

## **Joint Submission from Leeton and Narrandera Shire Councils to the Inquiry into Commercial Regional Aviation Services in Australia and Transport Links to Major Populated Islands**

Narrandera and Leeton Shire Councils welcome the opportunity to lodge a submission to the Inquiry. Air services are one of the most important regional issues having a direct impact upon business, tourism, health and lifestyle.

The uncertainty associated with regional air services over the past twelve months has had a negative impact upon rural communities. The continued growth and development of this region is dependant upon a reliable and acceptable air service.

### **The Adequacy of Commercial Air Services in Regional and Rural Australia**

The Leeton / Narrandera Airport is jointly operated and controlled by Leeton and Narrandera Shire Councils. Both Councils welcome the establishment of Regional Express Airlines (REX) from the former Kendell and Hazelton Airlines.

The daily service to and from Sydney provided by REX is vital for this region. The airport services a wide catchment area with a population of 20,000.

As with other regional centres Leeton and Narrandera communities rely heavily upon regular daily flights in and out of Sydney in suitable time frames. It is essential that this be maintained.

The Leeton / Narrandera Airport is well utilised with annual passenger numbers of approximately 10,000 (ie: through the terminal).

These numbers are particularly impressive given that the present service does not provide flights into Sydney during the peak period and when passenger demand is highest. A peak period service into Sydney would be very beneficial and well supported in terms of passenger numbers.

### **Policies and Measures required to Assist in the Development of Regional Air Services**

#### **⇒ Regional Hub Services**

Both Councils are strongly opposed to the Leeton / Narrandera service to Sydney being reduced to a regional hub service.

Hub services have a proven record of failure and significantly inflate the cost of air services, eg: the Hay air service. The introduction of a hub service would damage the economic development of this region. It would result in fewer passengers flying as flight times and costs would increase. This would lead to a drop off in visitors and business investment. It is considered that under this scenario many more people would elect to drive to Sydney, having implications for road safety and business competitiveness.

In its current form, a number of staff work from the aerodrome on a daily basis, and any move to hub services would threaten the viability of those positions.

#### **⇒ Small Scale Owner-Operator Services**

Historically this region has been serviced by Hazelton Airlines, a company that provided a reliable and regular service using medium size planes. The Leeton / Narrandera Airport has a range of

support services in place, such as fuelling facilities, navigational aides, terminal facilities, and associated support services that ensure the viability of this type of service and plane.

It is felt that small scale owner operator services would not provide this continuity of service, and for safety and reliability concerns would be resisted by many people, both from within the business sector and across the wider community.

#### ⇒ **The Deployment of Most Suitable Aircraft Types**

There is strong anecdotal evidence that there would be resistance to the smaller aircraft. The existing service into Narrandera is a Saab 340B, which is ideally suited to this route. As pointed out above both Councils and communities favour regular and reliable services through a medium size carrier. The introduction of smaller scale competing services is not considered a priority by either Council.

At public meetings associated with the renewal of route licenses, members of the public have re-stated that air services should provide pressurised, disabled access and current aircraft capacity. Smaller size aircraft would not be supported.

With an ageing population, and with a median age above the national average, disabled access is a key component. This is best provided by larger aircraft. Because of the rationalisation of aged care services, the demand for this type of service is only likely to increase.

#### **Interconnectivity**

It is essential that regional air services fly into the airport from which interstate and international flights are available.

Both Councils are aware of previous investigations into using Bankstown Airport, and reject this totally.

#### **Role of Governments**

Governments must continue to provide support and maintain a regulatory function in safeguarding air services in regional Australia.

It is our understanding that the former Kendell and Hazelton Airlines were economically sustainable and that their demise was a result of problems within the parent company. However, notwithstanding the importance of economically viable routes, market forces alone must not be allowed to dictate the face of regional air services. Government should monitor the industry so that service levels are maintained, and concepts such as hub services and flying in and out of Bankstown Airport are not countenanced.

#### **Air Transport Carriers**

The future of regional air services requires a co-operative approach from government and airline companies. Governments must work with the key airline carriers to ensure service levels are maintained and that carriers can compete in terms of slot times, landing fees, terminal access, and so on. Conversely, the government must monitor regional airlines and if necessary, impose a community service obligation to ensure services continue to all key centres.

The former Hazelton Airline had an excellent working relationship within the region, and we welcome the proactive approach taken by REX in carrying this tradition on.

**Conclusion**

Following the upheaval in the airline industry over the past twelve months this Inquiry provides a good opportunity to set the parameters for the ongoing development of the industry across regional Australia. Leeton and Narrandera communities rely upon air services for their development and growth. Both Councils urge the Committee to bring forward recommendations that will acknowledge the importance of air services to the growth and development of the regions and that will ensure regional air carriers remain competitive.

**Further Inquiries**

For further inquiries please contact Kevin Scully, Economic Development Officer, on phone 02 6959 5503, fax 02 6959 1884, or email: [kevin.scully@narrandera.nsw.gov.au](mailto:kevin.scully@narrandera.nsw.gov.au).

Yours sincerely

**Ken Murphy**  
**General Manager**

