1969. A range of business and recreational aircraft, courier services and the Air Ambulance also use the Scone airport.

Facilities at the airport include an ageing public passenger terminal with waiting room, public telephone and toilets, aircraft fuelling facilities, automatic weather station, and NDB (Non Directional Beam Radio) and PAALC (Pilot Actuated Airport Lighting Control) systems.

Existing business established on the Scone Airport include Scone Aircraft Maintenance. This company has eleven locally recruited employees involved in aircraft maintenance and assembly in addition to parts manufacturing and engine overhauls. The company proposes to construct an additional hanger/workshop

Also established is Pays Air Service, involved in general aviation and has been based in Scone for 39 years. There are twelve employees carrying out in house aircraft maintenance and restoration of the company's eleven aircraft, along with aerial agriculture and a fire bombing base.

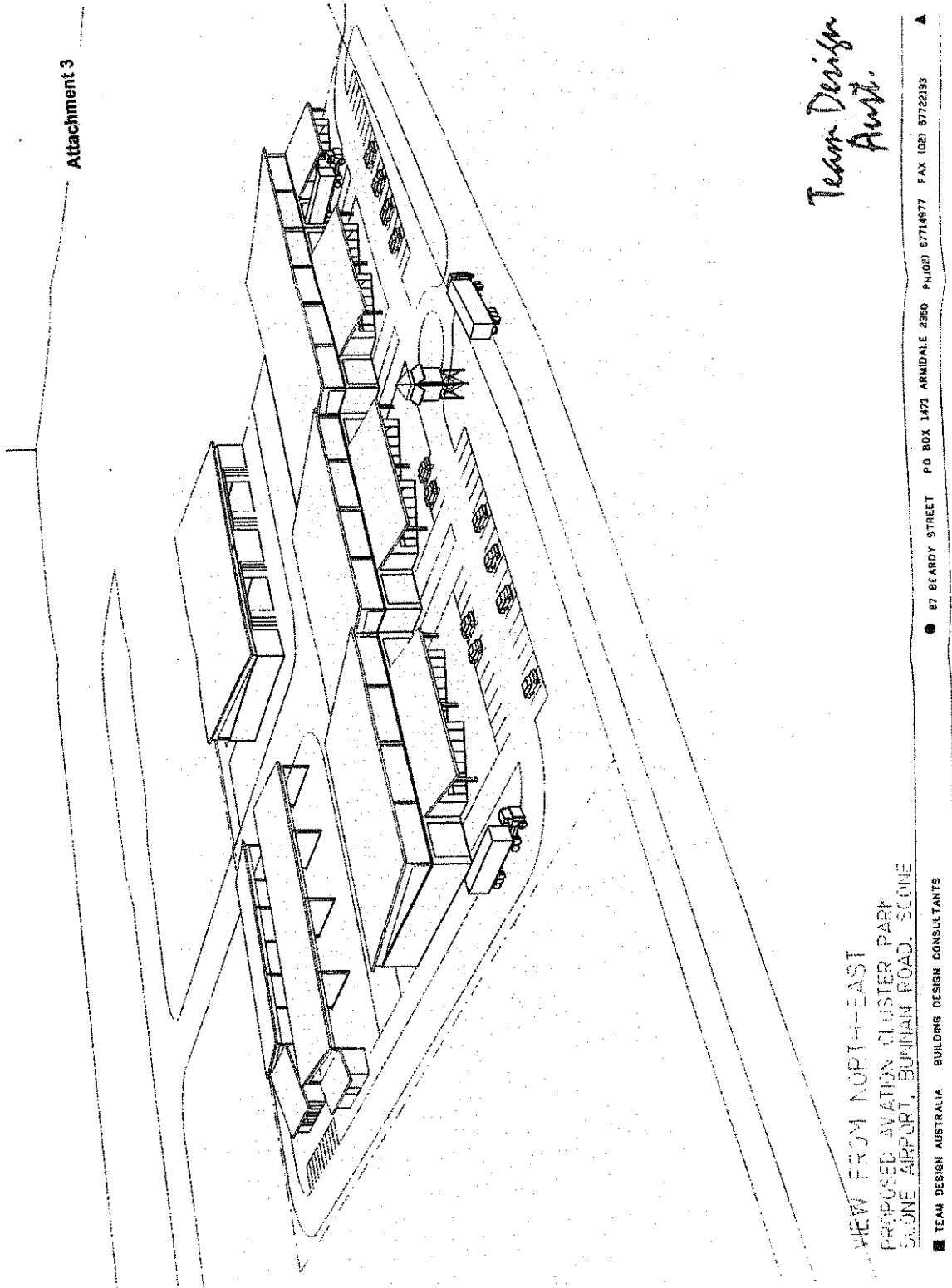


Pays Air Service

Two years ago, Council recognised the need to expand the business opportunities at the Scone Airport. The presence of an existing aviation cluster and the evidence of local growth in the aviation industry over the past 10 years provides an excellent base on which to build further opportunities for economic and employment growth. As a result of an initiative by the Council and its Airport Management Committee, an opportunity has been recognised for the development of an Aviation Cluster Park. On the present average ratio of ten jobs for each current business, it would be reasonable to expect that this new initiative will generate about ninety full time jobs when fully implemented.

Council has commenced construction of a Cluster Park so aircraft owners and commercial operators can have all their needs serviced at the one centre. The project is to develop a ten-lot subdivision at the airport using Council contributions along with RETS grant funds.

The project is designed to be an extension of the already successful aviation services industry at Scone airport. It was envisaged that the cost benefits of operating within the Scone area will attract businesses that currently find it difficult to maintain their profit margins at the major metropolitan airports. An aerial agriculture enterprise and a jet refuelling centre are under construction on the development.



*Team Design
Arch.*

VIEW FROM NORTH-EAST
PROPOSED AVIATION CLUSTER PARK
SCONE AIRPORT, BUNNAN ROAD, SCONE

TEAM DESIGN AUSTRALIA BUILDING DESIGN CONSULTANTS

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Proposed Aviation Cluster Park for Scone Airport (Under construction)
The lack of a regular air service places the future of the Scone Airport, the surrounding infrastructure and businesses in jeopardy.

However, the obstacles faced in starting a commercial air service to serve small regional airports are great. Regional air services do not compete on a level playing field due to the heavy subsidisation of the competing rail and road services. Further, CASA's one cap fits all approach to regulating the aviation industry is a huge handicap to small operators. In addition, guaranteed access to Kingford Smith Airport is essential for regional services.

It is essential that regional air services be encouraged by the provision of realistic start up assistance to rebuild the service, reduced cost of regulation to allow competition with the subsidised rail and road systems and assured access to KSA at a realistic price per passenger.

Scone Council, in recognition of the value of an air service to the region, subsidises the cost of running the Scone Airport four to one. Government must also contribute to ensure that the citizens of this region can again avail themselves of the services of a regional airline.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'D N Dutton', written in a cursive style.

D N Dutton
GENERAL MANAGER