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SUBMISSION NO. 97

Hon Sue Napler, MHA  
Liberal Member for Bass



HOUSE OF ASSEMBLY

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30 August 2002

Mr Paul Neville MP  
Chairman  
Standing Committee on Transport and Regional Services  
House of Representatives  
Parliament House  
Canberra ACT 2600

Secretary: *J. Luff*

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2 SEP 2002

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON  
TRANSPORT AND  
REGIONAL SERVICES

By Fax: (02) 6277 4424

Dear Sir

**Submission to inquiry into commercial regional aviation services  
in Australia and transport links to major populated islands**

As the Tasmanian Shadow Minister for Transport my intention in this submission is to assist in highlighting the unique characteristics of both the Furneaux Islands and King Island and their special transport needs.

These islands describe themselves as being reliant upon commercial forces to provide reliable, cost effective and appropriate air and sea services for the movement of all people, produce, livestock and freight on and off the islands.

Their populations of around 900 and 1800 people respectively puts them among the largest populated islands in Australia.

Both island groups have suffered from the collapse or withdrawal of four regional air carriers and a national air carrier (Ansett/Kendall) and today are serviced by aircraft that are in most cases over 20 years old and carry nine passengers (Piper Chieftans).

The cost of air travel for the distance involved is relatively expensive, especially when you compare the cost with the discount and cheaper airfares now available to mainland Tasmanians and mainland Australians through competition via Virgin Blue and Qantas.

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While the shipping freight requirements of Flinders Island have been well catered for by a relatively new shipping service through the Mathew Flinders, King Island is currently concerned about the future of their shipping services. Neither island however, are able to access freight equalization for the Tasmania to King/Flinders Island legs.

Both of the Islands are concerned that they are not able to access Federal Government freight and passenger subsidies as do others who travel Bass Strait by sea.

There is a strong case of equity for an equivalent of the Bass Strait Passenger Transport Equalization rebate to be applied to air travel for both the Melbourne to King/Flinders Island and the Island to mainland Tasmania routes. There is no alternative sea transport travel. Nor do they have the option of free car travel. In fact, it costs \$480 for locals to transport a car on one section of the journey (tourists get a free return trip for their car courtesy of the shipping company).

Tourism is already very strongly established on King Island, and is a growing industry on Flinders Island, as much as the recent history of airline failure and/or disruption has allowed. Tourism very much complements their other strong agricultural and fishing industries.

In the light of the aggressive competition from Virgin Blue and the two new State-owned Spirits of Tasmania, backed by the Commonwealth recognition of the national highway, both King and Flinders Islands are at a comparative tourism disadvantage.

There is a need for State and Commonwealth cooperation in providing a range of incentives to remote and isolated islands such as King Island and Flinders Island that could include:

- Air travel rebates for passengers that connect to both mainland Tasmania and Australia.
- Incentives to ship operators to renew contracts for shipping, and maintain reliable, reasonably priced services.
- Access to the Bass Strait Freight Equalization scheme or an equivalent for the Islands.
- Funding or tax incentives to enable RPT passenger services to upgrade aircraft.
- Capital upgrade of airport runways to encourage larger capacity planes capable of carrying 19 passengers or more.

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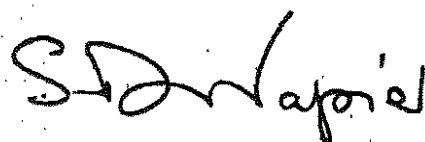
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Given the high cost of operating local airports, but recognising their importance as essential infrastructure for the Islands, there should be a review of the impact of transferring aerodromes into local ownership with a view to reducing the cost imposts on rural and remote Island communities.

These are just a few of the issues facing islanders that I urge the committee to investigate and recommend options to help enhance transport services, particularly air services, to King Island and the Furneaux islands.

I believe that it could be beneficial for the committee, if possible, to visit these islands to take oral submissions directly from the relevant Councils and allow members of the local community to attend and express their experiences and concerns. I urge the committee to give serious consideration to this.

Yours sincerely



**Hon Sue Napier, MHA**  
Tasmanian Shadow Infrastructure Minister