

## MOUNT ISA TO TOWNSVILLE ECONOMIC DEVELOPMENT ZONE



2 February 2018

Committee Secretary  
Senate Standing Committees on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**SUBMISSION: The operation, regulation and funding of air route service delivery to rural, regional and remote communities.**

Mount Isa to Townsville Economic Zone (MITEZ Inc) is the regional development organisation working for seven local government areas between Mount Isa and Townsville. MITEZ's members include the mayors of these Councils and the major corporates in the region such as mining companies and GOCs.

The link below is the MITEZ Regional Overview and has information on the economic importance of the MITEZ region.

[http://www.mitez.com.au/wordpress/wp-content/uploads/MITEZ\\_RegOverview.pdf](http://www.mitez.com.au/wordpress/wp-content/uploads/MITEZ_RegOverview.pdf)

For many years the issue of air services and pricing has been nominated through consultation, focus groups and Futures Forums as a top priority in communities along the MITEZ corridor as the issue is linked to lifestyle, the cost of living and productivity in the region. Cost of air travel is also recognised to be a significant factor in the regions success in attracting and retaining people.



## AIR SERVICES IN THE MITEZ REGION

***For Outback Queensland rural and regional communities, air connections to major centres such as Townsville and Brisbane are considered their life-line and having daily flights makes a vital difference between comparative isolation and access to the best services available to all Australians.***

The primary airport for the region is the Townsville International Airport. In 2016-17, Townsville airport reached approximately 1.6 million total passenger movements and is currently planning a \$40 million terminal upgrade and expansion. The airport has two runways; one is able to accommodate Boeing 747 aircraft, while the other is suitable for aircraft up to 5,700 kilograms.

Mount Isa's airport is located in close proximity to the North West Minerals Province. Daily services operate between Townsville and Mount Isa linking the eastern and western extremities of the region, with regular direct flights to the state capital Brisbane also available. Mount Isa also has daily Boeing 717 services with the capability of handling larger jets.

The airport also provides regular links to Cairns. In the 12 months to December 2017, the Mount Isa airport reported 190,106 total passenger movements.

The Cloncurry Airport has regular services to Townsville, Brisbane and Mount Isa as well as charter services for local mines. The Hughenden, Richmond and Julia Creek airports facilitate regular flights linking between Mount Isa and Townsville.

Airports capable of light aircraft traffic service other centres within the region and major mining projects have airport facilities catering for light charter to Fokker 100 size aircraft.



Image: Mount Isa Airport 2017

## REGIONAL AIR ROUTES

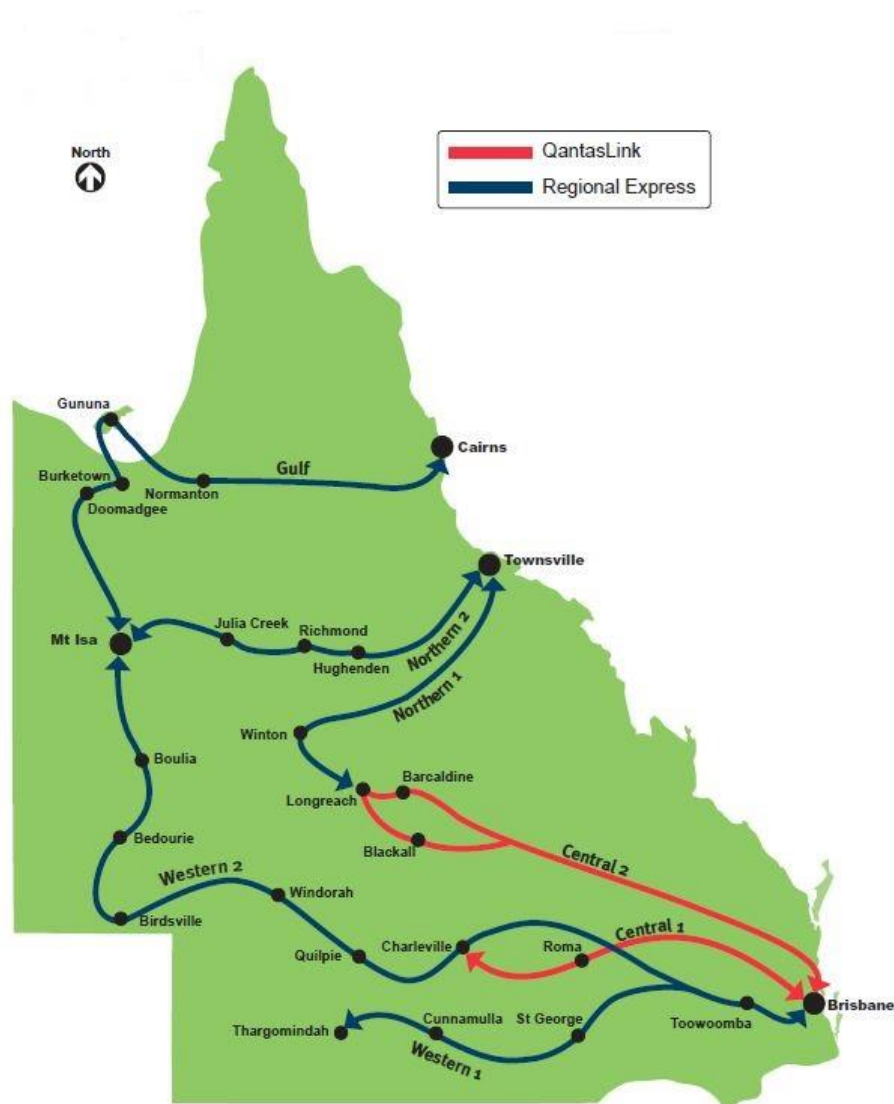
Across the MITEZ region a number of long distance air services presently operate:

