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29 November 2023

Director, Aviation White Paper Project Office

Aviation White Paper

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Email: aviationgreenpaper@infrastructure.gov.au

Dear Director,

Re: Submission to the 'Aviation Green Paper – Towards 2050'

On behalf of Moree Plains Shire Council, I thank you for the opportunity to provide input into the future of Australian Aviation, and in particular aviation in Regional NSW. Please see below a short summary of key points that are of paramount importance to our community and wider region.

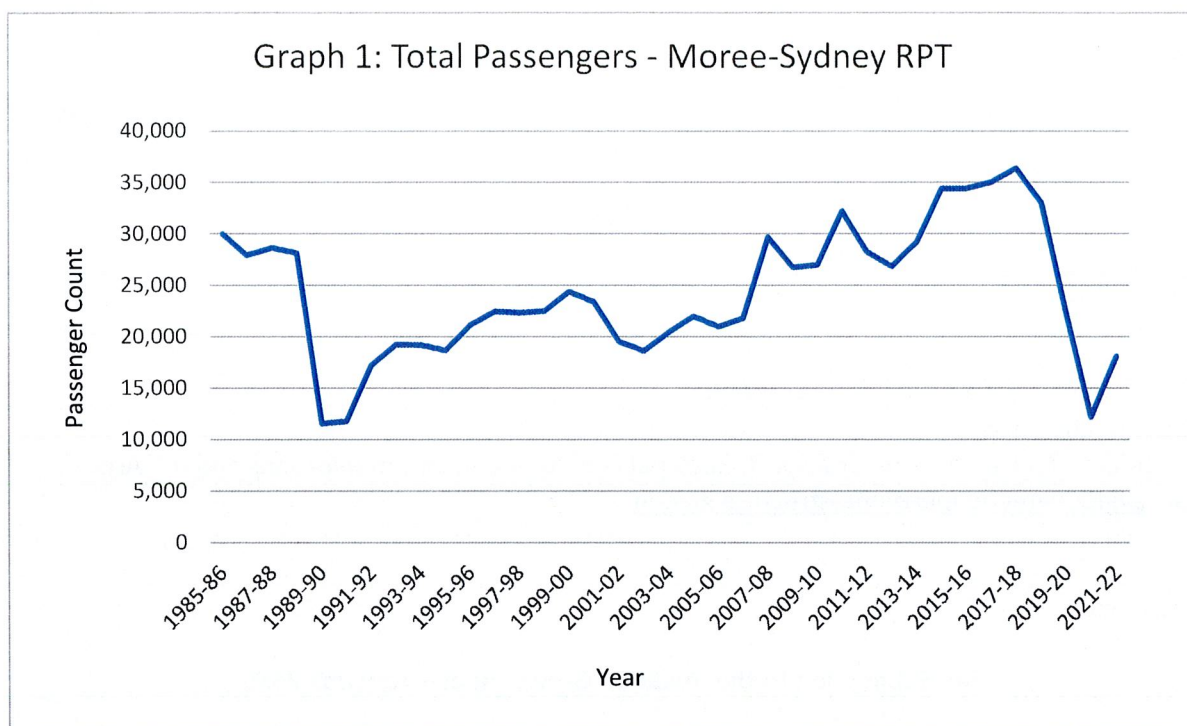
Introduction

The Moree Plains Shire is a strong and vibrant regional community that makes a significant contribution to the state and national economy. Our Shire sits at the heart of Northwest NSW and grows in excess of \$1 billion in agricultural produce each year. The Shire is enveloped by the most productive and fertile soils in the country and is centred at the junction of major National, State and Regional freight routes via rail, road, and air. Having been declared a Special Activation Precinct by the NSW Government, we are now working to grow our community over the next 40 years with some 4,000 projected new and innovative jobs.

The people of the Moree Plains Shire and the greater surrounds depend on a reliable, safe, and sustainable air service to Sydney. This link is vital for businesses, education services, health services, and the social wellbeing of our broader community.

The collapse of Brindabella Airlines in 2013/14 highlighted the importance of regional aviation, not just for local communities but also for the NSW and National economy. Community members, industry, and both state and federal government agencies who rely on regional air services suffered significant financial loss and hardship during this time. Moree Council remains committed to avoiding a repeat of this situation and will continue to advocate for a reliable, sustainable, and safe air connection to Sydney.

