

# **TOPIC: A "FARE" GO FOR REGIONAL COMMUNITIES – THE CHALLENGE OF PROVIDING ACCESSIBILITY TO REGIONAL AND REMOTE COMMUNITIES**

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## **ABSTRACT**

The paper will discuss how the Queensland Government's regulatory framework, and program of subsidy support and infrastructure funding integrates to provide essential transport services for regional Queensland communities. Some of the unique challenges involved in the program are discussed. Queensland's program is also compared and contrasted with other states in Australia and the overseas experience. The impact of the program on local economies, quality of life and the relative efficiency of the services will also be examined.

## **BACKGROUND – THE NATURE OF PUBLIC TRANSPORT IN REGIONAL QUEENSLAND COMMUNITIES**

Covering 1,727,000 square kilometres Queensland is the second largest State in Australia. Representing more than a quarter of the country's total area, Queensland is four times the size of Japan, nearly six times the size of the UK and more than twice the size of Texas (About Australia, 2007).

With a population unevenly distributed within its borders Queensland also has numerous island communities in the far north of the state. It also experiences an annual wet season that leaves roads impassable in northern and western regions, and communities cut off from major service centres for weeks, and at times months, on end. This makes Queensland a state requiring the Royal Flying Doctor Service to provide medical care to remote communities and the School of the Air to deliver education via two-way radio to remote school children.<sup>1</sup>

Queensland was historically settled and developed in a way that has greatly encouraged this highly dispersed population. Many inland communities came into being as Cobb & Co. "change stations" (where tired coach horses were changed for fresh ones). Providing access to gold rush towns and new pastoral settlements, Cobb & Co. coach routes covered the colony of Queensland by the 1890's (Queensland Museum, 2007).

With the construction of the first section of railway in 1865, a similar pattern of development occurred with the construction of small "rail towns" throughout Queensland. As work

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<sup>1</sup> In excess of 1,400 students are enrolled in Queensland's 5 Schools of the Air

progressed, towns developed at each temporary terminus. Some towns declined after the railway passed while others continued to grow and remain today (EPA, 2007).

Today much of Queensland's population is focussed on the coastal strip however its history of settlement has left Queensland with a thin distribution of population and settlement throughout its vast interior. The resulting tendency for inland communities to be small, far apart and to possess limited essential services like hospitals, dental surgeries, high schools and TAFE institutions, makes long distance passenger transport services extremely important in regional Queensland.

The provision of commercially viable passenger transport services to regional and remote communities can be extremely difficult to achieve however. Regional transport providers are faced with increasingly high fuel and labour costs and significant vehicle/aircraft maintenance costs due to hot and dusty weather conditions and the need for regional air and bus routes to operate over long multi-stop route structures. Consequently the financial outlay required to operate even one long distance passenger transport service is very high. As many communities can offer only small numbers of passengers, whose fares do not cover the cost of operating the service, it is extremely difficult for transport operators to service these communities and remain commercially viable.

This has led to a history of market failure throughout regional Australia with the loss of transport services that were no longer commercially viable. The need for access to a reasonable standard of passenger transport, however, remained. To address this need, the Queensland Government provides financial and regulatory support for an extensive network of long distance passenger transport services throughout the state (see network on page 3) in order to ensure that people living in Queensland's sparsely populated regions are able to access essential medical, educational, business and cultural facilities.

This network guarantees services for more than 70 transport-disadvantaged Queensland communities and annual travel for 192,000 air passengers, 117,000 long distance bus passengers and 37,000 rail passengers (excluding coastal routes) (2005-06 patronage). Queensland Transport estimates that as a result of this network around 99.5% of Queensland's population lives within 100 kilometres of a Queensland Government supported passenger transport service.

The Queensland Government has also recognised that the provision of safe and reliable airports is critical when providing support for regional transport services. Safe all weather airport access is crucial for emergency air services such as the Royal Flying Doctor Service (RFDS) as well as for the operation of regional air services. On this basis it provides annual funding, in excess of \$ 3.5 million in 2005-06, to upgrade regional airports under the Regional Airport Development Scheme (RADS). RADS funding is provided where airport owners are unable to fund essential upgrade and improvement programs themselves and is seen as essential to meet the basic needs of rural and remote communities.