**REGULATED ROUTES:** Townsville - Hughenden - Richmond - Julia Creek - Mount Isa (REX); Gulf run to Cairns and Western run to Brisbane.

**DEREGULATED ROUTES:** Townsville - Cloncurry - Mount Isa (QANTASLink)

**UNREGULATED:** Brisbane - Mount Isa and Townsville - Mount Isa QANTASLink, VIRGIN and Alliance

Townsville - Mount Isa QANTASLink and REX Airlines; Mount Isa - Cairns REX Airlines



*Image: Regulated Routes Queensland (credit: Department of Transport and Main Roads Queensland)*



Image: Unregulated Routes Queensland

Regulated routes were last tendered out by the Queensland Department of Transport in approximately January of 2015 which enabled competition within the market to tender for the rights to operate these routes and to provide a level of service and pricing which is accepted by the stakeholders.

In this process there are levels of community consultation such as with local government where issues can be raised and negotiated. As regulated routes attract government subsidy, they are not subjected to offering discounts on pricing.

Unregulated routes can be entered into by accredited airline operators in a competitive market with style of aircraft, pricing and schedules decided by the operator in consultation with industry and community stakeholders.

MITEZ understands operators on these routes receive 80 percent of their business from 20 percent of their customers e.g. North West Health Services and other Queensland Government departments.

## **SOCIAL AND ECONOMIC IMPACTS OF AIRFARES IN ISOLATED REGIONS**

Communities along the MITEZ corridor are relatively isolated which requires residents to travel long distances of 1,000 to 2,000 kilometres in order to visit larger metropolitan centres on the coast whenever this is required. For the purpose of this submission, MITEZ provides comment on the social and economic impacts of airfares in isolated regions.



It should be noted that with the exception of Mount Isa and Cloncurry that many of the flights connecting MITEZ communities are operated as regulated services which requires interested operators to submit competitive tenders to operate the service via the Queensland Department of Transport and Main Roads (TMR).

Most residents often need to visit places such as Townsville or Brisbane for a range of reasons such as to visit family, for medical reasons, for education such as university and boarding school or it could be to access professional services such as to visit their dentist or accountant.

In most cases due to the distances the preferred option is air travel, however the cost is quite often a deterrent as many people simply cannot afford the cost of flights, particularly; as is often the case, if on short notice when there may not be any discounted or economy class fares available.

Often residents are not in a position to plan ahead and look for cheaper discounted fares such as if they need to attend a funeral or family emergency in which case they more than likely must pay for much more expensive fares due to discounted fares often no longer being available.

Similarly, people providing professional services to these communities and businesses need to travel long distances, with many of them coming from places from as far afield as Sydney and Melbourne with air travel their only option.

In comparison to the cost of flying elsewhere in the country, the cost of flights into or out of communities on the MITEZ corridor is seen as a significant disadvantage and restricts the extent of air travel undertaken which impacts on business activities as well as tourism.

