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Secretary: *J. L. Peate*

RECEIVED

30 AUG 2002

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

Ref No 45/1/14 (O10176)

27 August 2002

Committee Secretary
House of Representatives
Standing Committee on Transport and Regional Services
Parliament House
CANBERRA ACT 2600

Dear Sir

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

Please find enclosed Council's submission in relation to the Inquiry into Commercial Regional Aviation Services in Australia.

I would be pleased if these comments could be taken into account as part of your deliberations.

Thank you for your assistance and cooperation.

Yours faithfully

Russell J Peate
CHIEF EXECUTIVE OFFICER

RJP:mgm

Commercial Regional Aviation Services Inquiry

The adequacy of commercial air services in regional and rural Australia.

- Most Regional Airlines use small aeroplanes with no facilities to cater for children, aged, disabled, or invalid passengers. Bandierante Metros, Jetstreams, Kingairs, Conquests and Beech 1900's are all examples.
- Frequencies for Regional routes are generally set for business use offering few concession fares due to high demand. Schedules and types are predicated on what the business market will support which is detrimental to tourist and social markets that can be seasonal or cyclical (eg school holidays).
- Regional Fares are disproportionate to "City Pairs".
- Add ons to fares such as travel to departure point and transport from capital city airports to central cities add a cost component that disadvantages most country citizens.
- Reliability of Regional Services (due Weather & Aircraft Serviceability) is less than city pairs.
- Most often "hubbing" through major ports increases ticket cost to destinations beyond nearest centre.
- Legislative requirements inhibit small operators.
- Tax rules preclude use of suitable modern equipment.
- User pays concept marginalizes small communities due infrastructure requirements.
- Level of safety is less, due financial pressures, aircraft equipment and flights are frequently operated outside controlled airspace. Most small airports have limited navigational aids requiring circling approaches at night and in poor weather. Circling approaches are far less safe than runway approaches.
- Pilot training for small operators is minimal due to costs and economies of scale which preclude the use of simulators.
- Regional operators pilots are commonly under commercial pressure to compromise loading limits for either fuel or payload requirements
- Aircraft are generally quite old (more than ten years of age or exceeding 20,000 flight hours), particularly those offering less than 20 seats

DISTRICT COUNCIL OF GRANT

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

1. Regional Hub services ;

- Regional hubs can help if they are strategically located and identified as such. They are common in the U.S. There should be Government assistance to provide adequate infrastructure and operational assistance. Major operators should be required to adequately link hubs to their wider network and provide flag fall assistance to connecting small operators as a condition of holding peak slots at primary airports.
- Regional hubs ought to have the highest level of government, medical and educational facilities possible as a matter of policy.
- Governments run and subsidise urban transport systems such as trains, trams, buses and ferries but totally ignore rural communities. Governments are centralising their services more and more to the capital cities. Higher education and specialist medical services are also largely city based. Country people have little option other than to access these types of facilities in the cities, yet travel costs and access are becoming increasingly unreasonable.

2. Small scale owner – operator services; and

- Single Engine, single pilot, Turbo Prop RPT/IFR should be permitted in daylight over reasonably safe terrain to connect smaller communities with Regional Hubs.
- The development, in Australia, of suitable light modern transport aircraft should be encouraged, with government assistance if necessary, which are capable of servicing small and remote communities. The aircraft ought to have characteristics similar to the Pilatus PC-12 as a minimum.
- CASA ought to be required to develop reasonable operating requirements specifically directed at low capacity operators. CASA's current philosophy is akin to saying – if we can stop them flying, aviation will be perfectly safe! Some level of service is preferable to none at all provided it affords a reasonable level of safety and the risks or shortcomings are clearly identified to the passengers. Small operators need to be treated differently to large ones. They should be surveyed rather than audited. They should spend their money on equipment and training instead of paperwork. They need to be stable and profitable and capable of securing and retaining experienced staff. General Aviation is almost dead as an industry today largely due to its inability to afford the endless changes imposed upon it by the whims of bureaucracy over the past 25 years, yet the safety record has changed hardly an iota.

3. The deployment of most suitable aircraft types

- Every assistance should be given to facilitate the entry of high capacity operators onto regional routes that can sustain them. Whilst competition is good in theory it is not possible to sustain it over most regional routes. Route protection on a limited basis should be available to operators of high capacity types provided they demonstrate that they provide adequate capacity and service levels. The protection afforded should relate to non-competitive scheduling and equipment, rather than denying access to routes. Types utilised on protected routes should be of no less standard than utilised on non-protected routes by the same operator; be required to have a flight attendant; be capable of loading non ambulatory passengers; be viable on an 80% occupancy level at a fare basis the protected operator would charge on a similar competitive route.

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

- No Comment

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

- Where a Regional Service is owned by a "major" or enjoys a "code sharing" or reservations and handling agreement, Interconnectivity arrangements should be no less than the major would afford its own customers. Where there is an implied understanding on the part of a passenger (by way of the sale of a multi-sector ticket) the onus should be on the major to provide the service. The "fine print" on tickets is usually to the benefit of the carriers and is largely passed over in their advertising schemes.

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

- Since most regional airports are community owned, Passenger Levies ought to be protected by law in a similar manner to rates and taxes. Perhaps they should be dispersed through a Government agency such as the Post Office on a daily or weekly basis
- Airport infrastructure should be regarded as a national asset and appropriately funded through all tiers of Government as ports and major roads are. Possibly the proposed AusLink program may address this.

The role of major air transport carriers in providing regional services

- No comment.