The Queensland Government has made a firm commitment to rural and regional Queensland to continuing its support for regional infrastructure and services. The Queensland Government supported long distance passenger transport network and the RADS program are viewed by the Queensland Government as providing a strong foundation for sustainable, liveable and prosperous regional communities.

## **A Traveller's Experience on the Western 2 Route**

Every day, throughout Queensland, passengers are boarding Queensland Government supported transport services. In the following article, Frontier News describes the experience of one of these services.

### *“The 'Milk Run' builds Outback bonds*

West of the Great Divides, the twice weekly Macair flight from Brisbane to Mt Isa is widely referred to as 'The Milk Run'. It is so named because of the number of times it stops – six – on its way west then north over some of the most spectacular and heartbreaking country in Australia.

One trip last year, I was surprised at the diversity of my fellow passengers. Mt Isa airport was bustling with passengers and I was wondering how many would accompany me when I was greeted by a woman I had met intermittently. She had been training Queensland Rail staff in the 'Gulf' and would be glad to return home to Roma after several weeks away.

Another familiar face! The Aboriginal Health worker from Bedourie, Joyce, was returning from training, recognised me and waved. An unconventionally dressed woman had flown in from NSW and was headed to a remote station with her family where she could paint the landscape while the family experienced a working cattle station.

Once on board, the Pilot and Co-Pilot dug around for an extra belt for a new Mum and week-old baby returning to their station, before starting the safety spiel – which they would repeat numerous times on the eight hour flight.

Once in the air the view changed from the spectacular ranges and peaks to the wide, brown open spaces as we approach Boulia. Here an injured station-hand sporting an Akubra joined us on his way for specialist treatment, while a local girl was returning to University.

As we descended into Bedourie, the stunning line and orange of the sand dunes greeted us. Joining our flight was a cattle station manager heading away for work, two surveyors and the local nurse heading out for some R&R. Up and across the gibber flats, then down to Birdsville, we taxied past the famous pub.

