

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Walgett Shire Council

Date received: 14/03/2014



Shire of Walgett

ABN 88 769 076 385

Reference: DHR:VR 10/252
Your Reference:
Contact: Mr Don Ramsland

13 March 2014

The Director
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

By facsimile: 02 9230 2981

Dear Sir,

RE: Submission in respect of Regional Aviation Enquiry

Please find attached Council's submission with regards to the current enquiry into Regional Aviation Services.

Walgett Shire Council would welcome the opportunity to clarify any aspects of the attached submission with the committee should the opportunity arise.

Should you require any further information, please do not hesitate to contact the undersigned.

Yours faithfully


General Manager



**SUBMISSION
TO
THE STANDING COMMITTEE ON STATE DEVELOPMENT
WITH REGARDS TO
REGIONAL AVIATION SERVICES**

WALGETT
13 March 2014

1. OVERVIEW

Walgett Shire Local Government Area is located in the far north west of New South Wales and covers an area of 22,007 square kilometres. Walgett Shire borders with Queensland to the north, Moree Plains and Narrabri Councils to the east, Coonamble to the south and Brewarrina to the west.

The Shire is located on Gamilaroi country in the southern and eastern sector and to the north is on Yuwaalaraay country. Geographically the Shire is on the rich black-soil plains of NSW South Wales part of which is in the Central Division and part in the Western Division.

The north and north-west of the Shire is opal bearing country, and is the home of the NSW State gemstone, the Black Opal.

The Shire population is currently estimated at being in the order of 6,500/7,000 people.

2. BACKGROUND

Up until December, 2008, Walgett and Lightning Ridge, along with Bourke and Cobar, had two daily return Regular Passenger Transport (RPT) services operated by Airlink Airlines, a subsidiary of Regional Express Airlines (REX) on a hub and spoke basis to Dubbo with on-carriage to Sydney and return by way of either regional carriers Qantaslink or REX.

When the service was suspended in December, 2008 the main reason given by the operators was "pilot shortages."

With the exception of Cobar, the alternative mode of travel between Dubbo and outlying areas is to travel by road. A number of State Government agencies, NGOs and the Aboriginal Medical Services have also resorted to using private air charter services on a regular basis

3. CURRENT SITUATION

Since the suspension of air services various government agencies have been faced with a number of challenges and have compensated by:

- Reducing visits
- Utilising audio-visual links hence, decreasing face to face visits.
- Organising charter aircraft and piggy-backing off organisations such as the Royal Flying Doctor Service when available.
- Utilising funding allocations for unfilled positions toward the added cost of travel.

Other difficulties identified by State Government agency staff include:

- Difficulties in attracting staff to vacant positions.
- Reluctance of staff to travel to remote locations.
- Loss of staff time in shuttling incoming staff from the airport (Dubbo).
- Social impact of staff being away from home for longer periods of time.
- Dangers in excessive driving hours.

Whilst local government and the broader community face similar issues associated by isolation the same range of options to compensate is not readily available to them.

Apart from travel by private vehicle, Walgett and Lightning Ridge are serviced by a daily return CountryLink coach service which connects at Dubbo to the afternoon XPT train to Sydney. The coach trip into Dubbo takes approximately four hours and the train trip into Sydney some seven hours.

During periods of flooding, the coach service can be suspended for periods of two or three weeks isolating the area completely.

4. AVAILABLE FACILITIES

Walgett Shire has two airstrips that were used to provide Regular Passenger Transport (RPT) services prior to December 2008.

At Walgett there is a fully sealed strip of 1,650 metres together with a well appointed passenger terminal and refuelling facilities. Walgett has GPS RNAV approaches for both strips. Similarly at Lightning Ridge there is a fully sealed strip of 1,200 metres together with a well appointed passenger terminal and refuelling facilities.

5. SERVICE VIABILITY

Council's advice from the former owner of Airlink Airlines, who operated the service as an independent operator from 1993 until the mid 2000s, is that over the years the service was financially viable although at times only marginally so during the off tourist season.

The use of RFDS aircraft to fly in specialist medical and auxiliary services personnel in recent years has been a disincentive to having a commercial RPT service resumed even though issues relating to pilot availability have now by and large been overcome.

Research between 2008 and 2013 indicates that the Walgett/Lightning Ridge return air service would attract in excess of 1500 government staff passengers per annum. Similarly a return air service into Bourke would attract some 1000 government staff passengers.

These numbers would be increased by a further 60% to 70% by private travellers and tourists.

Council had a number of encouraging discussions with an experienced operator who strongly believed that with the right type of aircraft, a fast, pressurised hub and spoke triangular service to Walgett and onto Bourke and return would be viable.

But for such a service to be re-introduced there would need to be an adequate level of government support by way of underwriting costs.

6. POLICY FORMULATION

Council believes that the government should adopt a Regional Airline Policy that targets remote centres that are more than 280kms away from the nearest regional centre with a population of in excess of 35,000 residents. Such a policy could be targeted at Bourke, Cobar and Walgett.

The following travel summary sets out estimated cost details applicable in 2010:

Travel Summaries								
<i>Flight Destination</i>	<i>Distance in kms</i>	<i>Cost of return air flight in 2007</i>	<i>25% premium in 2010</i>	<i>Return Journey Time</i>	<i>Car travel at 27.6c per km</i>	<i>Accom Cost by 2 nights</i>	<i>Cost of return journey 2010</i>	<i>Return Journey Time</i>
Dubbo-Bourke	800	\$512.50	\$640	3.5hrs	\$220	\$398.90	\$618.90	9 hrs
Dubbo-Cobar	600	\$476.22	\$595	2hrs	\$165	\$398.90	\$563.90	7 hrs
Dubbo-Walgett	540	\$443.22	\$554	1.5hrs	\$149	\$398.90	\$547.90	7 hrs

Whilst this summary illustrates similar costings between air and road travel, particular attention needs to be given to the efficiency loss in government and commercial undertaking salaries as more than double the time is spent travelling and requires considerable government staff relief costs.

7. CONCLUSION

As Council sees the situation moving forward there are a number of options available. The more significant and viable of these are:

1. Fare subsidies:

Underwrite Government employee airfares in a tender is cost neutral as a failure to do so will continue to increase the cost of NSW Government service delivery into NSW. In 2010 informed sources placed the estimated cost of NSW Government employee return air flights from Dubbo to Cobar, Bourke and Walgett at an estimated cost of \$1,350,000 per annum. It is suggested that a sum of 10 percent less than this figure be factored into a tender guaranteeing payment on a monthly basis to an accredited RPT air service provider for a period of five years.

2. Aircraft Provision:

That the NSW Government purchase two suitable aircraft at a cost of in the order of \$2M/\$2.5M each and then lease those aircraft to a commercial operator at a negotiated rate for a five year period.

3. Mixture of Options

A third option would be a mixture of options one and two. These types of initiatives would have positive economic and social impacts on local communities in Western NSW. It could be co-ordinated by the Ministry of Western NSW with support from the Ministry of Transport and the Department of Commerce.