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Costs soaring for regional airlines

By KIM BARTLEY
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NSW Deputy Premier Andrew Stoner is highlighting increased costs faced by regional airlines, one of them in a legal stoush with Dubbo City Council because of security screening charges.

Mr Stoner wants the under-threat regional aviation industry to be stronger and have "more certainty".

The Deputy Premier and Minister for Regional Infrastructure and Services has spoken of the importance of air services to regional communities after congratulating Regional Express Holdings Ltd (Rex) for overcoming "adverse factors" to become the most profitable listed airline group in Australia for the second year in a row.

Last week Rex announced a gross profit of \$19.2 million for the year ending June 30, 2013.

But the company also revealed a 45 per cent drop in profits and 6.8 per cent fewer passengers from July 1, 2012, that it blames on the federal government's carbon tax and a "whole host of policies hostile to regional aviation".

Currently Rex is battling Dubbo City Council in the NSW Land and Environment Court.

The airline has been objecting to being charged for security screening at Dubbo airport.

Dubbo City Council introduced security screening required under federal law for larger planes when QantasLink brought its 74-seat Q400 aircraft to the city.

The council voted unanimously to screen all passengers moving through the airport and charge their carriers.

Rex's passengers are not legally required to be screened because of its use of smaller planes.

The release of Rex's financial year results prompted Mr Stoner to issue a statement declaring: "For regional communities and economies to prosper, they need a quality airline carrier to service them and Rex performs that role admirably."

The Deputy Premier said the industry had been stung by the carbon tax this year but its viability had also been threatened by a proposal to impose landing fees on regional carriers at Sydney Domestic Airport, and other plans to introduce security screening charges on some smaller aircraft at regional airports.

"In a year marred by proposed plans to pass on extra costs to regional airline businesses and passengers, the Nationals are calling for common sense when it comes to the cost of doing business for the regional aviation industry," he said.

"Aviation is an important industry for many regional communities across NSW, who not just rely on its services for business, but for tourism and leisure.

"Regional aviation costs, including landing fees and security checking, need to be kept as low as possible to ensure routes remain viable.

"If extra charges are imposed against regional airlines and at regional airports, these costs will inevitably pass onto regional airline passengers."

Mr Stoner said security screening of passengers boarding smaller aircraft was not required under Australian government law and was not applied at many regional airports for smaller carriers like Rex and Brindabella.

He is confident that Rex's strong financial performance in 2012-2013 will ensure it continues to "effectively service the country's regional communities into the future".

This year the state government has taken steps to increase competition and options available to regional passengers.

They include the commitment of \$1.5 million to an upgrade of the Glen Innes aerodrome to make way for a new aviation training college on the site, and a feasibility study into options for air services to remote western NSW communities.

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