

EAST GIPPSLAND SHIRE COUNCIL

Secretary: *J. Luffall*

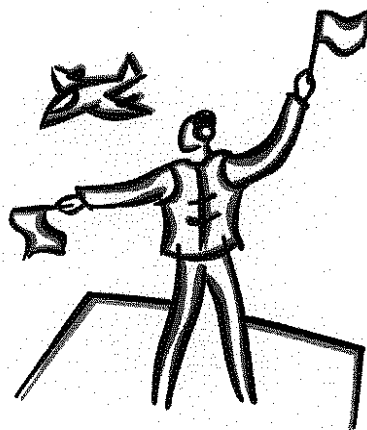
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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

**INQUIRY
INTO
COMMERCIAL REGIONAL AVIATION
SERVICES
IN AUSTRALIA
AND
TRANSPORT LINKS TO MAJOR POPULATED
ISLANDS**

*BLUE SKY OPPORTUNITIES
FOR
EAST GIPPSLAND SHIRE*



EAST GIPPSLAND SHIRE

SUBMISSION

East Gippsland Shire would like to acknowledge the support of Latrobe City, in particular, access to its submission and permission to use the information contained therein.

Council would also like to acknowledge the support of Mr William (Bill) G. T. Barber Investment Manager - Latrobe City (Council) in preparing this submission.

BACKGROUND

From Metung to Mallacoota, Orbost to Omeo, Bairnsdale to Bonang – the East Gippsland Shire is both large and diverse and in many ways the most unique in the state (refer **Attachment 1**).

Nestled in the far east of Victoria, the Shire features wonderful coastline scenery, a lakes and river system to match anywhere in the world, rugged high country, extensive national parks and state forests. National Parks and forests account for 76% of the Shire.

The Shire covers 10% of the State of Victoria and at 20,945 sq klms is the second largest municipality in the state.

A population of around 40,000 people resides in the East Gippsland Shire, over 11,000 of these in the major commercial centre of Bairnsdale. A 280km drive – or three hours – will take you from Melbourne to Bairnsdale. To its far eastern boarder is at least another three-hour drive.

From Bairnsdale you can travel along coastal fringe towns such as Paynesville, Lakes Entrance, Metung and Mallacoota, or inland to places including Bruthen, Omeo and Buchan.

Tourism is a key component of the East Gippsland economy and each year thousands of holidaymakers visit the region. Among the tourism drawcards are the Gippsland Lakes, Ninety-Mile Beach and Buchan Caves.

While tourism is a focus all-year round and particular during summer, other industries including timber, agriculture and fishing play a major role in the prosperity of East Gippsland. The timber industry and flow-on workforce represents a significant part of the region, while the farming community, along with the land itself, are regarded as leaders in the state. Australia's largest fleet of offshore fishing trawlers is based at Lakes Entrance.

Recent figures show that many of the coastal towns in our Shire have recorded significant growth in property values, with developments in Paynesville, Metung and Lakes Entrance playing a major role.

ARE REGIONAL AIR SERVICES IMPORTANT TO EAST GIPPSLAND SHIRE?

Regional air services are very important to East Gippsland Shire. In an increasingly globalised market access to all "highways", whether transport or information, are critically important.

A day in politics may be a long time, but every hour in business, or in response to an emergency, is critical.

East Gippsland Shire must be in a position to compete with larger regional and metropolitan areas if it is to attract investment. Interconnectivity with air services is vital to have ready access to the national and international markets. Easy access to other levels of government is vitally important in representing the citizens of the Shire.

COUNCIL OPERATED AIRFIELDS

Council has three licensed airfields:

1. Bairnsdale;
2. Orbost (at Marlo); and
3. Mallacoota.

Bairnsdale is located on freehold land. Orbost and Mallacoota are on Crown land with Council being the Committee of Management.

Full technical details about each of these airfields are listed at **Attachment 2**.

PRIVATE OPERATED AIRFIELDS

There are many privately operated small airstrips throughout the Shire. There are two significant private airfields in Lakes Entrance. One of the airfields (Colquhoun Road) is currently being reconstructed and details of this substantial private development is shown at **Attachment 3**.

MAJOR TRANSPORT ROUTES

Road

The Princes Highway is the major link to Melbourne and Sydney. From Bairnsdale (the Shire's commercial centre and Council's corporate centre) the drive to Melbourne is approximately three (3) hours, eight (8) hours to Sydney via Canberra and nine (9) hours via the coastal route. The Highway joins the Monaro Highway to Canberra at Cann River with a driving time approximately five hours.

Rail

A broad gauge rail line exists from Melbourne through Bairnsdale for transporting freight. Currently, there is a return rail passenger service from Melbourne to Sale (Wellington Shire and 45 minutes from Bairnsdale) with a coach service to Bairnsdale and further east. There is a plan to restore passenger rail services to Bairnsdale in 2003.