*Table 1: COMPARISON - One-way fare (March 1 2018 - selected as a random date)*

FROM	TO	AIR DISTANCE	OPERATOR	DISCOUNTED	CHEAPER FARE	ECONOMY
Mount Isa	Brisbane	1,570	QL	\$371	\$420	\$621
Cloncurry	Brisbane	1,481	Virgin	\$363	\$405	\$635
Cairns	Brisbane	1,400	Q; Virgin: JS	\$160	\$308	\$308
Townsville	Brisbane	1,113	Q; Virgin: JS	\$228	\$229	\$418
Townsville	Hughenden	388	Rex		\$209	
Townsville	Richmond	498	Rex		\$233	\$499
Townsville	Julia Creek	553	Rex		\$276	\$499
Townsville	Cloncurry	673	QL	\$199	\$235	\$445
Townsville	Mount Isa	781	QL; REX	\$204	\$327	\$550
Cairns	Mount Isa	783	Rex	\$272	\$325	\$457
Townsville	Cairns	280	QL; Virgin	\$139	\$326	\$677
Brisbane	Melbourne	1,375	QL; Virgin	\$160	\$170	\$510
Brisbane	Auckland	2,300	QL; Virgin	\$237	\$403	\$613
Brisbane	Perth	3,604	QL; Virgin	\$269	\$689	\$1,129
Brisbane	Darwin	3,424	QL; Virgin	\$321	\$511	\$547
Sydney	Gold Coast	680	QL; Virgin	\$267	\$311	\$682

The above table highlights how the distances are significant e.g. 1,570 km from Mount Isa to Brisbane and although the cost shown for an airfare on a selected date (1 March 2018) is from \$371 to \$621, the reality is that on the occasion



when a passenger needs to book a specific date at short notice, they may have to pay up to \$800 (one way) on the day and for a family of five this represents a considerable cost.

Cloncurry resident Hamish Griffin told Qantas Facebook page:

*"this price gouging is out of control.... we need to take action". "People of (North West Qld).... One voice is not loud enough, please help," he said.*

*"Qantas want 4.5k for two adults and 1 child to fly from Cloncurry to Townsville next weekend... a week in advance...not because of a shortage of availability because I searched for nine seats, the maximum available to book on line and the cost per seat was the same and came to 14.5k."*

*"How long is this going to be allowed to happen?"*

*Article: North West Star 4 November 2017*

Mount Isa Mayor, Cr Joyce McCulloch:

*"It's simply not sustainable or fair for business operators, tourists and local people to continue to pay exorbitant air fares for a second-rate service just because they're travelling to a regional centre."*

*"We need to get to the bottom of why the cost of air travel is so high, why Qantas and Virgin feel the need to charge the way they do and fix it".*

*"The cost of flights is a key issue identified in the Mount Isa Economic Development Strategy and one that as a Council we're determined to resolve."*

*"The Mount Isa City Council launched a motion at the Australian Local Government Association annual conference in Canberra in June 2017 calling on the Australian Government 'to ensure the cost of airfares and transport in remote and rural areas provides economic and affordable access to all residents'."*

*Article: North West Star 2 December 2017*

A popular perception is that people employed in the mining and mine services industry who fly on a regular basis organize their flights months in advance and generally purchase most of the discounted fares as soon as they are released.

Local residents generally don't plan as far in advance and look to book a flight when the sudden need arises such as for a family event/ emergency. This means that the local resident usually misses out on the opportunity to purchase cheaper fares and are forced to pay a higher or the full fare and this is a factor which affects local residents and people looking to visit the region.

There is a high disparity of income in older traditional mining towns such as Mount Isa and Cloncurry who have a high percentage of residents classified in the low socio-economic group as opposed to those in mining and mining services/ professional people who enjoy relatively higher wages.



## **CARRIERS TRIAL DISCOUNT FARES SCHEME**

In November 2017 Qantas announced it was trialing a 12-month discount fare scheme for Mount Isa, Cloncurry and Julia Creek residents.

The scheme entailed discounts of up to thirty per cent for residents from Mount Isa; Cloncurry and Julia Creek and was noted as applying to markets uniquely impacted by demand from resources industry. Regional airports were invited to reduce their passenger charges to unlock further savings.

Qantas chose these markets because residents are competing with a very high volume of corporate travel, specifically from the resource industry.

Qantas Domestic CEO Andrew David said the economics of air travel to these communities can be severely impacted by their remoteness, levels of demand and high operating costs.

*"We've listened to residents in regional communities and understand their concerns on the cost of travel," said Mr David.*

*"The reality is that the per kilometre cost on a small aircraft is significantly higher than a larger aircraft that operates between major cities, because the costs are divided by a much higher number of passengers. These regional routes don't have the levels of demand needed to sustain a much larger aircraft and we want to maintain the frequency of services."*

*"Regardless of the reasons we know the higher relative costs can be frustrating for residents when they need to travel, especially at short notice."*

*"Providing a discount for residents helps to offset some of these forces that can push fares on some flights to levels that become unaffordable."*

The discount is available on all economy fare classes except for sale fares, for purchase up to and including the day of travel. This means that last minute trips during peak travel times or seasons, which are traditionally more expensive, will be more accessible for residents.

