

ECONOMICS AND INDUSTRY STANDING COMMITTEE

INQUIRY INTO REGIONAL AIRFARES IN WESTERN AUSTRALIA



**TRANSCRIPT OF EVIDENCE
TAKEN AT ALBANY
TUESDAY, 29 AUGUST 2017**

SESSION TWO

Members

**Ms J.J. Shaw (Chair)
Mr S.K. L'Estrange (Deputy Chairman)
Mr Y. Mubarakai
Mr S.J. Price
Mr D.T. Redman**

Hearing commenced at 11.54 am

Ms CAROLINE JANET HAYES

President, Albany Chamber of Commerce and Industry, examined:

Mr RUSSELL CLARK

Chief Executive Officer, Albany Chamber of Commerce and Industry, examined:

The CHAIR: On behalf of the committee, I would like to thank you for agreeing to appear today to provide evidence in relation to the committee's inquiry into regional airfares. My name is Jessica Shaw and I am the Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee to my left: Yaz Mubarakai, member for Jandakot; Sean L'Estrange, deputy chair and member for Churchlands; Stephen Price, member for Forrestfield; and Terry Redman, member for Warren–Blackwood, who will join us in a moment. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege. However, this privilege does not apply to anything that you might say outside of today's proceedings.

Before we begin our questions, do you have any questions about your attendance today?

The WITNESSES: No.

The CHAIR: Would you like to make a short opening statement to the committee?

Mr CLARK: Mainly just to thank you for the opportunity to represent the chamber of commerce and obviously our 600-plus members and businesses and not-for-profit organisations and business networks. This has been a topic that has been pretty close to the Albany Chamber of Commerce and Industry's hit list for a long time. Obviously, we have had a change in recent years on who our local carrier is and we have seen some really positive outcomes come of that. Thank you for the opportunity to be here.

The CHAIR: Could you give us a bit more of a rundown of your membership base—the sorts of industries and proportion of your members and how this issue has affected the business community here in Albany?

Mr CLARK: We have a membership base of just over 600 businesses and not-for-profit organisations and some individuals. The bulk of our membership is small business owners and operators. We do have some of the larger companies like Woolworths and Coles and other members, but predominantly it is the husband and wife business owners who are predominantly our members.

With regard to the air issues, what our concerns have previously been prior to Rex coming on board was the schedule. I sit on the aviation consultative committee and have done for the last four and a half years that I have been in Albany. Skywest were only here for five minutes when I first started; then it was straight to Virgin. Those meetings to me were nothing more than a box ticking exercise. For the three years that I met with Virgin I said the same three things. They were saying that their passenger numbers were not improving and I was saying to them that there were three reasons: their price was too high, their schedule was incorrect, and their reliability was not where it needed to be. They basically would say that the price is the price, the schedule was not going to change, and their reliability factor was acceptable. It might be acceptable by industry standards, but it is not acceptable to the businessperson who has booked a flight to Perth and a connecting flight to

Melbourne, and then subsequently misses that connecting flight and spent \$1 000-odd dollars to get there and loses a day. That happened to me personally so I know exactly how that feels, and it has happened to Caroline.

The CHAIR: Was that a common problem, the cancellation?

Ms HAYES: It was.

Mr CLARK: Very much so. When you are running at a capacity of 85 per cent, it means that basically eight times out of 10 you are on time, but there are two occasions out of 10 that you are not. That is not really acceptable for people who are flying up to 30 or 40 times a year. You are getting to the situation where people will fly the night before a meeting just to make sure they will be up there, so you have got to add in an extra accommodation cost to that as well. That makes the flight cost plus the accommodation cost, and people start thinking about driving and those things as well. You get to a situation where you could not rely on that. People then got sick of those delays and missing their meetings. If you had a meeting in Perth any time prior to 10.00 am back in those days, you could not fly up that day because there was no guarantee you could get into the CBD by 10.00 am, and for the last flight home you had to be out of the CBD by 3.00 pm, so it really only gave you a five-hour window to do any business in Perth. So that became very prohibitive for people. A lot of people, professional people, who had to be somewhere at a certain time chose to drive or fly the night before and add those costs.

