

By email: cbasa.sen@aph.gov.au

Committee Secretary
Senate Select Committee on Commonwealth Bilateral Services Agreements
PO Box 6100
Parliament House
Canberra ACT 2600

Monday, 18 September 2023

Dear Committee Secretary,

Inquiry into Commonwealth Bilateral Air Services Agreements

Queensland Airports Limited (QAL) would like to thank the Select Committee on Commonwealth Bilateral Air Service Agreements for the opportunity to provide a submission to help inform the inquiry into Federal Government decisions relating to proposals for additional services to Australia's airports.

QAL is an Australian-owned, Queensland-based company that owns and operates Gold Coast, Townsville, Mount Isa and Longreach airports. It is the largest regional airport operator in Australia, welcoming nearly eight million passengers across its four ports in FY23.

As an airport group that serves both a predominantly inbound tourism destination (Gold Coast), as well as regional communities, QAL well understands the impact that high airfares have on the quality of life of those living and working in the surrounding communities.

Australia is a vast country with great distances between its urban centres, necessitating the need for reliable and affordable air travel - both for passengers and freight - particularly given the lack of viable transport alternatives such as high-speed rail.

Air travel is the lifeblood of many regional communities, facilitating investment, jobs and access to healthcare. In tourism centres, air travel underpins the region's growth and prosperity, with many communities wholly reliant on the discretionary spend of tourists to support their livelihoods.

Increased aviation capacity to any region has a profound effect on local economies, with tourism dollars stimulating economic activity broadly across many sectors. For example, a daily service from a hub carrier into Gold Coast Airport with primarily UK/Europe inbound visitors, has the potential to drive a \$160 million a year uplift to the Gold Coast and Northern New South Wales economies.

QAL is in constant discussion with airlines, working to grow existing and secure new services to its ports, recognising that increased supply drives greater competition and ultimately puts downward pressure on airfares.

Typically, the more airlines that service a region or the higher the frequency of services, the lower airfares tend to become, driven by competition and economies of scale. In essence, the more aircraft seats, the lower the airfares, offering considerable economic and social benefits to the regions they support.

QAL supports the continued development of bilateral agreements to help disperse the economic benefits of international Air Services Agreements into regional Australia, including key tourism markets such as the Gold Coast and Townsville.

Gold Coast Airport is a large international airport, offering an efficient, single terminal building, enabling it to keep its international airport charges significantly lower than that of Brisbane Airport, which is only 100km away. As the fastest growing major city in Australia, the Gold Coast provides a compelling opportunity for new international airline connections, particularly given 370,000 trips were taken between Europe/UK and the Gold Coast in 2019.

QAL will continue to work closely with its partners – the State Government, City Councils and peak tourism bodies to continue to encourage the introduction of new international connections.

Yours faithfully,

Adam Rowe
Chief Commercial Officer
Queensland Airports Limited