

A person is silhouetted against a sunset sky, standing on a beach and fishing. The sky is filled with soft, white clouds, and the ocean waves are visible in the foreground. The overall mood is serene and contemplative.

# MISSING Links

The transport problems faced by Australia's major populated islands are being examined as part of a House of Representatives Transport and Regional Services Committee inquiry. Recently the people of Kangaroo Island in South Australia and Flinders Island in Tasmania had their say.

**K**angaroo Island, situated off the Fleurieu Peninsula about an hour's drive south of Adelaide, is the third largest island off the Australian coast. It is the nation's most populated island, excluding Tasmania, with a population of some 4,300.

The Kangaroo Island economy is rurally based, with a strong and ever-increasing focus on tourism. In 2002-03 the island will receive 143,000 visitors, up from 56,000 twenty years ago.

"It is an icon destination, up with the best in Australia," according to the Kangaroo Island Development Board's Chief Executive, David Furniss. "Interestingly, 20 per cent of all international visitors to South Australia come to Kangaroo Island." In fact, about 50 per cent of all visitors to the island are now international.

The island is separated from the mainland by a 16 kilometre stretch of water known as Backstairs Passage.

Last year, 108,500 people arrived on the island by ferry and 35,000 by airline (of those about 6,500 of the ferry trips were by locals, as were 1,000 of the air journeys).

"Both the air and sea routes are vitally important to the residents and economy of Kangaroo Island," Kangaroo Island Mayor Jacki Kelly told the House of Representatives Transport and Regional Services Committee when it visited the island. "They are, in fact, our lifelines."

The privately-operated, monopoly sea service across Backstairs Passage carries almost all the freight as well as the majority of passengers.

"For some time now, the Kangaroo Island community has been lobbying state and federal governments to recognise the crossing from Cape Jervis to Penneshaw as being a continuation of the road network," Mayor Kelly said, a point backed by David Furniss.

"There are those who have the view that it should be considered to be a federal highway across the water," he said.

They argue the crossing is no different to crossing the River Murray on a bridge or punt, which is free of charge to users.

"The cost imposed by [state] government—the wharfage, which is approximately \$500,000 per annum—is a cost that flows on to the passengers and the movement of freight," Mayor Kelly said. "The charges with the wharfage are directed into [SA] Treasury funds and become part of general revenue.

"This in fact is an additional tax that is imposed on the users of the SeaLink service and one which does not apply to any other roads, bridges or punts. I believe that everybody who uses that service, wherever they come from, is paying an additional tax that does not apply to anyone else in Australia."

According to the Mayor, neither the state government, nor the private operator of the SeaLink ferry, maintain decent visitor facilities at the sea-port, Penneshaw.

"Penneshaw is the gateway to Kangaroo Island," Mayor Kelly said. "Passenger facilities are appalling, with no shelter and only basic toilet facilities. This is how we introduce overseas visitors to a destination promoted as a nature based experience with an environmentally friendly rural aspect which includes niche products that are peculiar to Kangaroo Island."

David Furniss agrees that port infrastructure provides an opportunity for the federal government to assist the island. He said the government could also consider looking at broadening remote tax and health concessions, and conducting a review of tax laws that impact on the replacement of aged aircraft.

"The government should recognise that there is an obligation to provide air services to remote populated islands," he said. "There may be opportunities for capital funding of infrastructure or introducing venture capital opportunities for that to occur.

"The other thing that currently impacts on the tourism market is the Ansett levy. Because we are a regional destination, quite often passengers pay that levy two or three times because they travel on other aircraft before they get to link with Emu or Rex to Kangaroo Island. That is an impost that we think is untenable for regional airline destinations."

David Furniss said costs such as the Ansett levy and wharfage charges meant the island was struggling to capture its share of the domestic tourism market.

"With the current world scenario, there is huge opportunity to take advantage of the domestic market and we have been struggling to capture our share of that domestic market. We were enjoying significant domestic tourism some years ago and we have very successfully grown the international component, but I suggest we would have significant growth if we were not such an expensive destination for the domestic market."



Kangaroo Island. Photo: © South Australian Tourism Commission

**"For a 16-kilometre journey, this is one of the most expensive routes travelled per kilometre in the world."**

Subsequent to the hearing the government announced the cessation of the Ansett levy.

There have been other problems for tourism since Kendell went down. "Kendell was a good tourism carrier and was packaging tourism to Kangaroo Island very effectively. It had a relationship with Qantas for some of those things. We do not have Qantas Link connections to Kangaroo Island, so that is one of the disadvantages that we have, given that we are a major tourism destination."

Travel costs contribute to the cost of living on Kangaroo Island being 25 to 30 per cent higher than comparable mainland rural communities. Transport costs also hold back rural industries.

The island has a seasonal abattoir, processing export mutton. "To maintain it at its full production capacity you would have to be bringing livestock from the mainland back here. Obviously, we cannot

afford to do that with the current costs of transport. If those costs were down this abattoir could be operating quite happily with mainland livestock coming through," Mr Furniss said.

Significant opportunities also exist in the bee industry and seed potato industry, because of the island's capacity to act as a natural quarantine area.

"I would expect that there would be some substantial growth in those sectors. The inhibiting factor for growth is clearly the capacity to get commodities and people on and off the island at a competitive price."

Kangaroo Island and Queensland's Fraser Island are both 15 kilometres from the mainland, but a ferry trip to Kangaroo Island with car is three times as expensive. This is put down to the existence of competition amongst ferry operators to the Queensland island. An alternative ferry service has been mooted for Kangaroo Island.