The CHAIR: Were you given any indication as to why those flights kept getting cancelled?

Mr CLARK: There are all sorts of reasons. When you go to the consultative committee, the information provided at the committee in those days was provided by Virgin. You could not get a hard copy of it. Things would be put up on the screen. The delays in numbers and passengers were all provided by the company themselves, so it lacks a little bit of transparency. I am not saying they were dishonest, but there were no back-up checks against that. The reasons ranged from “Fog in Perth so we can’t land, so we’ve lost our landing spot”, and then it shuffles the whole day around. There were mechanical and maintenance issues, obviously.

I was led to believe at times—I cannot be sure on this—that if passenger numbers were not sufficient, back in the days of Virgin here they would just cancel the flight because it was not worth flying, and just bump people onto the next flight. We have seen a change with Rex Airlines, and I must say a pleasant one. It is still going to have its problems—it is an airline—but they have changed their schedule; they listen to the local community and to the chamber of commerce. We met with them for eight months prior to them actually being announced. The schedule now is more suitable for Albany business. You can actually fly up in the morning, be in the CBD by 9.00 am, do a full day’s work, be back out at the airport to catch a plane at 7.30 pm and be home. You have removed the accommodation costs from it and you can do a full day’s work rather than five hours in the CBD. Rex has listened.

Rex also took on board the community fare, which is something we had asked of Virgin numerous times. I could not understand in my head why you would want to fly a plane up to Perth with 20 empty seats on it, when if you could sell those 20 seats at \$100 a head, you have picked up \$2 000. I think they announced that in the last 12 months they have picked up 8 000 seats on our route, and I think similar on the Esperance route at the community fare, which is about \$800 000-odd worth of income that they may not have received.

It could be easy to say that people are now just going for the cheap fare, but if you absolutely have to be at Perth for a meeting on this date, you cannot risk the fact that a fare might not be there 24 hours out. So business will still book the flights as per normal, and I have done that. I am on the

Water Corporation's customer advisory panel for the great southern, so my flights are booked at normal rates. But, as a parent, I have a son in Perth and I have flown him home on the cheap community fare because it is better for me to fly him home one way than drive all the way up to Perth, drive all the way back and spend nine hours in a car when I can just pick him up at the airport five kilometres away. It has had a very positive impact in what Rex has done. Their scheduling has changed and their pricing has changed.

Ms HAYES: Their reliability has certainly improved as well.

Mr CLARK: Yes. I mean, it is still going to have delays, and I have been delayed on Rex as well. That is air travel; we know that. I think the synergy with the city working with Rex to keep that community fare is an example to all other regions in WA where the local government can work in with an airline to produce a positive outcome. I am sure every local government has a budget for what they are going to get in return from their airport landing fees. I believe that they should look at saying, "Okay; whatever that is for the budget, once we reach that, we cap those fees there and then pass those savings on to the local traveller to make them more attractive for people to use the airline."

Once you get into the habit of using the airline—Caroline and I both use it a fair bit—it is far better from a business point of view when you can sit in the airport lounge and still work on your laptop rather than sitting there listening to an Eagles game or your favourite CD on repeat, because you just lose your whole day and you get nothing done, whereas I think the airline opens that up for the businessperson. Once it starts getting up around \$300 one way, then it is no longer viable. As soon as there are two of you travelling to Perth, it is not viable and the car comes back in. I travel up most weekends and I have seen more cars on their roofs than I care to remember in the last five years and fatalities on that road through fatigue and the other thing—this and this—is incredible. There is not one day that you can drive to Perth and not see someone texting on their phone as you drive past them, and it is not too often that you go up there and you will not see a car that is on the side of the road that has been rolled or hit a tree or whatever. Fatigue on those roads is a really big issue.

The CHAIR: Could you explain a little more about the aviation consultation committee—how it is constituted, how it operates, and what sort of information is exchanged in those forums?