The discounted fares scheme is running as a 12-month trial, during which Qantas will review the uptake and revenue impact.

*"We're optimistic that the discount will stimulate additional demand, which will help us offset some of the cost of the scheme."* Mr David added.

To access the discount, residents need to book a return flight on Qantas. The discounts are only available for personal travel and will be limited to four return flights a year for each resident.

Qantas is also in discussions with regional Airports and Councils about reducing their airport charges which may enable further savings to be passed on to residents.

Discounts vary from between 10-30 per cent, depending on the type of fare purchased. The most flexible (and therefore, higher) the fare, the greater the percentage discount. See table, below for an example.

*Table 2: Effect of Qantas's discounted fares scheme*

	Full Economy airfare	With 30% discount	Saving
<b>ISA TO BRISBANE (RETURN)</b>	\$1,228	\$859	\$429
	Red E Deal \$826	No discount	\$0

The discounted fare scheme has been implemented in Mount Isa for travel to Townsville and Brisbane, and in Cloncurry for travel to Townsville. Cloncurry and Julia Creek residents can access discounted flights to Brisbane and Townsville from Mount Isa.

VIRGIN also operates the Mount Isa to Brisbane and Cloncurry to Brisbane routes has so far not opted to announce a similar scheme.

On the basis of the Qantas's new scheme, local residents should be able to purchase a return flight from Brisbane to Mount Isa for around \$860 even if the Red E Deals are all sold.

On January 23, 2018 REX introduced new community fares on the Mount Isa - Cairns route.

The \$198 "REX Community Fare" will be made available on up to 30 percent of seats on every direct flight between Mount Isa and Cairns, if booked at least 30 days prior to departure. In addition, all unsold seats one day prior to departure will be available at the REX Community Fare level.

This announcement has received a very favourable response locally, however it is only in place until July at this stage.

## **RECREATION TRAVEL AND LIFESTYLE**

Like most communities, many people for lifestyle reasons look for opportunities to have a "getaway" whenever there are special airfares on offer. Unfortunately, all too often in remote communities very cheap airfares such as those from as little as \$69 and \$99 between capital cities are non-existent.

As the Commonwealth Government is currently holding similar inquiries in other remote regions of Australia, we look forward to the benefits or initiatives coming out of those enquiries to also apply to the communities in MITEZ region.

Cr Joyce McCulloch, Mayor of Mount Isa said [the Senate inquiry](#) is an opportunity for people to have their say and push for change and events such as the Triple J One Night Stand concert in April of 2017 demonstrated the economic impact over-the-top airfares can have:

*"The number of people who attended that event was half of what it should have been because of the cost of airfares."*



*"Young people who bought tickets to the concert and booked accommodation cancelled when they discovered how much they'd be charged for flights.*

*"That clearly impacted on local accommodation providers and other Mount Isa businesses who missed out on the income that event should have generated.*

*"We're now gearing up for the 60th Mount Isa Rodeo in 2018 and the last thing I want to hear is that rodeo fans can't afford to fly here for what will be a fantastic and historic event."*

*Article: North West Star 2 December 2017*

### **RECENT AIRFARE RELATED MEDIA**

*"We're not going to sit back any more and cop a \$1,600 round trip to Townsville when we regularly see return airfares to places like Bali for only a few hundred dollars."*

*Kennedy MP, Hon Bob Katter 5 September 2015*

Mount Isa Mayor Joyce McCulloch, speaking about Qantas's latest discounted fare scheme:

*"There was a lot of negativity around Qantas at the time and that was how they responded," she said.*

*"My feedback I am receiving from the community is it is not making much of a difference to the impact on price," she said.*

*"So if the community is not feeling they are gaining from it, then what's the point of it?"*

*Article: North West Star 19 October 2017*

*The airline Regional Express has announced the introduction of a new "Rex Community Fare" Scheme for its direct Mount Isa – Cairns route.*

*The \$198 "Rex Community Fare" will be made available on up to 30% of seats on every direct flight between Mount Isa and Cairns if booked at least 30 days prior to departure.*

*In addition all unsold seats one day prior to departure will be available at the Rex Community Fare level.*

*The airline said this scheme would provide the community with access to affordable fares when planning travel in advance or, more importantly, when last-minute travel is required, when fares can be at the highest.*

*The Rex Community Fare is available to anyone and does not require proof of residence.*



*Rex has partnered with Mount Isa Airport which will reduce airport charges for each Community Fare sold through until June 30, 2018.*

*Rex said it would commit to extending the Community Fare beyond June subject to the continuation of the arrangement with Mount Isa Airport.*