Air

With the cessation of Ansett's Hazelton, a six-day week service from Latrobe Regional Airport to Sydney via Albany was abandoned. The only regular passenger service utilising Latrobe Airport operates Monday, Wednesday and Friday from Essendon Airport to Latrobe, then to Flinders Island and Launceston. An eight-seat non-pressurised Piper aircraft operates the service.

There is no service at this time linking Canberra or Sydney, however it is envisaged Sydney will be linked via Merimbula by Australiawide Airlines from 1st October 2002.

TRANSPORT ISSUES

East Gippsland Shire because of its location as the most easterly shire in Victoria faces some unique challenges.

It is important for businesses and Council to have a direct line of air passenger transportation to Melbourne, Sydney, Canberra and even Launceston.

A Melbourne service could be used for day meetings saving in excess of 8 hours in travel time whether the journey is undertaken by road or rail.

A daily flight to/from Melbourne would supply other important aviation links. Tullamarine is an important connection for flights to other capital cities and also overseas. Essendon Airport is also available for commuter / regional aircraft services.

The Shire is separated from both Sydney and Canberra by mountain ranges. These barriers mean that the only transport link to Canberra and Sydney is either an arduous journey by road or expensive chartered flights.

These barriers impact on the Shire's capabilities to attract investment.

TERMS OF REFERENCE

Adequacy of Commercial Air Services

With the collapse of Ansett and its subsidiary airlines, this Shire's air access to capital cities greatly diminished. While there were no direct air services from within the Shire, regional services were at least available from Latrobe City.

While chartered flights are an option, they are expensive and provide an irregular service.

Policies and Measures to assist Regional Air Services

This Council supports the development of Latrobe City as a regional hub. Council believes that this scenario presents the greatest opportunity for Bairnsdale (at least) to be part of a viable regular commuter coastal route to Sydney. Depending on circumstances such a route might also provide a service to Mallacoota and Orbost.

The advantage of such a route is that it does not require pressurised aircraft and so reduces both capital and operating costs.

The development of Latrobe City as a hub could provide a link to pressurised aircraft that could fly the Canberra route.

Small Scale Owner-Operator Services

In the longer term Council believes that Small Scale Owner-Operator Services will not be viable. Small regional air services will need subsidisation to deal with the throughs that will inevitably occur in passenger numbers.

Council believes that aviation subsidisation should be considered as it is with other modes of transport. Both the State and Federal Governments (directly and indirectly) invest billions of dollars in road and rail infrastructure and operations.

Suitable Aircraft Types

Eight Seat Capacity

Piper Chieftain twin engine aircraft which carry eight and ten passenger seats have been used extensively. This type of aircraft is not pressurised, and is not certified to fly in excess of 20,000 feet.

This type of aircraft is not suitable to fly from Bairnsdale or Latrobe over the Australian Alps to Canberra, except in good weather conditions. RPT services are required to fly in all weather conditions, which allow flight in what is described as fair weather safety.

The single engine GA8 aircraft constructed by Gippsland Aeronautics is CASA certified. Six of these eight seat aircraft fly various services in Australia in remote areas.

Both of these types of planes could operate in concert with larger regional airlines ferrying passengers to regional hub airports.

Nineteen Seat Capacity

A number of aircraft, most of which are pressurised, provide two pilots without a flight attendant under CASA Certification. This size of aircraft might provide the best opportunity for commuter "hopping" on a Sydney/Melbourne coastal route that takes in airfields in this Shire.

Thirty-Six Seat Capacity

The Shire has no airfields currently that can handle this size of craft.

General Comment

The type of aircraft could often change for passenger demand. The type and size of aircraft can and will vary from location to location. The smaller the population to be serviced will in most circumstances decide on the size of the aircraft.

Interconnectivity of Air Services

There is an important synergy between regional air travel connecting with major national and international airline services.

East Gippsland Shire residents have no option at present other than to travel by road and rail to Tullamarine Airport in order to connect with major national (Qantas or Virgin) and international services.

Information from regional areas indicates that between 10 - 15% of regional airline passengers interconnect with major national or international air carriers. This provides market share for national and international services. For passengers, the ability of being able to book luggage from a destination such as Latrobe Regional Airport direct to Brisbane or Hong Kong ensured that passengers flew the larger sectors in associated or company owned aircraft.

To ensure interconnectivity, it would be necessary to ensure ticketing between regional airlines and major carriers can interface. This may necessitate the regional airline having direct access to Qantas and Virgin Airlines ticketing systems.

Regional airlines while not necessarily being affiliated with major carriers, would need to be able to provide a luggage and ticketing process which allows passengers frequent and easy terminal access. Additional time and resources are necessary to facilitate a smooth and timely transfer to international flights.

For small regional airlines, to address the problems of air slotting into such airports as Kingsford Smith (Mascot) together with major imposts to land, terminal and take off, may mean "hubbing" at such airports as Canberra and passengers being taken to Sydney in larger domestic airlines.

Major airports such as Canberra should be encouraged to provide major frequency destination services to larger capital cities. As an example, a service from the Latrobe Regional Airport to Canberra would then provide reasonable access to Adelaide, Sydney, Brisbane, Perth and North Queensland.

