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#### **SUBMISSION**

to the Inquiry into the Operation, Regulation and Funding of Air Route Services for Rural, Regional and Remote Communities

The Isolated Children's Parents' Association Qld Inc. (ICPA Qld) advocates for equitable access to quality educational opportunities for children in rural and remote areas. ICPA Qld represents forty-six branches, comprising over 1200 families throughout rural Queensland.

ICPA Qld is a voluntary apolitical parent organisation and is the only community based parent group with interests in all sectors and levels of education – state schools, independent, church or boarding schools, early childhood and care through to tertiary education and all methods used to facilitate access to that education. The Queensland State Council of ICPA Qld welcomes the opportunity to contribute to this Review and to provide insight into the educational impacts of high air route pricing in regional, rural and remote areas of Queensland.

### SOCIAL AND EDUCATIONAL IMPACTS OF AIR ROUTE SUPPLY AND PRICING

Residing in remote locations can mean families spend days at a time transporting children to education facilities located far from home. Road travel means extended time away from home (up to 4 days' travel time in some instances), which can be unworkable, particularly for families in drought declared areas. Commercial bus transport also presents many obstacles, including safety issues when students are required to transfer services and limitations for unaccompanied minors. Air travel is often the only feasible option when it comes to students accessing education in centres away from home. Air travel is both a time and personnel effective method of travel.

Currently not all rural and remote families have access to regulated air travel routes, and are thus subject to commercial decisions that are totally profit driven and display limited or no community/social wellbeing considerations.

Many rural and remote families in Queensland choose to send their children away for a number of reasons, including a lack of access to a secondary school due to where they live, lack of subject availability, or the desire to pursue opportunities eg. cultural/sporting, which may not be available where they live. Many rural and remote students also attend Agricultural Colleges or Tertiary Institutions hundreds of kilometres from where they live.

#### **CURRENT PRICING AND SUBSIDIES**

Whilst the price of air travel in rural areas can vary drastically depending on a number of factors (eg: time of year, season, mining industry, holidays etc.) it is clear that the cost of air travel for students trying to access education in city/other areas is increasingly unattainable. Currently fares to international destinations are often cheaper than regional air travel. For example, a ticket from Mt Isa in NW Qld to Bali or Singapore is less expensive than a plane ticket from Mt Isa to Brisbane. (Appendix 1).

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With return airfares out of Mt Isa varying between \$500-\$1800 per person, an average family is unable to sustain this cost (on top of education and boarding costs) over a prolonged period of time. Based on these estimates, a family sending 3 children to boarding school at once can average as much as \$3000 per term, which is an extra \$12000 per year per family. This does not include visits for family during the year, or other circumstances requiring an extra trip home.

The Queensland Department of Education 'Living Away From Home Allowance Scheme' (LAFHAS) supports eligible Queensland families whose children need to live away from home to attend a state school or an accredited non-state school. This may be because their homes are geographically isolated; and/or the nearest school is a bypass school. Currently, the LAFHAS maximum annual travel allowance payment is \$1727 per student. (Appendix 2).

For 3 students – the annual LAFHAS payment would be \$5181. With flights for 3 students approximating \$12000, there is still a shortfall of approximately \$7000.

It is also important to note that students accessing Queensland Agricultural Colleges are excluded from travel assistance under LAFHAS.

#### **CURRENT SCHEMES IN QUEENSLAND**

- 1. REX airlines currently offer a 'Bush to Boarding' program (Appendix 3), which includes concessional fares for students departing:
  - Cairns to Burketown, Doomadgee, Mt Isa, Karumba, Normanton and Mornington Is.
  - Brisbane to St George, Cunnamulla, Thargomindah, Charleville, Bedourie/Birdsville/Boulia and Mt Isa. Whilst this scheme is valued, it should be noted that these 'concessional fares' must be booked through designated parties (two individuals who volunteer their time to do so), and the discounted rate is only a 'middle range value' ticket. ie: not actually 'discounted', but rather discounted off an 'expensive' ticket. Furthermore, REX Airlines has little or no information readily available on this scheme directly, making the process flawed in its implementation.

REX airlines also offer 'local fares' (Appendix 4) which are only available to flights in and out of Cairns, and only on Business Class seats.

Currently approximately 50 seats per year are booked across Queensland using the 'Bush to Boarding' scheme as it exists today. Member feedback suggests that this number was considerably higher when Skytrans offered more affordable rates for students.