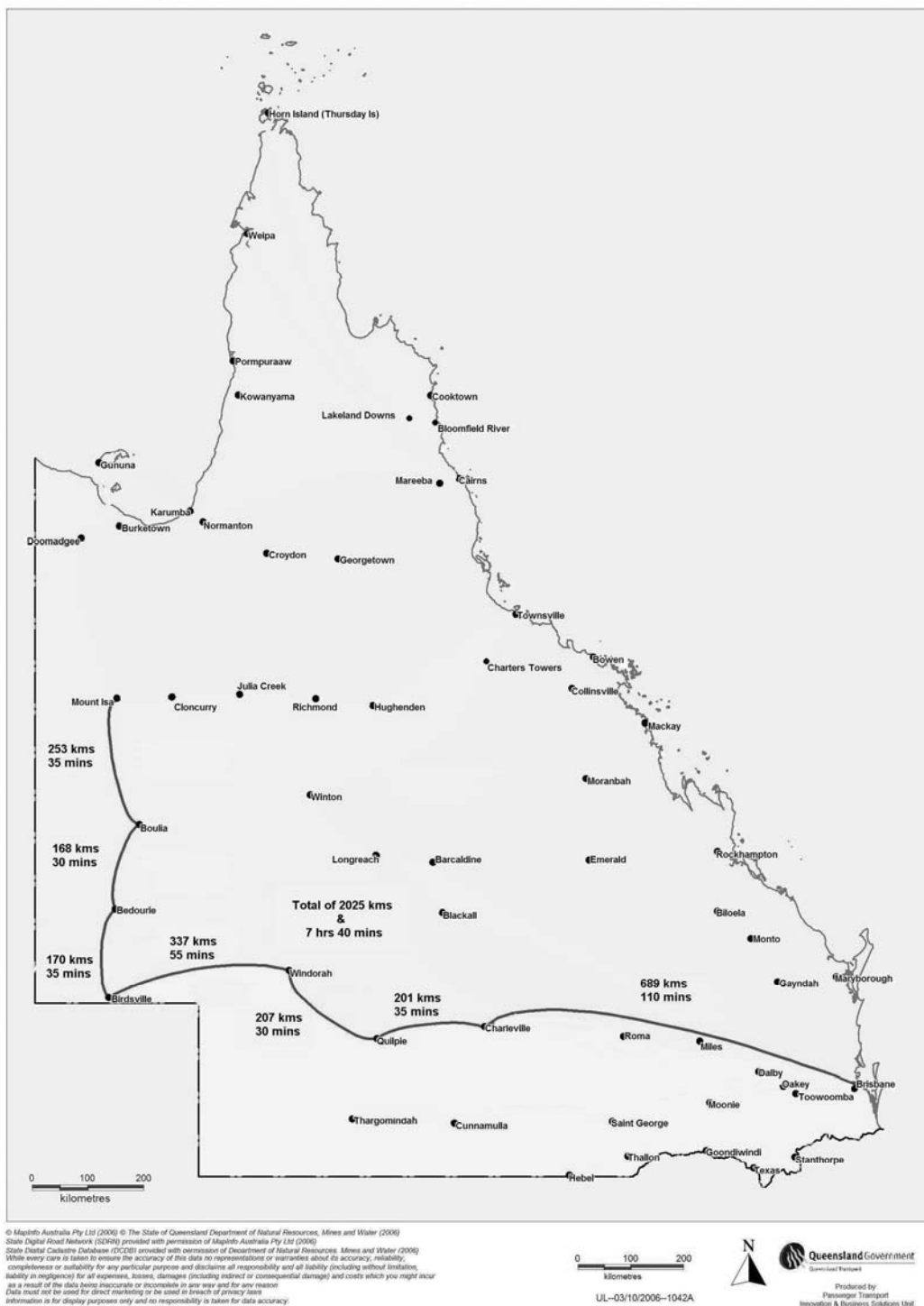
I found myself being greeted by David and Nell, graziers who had once employed my husband. They were joining the 'Milk Run' and heading to the coast for a funeral.

The next leg afforded us easily the most breathtaking view – the Channel Country in all its glory! As we landed in Windorah, we were treated to a mouthful of cheek from Bub, as she prepared to refuel the plane. She drew a wry smile from us as she bossed the young Pilot, much to his embarrassment; "I can tell you're new. I'll have to train you to position it better next time or you'll be fuelling it yourself."

We waved Bub and the flies farewell and headed away for what would be my last stop. As we sighted Quilpie, Nell recognised the sole passenger joining us. A young woman working locally was joining her partner in Brisbane for the rugby, but she seemed thrilled by the prospect of some time at the shops!

As I farewelled our fabulous crew, I reflected on who had flown with me that day. Macair's 'Milk Run' connects bush people and, like 'Frontier Services' helps overcome some of the disadvantages of distance in the Outback."

