

Our ref: R90/0846rc Out-22785
Further contact: Richard Connors

1 September 2014

The Hon. Richard Colless, MLC
Chair, Legislative Council Standing Committee on State Development
Parliament House
Macquarie St
SYDNEY NSW 2000

Dear Mr Colless

**Committee on State Development Inquiry into Regional Aviation Services Inquiry –
Questions Arising from Hearing**

I refer to the questions taken on notice and the supplementary questions arising from our appearance at your Committee's hearing on 15 August 2014. Our responses are provided below:

(A) Question on Notice regarding downgrading of council-owned aerodromes

Local Government NSW (LGNSW) does not have information on any specific situations where councils have elected to downgrade their airport or aerodrome facilities. Nevertheless the Local Government sector as a whole has a significant infrastructure funding backlog and funding for maintenance is often inadequate.

(B) Supplementary Questions

- (1) *You note in your submission (page 3) that Local Government would like to see the regulatory passenger threshold raised where a route/operator viability is marginalised. Transport for NSW is recommending that the presumption of regulation be removed from all regional routes. What is your view on this?***

Our understanding of the Transport from NSW "Review of NSW Passenger Transport Legislation Discussion Paper, September 2012, reflected in the NSW Government's submission to your inquiry, is that the proposed removal of the presumption of regulation from regional routes mainly represents a simplification of the legislation to bring about consistency with the regulatory approach adopted for other modes. The submission states that "The NSW Government will continue to regulate intrastate air services under 50,000 passengers per annum" and "the Minister will be empowered to declare specified routes or classes of routes to be regulated by publishing an order in the NSW Gazette". Notwithstanding this, LGNSW would be concerned if the legislative change and associated criteria for granting or refusing an air transport licence, resulted in any reduction in service provision to rural and regional areas of the state and particularly to services under the 50,000 passenger threshold.

- (2) *You mention that you have raised concerns at attempts by the Sydney Airports Corporation to restrict access by regional airlines to key departure gate, lounge and maintenance facilities (page 3). Can you provide further information on this, including where you directed your concerns?***

LGNSW has raised the issue of regional airport access to Sydney Airport over many years with various Federal Transport Ministers, Sydney Airports Corporation, our national peak body, the Australian Local Government Association, and through various submissions including the National Aviation Policy Green and White papers, the ACCC Pricing Inquiry into Sydney Airport, and the Sydney Airport Master Plan.

- (3) *In your submission, you note that in NSW there are 26 airports serving over 2 million passengers annually. Does Local Government have access to annual passenger movements by airport and could this breakdown be provided to the Committee?***

The information in our submission comes from the Transport for NSW "Quarterly passenger statistics for NSW air routes to and from Sydney Airport", which is available on their website at: <http://www.transport.nsw.gov.au/content/quarterly-passenger-statistics-nsw-air-routes-and-sydney-airport>.

- (4) *In relation to airport charges the committee has received evidence that there is a substantial discrepancy between councils in terms of the fees they charge and how those fees and subsequent increases are calculated. Is Local Government able to provide the committee with a list of airport fees charged by individual councils?***

LGNSW has not compiled an overall list of airport fees charged by councils however, this information is published by individual councils in a 'fees and charges' schedule generally available on each council website.

Thank you again for the opportunity to present at the Committee's hearing and to provide additional information as requested. Also, I have attached a copy of a letter sent to you on 26 August clarifying a statement I made at the hearing. Should you require further information or wish to discuss the matters raised in this letter, please contact [redacted].

Yours Sincerely

Keith Rhoades AFSM
President