ICPA Qld believes a more affordable option should be extended to all rural and remote areas on all airlines currently utilising those centres.

2. Various regional Councils partner with regional airlines to offer residential (or local) fares. (Appendix 4). Member feedback indicates that while these offers are greatly appreciated, there can be numerous pitfalls to this process, including limited seats, fares only being available on more expensive flights and last minute flights only, and that some flight routes are especially unreliable.

There are currently 8 shires in Queensland (all in rural and remote areas, and all in drought declared areas) with no high school. The need for affordable airfares in these areas is of upmost importance.

3. Qantas trials - From 14 November 2017, Qantas will offer residents in selected communities in Queensland a variable discount of up to 30% off the Qantas-controlled component (ie; excludes government taxes, security and airport charges) of all-inclusive fares from regional airports as part of a 12-month trial.

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Discounts will vary from between 10-30% on all Economy fares except for sale fares, starting from Qantas' everyday lead-in 'Red eDeal' fares, for purchase up to and including the day of travel. There are a number of conditions. (Appendix 5).

Whilst ICPA Qld welcomes these trials, it is important to note that in many regions, due to vast geographical distances, students' main airport may not be within their shire. Many regional airports in Queensland have a very large catchment area (eg. Mt Isa airport services areas as far away as Burketown), and it is important to ensure students who utilise regional airlines are included in future offers and discounts, even though they may not necessarily live within the shire the airport is based.

#### **EDUCATIONAL CONCESSIONS IN WESTERN AUSTRALIA**

In Western Australia the Student Subsidised Travel Scheme (SSTS) provides the following travel assistance between home and school by regular passenger transport (air, bus or rail):

- Primary and Secondary students receive up to four return trips per calendar year.
- First year tertiary students, under 20 years of age, who have not previously accessed the SSTS, receive up to four return trips per calendar year.
- First year tertiary students, under 20 years of age, who have previously accessed the SSTS, receive up to three return trips per calendar year.
- All other tertiary students receive up to two return trips per calendar year.
- Free travel is limited to the cost of the fare for the most direct route between home and [the major centre]. Any additional cost must be borne by the parents.
- With regard to student fares; REX airlines in WA (flies to Albany and Esperance airports only) have student boarders' long weekends fares, three times per year. (Appendix 2).

### ICPA Qld supports:

- 1. the provision of a scheme similar to the WA SSTS to provide assistance for all geographically isolated students.
- 2. Cross agency collaboration to take advantage of and improve existing models.
  - (a) Example: The Queensland Department of Education & Training (DET) subsidise teacher flights each term in rural and remote areas it is a case of 'teacher out/student in' and reverse a couple of weeks later. Perhaps DET could better expend that subsidy using a group rather than individual approach to funding. ie: to charter a flight from 4-5 central/key rural/remote centres eg. Charleville, Longreach, Cloncurry, Normanton that staff could readily access. Boarding students in proximity to those areas could fly in on flights and staff out, and reasonable fares could be offered. Cross agency collaboration would be required between TMR and DET to make this happen.
  - (b) **Example**: The Queensland Department of Health currently utilises the Patient Travel Subsidy Scheme. This means there is a precedent set by Government for subsidised travel for a specific subset of the population. Using the same system with education could be another solution. Perhaps calling it an Eligible Passenger Subsidy if utilised by a government body, or an Eligible Passenger Discount if utilised by an individual transport company.

ICPA Qld appreciates the opportunity to contribute to this Review. For further information, please contact: Mrs Jessie Persse, Travel Portfolio

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### APPENDIX 1 (Note all Case Studies are for flights within Queensland)

### Case Study 1

### Mt Isa (NW Qld) -> Brisbane/Toowoomba (SE Qld)

We have two sons at boarding school in Brisbane/Toowoomba. A return flight for the June/July school holidays was \$808.38 each, booked about a month out. The cheapest flight for them was approx. \$370 one way. Qantas do have Specials but the cheaper seats are never available during school holidays. My husband and I have managed to acquire the odd discounted fare (\$513 pp return) to go and visit the boys but these seats go quickly and if you have to change any of the flight details, they charge literally hundreds to do the change. I know many Mt Isa residents have resorted to driving the 900km to Townsville to catch a flight. I have heard many say that with accommodation and fuel costs, they are still much better off financially, particularly when booking for more than one person. With the prices we pay, we should all be travelling Business Class! Still it's a whole lot better than the drive, but it would be lovely to see prices at a more affordable level, and comparable with coastal fares!