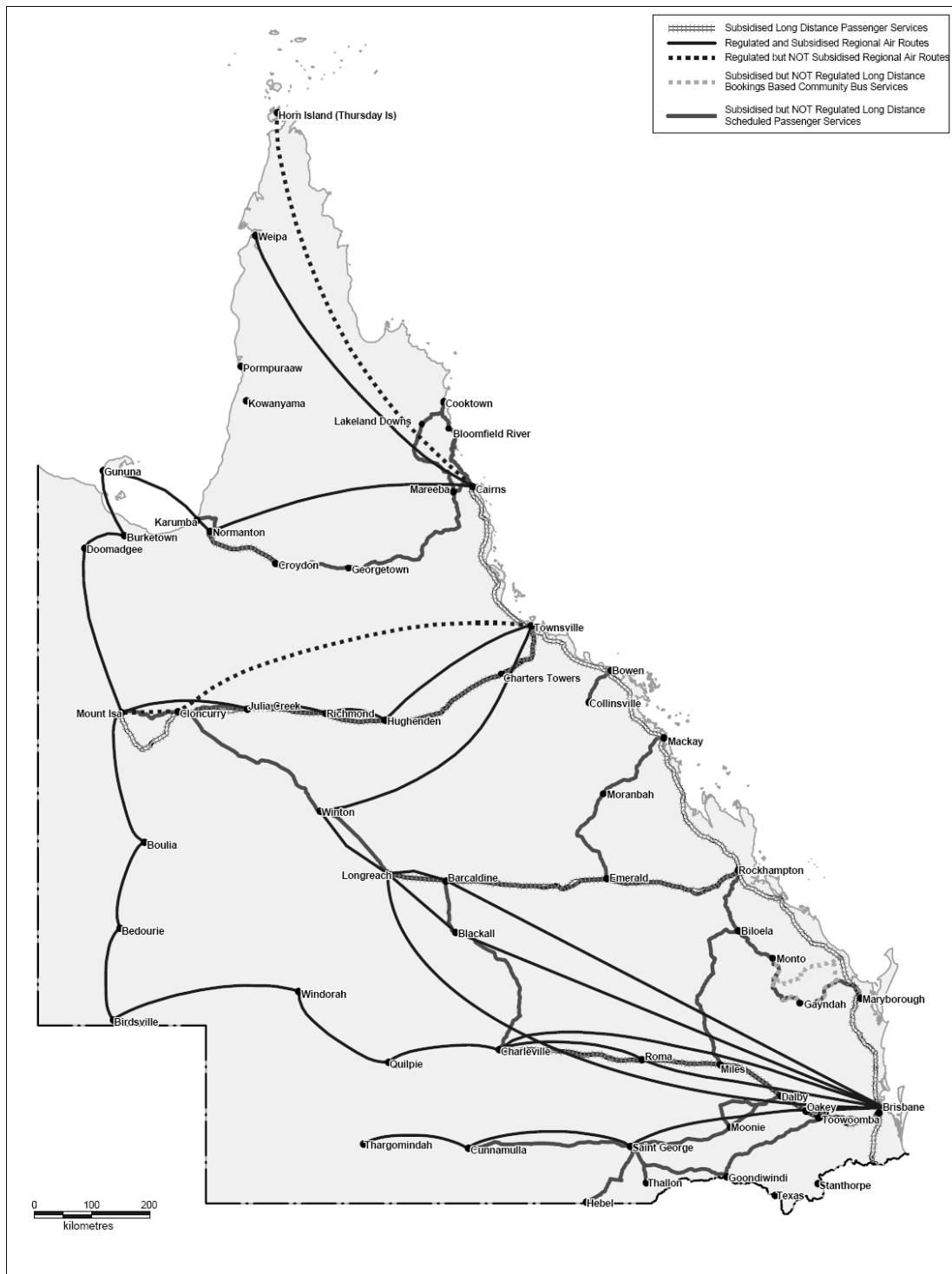
**Queensland Regional Air Services - Western 2 Route**



The Western 2 route operated by Macair using 19 seat Fairchild Metro turbo prop aircraft provides two return services per week. In travelling time takes almost as long to fly from Sydney to Perth via Darwin. In travelling distance, it is the equivalent of flying from London to North Africa.

The experience of long distance bus passengers is very similar but characterised by long stages between country towns and vastly longer journey times. The almost 1,911 kilometre bus trip from Brisbane to Mt Isa takes a total of 14 and a half hours.

### *Current Government-supported long distance passenger transport network*



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UL-4/7/2006-1041A



## **Policy Mechanisms used by Queensland Government to Support Long Distance Passenger Transport Services**

The Australian Bureau of Transport and Regional Economics Working Paper 54 describes the challenges faced by regional communities in the following terms:

“In regional Australia, lack of transport access can have a far more dramatic effect than it would in an urban centre. This is because smaller populations mean that many regional towns do not enjoy the same level of services (for example, health, education and banking) as metropolitan areas. The outcome of this is that, regional residents need to travel long distances to the next major town or capital city to access essential services that are not available locally.”

(BTRE, 2003: 12)

Government intervention in regional passenger transport can improve transport access for people living in regional areas and enhance the well being and liveability of rural and remote communities as a result.

