



Tasmania

12 MAR 2003

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MINISTER *for* INFRASTRUCTURE

MINISTER ASSISTING *the* PREMIER *on*  
LOCAL GOVERNMENT

TABLED 21 MARCH 2003  
MICHAEL AIRD MLC  
LEADER OF THE GOVERNMENT

### Legislative Council Select Committee Report on Bass Strait Air Transport

Thank you for your memorandum dated 17 February 2003 seeking a response to the Legislative Council Select Committee Report on Bass Strait Air Transport. I tender the following response to the recommendations of that Report on behalf of the Government:

#### Recommendation 1:

**Federal funds be provided on a permanent basis to reduce the cost impact to passengers travelling across Bass Strait by air.**

#### Response:

The Commonwealth Government has responsibilities, through the Department of Transport and Regional Services (DoTaRS), to ensure that their aviation policies meet the needs of all Australians. Many parts of Australia are reliant upon adequate, viable and sustainable air services to ensure that impediments to access are reduced for residents, tourists and business travellers.

Tasmania's transport disadvantage currently receives substantial support from the Commonwealth Government through its funding of the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) for sea passenger travel and the Tasmanian Freight Equalisation Scheme (TFES) for sea freight transport across Bass Strait. This funding therefore reduces the cost of surface travel across Bass Strait both for Tasmanians and visitors, and provides considerable benefits for the Tasmanian economy. The air travel market across Bass Strait is now subject to a high level of price competition, with heavily discounted fares now readily available.

#### Recommendation 2:

**Maximum pressure be exerted where-ever possible by all who have any capacity to do so until the goals set out in Recommendation 1 are achieved.**

#### Response:

Refer to the response for Recommendation 1. Should the issue of inadequate access for Tasmanians, and to Tasmania, arise again in the future, action to address this shortcoming will be vigorously pursued.

**Recommendation 3:**

**For the purpose of Recommendation 1 in Terms of Reference 1, King Island and Flinders Island Airports be treated on the same basis as other Tasmanian Airports.**

**Response:**

Should the Select Committee's Recommendation 1, regarding assistance for air travel to Tasmania, be supported by the Commonwealth Government, the Tasmanian Government encourages the availability of this assistance for King Island and Flinders Island.

**Recommendation 4:**

**The regulation of air services to and from Flinders Island be re-introduced and that the State Government underwrite the services within the principles of community benefit.**

**Response:**

Aviation services in Tasmania have been effectively deregulated since 1997 when the Tasmanian Government chose not to continue exercising its regulatory power of air route licensing. The repeal of Part 3 of the *Traffic Act 1925* in July 2000 removed from legislation the need for operators to be licensed by the Tasmanian Government as a pre-requisite for delivery of air services within Tasmania.

This has resulted in a more competitive air services market, and associated benefits including lower fares. Should market failure occur, and these services not be able to be provided commercially, the Tasmanian Government would act to ensure that adequate services are put in place. The Tasmanian Government currently subsidises patient, student and pensioner airfares for the Bass Strait Islands.

The Department of Infrastructure, Energy and Resources (DIER) continually monitors the provision of air services to the Furneaux Group of Islands.

**Recommendation 5:**

**Consideration be given to an air service charge, by way of levy, for all planes landing on Flinders Island regardless of where they land. This levy would be passed on to the Flinders Council for the upkeep of the major Flinders Island Airport.**

**Response:**

Changes at airports are a matter for their owners. It is not possible for the Tasmanian Government to impose charges or levies of this type.

**Recommendation 6:**

**Although history has shown that the cost of air services to and from King Island is acceptable, the State Government should monitor the situation and be prepared to similarly underwrite these services should the need arise.**

**Response:**

As for Flinders Island, DIER closely monitors the provision of air services to King Island. Should market failure occur for King Island air routes, the State Government would adopt similar measures for King Island as proposed for Flinders Island in my response to recommendation 4.