#### Case Study 2

### Mt Isa (NW Qld)-> Townsville (North Qld)/Brisbane (SE Qld)

As our sons have finished their boarding years, I don't have any recent figures for school travel that I can offer you. However, they did (and one still does) fly back and forth to university on some breaks and unless we book very early (nearly impossible to do with varying university schedules), the cost is pretty high getting forwards and back.

The price range has been as high as \$1200-\$1800 one way at times (there are no Saturday direct flights from Townsville to Mount Isa at the moment and the last time we needed to book one of those it was just over \$1800 for one person, one way).

Flying saves our son 2000kms of driving (2 days) when he comes home for breaks.

I was recently offered some travel assistance to attend a conference in Sydney and the travel organiser was aghast when they saw what the cost was going to be to get me from Mount Isa to Sydney on that day. (I have since changed the plans and will travel from the east coast to Sydney, much to their relief as it is half the price)- so the cost of airfares out here definitely affects the way others view travel to the Northwest.

### Case Study 3

### Townsville (North Qld) -> Brisbane (SE Qld)

Our boys go to boarding school in Toowoomba. To get home for the end of term holidays, they fly from Brisbane to Townsville. The average cost for a one way flight is about \$220 each- sometimes more. We have managed to get them on an Airnorth flight these holidays for about the same price. Flying from Toowoomba to Townsville. This does make a big difference not having to go to Brisbane as the cost of the bus is not cheap either.

Airnorth flies directly from Toowoomba but it does not have reasonable flights everyday (that is usually to get a flight on the day you want it, the price is unaffordable). As it is they need to fly home a day earlier to get this flight and the return flight, with an acceptable price, was just too hard as it would have got them back too late for the start of school.

Return flights back to school from Townsville to Brisbane will work out sometimes. But there have been a number of occasions when the boys have had to go back a day late due to quite a difference in cost from the day they are due to fly back and the next day.

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#### Case Study 4

#### Mt Isa (NW Qld) -> Brisbane (SE Qld)

In the 4 years my daughter has been at school in Brisbane, I have always thought the return airfares between Mt Isa and Brisbane to be expensive, but have noticed in the last 12 months + that there has been a significant increase in the pricing. In the past, I would be doing very well to get access to a red e deal (maybe twice a year) and pay for a return trip around \$520 – and that was only if I was lucky enough to get in early. The only problem with that is the choice of dates when trying to buy the red e deal. I notice this year the red e deals (which seem to be few and far between) are more expensive – an extra \$100 one way on average. There has been a definite increase of price in air fare travel between Mt Isa and Brisbane. This year my daughters return flights have cost \$850, \$902 and I have just booked the September school holidays for \$760 (which I was very excited about as that is the cheapest I have seen advertised all year). Due to the air travel costs only one of our family gets to travel down to visit my daughter each term (and sometimes that is a struggle); it is always my husband or myself – never both of us and certainly not with my other daughter who is still at home. It certainly impacts on us as a family unit; we miss out on many school functions and sports that my daughter is involved in. For example, recently my daughter was rowing in the Head of River Regatta which is held annually, and I believe we may have been the only boarder parents from her year that were unable to attend (I had been down 2 weeks earlier for her subject choice selection). We have to pick our visit each term very carefully. The flow on effect is there – it affects our family's emotional wellbeing.

My children's education is my priority and it is my choice where I send my child to school, but I would have hoped we would not feel disadvantaged due to airfares of all things.

### Case Study 5

#### Mt Isa (NW Qld) -> Brisbane (SE Qld)

My son commenced boarding school in Brisbane this year, he is in year 7. Our choices were Brisbane, Townsville or Charters Towers. We have family and friends in Brisbane. We live in the Northern Territory however sending our kids to boarding school up here wasn't really an option. The only choices were Alice Springs or Darwin. Alice Springs is 960km away and Darwin is 1,300km away.

The cost of airfares has been shocking! I do try to use Frequent Flyer points where ever possible but have noticed that sometimes that isn't even an option, as it depends on the days you fly and the dates. The airlines pick and choose when you can use your FF points.

After term 1 I wrote an open letter to Qantas on my Facebook page telling them that It was very disappointing to see that a return flight from Brisbane to Singapore was cheaper than the amount it cost to fly my son home for school holidays from Brisbane to Mt Isa.