On this basis Queensland Transport monitors essential transport services to regional and remote Queensland Communities. Where necessary and in accordance with legislation, Queensland Transport intervenes in otherwise purely commercial transport markets to assist the viability of regional transport operators, ensure continuity of service and achieve better service outcomes.

### **Government Intervention**

There are many forms of effective government involvement in regional passenger transport markets. Forms of intervention include:

- full government ownership - where the government owns and directly controls and operates its own services;
- managed or regulated provision by private operators - Transport services are run by private operators with governments usually intervening through some form of legislation and/or regulatory requirements. This can involve both financial and non-financial means of intervention (BTRE, 2003: 14-15);
- government funding programmes (such as infrastructure funds), grants and loans to operators;
- government facilitation – in the absence of financial support and/or regulation government plays a facilitation role working with private operators to deliver public transport services that are safe, reliable and frequent to encourage higher patronage levels and service standards.

In Queensland some form of regulation for selected transport services is seen as necessary as it is believed (supported by historical experience) that commercial competition cannot always guarantee a minimum standard of service. This is because many routes are not profitable in the commercial sense due to the small and declining population base in the communities involved.

### *Queensland Transport Service Contracts*

In Queensland, government supported long distance passenger transport services are managed through the use of service contracts usually issued to private operators.<sup>2</sup> The advantage of the service contracts approach is that they allow government to specify the type and standard of service that an operator must provide on a specified route (or within a specified area) for a prescribed period of time. In return, they stipulate how Government will remunerate the operator for providing the service (BTRE, 2003: 15).

To achieve the best outcomes possible QT service contracts are supported by legislation. This provides a flexible, accountable and transparent mechanism for the government to satisfy its transport related policy objectives.

The Transport Operations (Passenger Transport) Act 1994 (Qld) (TOPTA) governs the operation of air, bus, ferry and rail services throughout Queensland. One of the primary objectives of TOPTA is to 'provide a reasonable level of community access and mobility in support of the Government's social justice objectives'. To achieve this, TOPTA provides the Queensland Government with the ability to enter into service contracts with private operators to provide public passenger transport services. Operators are awarded contracts via a public tendering process.

The purpose of service contracts, as provided by TOPTA is to hold operators accountable for minimum performance levels to ensure the communities served under the contracts receive quality and innovative public passenger services at a reasonable cost.

(Transport Operations (Passenger Transport) Act, s37)

Service contracts have a number of advantages over other forms of government intervention. Service contracts limit the ability of operators to make regional transport fares unacceptably high as government has the ability to specify fare levels. They also increase operator accountability and service performance standards by allowing government to prescribe a minimum level of performance acceptable under the contract.

#### *Minimum Service Levels*

To ensure that operators achieve this minimum level of performance section 40 of the Act requires that all service contracts must include minimum service levels to be complied with by the holder.

Minimum service levels specify:

- the periods when the public passenger service is to be provided
- the nature, (for example, vehicle type / aircraft size) frequency and extent of the public passenger service during the periods or particular parts of the periods.

Minimum service levels must have regard to:

- the needs of the community for whose benefit the service is provided
- service levels in comparable communities, whether in Queensland, elsewhere in Australia or in a foreign country

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<sup>2</sup> Queensland Government Owned Corporation Queensland Rail is currently the contracted operator for most passenger rail services throughout Queensland.

- the cost of service provision.

In the absence of government prescribed minimum service levels, essential transport services may be provided at a significantly reduced level failing to produce socially beneficial outcomes.

### *Market Entry Restrictions*

Whilst it is the Queensland Government's preference to keep government regulation to a minimum it is recognised by the Queensland Government, through TOPTA, that market entry restrictions may be needed in the public interest in order to achieve a minimum standard of service.

On this basis Queensland Transport regulates air and long distance bus routes when there is insufficient patronage on routes to support ongoing competition. Market entry restrictions are used when government determines that there is realistically only sufficient demand for the service to sustain one operator. This form of government regulation requires the issuing of exclusive air / long distance bus service contracts for declared routes. When market entry restrictions are placed on a route non contracted operators cannot pick-up and set-down passengers along the route (BTRE,2003: 16).