**Recommendation 7:**

**The Cape Barren Island application to the Commonwealth Government for the Remote Air Subsidy Scheme be supported by the State Government.**

**Response:**

The State Government supported the inclusion of Cape Barren Island in the RASS scheme in both the 1998 review of the scheme, and in the more recent expansion of the scheme. The 2001 application, supported by an application from the Cape Barren Island Aboriginal Association, was successful and the service is currently in operation. The inclusion of Cape Barren Island in the RASS scheme has enhanced the accessibility of Cape Barren Island and the connectedness of Cape Barren Islanders with Tasmania and beyond and is an important recognition of the Island's remote status.

**Recommendation 8:**

**Airline companies ensure that their public relations policies enable travellers to be notified as regularly as appropriate, of the reasons for and likely duration, of any flight delays or cancellations.**

**Response:**

This is a commercial matter for the airlines to address and is not a responsibility of State Government.

**Recommendation 9:**

**Airlines regularly publish the extent of, and reasons for, delays and cancellations as an appropriate service to the public.**

**Response:**

Refer to the response to Recommendation 8.

**Recommendation 10:**

**In the event of the airlines not adopting an un-regulated reporting process, the Committee recommends that the Federal Government introduces a regulated process.**

**Response:**

This is a matter for the Commonwealth Government, as it regulates the airlines.

**Recommendation 11:**

**The State Government support a joint passenger/freight aircraft service for Flinders Island with an increased capacity adequate to meet the current day requirements of those utilising the service and the growing needs of the tourist industry.**

**Response:**

Airline services to Flinders Island are provided commercially. The choice of aircraft used for the service is therefore a matter for the airline concerned. The current aircraft type being used for RPT services to Flinders Island is the Piper Chieftain, a twin-engine aircraft of nine seats capacity. The service providers have determined this as the most efficient and cost effective aircraft available to provide services to Flinders Island given the current level of demand.

Freight services are mainly provided by charter operators.

The AOS (Whitemark Airport) Report and the air service Value Management Study (VMS) held on Flinders Island, both identified that current air services and aircraft used on Flinders Island routes are appropriate for the route density. It was also clear from these reports that expansion of tourism and air services on the Island is an iterative process requiring a number of sustainable smaller steps rather than potentially unsustainable large jumps in capacity with larger and more expensive aircraft.

It is anticipated that increases in demand would be met by a commercial response from airline operators through changes to service levels, schedules and aircraft types.

**Recommendation 12:**

**The State Government make representations to Qantas :**

- (a) to increase the availability of frequent flyer seats between Tasmania and the mainland; and
- (b) to reduce the number of frequent flyer points required for redemption to travel between Tasmania and the mainland :
  - (i) to ensure equity for Bass Strait air travellers, and
  - (ii) in the interest of Tasmanian tourism promotion.

**Response:**

Qantas's frequent flyer program is a commercial matter for Qantas. Refer also to the response to Recommendation 1 regarding the current highly competitive air travel market across Bass Strait.

**Recommendation 13:**

**The owners of Hobart and Launceston Airports reduce their short-term car parking costs to make them more comparable with city parking and most other regional airports.**

**Response:**

Car parking charges are a commercial matter for the airports.

**Recommendation 14:**

**The Launceston Airport owners and the airlines facilitate arrangements for Flinders Island travellers to -**

- (a) utilise the main terminal; or
- (b) to be transported between the two terminals.

**Response:**

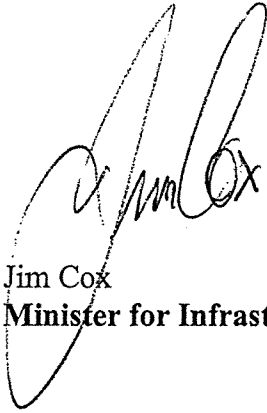
The State Government is not in a position to comment on this recommendation, as it is a commercial matter for the airport and airline involved.

**Recommendation 15:**

**Adequate security screening facilities be installed at both Devonport and Burnie Airports as a matter of urgency. This is especially important in view of recent national alerts for terrorist activities.**

**Response:**

This matter is primarily for the Commonwealth Government to act upon. The State Government has taken up this issue with the Commonwealth Government.

A handwritten signature in black ink, appearing to read 'Jim Cox', is written over the printed name and title.

**Jim Cox**  
**Minister for Infrastructure**