

## **Admin, LACO**

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**Subject:** FW: Inquiry into regional airfares in Western Australia

**From:** Cr Peter Foster  
**Sent:** Tuesday, 25 July 2017 8:32 PM  
**To:** Committee, Economics & Industry Standing  
**Cc:** Cr Peter Foster  
**Subject:** Inquiry into regional airfares in Western Australia

Dear Economics and Industry Standing Committee,

### **RE: Inquiry into Regional Airfare in Western Australia**

My name is Peter Foster and I am an elected Member (Councillor) with the Shire of Ashburton, in Tom Price.

I have been a resident of Tom Price for nine years. I have been an elected member for six years.

I wish to make a brief submission to your enquiry, in particular addressing b) impacts that high-cost regional airfares have on regional centres - from a business, tourism and social perspective.

When I moved to Tom Price in late 2008, the cost of a Qantas flight from Paraburdoo to Perth (closest airport) was \$199.00 each way.

Many families travelled down south for holidays, for appointments, to visit friends and family.

It is now July 2017 and flights are on average from \$393 to \$888 one way for a trip to Perth. It makes life difficult for families, for tourism and for social cohesion in our region.

In 2012 we welcome Virgin to Paraburdoo Airport, and we were hopeful that with two airline providers, prices would be competitive, sadly they are not.

The high cost of airfare is deterring tourists from the North West, and hurting tourism providers, hurting local businesses.

In the past few years we've had dozens of small businesses close in our Inland Pilbara downs, and we've lost countless families.

Whilst the dry season (April to October) is generally good for tourism, very few tourists travel by plane, majority travel by road.

This creates concerns with more vehicles on the roads, and more accidents. We sadly lost a family (Dawsons) on 30th June 2017 on the Great Northern Highway travelling away for the school holidays - mother and father passed away, leaving two children behind. They were towing their caravan, heading North to Broome, and were hit behind by a cattle truck.

The Pilbara is home to industry and on any given day there is hundreds of trucks transporting freight, cattle and parts for the mining industry, coupled with extra holiday traffic.

I digress - the cost of flights is making life very difficult for businesses who must add the extra costs of flights to their operating expenses. Extra costs on freight, extra costs to bring up workers, and ultimately the Pilbara resident must pay more - not only for flights themselves, but for the extra costs on goods and services they purchase.

When approached on the high cost of airfares, Qantas and Virgin always respond they have higher operating costs. I challenge this. Many airports in the North West are privately operated or local government operated and are mindful of landing fees to keep fares low. The planes are mostly full - with FIFO workers, and returning family members. They run these flights with very few flights - the Qantas flights into Paraburdoo from Perth operate with five staff (2 pilots, 3 attendants) and the meals are pre-packaged, and you must purchase drinks. You must also pay for extra baggage, and often these flights double as a freight service bringing pets, parcels and even daily bread service, into Paraburdoo and Tom Price.

Qantas and Virgin, also when quizzed on airfares, tell consumers to purchase their flights very early to get a competitive fare. This might be great if planning a trip in six to twelve months time, but sadly life doesn't always go according to plan. Residents get sick and must travel to Perth to see specialists. We have limited health services in Inland Pilbara. PATS is available, but does not cover the full fare, and depending on the circumstances, a family may not be eligible for assistance at all. Or if a resident has to access Royal Flying Doctor Service (RFDS) to Perth in an emergency, they are expected to find their own way home, at a cost. Let's not forget that we cannot have babies in our Inland Pilbara hospitals, and all pregnancies/births are handled out of the Shire, either in Karratha and Port Hedland, which has its own problems, or fly down to Perth.

Additionally - many leave our towns to see sick family members, or sadly attend funerals. It is rare to be offered a compassionate fare from Qantas or Virgin. You get a call to let you know that a family member has passed, or is sadly about to pass, you look on Qantas or Virgin to get a flight tomorrow. \$888 one way. This is bad for families, bad from a social perspective, and putting it simply, a rip off.

With FIFO workforces in the Inland Pilbara towns generating a big demand for flights and seats, this demand simply increases the prices. Resource companies such as Rio Tinto and BHP can afford to purchase many fares on the one flight, leaving very few for those travelling for tourism or health or social reasons. This cannot be allowed to continue.

There needs to be flights capped at a certain price for Inland Pilbara residents. Flights at \$888 are out of reach for many, including our hard working families. The recent CENSUS revealed that there are many families in our towns, and the average family has two to three children. Four or five flights at \$888 a fare is just plain unfair.

Perhaps a solution can be brokered between the airflight providers and the State Government, offset with Royalty for Regions, or through regulations. The current situation is untenable.

Reducing the cost of airfares will build and support our communities, will help generate and strengthen tourism, get some of the cars off our busy roads, will reduce operating costs for local businesses. Qantas and Virgin must explain their pricing schedule and operating costs. The State Government must play a role in reducing the cost of airfares for us in the Inland Pilbara.

Pressure must be applied to Qantas and Virgin to stop using the Pilbara, and the North West generally, as a cash cow to keep their businesses afloat.

I understand other Pilbara Shires, and the Pilbara Regional Council, are making submissions, and hopefully the full plight of the high cost of airfares will be revealed.

Good luck with your deliberations and I look forward to reading the report, and hopefully winning resolve for the hard working Inland Pilbara locals.

Kind Regards,

**Cr Peter Foster, JP**  
Councillor- Tom Price Ward

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