Mr CLARK: Obviously, there is the carrier themselves. They come down and do a presentation. The City of Albany is represented at them. The chamber of commerce is represented there and there are a couple of other industry stakeholder groups that come along. Basically, the airline provides passenger information numbers as far as the number of passengers in that quarter against the previous quarter; against the previous year for the same quarter; what their average price has been; their reliability factors; and how often they are on time. That is a little bit loose at times because a 15-minute leeway here and there can make a big difference in whether they were really on time or not, and the allowance they give themselves. Basically, for a 50-minute flight they allow an hour and 10 minutes. There is a bit of rubbery stuff in there, but I think that anyone travelling understands that you would not clock it down to the last minute.

They are held usually about quarterly. I think what we have had with Rex is that Rex actually is engaged with the community. It sponsors a number of different—so it goes over who it has sponsored and how they have helped out young kids in cricket by giving them free flights to Perth to help them with some of their travel. The community groups—they support the chamber of commerce, whereas Virgin did not; they withdrew. I think the one thing that Rex has done is engage in the community, whereas Virgin came in and dropped all its community engagement, basically.

I think the marketing of their fares is not well done at times with the airlines. They really need to embrace the community more. I think Rex has done that reasonably well, but when we are looking at all of Western Australia, Rex only flies to two centres—Esperance and Albany. I am not sure that

the bigger carriers really cared that much because Albany was such a minute thing in their budget and their world compared to where they are flying all over Australia and internationally. Now we have a truly regionally based airline that is actually trimmed of fat and understands the needs of regional Western Australia.

The CHAIR: You talked before about transparency under the two different operating models and your perspectives on how transparent things have been operating.

Mr CLARK: I think it has been pretty good with Rex; I think Rex have been very good. Their passenger numbers have slightly increased. The number of services have increased dramatically, and that makes a big difference. Obviously, they are a smaller plane. It is not too often that I fly that the plane is not at around 80-odd per cent capacity. I think it is 86 per cent that they are running at at the moment in their seating capacity. They still have room in the community fare area because across the board all flights are not sold out, so generally you can get that community fare. But, as I said before, if you are a businessman and you personally want to travel, you are going to make sure that you are booked in anyway.

Mr S.J. PRICE: What is a normal fare?

Ms HAYES: It is \$324—ranging from about \$290 to \$324.

Mr CLARK: I think the average fare for Rex, though, is more around \$220; that is their average fare.

Ms HAYES: That is if you want to fly during the middle of the day. The morning and late flights sit at \$324; I use them a lot.

Mr S.K. L'ESTRANGE: That is one way?

Ms HAYES: One way.

Mr CLARK: You can get a community fare at \$128. That is pretty attractive; that is very attractive. I went up and back to the Water Corp the other day for \$260.

Ms HAYES: Yes; I went Friday and I was back on Sunday.

Mr CLARK: In that community fare, though, only \$63 of the community fare goes to the airline; the rest is taxes, charges and GST. So you are not even getting 50 per cent of that \$128.

Ms HAYES: I do not think they could cut any more out of it than that.

Mr CLARK: No, I do not think they could. And that is what I am saying: if we could get to the point where the local governments have a cap on the fees and charges they would get returned from the airports, and from that point on, once they have reached budget, release those cheaper seats out, the airline still gets \$63, but the price might now be down to \$80, and you are going to see more people use it. That is the factor of it. The other issue that you do run into as a problem is also your luggage factor—how much you can carry on and carry off. As I said, it is like my son: if he finishes school at the end of the year or at the end of the term, I cannot fly him home because he has too much luggage to bring home as well.

Ms HAYES: The only exception to that is if you have a connecting flight. There is a higher luggage limit on a connecting flight.

The CHAIR: I came down with an overnight bag. I can imagine that the 15 kilogram limit would be really problematic for a lot of people.

Ms HAYES: It is, yes. They will push it to 23 kilograms if you do have proof of a connecting flight elsewhere.

The CHAIR: What about the community impacts? As you have said, your members are small business owners and members of the community here. What are some anecdotes of the sorts of impacts that high airfares have on the local community?