*“Regrettably, Cairns Airport is not willing to support this initiative, which was designed to assist the less fortunate,” the company said in a statement.*

*The North West Star has contacted Cairns Airport for comment.*

*Rex said it was rolling the Community Fare Scheme across its Australian network to provide regional and remote communities with more affordable air travel.*

*Steve Jones, Rex’s State Manager for Queensland said residents of regional communities were more reliant on and exposed to higher transport costs than those living in larger population centres.*

*“Rex’s primary mission is to provide safe and reliable air transport at affordable fares to regional Australia,” Mr Jones said.*

*“The Rex Community Fare helps to achieve this and will bring significant socio-economic benefits to the residents of the beneficiary communities”*

*Kevin Gill, Mount Isa Airport Chief Operating Officer said they have long supported the calls for reduced airfares in regional Queensland.*

*“We commend Rex on this initiative and are happy to support for the benefit of the local community.,” Mr Gill said.*

*Article: North West Star 23 January 2018*

*Virgin Airlines have no plans to match Qantas in offering subsidised fares to North West Queenslanders and have refused to deny they gouge local travelers to subsidise routes on the coast.*

*That’s the conclusion we’ve drawn from a waffly answer the company gave to five questions put by the North West Star.*

*A “Virgin Australia spokesperson” told us in an email response said they supported strong competition in Australian aviation and they do their best to ensure their airfares are competitive.*

*“Airfares on any given route are driven by a combination of factors, including demand, competitive activity, time of booking, seasonality, operating costs, and airport pricing and taxes,” the spokesperson said.*

*“Virgin Australia is committed to providing competitive airfares on flights within Queensland and we also regularly run sales on regional Queensland airfares.”*

*"We always encourage guests to book as early as possible to access the cheapest fares available and subscribe to our airfare specials at <https://specials.virginaustralia.com/>"*

*However the spokesperson did not directly answer any of the questions we put to them.*

*1) Does the airline have any plan to come up with a residents scheme for NW Qld similar to Qantas*

*2) If not, why not?*

*3) Does the airline accept that regional airfares to destinations like Mount Isa are overpriced compared to similar routes on the coast and rural and remote people are subsidising cheaper flights elsewhere?*

*4) What if anything does Virgin propose to do about it?*

*5) One of my readers was needing a one way flight from BNE to Cloncurry on Wed 1 and for the 10.10am flight the best price they could find was \$1002, which is more expensive than some overseas holiday. - why is this so expensive?*

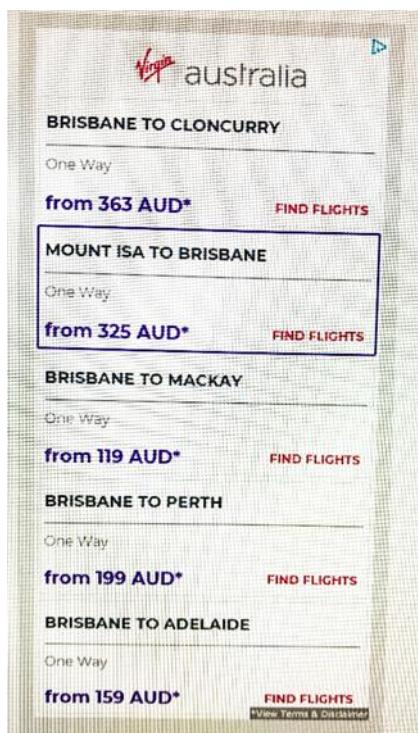
*While Virgin Airlines refuse to do anything, the pressure is still on Qantas.*

*Following the news of Qantas reducing airfares for Mount Isa locals, the owners of the local airport have come up with their own saving for travelers.*

*Article: North West Star 4 November 2017*

An example of discounted prices advertised in January 2018 which demonstrates how the difference between coastal and inland pricing.

Note: On this promotion, prices don't reflect distance e.g. Brisbane to Perth



*Advertisement: Townsville Bulletin 25 January 2018*

*Queensland Airports Limited said Monday they would cut the airport charges by two to seven dollars off their current charges of \$20 to \$30.*

*QAL CEO Chris Mills said airport charges are a small percentage of the total airfare price.*

