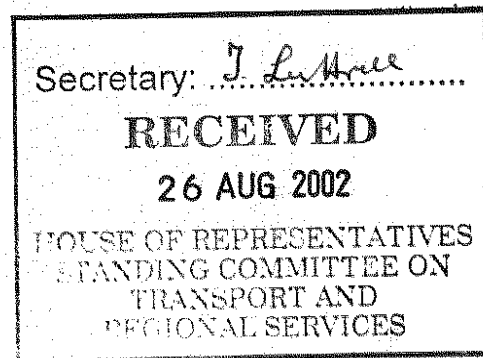


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Monday 26 August 2002

Mr Ian Dundas
Committee Secretary
Standing Committee on Transport
And Regional Services
Parliament House
CANBERRA ACT 2600



Dear Sir

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

The Deniliquin Council considers that the provision of commercial air services in regional and rural Australia is totally inadequate.

Deniliquin is a vibrant service centre, which services a large regional area, and up until two years ago had a regular passenger transport service into Sydney. This service catered for the needs of the region but since the demise of Horizon Airlines there is no regular passenger service or hub service out of Deniliquin.

Prior to Horizon Airlines operating an RPT service there was a successful hub service provided to the community and region via Wagga for an air service into Sydney. This operation was successful for in excess of thirty years.

Deniliquin has a population of 8500 people and services a regional population of 16,000. Deniliquin could be referred to as an "island" because its location disadvantages the people living in the region. The closest air service is some three hours away by road transport.

The assistance required for the provision of an air service to isolated areas such as Deniliquin could include:

- Seat subsidy similar to that which operates in the Northern Territory and Outback Queensland
- Develop partnerships with the major airlines

- Encourage the re-establishment of government departments and large private corporations in rural Australia to assist in the growth of rural Australia through Regional Development and reverse the trend of centralizing Government Departments and large private corporations in major cities.

The effect of this strategy would be that there would be an increased demand for air services which would support and increase their viability.

- Government should encourage Qantas to partnership with smaller operators through subsidies similar to the hub operation between Dubbo and Armidale.

NSW and Victoria are the only two states that receive no regional subsidies for their air services and it is about time that this situation changed to assist in the progress and development of rural NSW and its ability to attract new industry and business.

On a broader issue the revitalization of rural NSW would support the provision of an air service to a number of areas where the service had been withdrawn due to the downsizing of Government Departments in rural NSW.

Deniliquin is a typical example of this as the following departments have either been downsized or totally withdrawn from Deniliquin, which has had a direct affect on the withdrawal of an air service to Deniliquin:

- Roads and Traffic Authority
- Department of Agriculture
- CSIRO
- Court sittings
- Murray Irrigation
- Health Services
- Education
- Legal system

There is a charter operator in Deniliquin who is currently outsourcing work from other areas and because of the downturn in his business locally the viability of him continuing his charter service is uncertain.

However, if assistance was provided to set up a hub service into Wagga as was the case previously the charter service would remain and the RPT service would be re-established opening up a window of opportunity for the progress of Deniliquin and its region.

There are two daily airfreight services into Deniliquin and may be there is an opportunity to create a partnership with a major operator to provide a combined RPT and freight service ex Wagga. This situation would not be unique to Deniliquin as other rural centres would be experiencing similar circumstances.

This Council sees the role of the three levels of government to undertake an investigation of routes to service all rural centres where an air service is warranted or has previously been provided.

One such service is the hub service that previously operated between Deniliquin and Wagga. It operated successfully for a number of years.

This inquiry will allow the Government to establish or re-establish an essential service to the rural communities of NSW and the rest of rural Australia. The establishment of air services will assist in revitalizing rural Australia and provide it with an increased opportunity to expand and increase its industry and wealth.

Yours faithfully

PETER W TODD
ACTING GENERAL MANAGER

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