Ms HAYES: It makes it very difficult for them to access training. A lot of the training for regional areas is conducted in Perth. The alternative is to bring people down here, which we do quite often, but for most businesses, accessing training for themselves and their staff is all Perth based, which means a road trip because the fares are too high. They cannot send three or four staff to Perth on a \$300 one-way ticket. I think that for a lot of other people, some of the issues that we hear from the members, even just to go up for medical treatment for their kids or themselves or what have you, it is either a full day in the car or it is quite an expensive flight.

What happens with a lot of the families is that they pack up the whole family and instead of doing an overnight trip to go and access services in Perth, they will spend a week in Perth. That is taking money out of our economy here. They might have been spending that doing those things here, whereas they are actually going out of the region.

Mr CLARK: The flipside of that is that they close their business for a week as well.

Ms HAYES: They do; they absolutely do.

Mr CLARK: So that affects their cash flow in their business. I actually wrote a few notes on that as well. Obviously, I am on the executive of regional chambers, so was part of that submission that was put in. The other thing is that business owners historically have viewed the airline service as unreliable. They have got out of the habit of flying in a lot of cases; either that, or they travel the night before, as we mentioned before, and it adds that cost on to it, but it also takes them away from their business for a longer period of time. That is one of the other impacts.

The other thing is, as Caroline said, about sending staff up to training. Some of the training providers now are not coming down because of the cost of doing that, so they are hoping that the regional people will go to Perth for their training, which they tend not to do, so they are missing out on that. Government agencies, for example, are exactly the same. On the aviation consultative committee, guys from the Department of Transport will teleconference because it is too expensive for them to fly all their staff down. It has an impact on government organisations as well.

I think another thing for us is the lost opportunities for getting people to come into the region. It is not getting enough people coming into the region. The problem with Albany is the tyranny of distance for everyone; it is too far.

Mr S.J. PRICE: It is too close but it is too far.

Mr CLARK: Yes. For Albany people, driving to Perth is not a big deal, but for Perth people driving to Albany, it is like driving to Melbourne for them. They just will not do it. They will drive down to Margaret River, but they will not drive to Albany because it is just too hard. I actually asked that of the department guys: "How often do you drive four hours in one hit?" They basically said that they never do, but we do it all the time—the tyranny of distance. When we talk about tourism opportunities—I am sure we will in a minute—what is the barrier for people coming to Albany? It is the time it takes and the cost to travel down. So if we could get the time factor taken away through air travel at a reasonable cost, that opens up a whole new world for the tourism opportunities, and for businesses down here that are not necessarily just tourism based.

[12.10 pm]

Mr S.K. L'ESTRANGE: What was picked up in the last session we had was car rental as well and the inability to fly in and then pick up a car and maybe go to Esperance to see the southern coastline and then fly out from there.

Mr CLARK: That is exactly right.

Mr S.K. L'ESTRANGE: Because the cost of leaving the car there became too expensive.

Mr CLARK: When you get to tourists and you have two backpackers, or whatever, or two people travelling around from Germany, they are going to hire a car in Perth and drive down because they have the car and it is part of the experience anyway. I think Tourism WA will say that the bulk of tourists drive because that is part of the experience, but they can do it far cheaper for the two of them with the fuel and two people paying for the car than they can fly two people down, then have to get an exorbitant taxi airfare in here, and then they cannot go to anything because we are quite diverse in our attractions in the region, so you need a vehicle to get around. I think there is an impact on tourism, but I do not think tourism is going to be the key answer to the airline —

Mr S.K. L'ESTRANGE: Regional airfares.

Mr CLARK: I do not think it is.

Mr S.K. L'ESTRANGE: That is because there are other factors that are inhibiting it.

Mr CLARK: The bulk of people who are travelling on those planes are businesspeople and for medical reasons. That is where the bulk of it comes from. I have five kids, so my family and I are never going to catch the plane to Perth.

Mr S.K. L'ESTRANGE: I think you guys are a very interesting case study, because if the airline is only making \$63 on a \$129 fare, the rest being fees and government charges, and if the mayor is saying that they are not getting that many people in the leisure industry using these cheap fares, it means that it is only business or community members going up for, as you say, medical visits or whatever.