Roll of Government Supporting and Assisting Regional Airlines and Island Services.

Clearly, all levels of government must work together if there is to be a future for regional airlines.

As discussed already, Council believes:

- Small Scale Owner-Operator Services will not be viable. Small regional air services will need subsidisation to deal with the throughs that will inevitably occur in the passenger numbers.
- Aviation subsidisation should be considered as it is with other modes of transport. Both the State and Federal Governments (directly and indirectly) invest billions of dollars in road and rail infrastructure and operations.

Access to national and international trade is critical to remote shires such as East Gippsland Shire – one could argue even more critical if these shires are dealt with the impact of globalisation.

Role of Major Transport Carriers

The demise of Ansett and its subsidiaries have left a major gap in regional airlines.

In the world of global airlines (including Qantas and Virgin – and in spite of their rhetoric) it is only the profitable regional air routes that will be supported. These include regional air routes that provide sufficient passengers for the interconnectivity to national and international flights. As stated already, it ensures the 10-15% of passengers, who would transfer to a major carrier to fly to other locations, continues on with the regional air route operator.

If regional air services are to be of benefit to rural communities they must be timetabled to meet the requirements of passengers needing to attend business or other meetings, not just to connect with their national and international air services.

To provide a "community" service, governments will need to legislate, subsidise and use licensing for profitable routes to achieve equitable services for remote communities.

Rhetoric, Codes of Practice and Customer Charters will not provide equitable and accessible services to remote communities.

COUNCIL'S RECOMMENDATIONS

1. Federal and State Governments must enunciate immediately:
 - their support for regional air services.
 - that rural communities are entitled to air services in the same way as metropolitan and larger regional centres.
 - that air services are an important part of the totality of transport services.
2. Federal and State Governments subsidise regional air services (capital and operating) in the same manner as they assist road and rail transport.
3. Federal Government should legislate to ensure that regional areas with populations of less than 50,000 are protected from large major airlines entering the market in order to circumvent local regional carriers providing a community user friendly service.
4. Federal Government should legislate to ensure that where appropriate (refer 3) regional air services should be independent from major overseas and multi-national air service operators.
5. Federal Government should ensure slots are available at capital city airports so that country flights are not seen as second class to services from capital cities or overseas locations.
6. Federal Government should use the licensing of profitable air routes as a mechanism to achieve community services.
7. Federal and State Governments should provide funding to upgrade Bairnsdale Airfield to allow it to cater for Thirty-Six Seat Capacity Planes.
8. Federal and State Governments should support the development of Latrobe City airport as a regional hub.



BAIRNSDALE

- Two runways (sealed).
 - Runway 05/23 is 1101 metre long and runway 14/32 is 850 metres long
 - PAL system
 - Terminal building and a series of hangars which are privately leased
 - Navigation Aids - NDB BNS 212 S37 52.9 E147 34.1 Range 35 Pilot monitored
 - Runways have a pavement strength rating of PCN11 and maximum allowable tyre pressure of 560kPa(82PSI)
- (Note Pavement concession approval have been regularly given to the RAAF to land HS748 aircraft type with maximum tyre pressure of 85PSI)

ORBOST

- One Runway (07/35) is gravel with sealed turning nodes at each end - length 1140 metres
- PAL system
- Navigational Aids - None
- Terminal building & 2 privately leased hangars & DNRE facility
- Runway has no designated pavement strength rating or no maximum allowable tyre pressure
- Largest planes to land at Orbost are the RAAF with pavement concession (HS748 and Tyre pressure 550 kPa & Executive Airlines with a pavement concession for a Citation II, MTOW 6577kg, tyre pressure 930Kpa.)

MALLACOOTA

- Two runways (both gravel).
- Runway 07/25 is 881 metres long and runway 18/360 is 1028 metres long
- Lighting is by flares only
- Terminal building (very basic when compared to Bairnsdale & Orbost)
- Three privately leased hangars & DNRE fire bombing facility
- Navigational Aids - VOR MCO 117.5 S37 35.8 E149 43.1 NDB MCO 338 S37 35.8 E149 43.7 247/0.4 Range 40 v OW 170 (110HN) DME MCO 117.5/122X S37 35.9 E149 43.4 Antenna ELEV 133FT
- Runways have a pavement strength rating of PCN5 and maximum allowable tyre pressure of 500kPa(72PSI). (pavement concession has been given as once off to Executive Airlines for a Citation Bravo MTOW 6713 Tyre pressure 965kPa.)

LAKES AIRFIELD, CORNER COLQUHOUN ROAD AND HOGGS LANE

- Airfield under reconstruction
- Two runways
- Runways - North-South - 700m gravel pavement. East-West - 1150m bitumen sealed
- Terminals - None yet, but are proposed - subject to approval of a recently lodged planning application
- Hangers - As above
- Capability- Up to 30 seaters - yet to be confirmed
- Navigational Aids - yet to be confirmed

CONTACT DETAILS

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