Brisbane to Singapore: \$640 Brisbane to Mt Isa: \$760

Before we fly to Brisbane we first need to get into Mt Isa, as we live in this airport catchment area (even though we reside in the NT). This involves a 5 hour (one way) car trip over 195km of dirt (before we even get to the bitumen). This means we either have to leave home at 4am or head in the night before and pay accommodation (which is definitely not cheap in Mt Isa) before even flying anywhere.

Because we live in the NT we also miss out on the Queensland Living Away From Home Allowance which is over \$5,000.00.

I can't even imagine what it will be like once we have 2 boys down there and am not sure how families with as many as 3 or 4 kids away at the same time manage.

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It is really only me who has been able to visit my son this year and that has only been possible in Term 1 & 3. I wasn't able to visit in term 2 due to the costs involved.

To drive to Brisbane would be a 3 day car trip one way, so that is really not possible.





## APPENDIX 2 2018 QUEENSLAND LIVING AWAY FROM HOME ALLOWANCE SCHEME (LAFHAS) RATES LIST

### **Remote Area Travel Allowance**

| Item                  | Annual entitlement |
|-----------------------|--------------------|
| Minimum allowance     | \$142 per student  |
| First 500 km          | \$0.80 per km      |
| Additional kilometres | \$1.32 per km      |
| Maximum allowance     | \$1,727            |





### APPENDIX 3 REX Bush to Boarding Scheme



# Rex Bush to Boarding Scheme is now available between any Gulf port and Cairns.

(Burketown, Doomadgee, Mount Isa, Karumba, Normanton & Mornington Island)

When you next need to fly your child back home or back to boarding school Rex now offers a Bush to Boarding fare. If you have left things to the last minute don't panic as the Bush to Boarding fares are a capped fare rate. Please give either Danielle or Ben a call and we can take care of your next booking.

Phone: 0408 712 685

Email: day clan@bigpond.com

\* proof of student status will be required with a current Student Photo I.D Card.

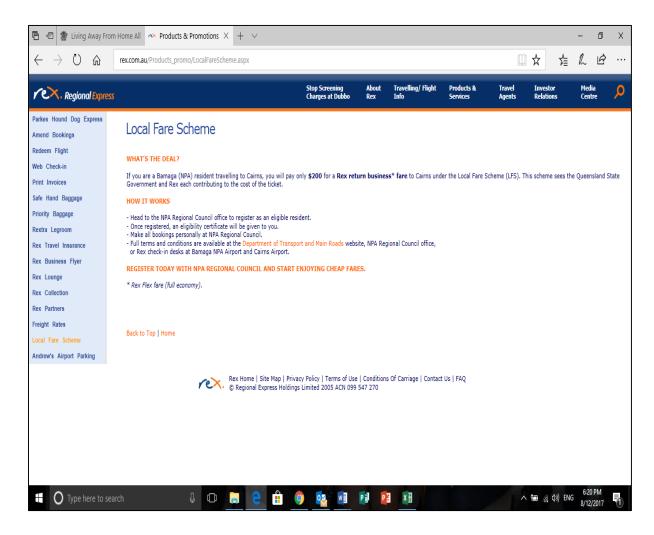
Please note- this is for students only, for all other bookings please contact your local travel agency or call Regional Express direct on 13 17 13 or +61 2 6393 5550



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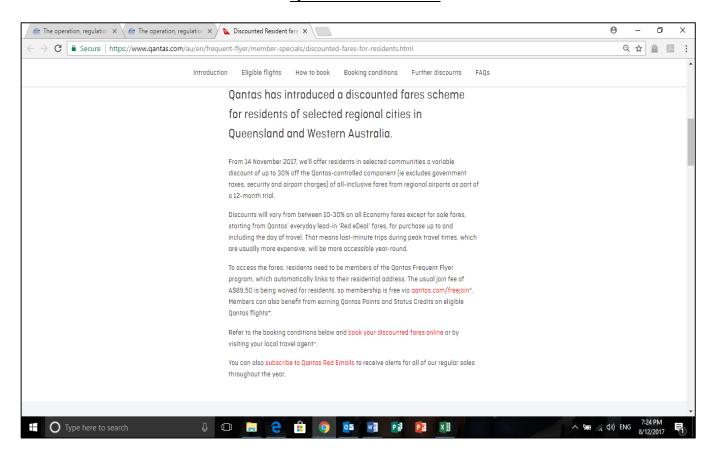
### APPENDIX 4 REX Local Fare Scheme







### APPENDIX 5 Qantas Trial Information



#### Eligible flights

The following return trips qualify for Qantas' discount fares for residents:

