28 August 2002

Mr Paul Neville MP
Chair
House of Representatives Standing Committee
on Transport and Regional Services
Parliament House
CANBERRA NSW 2600

Our Ref:
3/81/228/001
ABN 81 065 027 868

Dear Mr Neville

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

Council's submission to the Inquiry into Commercial Regional Aviation Services in Australia
and Transport Links to Major Populated Islands is attached.

Whilst the Belmont – Sydney Service has other readily available competing services, it is
never the less one of the Top 10 routes within Regional NSW. The service is an integral
component of this City's transport infrastructure and a necessity for many of the City's
businesses, to maintain close customer contact throughout Australia and the world.

I look forward to receiving a copy of the inquiry findings in due course.

A copy of the submission has been sent electronically.

Should you require further information, please contact Graeme Hooper, Council's Manager
Economic Development on 02 4921 0425.

Yours truly

COUNCILLOR JOHN KILPATRICK OAM
MAYOR

Encl.

Submission to:

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.

Background

The City of Lake Macquarie is NSW's 2nd largest regional city with a population estimate of 188,000. The City, prior to the collapse of Ansett and its subsidiary Aeropelican, had one of the top 10 Sydney - Regional Centre Airport passenger movements in NSW. Prior to the collapse, 11, and up to 13 return services a day were provided on this route in direct competition to QantasLink from Williamtown.

Although other transport connections to Sydney are provided through Williamtown Airport, the F3 freeway and rail links from the western sector of the City, ongoing accidents and delays cannot provide a regular guarantee of travel time to Sydney, particularly at peak hours.

Belmont Airport is privately run and is now operated by IAP Group Australia. The group continue to operate under the name of Aeropelican and provide 8 return services a day on the Belmont – Sydney sector, and with the major cutback of QantasLink from the Williamtown – Sydney service, are currently providing 4 return services a day on that route.

The Company operations and maintenance base is provided at the Belmont site.

Issues

Economic

The economy of Lake Macquarie is heavily dependent on the immediate access to Sydney Airport.

1   Business trips to and from Sydney;

2   Interlining to other ports in Australia;

3   Access to International Services; and

4   Increasing Tourism market.

The City, although the largest centre in the Hunter, has provided the impetus for the majority of growth in new enterprises and employment in the region over the past 15 years. The City is home to a wide range of smart technology driven businesses that are heavily dependent on servicing their Australia wide and International customers. While the Hunter is dominated by the decline in heavy industry in our regional capital Newcastle, the City of Lake Macquarie has been the quiet achiever.

Of more recent times the sea change and lifestyle benefits of the City are being widely recognised, as more high net worth individuals live in the City and commute regularly to Sydney, interstate and offshore. The Aeropelican link is an important connection and attribute to enable regular commuting and attracting further investment in the City.

<u>Operational Issues</u>

Issues facing regular scheduled regional airline services.

1 Protection of Time Slots at Sydney Airport to provide equitable access to regional carriers;

2 Pricing Policies at Sydney Airport that do not exclude regional carriers;

3 Fair access to ground handling and terminal facilities;

4 Access to centralised booking services that do not discriminate against regional carriers who may be in direct competition to host carrier;

5 Changes in State or Local Government Legislation, particularly planning or flora and fauna related issues, that may restrict operators or local airports to maintain safety margins or operations around existing airfields;

6 Ability under local planning laws to allow airports to consider alternative employment uses on the site, providing they do not contravene airport safety operating procedures;

7 Ability to operate on routes without predatory competitor activity; and

8 Accelerated depreciation allowances that permit for more regular fleet upgrades.

Summary

Regional air links to major capital cities are a major infrastructure requirement to attract and keep businesses in the local areas. With many businesses heavily reliant on servicing customer needs across Australia and globally, an efficient regional airline system to this City and in Australia is essential.