Mr CLARK: That is the bulk of your travel.

Ms HAYES: It really is, yes.

Mr CLARK: That would be the absolute most of it.

The CHAIR: It is like public transport; it is pure public transport.

Ms HAYES: I talk to a lot of people on the flights and I made a point of doing so in the last couple of weeks as I do fly quite a bit, and everyone I am meeting is either from our community that are just popping up to Perth for a medical appointment or they are people who have had business here or have got business in Perth.

Mr D.T. REDMAN: I apologise for being outside. Stephen says that this question has not been asked. At one stage the CCI was advocating deregulating the route. What is the current position of the CCI?

Mr CLARK: That was the position of the CCI prior to my arrival. As a person, I felt at the time that the chamber wanted to be very careful what they were calling for because they could be calling for the loss of their airline. I am not convinced, with passenger numbers at the moment, that deregulation would work. I think you have that in other regional centres with far higher airfares than we have now. I think our current situation is the best it has been in the time that I have been in Albany.

Ms HAYES: The only thing I would add to that is that probably some of the feedback that I have had from some of our members is that traditionally they would bring a lot of freight down via the airline. With a smaller plane, a lot of the freight never gets here; it ends up coming by road. Passengers and luggage obviously come first. If there is any weight availability on the plane, they will put freight on,

but most of the time it is left on the tarmac and does not make it, so it goes by road. For businesses that were expecting overnight deliveries and things that would normally have come via air, with a smaller plane that is no longer able to happen. They seem to have overcome it for the most part, but they did make some changes initially when Rex came in.

Mr D.T. REDMAN: That issue affects Esperance as well. I had a bit of feedback about that. Is that something that you are engaging with the airline on to see if you can get a better, more secure service for freight?

Ms HAYES: I do not think it is something that has really been at the forefront of discussions as yet. I think probably actually trying to get people using the airline —

Mr D.T. REDMAN: You do not want to do it at the cost of personnel traffic.

Ms HAYES: There have been a lot of other priorities at this stage but it certainly is on the list.

Mr CLARK: The thing is, the carrier has only been there 18 months at the moment.

Ms HAYES: Yes, it is fairly new.

Mr CLARK: They are working their way through a unique set of problems, because obviously the Perth–Albany, Perth–Esperance routes are far bigger than the routes they do on the east coast. They have experienced some problems and, of course, they only had three planes over here to begin with. If one broke down, sure as eggs another one would have a problem and then you only have one plane in the air trying to service two centres. They have worked through those problems and added another plane to their fleet, and they can also look at some charter work as well. At this stage we have not pushed hard on that, but it is something we have talked about—bigger planes being able to take more capacity and hopefully reduce costs. Not being an expert on what it costs to fly a 100-seater compared to a 33-seater, I do not know the answers to that.

The CHAIR: Have you been involved with the city's initiative around establishing partnering for cheap accommodation, cheap airfares? Has the chamber been involved in that push to encourage tourism into Albany?

Mr CLARK: We sit on the tourism advisory committee as well. I must have been on every committee there is in Albany, I am sure of it! I have about 15 committees!

The CHAIR: Who is on that committee? Who convenes that tourism advisory committee?

Mr CLARK: That has come through the city as well. The city has been very proactive. I think full marks to the city and full credit to them. In the past three or four years they have really worked in a collaborative space with key industry stakeholders across a number of different areas. Whether it is the CBD revitalisation group, the aviation group or the destination marketing strategy, we still get a seat at every one of the tables, but I think that has been really good. I think the one thing about Albany and Denmark, and Plantagenet with the alliance as well, is we are seeing a more collective great southern rather than a fragmented great southern.

One of the problems in tourism down in the great southern over the last few years has been such fragmentation. You had Denmark Tourism Inc, the Discover Albany Foundation, Hidden Treasures, ASW, Tourism WA, the Tourism Council, the GSDC, the chamber, everyone doing their own things, and that has now come together as well to work out what is best for that tourism market and how it can be best worked. Certainly, we have a number of providers in accommodation who are members.

