

RAPAD Air Services Forum

Date: Tuesday, 31 July 2018

Location: Local Government House, 25 Evelyn Street, Newstead

Time: 9.30am to 4.30pm

Desired outcome

The identification of a Central Western Qld regionally preferred position/s that positively influences air contracts servicing the CWQ, for the benefit of the CWQ communities, private and public sector, and Government.

Environmental scan: What's happening in CWQ and surrounds that will impact on the outcome?

The drought, which has been going for 6-8 years, has had a significant impact on agricultural livelihood in the Central West Region (CWR) and the cost of an airfare has become very significant for individuals and families. The Impact on their health, education and employment has been considerable.

Airfare prices impact on liveability in many ways:

- Parents with children at boarding school find that visits home or attendance at significant school events are not affordable, family life suffers;
- Business meetings in places such as Brisbane add significant overheads;
- Patients returning from medevac events face extra significant costs;
- Carers returning after accompanying medevac patients face significant costs;

Current schedules and routes do not satisfy all the needs of the residents of Central Western Region:

- No direct flights from Longreach to Rockhampton return;

- Even from Longreach a business meeting in Brisbane requires at least one night stay in Brisbane;
- More routes to/from the coast would improve the general amenity;

Employment:

- More frequent and suitable services would increase the employment opportunities through tourism and other industries;
- Tourism operators find it very hard to negotiate agreed air fares out to dates that are required by travel agents to market tour products.
- Potential recruits are loath to relocate when they become aware of the difficulties that they face when visiting coastal towns for holidays, education, medical treatment, visiting family, or business.

Department of Transport and Main Roads (DTMR) Air Services contract:

- DTMR provides services on a route where there is insufficient demand for commercially viable operations.
- There are seven regulated regional air service routes across Queensland;
- The operator selected by DTMR is the only Regular Public Transport (RPT) operator allowed to service the regulated routes;
- Regular Public Transport operations are flight operations performed for remuneration and conducted to fixed schedules over specific routes, and on which seats and/or cargo space is available to the general public, and
- The current contract expires on 31 December 2019, but may be extended to allow for a comprehensive study of the results of the Senate Inquiry, and
- Translink is open to discussion about structured, and managed trials to assess service delivery and viability on some routes.

Conclusion and summary:

- Consensus was reached on future actions;
- An understanding was reached about how to influence future contracts, and
- Actions were agreed and allocated, see below.

Action planning

What	Who	When
<p><u>Press Release drafted by RAPAD & DTMR</u></p> <p>Local governments representatives, industry, State Government and associated groups including TMR attended the Remote Area Planning and Development Board (RAPAD) Air Services Forum this week (Tuesday 31 July) to discuss the future of regulated air services in Central West Queensland.</p> <p>Following this meeting, the Forum and TMR have committed to continue working together to consider the outcomes and recommendations of the federal Senate Inquiry into the Operation, Regulation and Funding of Air Routes Service Delivery to Rural, Regional and Remote Communities-expected to be handed down in September.</p> <p>The State Government currently regulates seven routes in Queensland, which are heavily subsidised by the State Government, to ensure regional communities can access essential services. These services would be less commercially viable without that Government support.</p>	<p>David Arnold Anjuna Singh Simone Talbot</p>	<p>2 August 2018</p>
<p><u>Draft a motion to put to the LGAQ state conference.</u></p> <p>To be completed</p>	<p>David Arnold Anjuna Singh Simone Talbot</p>	<p>To meet LGAQ annual conference timing requirement.</p>

<p>Set up a working group – key government partners and representatives. Extend invitation to other relevant areas.</p>	<p>Simone Talbot Belinda Murphy Richard Austin/Sue McCoskerDITIP Russell Lowry Greg Hoffman Alan Smith Peter Homan David Arnold</p>	<p>31 July 2018</p>
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Forum Notes

Environmental scan: What's happening in CWQ and surrounds that will impact on the outcome?

Long term strategy

- Consider catalytic projects that will influence aviation services
- Invest in scenario planning for the future – where do we want to be in 5 years time

Reliability

- Available as scheduled, sometimes bypass town
- On time – currently people plan for the service not to be on time – impacts reputation and trust
- Limited choice – eg only one flight scheduled per week

Scheduling and routes

- More direct routes and variety eg Longreach to Mt Isa, Cairns; currently everything goes through Brisbane
- Lack of frequency and variety increases cost of doing business eg typically you need to plan for a two-day stay
- How to create load for the airlines
- Regulated routes to encompass tourism considerations
- Tourism presents an opportunity – but pent up demand difficult to survey
- Aircraft size – move to bigger aircraft in last 10 years; but schedules can be changed with smaller craft to improve load
- Slot in an out of airports, can take a couple of years to get a slot; regionals get the leftovers

Accessibility

- Essential service in some locations eg Birdsville - particularly when road access is affected by weather conditions
- Air strips can be costly to maintain given standards

Equity

- Emergency flights - 600 people per annum get transported to Rockhampton via Flying Doctor service. Can get to Rockhampton but difficult to get back home.
- East west connectivity is lacking
- Suitability of return travel options following medical emergencies/treatments
- Managing multiple buckets of money – why not one big bucket managed centrally

