

## **SUBMISSION**

**“The state of Australia’s aviation sector and its ability to deliver reliable and affordable services to rural, regional, and remote communities”.**

**To:**

**Rural and Regional Affairs and Transport References Committee**

**Submitted by:**



**King Island Regional Development Organisation Inc. (KIRDO)**



**King Island Chamber of Commerce**

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### **1. Executive Summary**

King Island is entirely dependent on aviation for passenger transport, time-sensitive freight, specialist services, medical access, and economic continuity. Unlike mainland regional communities, King Island has no road, rail, or alternative transport connections.

Air services are not discretionary — they are essential infrastructure.

Recent and proposed reductions in aviation services pose a direct threat to:

- Economic sustainability
- Agricultural and fisheries productivity
- Time-critical perishable export industries
- Business continuity
- Healthcare access
- Population retention
- Tourism growth

This submission calls for strengthened Community Service Obligation (CSO) arrangements and long-term policy intervention to ensure reliable, affordable, and sustainable aviation services for King Island.

### **2. Community Profile and Economic Context**

King Island, located in Bass Strait, has a population of 1,617 residents (ABS 2021). Key characteristics include:

- 46.6% of residents aged 50 years and above

- 401 families residing on the island.
- 302 registered businesses
- 53.3% of businesses operating in agriculture, forestry and fishing.
- A rapidly emerging tourism sector

The island covers 1,095.7 square kilometres and supports nationally significant beef, dairy and specialty food production industries.

The demographic profile reflects an ageing population with high reliance on external medical, government and specialist services. The economic profile demonstrates heavy dependence on primary industry — which in turn depends on reliable transport logistics.

### **3. Aviation Infrastructure**

King Island Airport, located at Loorana, is the island's sole aviation gateway. It is managed by King Island Council and supports all passenger, freight and charter movements.

Facilities are basic but functional and include:

- Passenger terminal
- Limited retail (coffee outlet and car rental counter)
- Free parking
- Disability access
- No public transport service

The airport is not supplementary infrastructure — it is the island's only physical connection to the broader economy.

### **4. Current Aviation Services**

Scheduled passenger services operate via small-capacity aircraft (10–34 seats), with strict baggage and freight weight limitations.

Routes historically and currently include:

- Melbourne – King Island
- King Island – Burnie
- King Island – Launceston

There are no consistent direct services to Hobart, limiting access to Tasmania's capital for medical, administrative, and commercial purposes.

Freight space is frequently constrained due to aircraft size. Perishable goods must compete with passenger luggage and essential supplies.

Recent announcements regarding potential withdrawal of Melbourne services significantly increase the vulnerability of the island's connectivity.

## **5. Economic Impact of Aviation Instability**

### **5.1 Agricultural Productivity**

Primary industries rely on urgent access to:

- Machinery technicians
- Veterinary specialists
- Equipment repair services
- Compliance auditors
- Industry consultants

Cancelled or unavailable flights can result in:

- Machinery downtime
- Livestock welfare risks
- Missed processing schedules.
- Direct financial losses

For export-oriented businesses, time delays translate directly into lost revenue.

### **5.2 Perishable and Fresh Produce Supply Chains**

King Island's economy is uniquely vulnerable due to its reliance on high-value, time-sensitive perishable goods, including:

- Fresh seafood (rock lobster)
- Premium grass-fed beef
- Dairy products and specialty cheeses
- Fresh meat products
- Boutique food products supplying hospitality markets.

These products require strict cold-chain management and rapid transit to maintain quality, meet export compliance standards, and preserve brand reputation.

Unlike non-perishable goods, fresh produce cannot tolerate delays of 24–72 hours without:

- Spoilage
- Downgrading of product classification
- Loss of export eligibility

- Contract breaches
- Price penalties
- Complete financial loss

Seafood exports are particularly sensitive. Live or chilled products must connect seamlessly with mainland freight networks and international flights. Disruptions can result in:

- Missed export flights.
- Increased mortality in live seafood
- Immediate revenue loss
- Long-term damage to trade relationships

For perishable industries, aviation is not simply transport — it is an extension of the production process.

