

Presentation to the Senate Rural and Regional Affairs and Transport Reference Committee's Inquiry into the Operation Regulation and Funding of Air Route Service Delivery to Rural, Regional and Remote Communities

I would like to thank the Senate Committee, on behalf of Queensland Airports Limited, for the opportunity to make a submission to this important Inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities, and to be able to present before the Committee today.

As regional airport owners and operators, with ports on the Gold Coast, in Townsville, Mount Isa and Longreach, this is an area that Queensland Airports Limited is keenly interested in and familiar with.

As a business, we are strongly focused on increasing the volume of passengers.

And it is volume of course that delivers greater benefits to rural, regional and remote communities.

As part of our emphasis on expanding existing and new air markets, we continually liaise with our airline partners regarding potential new routes in and out of our four ports.

We are also strongly committed and closely connected to the regional communities where we operate.

And as such, we understand the significance these towns and cities place not only on regular air links but on affordable air links.

Of course, our involvement does not extend to the setting of airfares.

As part of submissions made to this Committee, airlines have highlighted the role of airport charges in airfare pricing.

However, it is important to put airport charges in context because they actually represent a small portion of each airfare. Typically, we are talking about 5 to 10 per cent.

It is also worthwhile highlighting that airport charges are derived from the operating and capital costs of delivering and updating airport infrastructure that is necessary, and in some cases, legally required.

Therefore, before any airport redevelopments can occur, it is necessary to finalise airport charge agreements with the major airlines, so that funding can be secured.

Queensland Airports Limited is in the midst of planning redevelopments of Townsville and Gold Coast airports, which are needed to address capacity issues and accommodate future growth.

These redevelopments have significant capital costs associated and we have therefore been liaising with our airline partners about an adjustment to airport charges for these two airports.

Following an explanation of airport charges and how they contribute to redevelopments, it is appropriate to also highlight the value of airports themselves to these regional and remote communities.

Airports are an important asset and are highly valued by the communities where they operate.

They make a significant contribution on many levels, particularly economic – delivering much needed jobs and investment.

Once again, we would like to thank the Committee for the opportunity to not only make a submission to this Inquiry, but also to briefly present.

We would welcome any questions.

ENDS

