



Dr David Worth
Principal Research Officer
Economics and Industry Standing Committee – Legislative Assembly
Parliament House
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Dear Dr Worth

Inquiry into regional airfares in Western Australia

Both physical air access and cost of access are critical to the economy of the East Kimberley, and the Kimberley as a whole. At present, being located in Kununurra, we are able to utilise both Darwin and Perth as entry/exit points for air travel. Air access to the eastern states is only possible by transiting through Darwin, Perth or at times through Broome, and all options are time consuming and very expensive. Travel to Darwin, Perth or Broome alone is also very costly.

The East Kimberley Marketing Group (EKMG) and East Kimberley Chamber of Commerce & Industry (EKCCI) recognise that for sustainable air access into the region, the airlines need to be profitable once air routes have been established without the need for ongoing government intervention.

The sustainable solution for lower cost airfares and increased air services into the region is increased frequency of service and, ultimately, the size of aircraft used for the service. Therefore, increased visitation and travel into and out of the region will have the secondary effect of justifying the use of larger aircraft and an increase to the frequency of services. Notwithstanding the limitations around the runway length in Kununurra, the view of the EKMG & EKCCI is that the focus should be on opening the region to the eastern states of Australia with the support of a direct air service into Melbourne in the first instance, followed by a direct service into Sydney once the Melbourne route is established.

With visitation to the Kimberley region remaining relatively consistent without any recent growth, and even with some decline, the cost for airlines providing frequent services into the region will continue to rise which ultimately further reduces desire for travel into or out of the region. It is the view of the EKMG & EKCCI that both State and Federal Governments need to invest in substantially increased marketing and promotion of the Kimberley region. This type of government involvement is much more productive than further airline or air route regulation, or medium to longer term subsidies, notwithstanding that we are fully supportive of short term financial assistance from stakeholders in the establishment of new air routes such as direct services between Melbourne (&/or Sydney) and Kununurra.

The EKMG in consultation with the EKCCI, Australia's North West Tourism, Shire of Wyndham East Kimberley (SWEK), Shire of Halls Creek and Kununurra Visitor Centre has demonstrated with the commission of a third-party report, in partnership with Tourism WA and the Kimberley Development Commission's Community Chest fund, that there is a lack of market understanding and awareness of the key tourism assets in the Kimberley, particularly in the East Kimberley, and this is a key barrier for tourist travel to the region. With the Kimberley being one of two key regional tourism destinations for the State (including the Margaret River Region), it would seem important to address this in line with an enquiry into air services and costs into the region.

We are not supportive of further regulation of the air routes into the region, nor are we supportive of medium to longer term financial support of the larger airlines providing services to the region. However, we are supportive of working with airlines and distribution partners to provide additional services into the region which may include short term financial contributions to reduce the risk for airlines to trial new routes. The EKMKG is currently working on this exact model with a financial 'clawback' scenario to encourage the airline and distribution partners to provide the new air route(s).

The combination of passenger transport and airfreight is also important in the long-term sustainability of long distance air services into regional WA, however this is severely limited at present due to the limitations around the current runway length at Kununurra. We are aware that the SWEK has undertaken a detailed cost analysis into the cost of the runway extension, however the Group is not aware of a feasibility study or cost benefit analysis to justify the approximate \$20m expenditure for the extended runway.

It is our understanding that the work that we have been doing to date aligns with the Governments marketing of tourism and improving tourism infrastructure services in Western Australia.

Yours sincerely



Michael McConachy

Chairman

East Kimberley Marketing Group



Jill Williams

Chairman

East Kimberley Chamber of Commerce & Industry

28 July, 2017

Reports available on request:

- 1322 - TWA Potential for Direct Flights to Kununurra (from Melbourne) Final Report 16.12.15.pdf
- Flight Costs Melbourne to Kununurra July 2017
- Flight Costs Perth & Darwin to Kununurra August 2017

Please contact Narelle Brook, Coordinator – East Kimberley Marketing Group for reports.

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