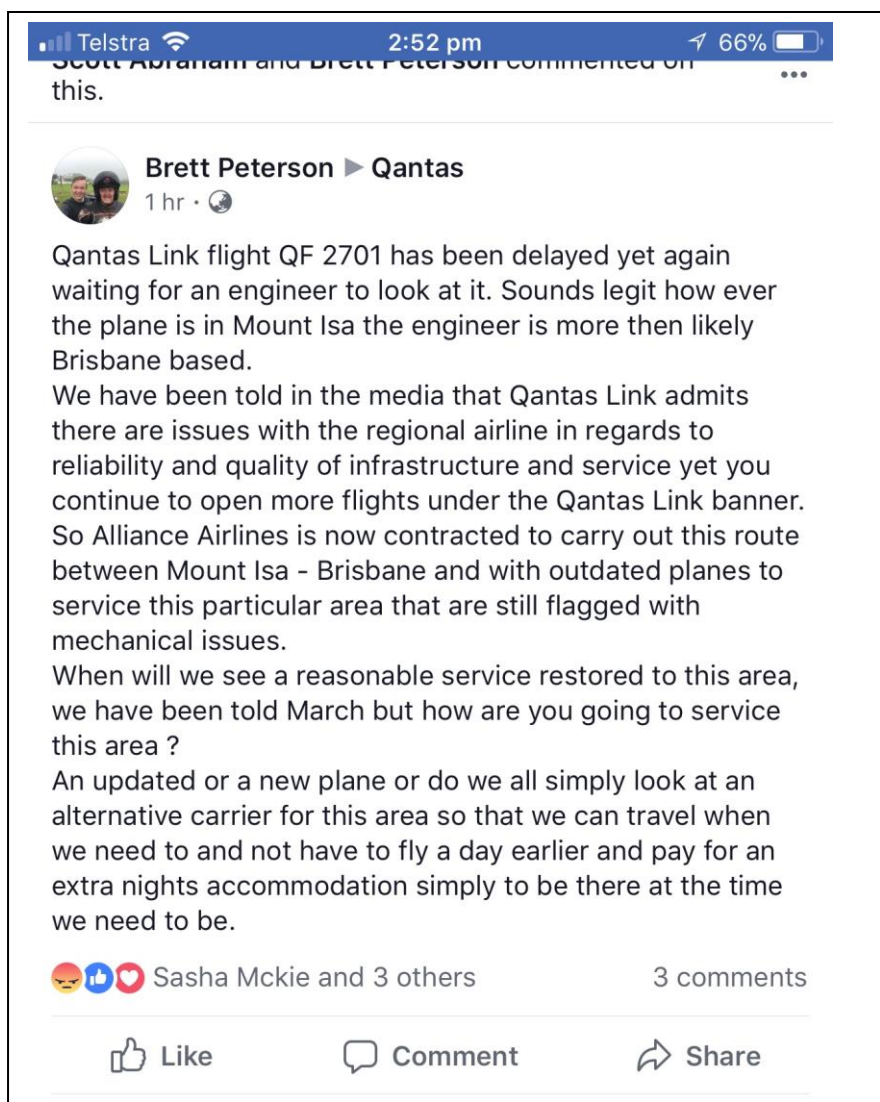
*"But we understand that every dollar counts and have long supported the calls for reduced airfares in regional Queensland," Mr Mills said.*

*"QAL is pleased to confirm we will apply the same discount to airport charges that Qantas has announced for the benefit of the local community."*

*Article: North West Star 5 September 2017*

*We all know juvenile crime is a huge issue (and during the election our readers told that only high air fares ranked higher in importance) and many have been directly affected but the solution is complex.*

*Editorial: North West Star 17 January 2018*



*Facebook: 31 January 2018*

MITEZ agrees that in recent times the delivery of reliable air services in general has seen an increase in the number of delayed or cancelled flights for which there are legitimate reasons such as safety issues and technical problems. Cancelled or delayed flights have considerable impact on people's ability to conduct business and people now have to plan their travel and fly the day before in order to be sure to meet their scheduled appointments and meetings.

## **FLY-IN, FLY-OUT (FIFO) WORKERS IN NORTH WEST QUEENSLAND**

There are two types of FIFO workers in the MITEZ region:

- Those employed on mine-site accommodation who are flown in and out on special charter flights and often directly to the mine airstrip (not on an RPT service)
- Those who are employed to work at a mine-site but organise and fund their own travel on scheduled RPT services and take the mine bus to travel to and from the mine

FIFO employees employed at a number of mine-sites in North West Queensland are among the major users of air services in Mount Isa and Cloncurry, although many are flown in and out on charter flights.

FIFO workers who arrange and fund their own travel are able to plan their flights months in advance to align with their rosters and are generally able to take advantage of the lower priced fares. As a result of such this leaves fewer available for local residents who generally look to organise travel closer to the date they require.

The ability of mine workers (generally on higher incomes) to pay for air travel is perceived to be less of an issue compared to local residents, pensioners, youth and particularly people on lower incomes. Hence a perception subsists in the North West that airlines have a lower pricing structure exists for the coast, as fewer people are willing or able to pay higher fares.