Graph 1 below shows the long-term growth in air passenger travel on the Moree to Sydney route prior to the global COVID-19 pandemic, reaching over 35,000 passengers in 2017/2018. Since the pandemic air travel on the route is beginning to increase and we expect the previous peak to be met and then exceeded by 2025/2026.



General Points

The below points are general in nature and relate to broader subject matter areas, or themes, of the Green Paper:

- RPT and airport operations are critical to sustain and improve economic development in highly specialised economies such as the Moree Region. The RPT service will play a vital role as the Moree Region diversifies its economic base over the next 5 to 10 years and beyond. It is well recognised on a global scale that most businesses rate air services as a critical driver for location choice and this is of even greater importance in rural/regional areas.
- The Moree RPT service contributes to sustainable development by facilitating tourism and trade opportunities. The tourist market provides a valuable service sector income for Moree and is of particular importance as Moree seeks to diversify the economy and grow the Hot Artesian Spa market. Tourism can also hinge on service reliability as the tourist market is sensitive to changes to regular passenger transport services, particularly changes to air service frequency or air-craft size.
- The Moree RPT service facilitates better access to larger markets in Australia and overseas. International trade is commonly recognised as a key driver of economic growth in the agricultural sector. Direct trade with global markets is being enabled by regular economic and business delegations into Moree from all parts of the world.

Chapter 3 – Airlines, airports and passengers – competition, consumer protection and disability access settings

What should the Australian Government take into account in designing the terms of reference for the proposed Productivity Commission Inquiry?

Moree is one of few remaining NSW Regulated Passenger Transport routes with an active air connection to Sydney. For this reason, we are uniquely placed to provide future input into any proposed inquiry undertaken by the Productivity Commission and would welcome further engagement on this matter. However, in the meantime we note the below general points for consideration:

- Council currently supports the ongoing regulatory RPT arrangements for the Moree to Sydney air route provided that Council maintains direct input into the process as a primary stakeholder.
- While competition is generally seen as favourable in the aviation sector, the primary concern for Council and the broader community is the long-term sustainability of the Moree to Sydney route. We do not believe that deregulation would necessarily improve this outcome in our case.
- The current system takes the responsibility out of Council's hands, noting that Councils generally do not have high level expertise in the RPT aviation sector. In this respect, over time, Transport for NSW has, in staff's view, generally delivered acceptable tender outcomes, with the notable exception of the Brindabella collapse. The implications of that collapse were major and reinforced the lack of input into the current decisions that are available to Councils.
- In NSW, several routes that have been deregulated no longer have regular air services.
- The regulated air route process has been in force since the airport ownership was transferred to Council and therefore it is a known, if not always a transparent process; whereas the outcomes of a de-regulated service are uncertain and could result in an unsettled and nervous reaction from the community as the process progresses. There is a very real fear that the result could be no air service available to the community or a considerable delay in securing a continuous reliable service.
- Regulation offers a level of economic protection for an incumbent operator that contributes towards the security of continued service. Considering the level of community reliance on the quality, reliability, regularity, and general service offering; Qantaslink has demonstrated their merit as the preferred provider for Moree over many decades.

Chapter 4 – Regional and remote aviation services

Where should the Australian Government focus its engagement in regional and remote aviation, including helping achieve Closing the Gap outcomes, noting established state, territory and local government responsibilities and programs?

- Increased financial support for the expansion and upgrade of critical airport infrastructure for regional communities with a significant proportion of Aboriginal persons. Our Shire has an Aboriginal population rate of approximately 21% and a reliable air service is critical in achieving closing the gap outcomes, particularly in relation to health and education.
- Increased and focused financial support for the upgrade of terminal infrastructure to meet future security control requirements (passenger screening etc).

- Council supports the continued price cap for regional flights accessing airport services at Sydney Airport.
- Pre-emptively, Council does NOT support the redirection of the Moree to Sydney route to the Western Sydney Airport once it opens in late 2026. It is vital that Moree's connection to the Sydney basin remains at Mascot to ensure access to effective same business day services across a range of sectors but primarily health care and related specialists services.
- Council supports the continued 'Ringfencing' of slots into Sydney Airport for regional services and requests that measures are taken to further secure said slots for routes like Moree to Sydney.

