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Secretary
House Of Representatives Standing Committee on Transport & Regional Services
Parliament House
Canberra ACT 2600

Secretary: *J. L. Hill*

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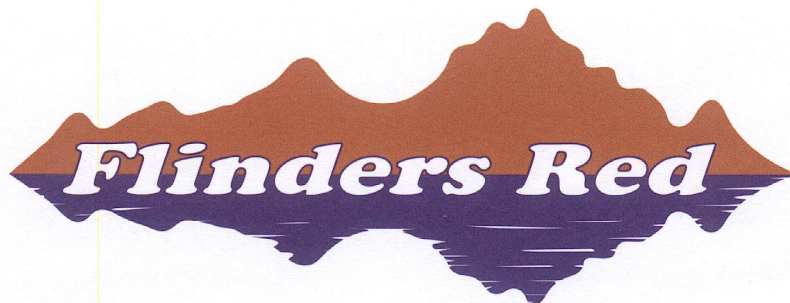
HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

Dear Sir

Please find attached our submission to the inquiry with special reference to Flinders Island, Tasmania. We would be pleased to have the opportunity to discuss the matter of air services should you be able to visit Flinders Island or Melbourne.

Yours sincerely

Michael D Buck
Chairman



Submission

Standing Committee on Transport Regional Services

Background

This submission deals with Flinders Island transport services. Flinders Island has since the cessation of air services by Ansett 28 years ago, been serviced by a succession of small operators, some seventeen in all, who have either failed or withdrawn their services. We understand the Ansett services were supported by Federal Government assistance. These smaller operators have worked out of Launceston or Bridport in Tasmania or Essendon or Moorabbin in Victoria usually without access to key terminal facilities.

Flinders Island has two airports one privately owned with a gravel runway, the second is owned by the Flinders Council (main airport) and has one short runway sealed and a long runway unsealed. Numerous other grass landing strips exist on the Island as well as Cape Barren Island. Currently RPT or charters using nine seater aircraft service the Island. It should be noted that the main airport at Whitemark is unsuitable under current standard for use by modern turboprop aircraft.

In regard to sea transport the Island is serviced weekly from Bridport, Tasmania by Southern Shipping using a 300 ton livestock barge with very irregular sailing's to Port Welshpool Victoria. This vessel has the capacity to carry twelve passengers with no comforts or regular sailing schedules.

The traditional industries have centred on beef and fat lamb production, wool and fishing. The Island is currently witnessing the emergence of food-based industries with the development of aquaculture, beef and lamb processing; wild meats and poultry (including Cape Barren Geese) along with tourism. Currently tourism attracts approximately 12000 visitors per year.

Discussion

Flinders Island is in many ways similar to Tasmania in that transport is key to its economic development. The Island relies on air transport to get fresh produce to mainland markets – meat, vegetables and fish. Whilst the Island receives some visitors from Tasmania its key visitor market is Victoria and beyond. In all cases transport services do not connect with regional hub services. For example a person travelling from Sydney via Melbourne has to go to another airport to.

The Island is ideally suited to group activities such as bush walking which currently means chartering two or three aircraft to get groups to the Island. Our experience to date has indicated there is a significant fall off in interest in the Island as a destination once it is known that light aircraft are the only means of air transport. The other disadvantage faced by the Island is the significant cost difference between travelling between Tasmania and the mainland due to competition in air services and sea transport subsidies. This impacts both at product and passenger level.

Flinders Red was established 2001 to promote visitors to the Island. Whilst the Company is still in its early stages of development we have recognised the enormous tourist potential of the Island particularly when you recognise its proximity to a major city being Melbourne. As part of this activity we have also been encouraging investment on the Island. For example three investors have already purchased holiday accommodation as a result of our work. Whilst many of our potential investors are keen to get involved they have been slow to take up the challenge due to the poor standard of air transport to and from key mainland markets. We believe significant investment will occur on the Island once there is a modern air transport service in place. Potential exists to increase visitors to 100000 per year, grow aquaculture, increase lamb & beef production, along with native species and poultry. Viticulture and horticulture also have a role to play in future production on the Island. The key to creating a sustainable economy lies with the provision of a modern air service out of Melbourne.

Recommendations for consideration

- ◆ **That linking Flinders Island with a modern air service (30 seat with provision for freight) to Melbourne be treated as an *essential service*.**
- ◆ **That Flinders Island is linked to the Tasmanian Passenger Equalisation scheme.**
- ◆ **That the Commonwealth provides financial assistance to the Flinders Council to upgrade the main airport to Dash 8 standard.**
- ◆ **That the competition policy be stood aside to allow one operator under licence to operate into the Island to agreed standards.**
- ◆ **That the financial standards required to operate a regional airline be reviewed**
- ◆ **That a duty free zone be created for Flinders Island which would encourage business development along with the associated increase in travel thus creating a more viable air service.**
- ◆ **That a "*skyroad*" scheme be introduced to ensure the viability of a modern air service.**