Tourism/Employment

- Tourism is a growing opportunity, lifeblood for some areas
- If you build it they will come
- Market strategy required – people need to know that it will be available; services on the ground; packaged and bookable, longer than the seasons eg more than winter
- Scheduling and routes - integrated with long term tourism planning
- Accessing \$10M in infrastructure for outback tourism offered by government
- Cairns for international tourists
- Brisbane for national tourists
- Backpacker opportunities with 457 visas and requirement to work regionally for 88 days
- **Trial opportunities** eg for Townsville, Longreach and Cairns; need criteria and structured approach
- Product development
- Dispersal to other towns to ensure benefits reach multiple towns/locations

Market segments

- Multiple segments for services with different needs
- Data needed to identify different segments

Non regulated – this discussion occurred prior to Translink defining regulated routes and making it explicit that non regulated cannot operate where a route is regulated

- Access additional flights outside of regulated
- Capacity of carriers – 3-5 year strategy is required to get the aircraft
- Requires collaborative approach
- Contract flexibility to respond within contract period
- Community lobbying key influence to get new routes and changes to existing in order to provide/improve competition
- Community to be taken on the journey

Other points

- Translink Survey – understanding customer needs and this will be undertaken as part of the contract review process
- Communities of interest – western communities getting between key points, often have to detour
- Multiagency response to needs
- Business case – Neil Fischer east west connection
- CASA – regulation has contributed to reduction in services based on size of craft
- Some lack of understanding of regulated routes

- Regulated system impacting on tourism – scheduling and cost structure has to take this into account
- Some discussion about pricing structure for regulated; 13 different price points for a guaranteed price. Is it appropriate for regulated?
- Flexibility vs longer contract periods – build in flexibility and ability to trial things and balance this with assurity of regular services. Some mechanism for community to have a voice and allow for flexibility
- Isolated children – boarding school, to from home for holidays and other events
- Better government support for towns with small airports
- Resident fare schemes on regulated routes

Positively Influences - Elements

1. Frequency
2. Fares - transparent cost structure
3. Scheduling – day and time;
4. Air craft type
5. Economically sustainable
6. Commercial viability
7. Future focus (and flexible contract are tied together)
 - a. Drought – cost of travel - Fare
 - b. Airport charges – free at moment and consultation/agreement with local council regarding cost of airport (issue raised by Leon)
 - c. Company travel policy - adjust so fair; BFOD/reward points. Perception that frequent flyer points are contributing to higher fares
 - d. Smoothing - Senate inquiry will hopefully provide some information on this
 - e. Resident fare schemes
 - f. Identification and establishment of hubs – to facilitate communities of interest
 - g. What does flexible contract mean?
 - i. Early contractor involvement process
 - ii. Community review may identify changes required – ability to make changes based on this feedback
 - iii. KPIs; changes to routes; changes to carrier are not elements of flexibility as the contract needs to define a base level of service/certainty for carrier
 - iv. Base level of service and schedule to provide certainty of revenue for carrier/s. Contract provisions that allow for additional services to enable flexibility. Eg GoCard example provided by Translink. Scale services up and down. Mechanism in contract to define how trial would take place and who would be involved. Elasticity/scalability in routes to cater for increase in demand eg more frequent routes; additional stop on route

- v. Capitalising on broader industry/economic opportunities
 - vi. Wholesale fares; packaging fares with major airlines – also part of smoothing
8. Independent business review – regular
 9. Flexible contract
 10. Clear objectives
 11. Routes
 12. Connectivity and access to essential services – intermodal
 - a. East – West services
 - b. All users – across segments
 - c. All modes
 - d. LR- BNE return in one day
 - e. Cairns Longreach trial
 - f. Cairns TSV Longreach trial
 - g. Base aircraft in Longreach trial (SA340/DH8)
 - h. Longreach Birdsville
 - i. Longreach Toowoomba
 - j. Air/coach connections
 - k. Research – tourist wants
 - l. TEQ – bulk tourist groups (Neil Fisher’s idea)
 13. Equal access – social and economic
 14. Economic development
 15. Jobs
 16. Assist tourist dispersal
 17. Mandatory wholesale fares
 18. Medical return flights
 19. Education/sport/cultural
 20. Increase subsidy
 21. Data lead for business case
 - 22. Liveability**
 - 23. Sociability**
 - 24. Functionality - How region functions**
 - 25. Community Sustainability**
 26. Reliability
 27. ROI on tourism and others

Submission should focus on the future benefits and the potential of what the area can provide – Points 22-25 are the four key elements that should be covered by the submission and the rest would fit under these headings. Best possible case, great network of routes with benefits across the four key elements.

Fair, reliable and cost effective air services in CWR

Current contract - Translink

- Proposing to use two year extension option, in one year lots to 2020. Will be working with airlines on extension options
- Aim is to have a new contract in place by 1 Jan 2021.
- Sept-Dec 2018 to determine impact of Senate inquiry and review approach. Use the senate enquiry as a catalyst to identify transport options
- Then 18 months to undertake end to end process

Action planning

What	Who	When
Coordination and greater communication with key stakeholders – establishing key contacts who can talk on behalf of the stakeholders		
<p>Motion to put to the state conference LGAQ resolution to put to state government to work collaboratively</p> <p>Resolution wording:</p> <ul style="list-style-type: none"> • Actively collaborate with TMR on post senate inquiry and set up working group to actively participate for best possible outcome for the state • Jointly collaborate on establishing a working group to respond to the Senate inquiry review 		
Set up a working group – key gov partners and representatives Extend invitation to other relevant areas	Simone Belinda Richard/Sue DITIP Russell Greg Hoffman Alan Smith Peter H David A	