

OUR REF: MH:TB:L7122

30th July 2002

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

Dear Secretary

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

I would like to make the following submission to the abovementioned inquiry on behalf of Nhulunbuy Corporation Ltd, the licensed operator of Gove Aerodrome in the Northern Territory.

This submission focuses only on issues and impacts relative to the local Community and those served immediately by our Aerodrome. As a member of A.A.A. I understand that a generic submission will be made by that organization addressing the “big picture” issues. I refer to the Terms of Reference as follows:-

- The adequacy of commercial air services in regional and rural Australia.

Gove Aerodrome, the Town of Nhulunbuy and surrounding other Aboriginal Communities are generally well serviced by commercial air services. This is particularly true as a jet service is available on a daily basis to both Darwin & Cairns. Nhulunbuy with a population of 3,700 could hardly complain about such a service. It is, however, true to say that this probably only occurs because the town is on the direct route from Darwin to Cairns and because the mining activities of Alcan N.T. create a reasonable commercial need because of their operational requirements.

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- Policies and Measures to assist in the development of regional air services including:-
 - (a) Regional Hub Services:- Basically, Gove Aerodrome is a Regional hub to service outlying Aboriginal communities and a number of commercial air service providers operate out of it, generally providing an adequate service.
 - (b) Small scale owner-operator services:- Again, we have one or two small operators operating particularly charters to outstations. Often the smaller operators do work on minimum margins and financial viability can be a problem. This creates difficulties for our Aerodrome as landing fees are often left unpaid until collection agencies are used and even then success is not guaranteed. It is my opinion that common legislation is necessary either Federally or by State/Territory Governments to enable claims to be made on the registered owner. This would ensure that the financial responsibilities of the aircraft operator, who is often not the owner, would be upheld. Failure to do so could result in the aircraft owner taking away the use of the aircraft.
 - (c) The development of most suitable aircraft types:- Generally the suitability of the aircraft is the responsibility of the air service provider – in our region the smaller aircraft used to cater for the surrounding communities appear to be quite adequate. In relation to the larger commercial service i.e. jet service operated by Qantaslink, I believe that more consultation would assist in relation to future planning particularly where large permanent or temporary population increases are imminent which is the case in our area, and which could dramatically alter demand.
- The adequacy of Commercial air services to major populated islands and the adequacy of alternative sea services:-

Appears to be adequate in this region.
- Interconnectivity between regional air transport systems, major national air services and international services (including on-carriage, through ticketing, freight handling, timetabling and airport slotting):-

I believe connections are exceptionally good in our region, especially when considering the extreme nature and remoteness of our area.

- The role of all three levels of Government in supporting and assisting the development of regional air services and island transport systems:-

Whilst safety needs to be of paramount consideration, regulation needs to be minimized to ensure that commercial reality and competition is maximized. Nevertheless, Government needs to assist remote Australia where travel costs are overly excessive due to the lack of competition of large Regional Operators. As an example, to travel to Darwin from Gove the cost by Qantas is approximately \$600 return for a distance of approximately 600 kms. Darwin is the closest centre with a population in excess of 10,000 people. As a comparison, the general cost of travel from Sydney to Brisbane a distance of 750 kms is \$220 return. This inequality in cost is obviously based upon demand, however it is an example of the disadvantages associated with living in remote and regional Australia and is one reason for the exodus from these areas to the larger population centres. Government needs to address these reducing regional populations and may have to consider some form of subsidization or at least reconsider increasing tax incentives to live in these remote & regional localities.

- The role of major air transport carriers in providing regional services:-

Currently only one major air transport carrier provides regional services i.e. Qantas. This was brought about by the demise of Ansett and probably originates from the Government's policy of deregulation and removal of the 2 airline system. Whilst this may have been good for the major centres it was disastrous for Regional Australia. Maybe Government should require some form of guarantee to run regional services from airlines if they are allowed to run the more lucrative major population runs. Certainly Government needs to concentrate on creating competition within the Regional Services to reduce costs. As it is at present we are a captive audience and have to pay what the carriers demand or we don't fly out, and for four months of the year that means we don't leave the area as roads are closed and the only means of transport is by air.

In closing, I trust that these comments are of some assistance in the Committee's deliberations.

Yours sincerely

NHULUNBUY CORPORATION LIMITED

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AIRPORT MANAGER & TOWN ADMINISTRATOR