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24 April 2019

Regional Express
General Manager
PO Box 807
MASCOT NSW 1460

Dear Sir/Madam

DRAFT REVENUE POLICY 2019/2020 - DUBBO CITY REGIONAL AIRPORT

I wish to advise that included in Council's Draft Revenue Policy for the 2019/2020 financial year are the proposed fees and charges for RPT operators at Dubbo City Regional Airport (DCRA). The relevant sections of the draft policy are set out in the attached document.

These proposed fees and charges will be included in Council's draft Operational Plan for 2019/2020 which will be placed on public exhibition for 28 days, 3rd May – 31 May 2019. Council will adopt an Operational Plan (including Revenue Policy) in June 2019 which will be effective from 1 July 2019.

Airport Passengers Fees are proposed to increase by \$1.99 per passenger. This proposed increase is to assist in meeting increased operational expenditure and contribute to the DCRA future capital works program, specifically projects focussed on supporting current RTP demands and future growth.

There will be no increased financial return to Council's General Rates and Revenue as a result of the proposed increased landing fees.

Council appreciates the challenges and complexities of regional transport, and as you would be aware have delivered nil or moderate increases to landing fees in recent years; 2015/2016 fee was \$14.30, 2016/2017 fee was \$14.55, 2017/2018 fee was \$14.55 and 2018/2019 fee was \$14.90.

Financial modelling on Council's fees and charges and specific RPT related capital works program suggests that future increases to passenger fees will be moderate.

All communications to: **CHIEF EXECUTIVE OFFICER**

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In light of the range of airlines, services and destinations now operating from DCRA, Council is proposing to remove the 50% landing fee reduction for any passengers over 75,000. This fee reduction has only obtained by one airline in recent years.

To assist airlines and Council to forecast, manage and monitor costs in relation to security services a standard \$6.60 Per Passenger Screening Fee has been calculated on security service provision, maintenance costs and consumable costs only. Additional operational costs associated with this service will be met by Council. This standard fee is within the average range of passenger charges that has been recovered from Airlines in the past 2 years. This standard fee will reduce administration time for Council and Airlines from the current monthly process. Council is working closely with the security contractor to ensure costs of this service, now and in the future, remains sustainable for all stakeholders. This charge remains focused on a cost recovery philosophy and will be reviewed every in 12 months to enable any adjustments to reflect this philosophy.

Council's 'Route Viability Assistance Program' is proposed to continue. Upon application in writing, at the discretion of the CEO for a rebate of 50% of the passenger fees for a period of six (6) months. Assistance will be provided based on evidence of low viability including low load factors for continual three (3) month period. This program is only available to routes that have commenced or been established within the last five (5) years and can only be applied for once in a financial year. All accounts must be up to date with no arrears. The program can be accessed by an airline for an identified route for a maximum period of three (3) years.

Yours faithfully

Michael McMahon
Chief Executive Officer

Attachment/s: 1. Pages from Draft Revenue Policy – Dubbo City Regional Airport

Name	Year 18/19 Last YR Fee (incl. GST)	Year 19/20 GST	Fee (incl. GST)	GST	Fee type	GST Code
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ECONOMIC DEVELOPMENT AND BUSINESS

DUBBO REGIONAL AIRPORT

AIRPORT PASSENGER FEES – DUBBO

Council provides for a period of 12 months, a passenger fee subsidy for routes not being effectively served by an airline or not operating under a government subsidy by reducing such fees from \$16.89 per person per, movement to a zero amount per person, per movement to develop new routes, noting further that a security screening fee will be applicable as per Council's adopted Policy.

A new route viability assistance program is available, upon application in writing, at the discretion of the CEO for a rebate of 50% of passenger fees for a period of six (6) months. Assistance will be provided based on evidence of low viability including low load factors for continual three (3) month period. This program is only available to routes that have commenced or been established within the last five (5) years and can only be applied for once in a financial year. All accounts must be up to date with no arrears. The program can be accessed by an airline for an identified route for a maximum period of three (3) years.

QANTASLINK

per passenger (Dubbo/Sydney)	\$14.90	\$1.54	\$16.89	Y	IS	10%
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REX

per passenger (Dubbo/Sydney)	\$14.90	\$1.54	\$16.89	Y	IS	10%
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FLY CORPORATE

per passenger	\$0.00	\$1.54	\$16.89	Y	IS	10%
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FLY PELICAN

per passenger	\$14.90	\$1.54	\$16.89	Y	IS	10%
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PASSENGER AND CHECKED BAGGAGE SCREENING

per passenger	\$0.00	\$0.60	\$6.60	Y	FCR	10%
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All passenger security charges are to cover the costs for the provision of passenger screening service.