




Speech By
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ADJOURNMENT

Mount Isa Electorate, Airfares

 **Mr KATTER** (Mount Isa—KAP) (6.07 pm): I rise to address the increasingly desperate situation of airline prices in the north-west. The problem has not only not gone away; it has been exacerbated. My message to the major airlines operating out there, primarily Qantas, is: the angry voices are not going away and will just get louder.

We have heard a lot of rubbish in the media about landing fees being a big part of the cost problem, but they represent a maximum of six per cent of the average fare. To that end, I have become aware that in March this year the airlines announced the formation of a lobby group to fight infrastructure constraints, high taxes and other matters of aviation. This alliance is called the A4ANZ. Very conveniently, these airlines all operate on very similar aligned pricing levels out in those areas. I think it is highly suspicious that these airlines now have a regular catch-up. Certainly in these regional areas, where people have no choice, competition has failed. The market system has failed and I think the government has a role to play in fixing it.

Everyone seems obsessed with addressing passenger yield—the number of passengers per plane—but we know that airlines work off seat yields. It is not always about trying to help people out and about filling planes; it is about making as much money as possible for every seat. Unfortunately, that has led to some very negative outcomes. For Hamish Griffin from Cloncurry, return flights to Townsville on a Thursday and Saturday not so long ago cost him \$1,598. That is \$1,600 per person. As a comparison, international flights for that same time from Sydney to New York cost \$889, to London \$1,569 and to Auckland \$480. We still pay \$1,600 per person from Mount Isa to Townsville. It is killing families in those areas financially. One of my electorate staffer's father was diagnosed with lymphoma. It cost him over \$1,000 for a six-hour milk run to make it back to Cairns in an off-peak time. Families simply cannot afford to do it. The market solution has not worked. These airlines have to be held to account. They are just unrestrained in those areas and make use of their market power so they are maximising that seat yield, yet no-one is listening at the moment. We have asked for an inquiry into airline prices. We are still waiting on that. We cannot move until that comes through and we are desperate for help from the government. My message to those airlines is that in the Australian public the voices are going to get louder and we are going to call them out for what they are.