



MACKAY

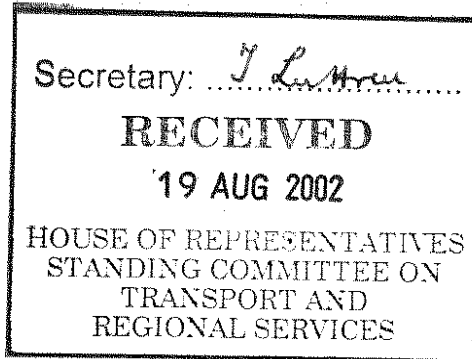


CITY COUNCIL

14 August 2002

The Committee Secretary
Mr Ian Dundas
House of Representatives
Standing Committee on Transport and Regional Services
Parliament House
CANBERRA ACT 2600

SUBMISSION NO. 26



Address all communications to:
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Jeffrey Harris

Dear Sir

RE: SUBMISSION FOR THE INQUIRY INTO COMMERCIAL REGIONAL AVIATION SERVICES AND TRANSPORT LINKS TO MAJOR POPULATED ISLANDS

Mackay (1000km north of Brisbane, Queensland) is a major service centre for the growing Bowen Basin coal mining industry, which together with the grain, beef and sugar industries, makes the area an important contributor to the national export economy.

Like many regional cities, Mackay (population 78,000) is heavily dependent on a reliable and affordable air service for the transport of both goods and tourist and business travellers. The efficiency and prosperity of Mackay Airport is central to the City's continued growth and the recent introduction of Virgin Blue air services and direct flights from Sydney are testimony to the airport's increasing importance and potential.

However, Mackay City Council is concerned about the effect high access costs are having on the cost of airfares to and from the City. Obviously these costs impact negatively on the region's economy, and in particular its tourism and business sectors.

Clearly, a more equitable pricing system is needed to remove the cost distortion impacting upon regional communities like our own.

You would have recently received submissions for the Inquiry from Mackay Port Authority (25th July, 2002) and the State Member for Mackay, Tim Mulherin (30 July 2002).

Mackay City Council fully supports the key points made in both these submissions.

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Mackay Port Authority has highlighted in their submission that the cost of airfares has been a considerable impediment to the growth of our airport and air travel market and, in particular, the cost of Air Services Australia charges at Mackay compared with larger volume airports.

The Authority's submission argues that distorted en route, control tower and Aviation Rescue and Fire Fighting charges are inhibiting factors in developing services to regional airports such as Mackay.

The submission put forward by State Member for Mackay Tim Mulherin points out that the airport's recent \$3.5million upgrade has improved its ability to expand readily to meet passenger and airline demand.

Again however, expensive airfares and terminal operation fees are restraining Mackay from taking full advantage of tourist and business traveller demand.

Mackay City Council would like to assure the Committee that it fully supports the submissions made by the Member for Mackay Tim Mulherin and the Mackay Port Authority.

Council hopes the Committee will take into account this submission (along with the requests from the Member for Mackay and the Mackay Port Authority), for a more competitive operation to ensure not only the increased efficiency of operations at Mackay Airport, but also the increased growth of our region.

Yours faithfully



JEFFREY HARRIS
CHIEF EXECUTIVE OFFICER