

Question on Notice

No. 1950

Asked on Thursday 28 November 2019

MR R KATTER ASKED MINISTER FOR TRANSPORT AND MAIN ROADS (HON M BAILEY)—

QUESTION:

With reference to the impact of unmonitored and unrestricted commercial airfare prices on the North Western communities of Mount Isa and Cloncurry and the inability of the 'market' to rectify this issue due to low competitive tension—

Will the Minister commit to acquiring price tracking software in order to track average pricing for the flight costs to and from the North West?

ANSWER:

I thank the Member for Traeger for the question.

Airline pricing is a dynamic process with prices changing daily in response to demand for flights across all fare types. Factors such as flight date and time, ticket purchase and the ticket conditions/fare type all contribute to cost. Therefore, determining an 'average price' is difficult. I have asked the department to investigate price tracking software and I will report back on viability and effectiveness of the software.

There is no doubt that regional and rural flights present challenges to airlines in terms of their profitability and costs because there are fewer passengers, smaller aircraft and flights are less frequent. However, that should not stop us looking for ways to bring prices down for those regional communities.

Furthermore, I have written to the Chief Executives of the operating airlines requesting a meeting to discuss the costs of regional and rural airfares.

In determining aviation policy, TMR is utilising the outcomes of the Federal Senate Inquiry, alongside feedback from stakeholders and detailed independent analysis. The Federal Government has primary responsibility for aviation policy, and a number of recommendations require actions from them as well to keep downward pressure on airfares. This includes a further Productivity Commission Inquiry.