#### Queensland

- Cloncurry (CNJ) Townsville (TSV) Cloncurry (CNJ)
- Cloncurry (CNJ) Brisbane (BNE) via Townsville Cloncurry (CNJ)
- Mount Isa (ISA) Brisbane (BNE) Mount Isa (ISA)
- Mount Isa (ISA) Townsville (TSV) Mount Isa (ISA)

### Western Australia

- Broome (BME) Perth (PER) Broome (BME)
- Kalgoorlie (KGI) Perth (PER) Kalgoorlie (KGI)
- Karratha (KTA) Perth (PER) Karratha (KTA)
- Port Hedland (PHE) Perth (PER) Port Hedland (PHE)
- Newman (ZNE) Perth (PER) Newman (ZNE)
- Paraburdoo (PBO) Perth (PER) Paraburdoo (PBO)

### How to book online

 Ensure you're a Qantas Frequent Flyer member, with your current residential address included in your profile. If you're not already a member, join for free at <u>qantas.com/freejoin</u>Opens external site in a new window^.

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- 2. Log-in to the booking page with your Frequent Flyer membership number.
- 3. Search for and select your return flights. The fares marked with a star indicate the resident discount has been applied and shows the amount you've saved.#

### **Booking conditions**

- Eligible customers in Queensland include residents of Mount Isa, Cloncurry, Boulia and McKinlay Shire.
- Eligible customers in Western Australia include residents of Broome, Kalgoorlie, Karratha, Newman, Paraburdoo and Port Hedland.
- Eligible residents will receive the following discount off the Qantas-controlled component of fares (excluding government taxes, security and airport charges):
  - 10% off Red eDeal Fare type
  - 20% to 30% off Flex Fare type
- Discounts are not available on Sale fares or Business Class.
- Sale fares may be included with a discounted resident fare as part of a return-trip, without a further discount.
- A maximum of four return trips are permitted to be booked per person each year from the date of commencement of the trial scheme on 14 November 2017. Fares can be booked up to 14 November 2018 for travel through to system-range.
- Trips must originate in the regional port and be return-trip. No one-way or multi-city trips are permitted and no other regional ports qualify. Flights are subject to availability.
- Passenger name and address entered in the booking must be the same as that in the member's Qantas Frequent Flyer profile.
- Travel must be for leisure or personal purposes only (ie not for business).
- Qantas reserves the right to request documentation at any time to confirm the residency of a customer.
- Qantas reserves the right to cancel bookings found to be in breach of the scheme's terms and conditions and those above the maximum of four return trips.
- Flight prices are per adult in Australian Dollars. Prices are not guaranteed until payment is made.
- Discounted fares for residents are only available for flights operated by Qantas and QantasLink and not with any other carrier.

#### **Further discounts from airports**

The discounted fare scheme provides discounts of up to 30% for residents. The variable discount will apply to the Qantas-controlled component of return fares (which excludes government taxes, security and airport charges).

To maximise the discounts extended to residents, airports were asked to participate by discounting their airport passenger charges, meaning more savings for you:

- Kalgoorlie-Boulder Airport is offering a 100% waiver on passenger service charges
- Mount Isa Airport is offering a 10-30% discount on airport charges depending on fare class
- Broome, Cloncurry, Karratha, Newman and Port Hedland airports are not providing further discounts to residents at this time

### Frequently asked questions

### 1. Can sale fares be combined with discounted fares in the scheme?

Yes. While sale fares are not eligible to receive a discount, they can be combined with a discounted resident fare as part of a return trip. For example, in Queensland eligible residents may purchase a sale fare from Mount Isa to Brisbane and combine this with a 10% discount on a Red eDeal fare for the return from Brisbane to Mount Isa. In Western Australia, eligible residents may purchase a sale fare from Broome to Perth and combine this with a 10% discount on a Red eDeal fare for the return from Perth to Broome.

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### 2. Can I get a discount if I've already booked a return flight?

Only eligible residents who make a new booking on or after 14 November 2017 will have access to the discounted fares.

### 3. As a resident in Western Australia, where can I fly?

Residents in Western Australia are required to fly to or from the airport that is nearest to their residential address in either Broome, Kalgoorlie, Karratha, Newman, Paraburdoo or Port Hedland for return trips to Perth.

### 4. As a resident in Queensland, where can I fly?

Residents in Queensland with residential addresses in the Mount Isa, Cloncurry, Boulia and McKinlay Shire region can book flights from either Cloncurry or Mount Isa airport for travel to Brisbane or Townsville.