Traditionally, subsidies for intra-state aviation services have been carried by state and territory governments. Does this remain the best structure?

- Council is agnostic on the structure to support air route subsidies so long as the subsidies are effective and create an environment to sustain regional air travel.
- Council acknowledges and commends the Australian Government's Remote Air Services Subsidy (RASS) Scheme but suggests that such a scheme could be expanded. Council recommends the investigation of a model utilised in the United States known as the Essential Air Service (EAS) program. The program was put into place to guarantee that small communities are served by certificated air carriers. While the EAS program is not perfect, the core principles could be applied to the development of an Australian model that could be adopted and applied at a national level and reaching further than the current RASS.
- When weighing the cost of air route subsidies to maintain route sustainability, some of the benefits that should be considered include:
 - The increased costs of health care service delivery in the absence of air transport connections.
 - The increased costs associated with health condition morbidity due to delayed or avoided health care access/preventive care access.
 - A range of economic benefits including employment generation, industry diversification, and increased investment opportunities.
 - A range of increased opportunity cost associated with alternative travel arrangements.

What are specific issues experienced by the regional and remote aviation sector in the context of decarbonisation? What elements should the Transport and Infrastructure Net Zero Roadmap and Action Plan include to recognise the specific circumstances of the regional and remote aviation sector?

- While Council supports the broader move towards decarbonation, this should not be permitted to impact the sustainability or viability of critical regional air routes.
- Where 'Net Zero' risks the viability of regional air services, this must be offset by appropriate subsidies and support mechanisms.
- The cost of regional air travel for customers should be isolated from said impacts, at least in the short to medium term.

What opportunities are there to develop domestic bioenergy feedstock production and collection in Australia's regions, and what policy settings from Government would support this?

- The Moree Regional Airport lies within the Moree Special Activation Precinct (SAP). The Moree SAP is located within the most productive broadacre region in Australia provides access to high-value agricultural produce, innovative farming, and a concentration of agribusinesses across 4,716 hectares.
- Building on Moree's road, rail (Inland Rail) and air transport connections, the precinct will create jobs across a range of industries, including:
 - Value-added agriculture
 - Horticulture
 - Freight and logistics
 - Green energy and biofuels
- The precinct aims to embrace new technologies, such as protected cropping and innovative energy solutions, while utilising the region's transportation infrastructure, such as the Inland Rail route and Newell Highway in northern NSW.
- The NSW Government Special Activation Precinct model supports streamlined development approvals and business concierge support. This gives investors the confidence to relocate, establish operations, and attract skilled workers.
- The Moree SAP is the only SAP in NSW that plays host to a regional airport. Coupled with potential ready access to feedstock via the agricultural industry and Inland Rail, the Moree SAP has the capability to support the bioenergy production that would support the aviation sector.
- For further information please contact:
 - The Regional Growth NSW Development Corporation, via email at activationprecincts@regional.nsw.gov.au or via phone on 1300 REGION (734466).
 - Moree Plains Shire Council's Regional Activation Unit, via email at rau@mpsc.nsw.gov.au or via phone on 0267 573 440.

Thank you for taking the time to consider our submission and please feel free to contact Mark Connolly on the details provided atop this letter for further information.

Yours sincerely,



Kelvin Tytherleigh
General Manager

cc: Hon Mark Coulton MP
Member for Parkes
mark.coulton.mp@aph.gov.au

Dear Departmental Staff,

Thank you for the confirming the receipt of our submission.

Please see below some additional points to act as a short supplementary addition to our Green Paper Submission:

- Moree Plains Shire Council would like highlight the opportunity for the Moree Regional Airport to support national high-value (and short-life) agricultural produce export from Moree Plains Shire and surrounding shires. As we work to diversify our agricultural sector, we will need both critical access to efficient rail transport via Inland Rail, and air freight for highly time sensitive produce.
- To enable this, Council would need additional investment in the airport facility in terms of enhanced runway capability (runway length extension), and additional taxi-way and apron facilities.
- The airport also has the capacity to host climate controlled airside warehousing and associated infrastructure.

We apologies for any inconvenience.

Regards,

Mark Connolly

Executive Manager - Regional Activation

Regional Activation Unit | Moree Plains Shire Council