Obviously then there is the package arm with Busy Blue Bus and others. I know the city tried to do packaging up. Again I say to you: I do not see aviation tourism as a big thing, because you cannot carry enough bags to get on the plane. Most people are not travelling on their own. Most people

are travelling with someone else, so that takes the airlines out of that space for a reasonable amount.

Ms HAYES: I do not think there was a large take-up on what was put out there. If I am correct, it was flights and accommodation down here, so it was directed at bringing tourists in, which is fantastic, but really the bulk of the travellers are our community going to Perth. If it was flipped, maybe there would be more take-up. We often have hotels and things when we are up there. But tourism is not the biggest player for this airline.

Mr CLARK: The other side of it too—I know this is being rectified for January 2018 in the destination marketing campaign in Perth about Albany—is that I came here five years ago and in my interview I explained to them that I had never thought of coming here for a holiday because I had never had that seed sown to me at all. I had holidayed in Busselton, at Shell Beach up at Shark Bay and over to Queensland, but I never thought once about coming to Albany because I have never seen anything anywhere saying, “Come and visit the great southern and do this, this and this.” As part of growing that tourism and growing the air travel down here, it is actually about getting the product out in the marketplace so that people know it exists. When I say to people, “When I say Margaret River, give me words so that you can synergise”, the first thing they say is “wine and surfing”. But 16 of the top 24 white wines last year came out of this region. We have not marketed that factor.

The CHAIR: I am going to come back and test that!

Ms HAYES: Please do! I will personally show you; we really do.

Mr CLARK: I lived in Mandurah for 17 years and this is where Mandurah was 25 years ago—they wanted tourism but they just do not want any tourists: come in, drop your money off and get going. That is part of the problem.

Ms HAYES: I think the plan now is to really direct that tourism marketing at Perth so we are getting the travellers who are coming in to Perth and then hopefully down to here, as opposed to marketing to Japan or somewhere else, instead of going, “What’s Albany?”

Mr CLARK: Ninety-five per cent of our market is intrastate, and that research has been conducted. The website campaign “The Amazing South Coast”, we have been intimately involved in all of that.

Ms HAYES: It is very exciting.

Mr CLARK: It will be interesting to see whether they have got the passenger number growths on planes. As I said before, I am still not convinced that there will be a whole spike of tourism increases on the planes because of the factors around price and luggage. What we need to be focusing more on, and perhaps the airline as well—we are a bit unique—is that we have got this community fare. From my understanding, only Esperance and Albany have it, and that is because it is Rex. But beforehand when you were paying \$300-odd plus to go one way—\$600 return—it was not attractive. I would encourage other regions to work with their airline and work with their local government. I believe our landing fees are fairly high compared with some other regional airports.

[12.20 pm]

Mr S.K. L’ESTRANGE: I think your submission had you around 10 per cent, was it?

Mr CLARK: Is it not about \$30-odd?

Mr S.K. L’ESTRANGE: For your discount fare, that is a fair per cent, yes.

Mr CLARK: I know Rex have put that up a number of times because of the cost of landing here compared to there and on the eastern seaboard. I do not know why the costs are so different; why the costs are so much higher in WA to run an airport than it is elsewhere. Is it volume? Maybe it is

just simply that—volume. Overall, we have now got that community fare. For us we do have a little bit of a benefit that Kalgoorlie does not have and maybe other northern airports and airfares.

Ms HAYES: That has made a huge impact. I can honestly say that I have flown 30 times in the last couple of months. I would not have done so previously; I would have driven. So it has made a huge impact.

The CHAIR: What do you think is the impact on community amenity of them having that reasonably priced fare?

Mr CLARK: I think one of the things we have to look at here is that we are the gateway to heaven in some ways down here in Albany. We have a pretty ageing population. It gets to the point where for older people there are certain medical services that you cannot get in Albany and that you need to go to Perth for. Driving a car for four and a half hours for an 80-year-old becomes pretty difficult. Sometimes they are just not going and getting those medical services, or they have to rely on family members to take time off work to drive them up and take them to those medical appointments. That is very real. I have a mother who is 81 and she lives in the central wheatbelt. I have noticed that she does not go to Perth anywhere near as much as she used to because she just cannot do the drive. That has an impact socially.

