



SHIRE of GREENOUGH

GERALDTON/MT MAGNET ROAD, UTAKARRA, W.A.

POSTAL ADDRESS:
PO Box 21, GERALDTON 6531
TELEPHONE: 9921 0500
FACSIMILE: 9921 8570 / 9965 2074
EMAIL: records@greenough.wa.gov.au
WEBSITE: www.greenough.wa.gov.au

OUR REF: 1411/1/RU1:DS
YOUR REF:
ENQUIRIES: Mr Bob Urquhart

SUBMISSION NO. 75

E-MAILED
26 August 2002
4.45pm

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

Email : Trs.Rep@aph.gov.au

Secretary: *J. Luttrell*

RECEIVED

2 SEP 2002

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

Dear Sir / Madam,

Inquiry into Regional Aviation Services

Route Competition

The Shire of Greenough is owner operator of Geraldton Airport in Western Australia and co owners with the Shire of Northampton of Kalbarri Airport north of Geraldton.

Geraldton Airport provides for air passengers accessing the coastal region of the Mid West and the New Kalbarri Airport opened in September 2001 at a cost of \$1.6 million was intended to provide predominantly for the tourism industry. Whilst the Geraldton market has a majority of people travelling for business related purposes the Geraldton area has much to offer the air tourism market.

Geraldton has had a long history of having two airlines flying on the Geraldton Perth route. For the majority of this time the two competing airlines have provided complimentary services and scheduled departures at times when they have not conflicted with each other.

The predominant carrier to the area was historically MMA / Ansett WA with BAe 146 Jets (65 seat capacity) up until February 1995. The other carrier was Skywest Airline with BAe Jetstream 31 aircraft with a seating capacity of 19.

The one company owned Skywest and Ansett and airfares were fixed at similar rates. As there were two operators flying the Geraldton Perth route, competition from a third operator was deemed nonviable.

In February 1995, Ansett withdrew services to the Coastal Route between Perth -Geraldton - Carnarvon and Learmonth handing over the route to its sister company Skywest Airlines, which had inherited a fleet of five Fokker 50 aircraft each with a seating capacity of 46

This left the gate open for real competition and National Jet Systems entered the Geraldton - Perth market in 1995 with De Havilland Dash 8 aircraft both 50 and 36 seat capacity.

With real competition the Geraldton Perth passenger movement numbers quickly rose from 45.000 per annum to over 55.000 per annum. Even after National Jet Systems withdrew from the market, passenger numbers did not fall and continued to rise through to 66.000 in the 1999-2000 financial year with similar numbers again in 2000/2001. With the collapse of Ansett / Skywest Airlines in September 2001, passenger numbers fell to 49.500.

The Geraldton region, given the chance has the capacity to support two airlines. Since the demise of Ansett / Skywest this has not been possible because of State Government directives. The Shire of Greenough believes where possible the market should be left to find its own levels.

The Shire of Greenough believe that the proposed service times provided for by the Great Western Aviation and Skippers Aviation proposals for overnighting aircraft in Geraldton would provide an excellent opportunity for locals to conduct a day's business in Perth without the need to overnight and compliment the service provided currently by Skywest Airlines.

Once again providing competition over the Geraldton Perth route and opening up the Kalbarri route by a new operator would have great economical benefit for both the communities of Geraldton and Kalbarri.

Perth Alternate Aerodrome

Information received at the Australian Airports Association WA meeting held in Perth Saturday 3rd August was that.

Perth Airport has identified a need to establish a closer alternate for Perth Airport instead of Learmonth as the long haul inbound freighters and passenger aircraft from Japan and the new Emirates Passenger Air Service

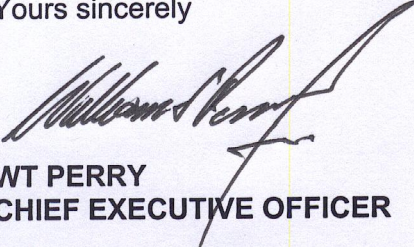
from Dubai are losing considerable capacity because of the need to carry alternate (extra) fuel. This has them arriving in Perth with a full load that exceeded their maximum landing weight. In the case of the Emirates service the Aircraft have been specially modified and therefore incur payload restrictions when operating on other routes.

For future operation or expansion, the Emirates Aircraft have two alternatives if fully loaded on departure from Dubai. Either fly circuits for a considerable period at Perth or dump fuel on arrival to get down to the acceptable landing weight for the Aircraft. Both of these alternatives are very expensive. At present, the Japanese flights limit loading of goods to achieve an acceptable landing weight.

The Shire of Greenough believe that Federal and State Government funding should be made available for identified regional infrastructure such as expansion of regional airports to facilitate larger aircraft when required for alternate purposes.

Should you have queries or correspondences relating to this matter please do not hesitate to contact me.

Yours sincerely



WT PERRY
CHIEF EXECUTIVE OFFICER

26 August 2002