

ALL COMMUNICATIONS
TO BE ADDRESSED TO:

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OFFICE HOURS:
Monday to Friday
8.30am to 4.30pm

ATTRACTIONS INCLUDE:

Bicentennial Memorial
Copeton Dam
Cottage Kiya Gallery
Dejon Sapphire Centre
Fossicking
Gilgai Winery
Goonoowigall Reserve
Gwydir Ranch Park
Inverell Art Centre
Inverell Pioneer Village
Inverell Scottish Memorial Cairn
Kings Plains National Park
Kwiambal National Park
Lake Inverell Reserve
New England Estate Wines
New England Wood Turning
Olives of Beaulieu
Pindari Dam
The Draught Horse Centre
The Gem Centre
Transport Museum
Wild Water Adventures - Rafting

FESTIVALS INCLUDE:

Sapphire City Festival
The Great Inland Fishing
Festival

Our Ref: 30.16.4 PT 1

19th June 2003

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

Dear Mr Dundas

Re: Late Submission to Inquiry into Regional Aviation Services

I refer to the above inquiry and verbal advice provided to the Mayor Cr B Johnston that the inquiry would be prepared to accept a late submission from this Council.

Council appreciates the opportunity to be able to lodge this submission and sets out below the issues which it believes are of importance in relation to the provision of Regional air Services.

Council believes that the current system of providing air services to smaller regional centres does not address the particular and specific needs of smaller regional centres such as Inverell and Gunnedah. There are many centres of similar size which over recent years have lost their RPT service. In many cases this loss of service has been based on hard line economic decisions taken by companies seeking to minimise the number of ports serviced whilst maximising profit.

Such decisions and Government policy have not taken into account the absolute reliance of many rural based businesses on quick and efficient air transport to their small regional bases. Council believes it is essential that the Government recognise the absolute necessity for such services to be provided. In ensuring that this is the case, Council believes the Government should develop a range of policies which encourage the development of and sustainability of such services.

These policies may include:

- tax reductions or holidays for small operators,
- some element of regulation to protect small operators and sub-regional routes,
- rebates on fuel excise and taxes for small operators to enable their fuel costs to be equalised to the actual costs incurred by the larger operators who use their bulk buying power to obtain cheaper fuel.

Secretary: *A Becking*

RECEIVED

24 JUN 2003

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

"Striving for Excellence"

Local Government Councils generally provide the infrastructure to support smaller regional air services at the regional level, ie airports. Council believes that the Commonwealth should develop and implement an infrastructure support program for local airports servicing sub-regional RPT services. This program should provide funding on say a \$2 for \$1 basis to local Councils to enable them to provide, maintain and upgrade local airports in accordance with constantly changing and enhanced requirements. Such a subsidy would show that the Government is serious in seeking to encourage commercial and industrial development in rural areas. It is noted that virtually every firm which meets with Council to discuss relocation to our area asks about the existence of and frequency of air services to the area. It is seen by them to be a critical factor to their decisions to relocate. An air service is seen as critical to:

- provide speedy movement of management and consultancy staff,
- attract staff and their families to live in regional areas,
- permit quick access for buyers to points of manufacture,
- allow for adequate servicing of long distance customers, and
- provide speedy access to specialist medical services, either by way of travelling specialists coming to the area or by patients travelling to Sydney.

This Council has seen the loss of RPT services to the Inverell District in recent times and is currently negotiating to secure a replacement service. The service, which was withdrawn by Qantas, was supposed to be continued for a minimum period of two years after the takeover of Impulse by Qantas. This was apparently a condition imposed on Qantas by the ACCC when it agreed to the takeover. Subsequently it is Council's belief that the type of service provided by Qantas coupled with an unsatisfactory timetable resulted in a reduced patronage far lower than the historical levels by earlier services. As a result of that reduced patronage Qantas withdrew from the service.

The purpose of this information is to indicate to your Committee that the type of service and the scheduling are critical to the success of any smaller sub-regional service. In this respect Council is of the opinion that except in limited circumstances, hub and spoke services are not always the most effective. Small aircraft on the spoke services have limited capacity for luggage and on-bookings can be a problem with increased waiting times at the hub airport, particularly if the on flight is heavily booked. Transfer of luggage can also cause delays or loss of or missing luggage. All of these factors can contribute to dissatisfaction with and reduced usage of such services.

Council understands that the Government needs to have a revenue stream from air travellers to help it meet its responsibilities associated with air safety and infrastructure. However Council also believes that the community interest principle requires the Government to consider the waiving of some of those taxes and charges for small operators of both RPT services and airports to ensure that services can be provided to sub-regional centres at affordable prices. Any relief that is provided to help such operators should apply to purchase of aircraft and parts, infrastructure and services at small airports and to ticket sales for travel to or from small ports. Such relief could be based on passenger numbers through such ports and could be on a sliding scale with relief reducing as numbers increase.

Your Committee's favourable consideration of this submission is requested.

Yours faithfully



P J HENRY

GENERAL MANAGER