I think the other thing is that people are getting to the point where for a lot of teenage kids, their parents push them up into school in Perth. I am in a situation where I have four teenagers here in Albany and one teenager in Perth, who thankfully got a scholarship, so that is why he is there. I do now see the advantages he has got in his sporting life in Perth that you just cannot get down here. He trains at the WACA three nights a week and trains with Claremont the other two nights, whereas if he was here he would probably get one session and that is because we would drive up and back. We drove 42 500 kilometres last year just to get him to football and cricket. He is in the state squads and Australian teams. Other people here cannot do that. We are prepared to make that sacrifice for him, but a lot of people here cannot.

If you could put your kid on a plane and fly him up to Perth for \$80 or \$90, it beats driving the car up and back and wearing the tyres and everything else. In my view there are kids down here—my views on the development of football have been fairly well publicised lately; it was all through the paper—who are not getting the development they need. As much as the people who are coaching them down here are trying to coach them, they have not got the expertise. My son is down here getting coached by a guy who means really well, but my boy up there is being coached by Ryan Crowley. There is a bit of a difference in experience and those sorts of things.

Mr S.J. PRICE: Just playing that out, if you were to fly your young kids up to Perth for sport, what happens when they land in Perth?

Mr CLARK: In the elite sport—Jordan is in the WACA system and in the Claremont footy club system—they have someone to pick him up. Guildford Grammar would drop him out to the airport and pick him up, because the airport is nice and close to Guildford.

Ms HAYES: I think there is a lot of the community who have actually got friends and family in Perth. If you were to survey, you would probably find that at least 60 per cent of people would stay with family or friends in Perth as opposed to booking hotels.

Mr CLARK: I think that you have got people feeling isolated. I guess for me, I came down here five years ago and I have a smattering of friends, but my family and my friends from boarding school days are all in Perth, and they just do not come down. You are always going up to visit them. I think isolation tends to happen. When these people send their kids away to boarding school, they end up buying a house or a unit up in Perth, like my parents did, and they spend more of the weekends

going to Perth to see the kids or watch them doing their stuff. In the end they think, “Stuff this” and they move back to Perth, and they do not stay in Albany.

One of the problems we have down here is that we have this void of 18 to 40-year-olds because there are no opportunities in employment. There is very little opportunity in education post-secondary school, so they are moving to Perth. There is a cost and time involved in going backwards and forwards, and I know it intimately. You start to think: “Is it time to relocate back?” I think that has a real impact on what we have here. The airline is the answer to that tyranny of distance, but I do not know about the price.

The CHAIR: Thank you very much. That has given us a really great insight into how the business community feels about this issue down here in Albany. I think it is just a fabulous community and I cannot understand why there are not more 18 to 40-year-olds down here—I love it!

Mr CLARK: Because there is no work.

Ms HAYES: Unfortunately.

The CHAIR: I guess if you can get the tourism industry up and running, you can really start generating those job opportunities and small business opportunities.

Mr CLARK: It is a challenge for Mark’s government because they went into the election talking about jobs. My question to that—I met with Mark the other day—is: where are these jobs going to come from? If you are looking at the hospitality industry, it is one of the lowest paid industries going around, and that is not really attractive. With education, you do not have a choice. If you are very bright, you do need to go to Perth for your education, and if it is elite sport, that is all in Perth as well. It is a great place to live if you have a good business or a good job. But I have a boy leaving school and there is very little opportunity for him down here, so that is one of the problems—outside of aviation.

The CHAIR: That is another problem for another inquiry!

Thank you both. I will proceed to close today’s hearing and thank you for your evidence before the committee today. A transcript of this hearing will be emailed to you for the correction of minor errors. Any such corrections must be made and the transcript returned within seven days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee’s consideration when you return your corrected transcript of evidence. Thank you.

Hearing concluded at 12.26 pm