This perception needs to be balanced with an understanding of the costs associated with operating any type of aircraft, the number of flights offered and the viability of operating the service. Also, that there is a limit to the actions that government authorities can take to limit airfares without undermining the commercial viability of services.

***MITEZ suggests: Airline operators provide a quality, regular and reliable service more in-line with coastal and major ports using suitable aircraft and make further commitment to offering lower cost airfares, particularly for bookings close to departure dates using schemes such as discounted resident's fares, stand-by etc. This will improve the social and economic conditions for our remote communities.***

MITEZ has not provided data relating to reports of any exorbitant airfares but has a receipt for return travel from Mount Isa to Townsville issued on 15 November 2017 for \$1,281.98 for flights on 16 and 17 November. This fare was the only one available at short notice as opposed to a normal flexi-fare (for a return flight) of around \$650.

Sadly, this is a situation that affects many locals and to the same extent business people who need to visit customers in places such as Cloncurry and Mount Isa. The fare quoted above being equivalent to a return airfare from Brisbane to Auckland which is three times the distance.



State KAP leader and member for Traeger Robbie Katter said the findings of secrecy and a lack of community consultation were exactly what was expected.

*“People in regional Queensland have been experiencing this for years,” Mr Katter said.*

*He said his Mount Isa electorate office regularly received letters from constituents who simply can’t afford to fly to Brisbane for a family funeral or support those who need emergency health care.*

*“It is doing nothing to promote the regional areas of Queensland as a preferred destination and has a negative impact on tourism,” Mr Katter said.*

*Article: North West Star 17 January 2018*

## **TOURISM**

The MITEZ region is gifted with a number of natural attractions such as Porcupine Gorge; Boodjamulla National Park (Lawn Hill); Riversleigh World Heritage Fossil Sites and many others along with a number of major tourist facilities and built attractions, however almost all of the visitation comes from the self-drive market as opposed to organised or packaged tours.

Over the years there have been numerous attempts by tour operators to develop packages for domestic interstate, intrastate and international visitors which include air travel; however the cost of flights built into the package is often a major negative factor when marketing Outback product in comparison with destinations elsewhere.

The same situation applies with major events in the region such as the Mount Isa Rodeo as the price of air travel often affects people’s decision to attend. Generally, this is a high demand period with only a limited number of cheaper tickets available. This is clearly a situation to highlight the direct impediment to economic development to a community as it has a flow-on affect to accommodation/ food retailers, taxis and tourist attractions when potential customers would like to attend but can’t manage the airfare.

*See Example Table 1: COMPARISON - One-way fare (March 1 2018 - selected as a random date)*

## **PASSENGER DEMAND**

An explanation as to why airfares from Brisbane - Cairns are significantly less than Brisbane - Mount Isa or Cloncurry (which is roughly the same distance) is usually explained by carriers as “because of the difference in passenger numbers, the size and type of aircraft used, landing fees and airport charges”. There are also numerous flights operating daily on routes such as Brisbane - Cairns and cheaper flights are generally at times when there is less demand such as 5.30am as opposed to later in the day.

*Table 3: Comparison - One-way fare*

FROM	TO	DISTANCE	OPERATOR	DISCOUNTED	CHEAPER FARE	ECONOMY
Brisbane	Mount Isa	1,570	QL	\$371	\$420	\$621
Brisbane	Cairns	1,400	Q; Virgin: JS	\$160	\$308	\$308
Brisbane	Townsville	1,113	Q; Virgin: JS	\$228	\$229	\$418

***MITEZ suggests: If the fares were cheaper then there would be significantly more passengers wanting to fly and the demand for flights would then increase not only from residents but also from business passengers and tourists. This could only increase the amount of sales and revenue for the operator.***

## **IMPEDIMENT TO ECONOMIC DEVELOPMENT**

In submissions provided elsewhere, the relative cost of air travel to and from many rural and regional areas of Australia is recognised as being a direct impediment to economic development and we believe the MITEZ region is not an exception. High cost airfares are also regularly identified as having a debilitating effect on price-sensitive markets, particularly small business and tourism operators for reasons as follows:

- The cost of doing business, as most travel is essential and generally on short notice
- Limited discounted flights available and a need to compete with FIFO workers
- Impact on cost of living due to distance and isolation for residents needing to visit family
- Investors seeing the cost of visiting the region as significant and are reluctant to visit
- Often the onus is on local business to undertake the travel required to conduct business
- Limited flights and often difficult to work around

One problem with the schedules on the regulated routes is these flights only operate on Monday, Wednesday and Friday and only allow a passenger approx. 5 hours on the ground before catching the return flight, otherwise they need to stay for two nights and take the next return flight.