The committee heard from Prakash Dhupelia, the Managing Director of Kangaroo Island Ferry Services Pty Ltd, who is proposing a service from the Wirrina resort to the island's principal town, Kingscote. He is critical of the prices imposed by the current monopoly ferry operator.

"My opinion is that travel to Kangaroo Island is extremely costly in comparison with travel to other islands, especially sea transport. The current return ferry fare, at rack rates with four adults and a car, comes to \$394, compared to the best benchmark I have, which is from Queenscliff to Sorrento. For similar waters, and a similar configuration, you are looking at \$112. So it is fairly pricey. For a 16-kilometre journey, this is one of the most expensive routes travelled per kilometre in the world."

The residents of Flinders Island, off the north-east coast of Tasmania, have a different if similar set of problems.

Flinders Island has a population of just over 900, and receives around 6,000 visitors per year. General cargo and food comes in once a week on a 300 tonne barge, the *Matthew Flinders*, from Bridport, Tasmania. It is essentially not a passenger vehicle, taking 10 to 12 hours on a good trip, or 24 hours if it is picking up fuel.

Flinders Island, and the surrounding community of 51 other islands, is almost totally reliant on regional air services for passenger links to the rest of the world. They have had 18 air services come and go since 1972.

Louise Mason, the President of Flinders Island Tourism Association, said the uncertainty surrounding air services was a constant concern.

"We are very pleased this year that we have had a service in place all summer, because,

*Continued page 26*

aside from last year, for many years we have had a service fail in each tourism season," she told the committee. "That has made it very difficult for our tourism industry to remain viable and profitable. Aside from the residents who live here requiring a good service, our tourism really does hinge on a reliable and adequate air service."

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She suggested that costs for airlines establishing new routes should be cut.

"One of the problems that I see is that it is actually very expensive for an airline to establish new routes by the time they pay set-up costs, route proving, pilot training and simulation work. If CASA [Civil Aviation Safety Authority] and the federal government are serious about developing tourism in regional Australia, they need to minimise these costs to allow operators a more realistic chance of developing new routes.

"Perhaps the federal government could consider providing ongoing financial support in the running of the Flinders Island airport, which would reduce the financial impost to the council and the RPT [regular passenger transport] operator. That may allow the community and the RPT operator to attract dollar for dollar joint marketing funding from Tourism Tasmania to market Flinders Island as a destination. Marketing the island is really the key to it. We need to increase the demand to be able to provide a better service. The marketing has to come first to actually increase the demand to make it viable for the operators."

The Flinders Council, which represents the community of 52 islands, identifies as a problem the need to replace the ageing nine-seater Piper Chieftain aircraft which currently service the island.

"Regional services are usually provided by small-scale operators using ageing and high-cost maintenance piston engined aircraft," said Flinders Council Mayor Helen Cooper. "These operators, in our opinion, will need assistance to upgrade to the more modern turbine-powered aircraft, which are going to be the next generation to follow what we have now."

She said the remoteness of the communities which these airlines service does not allow them to generate sufficient volume of traffic to build into their fare structure a realistic margin for the replacement or upgrading of aircraft, nor does the community that they are servicing usually have the capacity to pay any additional charges.

"Council views this as a really important point and suggests that the federal government use its fiscal capacity and taxation authorities to provide the financial assistance that would be required to upgrade the capacity and adequacy of air services."

The capacity of the Chieftains is also imposing a severe limitation on potential group travel to the island.

But the island is faced with a vexed problem. If it is to be serviced by larger aircraft, it will need to seal the air strip. The council is cautious.

"I believe it is fair to say that council is not in love with sealing strips or sealing anything because there is a tremendous



Flinders Island airport and wharf. Photos: Flinders Council

cost associated with that," said the Deputy Mayor, Terry Klug.

"However, realistically we acknowledge that there is a limited life for a piston aeroplane and we cannot find any feasible replacement for the existing Chieftains. The next planes will be prop-driven and they require sealing. The first thing all the operators ask is, 'Is the strip sealed? If not, we're not interested in coming in simply because of the gravel damage to the fuselage.'"

According to Mayor Cooper, regional councils owning airports is fraught with financial difficulty for small municipalities.

"We were not willing participants in owning the airport; it was something that we just had to go along with under the [Hawke government's] Aerodrome Local Ownership Plan [ALOP], and we just tried to do our best," she said.

The council's General Manager, Lee Connors, suggested it was time that policy was reviewed.

"I have written to Mr Matthews, the secretary of DOTARS [Department of Transport and Regional Services], suggesting that 10 years down the track ought to be the appropriate time for the Commonwealth government to review the outcomes of ALOP not just

on Flinders Island but also in all the other council areas or communities that have been required to take ownership of aerodromes," he said. "The only response I have had so far is that DOTARS have agreed they will review the terms of the transfer to remove the requirement to consult them if we want to lease part of the aerodrome proper to another party."

Mayor Cooper also suggested a measure be used to judge a remote community's 'disability'.

"Council sees a real value in perhaps looking at the Access/Remoteness Index for Australia as being a tool for measuring the disability of various rural and remote communities.



"It has as its principal focus the measurement of access to services in non-metropolitan Australia and it uses remoteness as a geographical variable and a characteristic of place. It is not related directly to population. The possible score is 12 and we currently come in at about 9.8, so we are very high up on that scale. I think our request for assistance with our only line of transport to the outside world, if I could put it like that, is a reasonable one. This indicator is used to underpin financial support for all sorts of health and health related services.

"I serve on the board of the Tasmanian Divisions of General Practice and I know that that comes very much into play when they are allocating whether or not they are going to support rural and remote doctors with packages et cetera. You may say health is a long way from transport, but we feel it is a very valid tool for measuring one's requirements for air transport services in a rural and remote community." ■

#### **Links and contacts**

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