REGIONAL AIRLINES ASSOCIATION OF AUSTRALIA Ltd.

Committee Secretary

Standing Committee on Primary Industries and Regional Services

House of Representatives

Parliament House

Canberra   ACT   2600

Friday, 16 April 1999

Dear Sir

SUBMISSION TO HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON PRIMARY INDUSTRIES AND REGIONAL SERVICES.

RE: - INFRASTRUCTURE AND THE DEVELOPMENT OF AUSTRALIA'S REGIONAL AREAS.

A total of more than forty regional airlines provide scheduled services to over two hundred aerodromes throughout Australia. They do this utilising a fleet of two hundred and forty aircraft, ranging in size from 5 to 70 seats.

There are many restrictions and cost impositions imposed upon regional airlines providing these services, many of which inhibit the optimal delivery of affordable and safe travel.

The Regional Airlines Association of Australia wishes to comment to the Committee under the following headings: -

1. Landing Fees at Regional Airports.

2. Regulatory legislation imposing additional cost on regional operators of air services.

3. Reduction on Remote Area Subsidy Scheme funding for remote mail deliveries.

4. Location Specific charging by airports and Airservices Australia.

5. Licensing and de-regulation of regional air routes.

6. Air route subsidies.

1   Landing Fees at Regional Airports

Virtually all Australian airports, aerodromes and landing areas are privately owned in some way. These may be held by individual owners, local bodies, private companies or consortia. In all cases the charges made on arriving or departing passengers and aircraft vary from nothing to more than $25 per passenger.

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Charging systems also vary: Some are based on aircraft weight, some on passenger numbers, some on a combination of both and some as a fixed charge. Only in South Australia is there a Government standard applied.

In addition, the moneys recovered by airport owners are often used for purposed other than maintenance and improvement of the airport. In other words, the airport is regarded as a cash source for non-airport related activities.

The Association is prepared to provide a listing of many airport charges as at the beginning of this year. This fee must be recovered from the passenger, either directly or within the ticket cost, and consequently adds to the burden of the passenger.

2   Regulatory Legislation

Australian Civil Aviation standards are appropriately high and the regional airline industry supports their retention at a high level. Nevertheless there are requirements imposed on regional aircraft which add to the cost of operation of aircraft without specifically enhancing safety standards.

For example, all Australian aircraft capable of carrying more than 10 passengers must be fitted with a Ground Proximity Warning System. There is no justification for this equipment, costing some $90.000:00 dollars per aircraft, in Australia's remote areas on unpressurised aircraft.

An additional example is the requirement for an airline operating into an aerodrome to provide a frequency response unit to ensure *any other* aircraft are on the correct radio frequency. This becomes a charge to the airline and ultimately the passenger and is not of specific benefit to the passenger.

3   Funding for Remote Mail Deliveries.

Services to remote areas are subsidised under the Remote Air Service Subsidy Scheme (RASS).

The quantum of this subsidy has not kept pace with the cost of its provision. The Association is prepared to table extensive correspondence between service providers and the Government in this regard.

4   Location Specific Charges.

Various authorities have progressively introduced location specific charging policies in a number of charging regimes.

These include airports, AirServices Australia, and the Civil Aviation Safety Authority.

The Association as policy supports this principle, however anomalies adverse to regional aviation do arise and should be alleviated if possible.

For example, provision of higher level of fire service at Darwin was necessary when an overseas carrier introduced a new aircraft type for its service through Darwin. This resulted in a higher cost for the fire service which was passed on to local

operators using that airport. This then became an increased cost with no benefit to regional passengers.

5   Licensing and Deregulation of Regional Routes

Most regional routes in Australia are operated under a de-regulated environment. That is to say that any operator can provide services on any route provided that operator meets the standards set by the regulator (CASA).

The major exception to this is in New South Wales, where the major intra-state air services are operated under licenses approved by the NSW Government. These licenses are due to expire in the near future, however there is no indication as to whether they will be re-bid, extended or abandoned. It takes as much as two years to order, train for and introduce new aircraft so that services can be improved. As a consequence, improvements to the standard of service provided are being unnecessarily delayed.

6   Air route subsidies

A number of air routes are subsidised by state Governments if they meet certain criteria.

The Association supports this practice as a viable means of ensuring adequate air services to remote and sparse areas of population. As rural populations decline, the Association believes that this practice should be reviewed and supported by the Federal Government.

The Association will be pleased to comment verbally to the Committee on any points covered in this submission.