### **5.3 Inbound Perishables – Community and Tourism Impact**

Aviation is equally critical for importing:

- Fresh fruit and vegetables
- Short-shelf-life dairy products
- Hospitality-grade seafood and specialty ingredients
- Fresh flowers and live nursery plants
- Pharmaceutical cold-chain products
- Urgent medical supplies

While some goods arrive via sea freight, air services are essential for:

- Rapid restocking
- Maintaining hospitality standards
- Meeting seasonal tourism demand
- Mitigating shipping delays
- Emergency food continuity

Service disruptions result in:

- Empty retail shelves
- Reduced food quality
- Increased grocery prices
- Menu limitations for hospitality businesses
- Tourism reputation damage

- Food security vulnerability

For residents — particularly elderly households — reliable access to fresh food is a liveability necessity, not a luxury.

## **5.4 Business Continuity**

Local businesses depend on:

- Express freight
- Urgent spare parts
- Specialist contractors
- Client travel

Reduced air services increase costs, delay projects, and deter investment.

## **5.5 Postal and Freight Reliability**

Mail and express freight are entirely dependent on aviation scheduling.

Service unreliability leads to:

- Delayed medical supplies.
- Late business and personal documentation
- Interrupted supply chains
- Reduced consumer confidence

Freight capacity constraints further compound these limitations.

## **5.6 Healthcare Access**

Residents rely on air travel for:

- Specialist medical appointments
- Diagnostic services
- Hospital procedures
- Family support during medical emergencies

Given the ageing demographic, reliable aviation is essential to health outcomes.

## **5.7 Population Retention and Attraction**

Unreliable aviation discourages:

- Skilled workforce relocation

- New business establishment
- Tourism investment
- Youth retention

Connectivity directly influences liveability and long-term sustainability.

## **6. Community Service Obligation (CSO) Considerations**

King Island meets the criteria for strengthened CSO treatment due to:

- Geographic isolation
- Absence of alternative transport
- Small population base
- Economic reliance on primary industry
- High proportion of perishable export production
- Ageing demographic

Aviation services must be recognised as essential public infrastructure, not purely commercial ventures.

Without policy support, market forces alone are unlikely to sustain adequate service levels.

## **7. Telecommunications Vulnerability**

King Island has experienced telecommunications outages. During such events:

- Online banking ceases.
- EFTPOS systems fail.
- Government services become inaccessible.
- Emergency communications are limited.

In these circumstances, physical travel becomes critical. Reduced aviation availability compounds systemic vulnerability.

## **8. Strategic Risks**

If aviation services are reduced or become financially inaccessible, likely long-term consequences include:

- Economic contraction
- Decline in agricultural and seafood output.
- Loss of premium export markets

- Reduced property values
- Population out-migration
- Increased reliance on government support

Loss of aviation reliability may permanently redirect supply chains to mainland competitors. Rebuilding lost market confidence is far more difficult than maintaining it.

Preventative policy action is significantly more cost-effective than economic recovery intervention.

## **9. Recommendations**

The King Island Regional Development Organisation and King Island Chamber of Commerce respectfully recommend:

1. Expansion and strengthening of Community Service Obligation funding for King Island air routes.
2. Guaranteed minimum service frequency between King Island, mainland Tasmania and Melbourne.
3. Establishment of a consistent direct Hobart service to support medical and administrative access.
4. Dedicated freight capacity allocations for inbound and outbound perishable products.
5. Freight subsidy mechanisms to reduce cost burdens on primary industry.
6. Long-term aviation service agreements to provide certainty for residents and investors.
7. Coordinated Federal and State recognition of King Island aviation as essential infrastructure.

## **10. Conclusion**

For King Island, aviation is not optional transport — it is the foundation of economic survival and social wellbeing.

The community does not seek preferential treatment, but equitable access comparable to other Australians.

Sustained and reliable air connectivity is fundamental to:

- Economic resilience
- Healthcare access
- Industry productivity
- Food supply chain security
- Population stability
- National regional development objectives

We urge the Committee to recognise King Island's unique vulnerability and act decisively to secure its aviation future.