***MITEZ suggests: Adding one extra day to the current regulated routes schedule (during the week) to allow passengers to have just one night and return the next day as five hours between turnaround is very difficult for people to complete their business.***

***In these smaller communities, being able to fly one day and return the next would be so much more practical for local residents, business travelers and it would enable large meetings to be held in these communities as due to the current schedules this is not practical.***

*Example: Adding just one additional service e.g. Thursday*

ARRIVE	DEPART	VISIT	NIGHTS
Monday	Monday	5 hours	0
Monday	Wednesday	2 days	2
Wednesday	Wednesday	5 hours	0
Wednesday	Friday	2 days	2
Friday	Friday	5 hours	0

ARRIVE	DEPART	VISIT	NIGHTS
Wednesday	Thursday	1.5 days	1
Thursday	Thursday	5 hours	1
Thursday	Friday	1.5 days	1



As an example, if MITEZ holds a meeting in places such as Hughenden, Richmond and Julia Creek this can involve around 15 passengers flying out from Townsville. Due to flight schedules the meeting would need to start at approximately 9am and be completed by 12.45pm. Otherwise the 15 passengers would have to stop over for 2 nights and depart two days later.

The same goes for people from these communities flying to Townsville to do business or to visit a specialist. Five hours turn-around on the same day is not considered sufficient time.

***Think-tank Proposal: Route Brisbane - Isa - Cloncurry - Townsville:***

***Consideration to be given to a proposal to re-design the Brisbane - Mount Isa - Cloncurry - Townsville route that would see flights operate in each direction with connecting flights at each end to other destinations. This would involve using 717's (or a similar size aircraft) to operate all of these legs and land in Cloncurry on some days as it currently does.***

***It would shorten flight times, add more seats and potentially offer more discount seats.***

***How it works:***

***Aircraft A departs Brisbane and Aircraft B departs Townsville both land at Isa around the same time***

***Aircraft A departs for Townsville and then to Brisbane***

***Aircraft B departs for Brisbane and then to Townsville***

N.B. 717 aircraft are currently not being used on any of these routes.

## **MORE THAN JUST FLIGHTS, THEY ARE OUR LIFE-LINE**

It has been reported by some businesses in the region who conduct exit interviews with employees that the cost of air travel was a significant factor in their decision to leave their job as a large proportion of these families originate from places elsewhere and their extended families are generally living in the coastal centres and capital cities or overseas.

Many workers and their families need to travel two or three times a year to see extended family and as this is not business-related travel, they must search and wait for discounted flights to be able to afford to fly, however for reasons discussed above regarding available discounts this may not be an option.

The other issue that needs to be considered is the time it takes to rectify technical problems on aircraft left stranded for many hours waiting for a qualified technician to be flown up from larger centres such as Brisbane. Consider the case for local trained and qualified technician/ personnel (contractor) to assess problems, conduct a test and report the situation to the operator, and where possible rectify the issue without compromising any safety.

Steps to minimise the number of delayed or cancelled flights to and from the region should be a priority as the loss of service has great impact on people's lives and affects productivity.

The information provided in this MITEZ submission is designed to demonstrate that people living in rural and remote Queensland experience certain disadvantages as a result of the cost of air travel.



MITEZ understands that subsidies are provided to operators of the regulated services; as Governments recognise these flights are indeed a lifeline for these communities, allowing them to counter the effect of isolation and access the best available services that are generally in larger centres on the coast.

#### **DIRECT GOVERNMENT ASSISTANCE (SUBSIDY)**

**Many routes on the MITEZ region are operated using regulated flights which attract a level of subsidy, however the un-regulated flights are not subsidised.**

**MITEZ suggests there is a special case for Government to provide a level of subsidy for those in genuine need such as pensioners or for special circumstances such as a family crisis when residents are required to travel at the last minute when prices are often at their highest.**

**A Government agency such as Centrelink may be able to assist by administering a resident's flight subsidy scheme for essential air travel. The agency would book the flights and the resident would then pay the amount of an average price fare to the agency at the time of the booking.**

**The agency would pay the airline at an agreed rate (as negotiated with airline operators). The Government negotiated fare less the average price (paid by the passenger) being the value of the subsidy.**

MITEZ believes the current inquiry is an opportunity to recognise there are a number of issues concerning air services and delivery which affects our region and is forwarding this submission in response to this inquiry. Should it be required at a future time, MITEZ would be available to respond or speak with representatives of the Commonwealth Government involved with the Senate Standing Committees on Rural and Regional Affairs and Transport.

Yours in regional development,

**David Glasson (President)**