If the Queensland Government were to remove its current system of regulation, Queensland Transport believes that those services that continued to operate may experience periods of competition, however this would likely be in the form of 'destructive' competition - where both operators accept financial losses in order to become the sole operator on the route. Whilst such competition may temporarily result in some fares reducing, in the long term it is likely to 'kill off' competition, leaving the remaining operator with insufficient funds to invest in service quality/innovation, and resulting in fares increasing to their previous levels or higher. Without government minimum service levels operators are also able to significantly reduce service frequency and vehicle/aircraft size and type.

On some routes in Australia, destructive competition has resulted in periods where a route doesn't have an operator, as the incumbent operators were too weakened to continue servicing the routes. One occurrence left an island community that was almost totally reliant on regional air services for links to the rest of the world, without any air service to and from the mainland. Whilst a new operator did eventually re-establish services to the community, the period without services resulted in temporary social and economic isolation of this already remote community.

Non-regulated routes result in the additional threat to long distance services that competitors may 'cherry pick'<sup>3</sup> well patronised towns, reducing the viability of the route as a whole. Without market entry restrictions the Queensland Government would have one less option to ensure the viability of passenger transport services for rural and remote communities.

In considering the arguments for regulation, it is recognised by Queensland Transport that regulation does have a significant impact on regional transport markets, including on the viability of operators excluded from routes and on market choice. Queensland Transport believes however, that the community benefits of regulation that they have been achieved to date in supporting route viability, restricting the potential for market gouging, and

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<sup>3</sup> Selecting only the most lucrative or profitable centres on a route to service and leaving the less attractive ones for others operators.



guaranteeing a fixed level of frequency and minimum aircraft/vehicle size outweigh such disadvantages.

### *Direct Financial Investment*

Service contracts often include subsidy payments or other financial assistance made by governments for the provision of services not considered to be commercially viable. The Queensland Government provides a direct financial subsidy to contracted operators in order to meet the shortfall between the cost of operating the service at the Government's prescribed minimum service levels and the revenue collected as fares on the service.

Essential air services to regional and remote Queensland have operated with financial assistance from the Queensland Government since the mid-1980s. The subsidy paid to airlines under Queensland Government service contracts was \$8.27 million (inc GST) in 2005-06 (average subsidy per passenger of \$71) resulting in more than \$79 million funding being spent by the Queensland Government on regional air services to date.

The long distance bus industry operated without Queensland Government financial assistance prior to 2002. Government intervention was not required as long distance bus providers were able to divert revenue from their more profitable interstate and intrastate trunk routes to offset losses on less well patronised regional routes. A number of factors however began in 2000 and 2001 that impacted on the viability of these services, including:

- the expansion of discount air travel reducing long distance bus patronage;
- the impact of the drought and the events of 11 September 2001 contributing to a reduction in discretionary travel in rural and remote Queensland;
- declining economic conditions in some regional communities; and
- an increase in the cost of fuel and labour.

Long distance bus operators consequently approached the Queensland Government for funding to maintain services. On 7 May 2002 the Queensland Government approved QT support for certain long distance bus services, through service contracts, to ensure their ongoing viability. In 2005-06 this funding totalled \$2.33 million (inc GST) (average subsidy per passenger of \$19) resulting in more than \$9.5 million funding being spent by the Queensland Government on long distance bus service to date.

The Queensland Government, acting through QT, contracts with Queensland Rail for the provision of long-distance passenger rail services. Through these "Traveltrain" contracts QT offers the largest and most comprehensive network of long distance and tourist trains in Australia. The Traveltrain transport service contract for 2005-06 was valued at \$112.2 million (average subsidy per passenger of \$257).

### *Providing Infrastructure*

The final role of government is to support the provision and improvement of necessary infrastructure.

The provision of infrastructure (such as roads, airports and railways) underpins the supply of the regional public transport services. As part its commitment to safe and efficient passenger transport the Queensland Government also provides significant infrastructure funding in order to meet the states transport needs.

### *Roads*

The 2006-07 to 2010-11 Roads Implementation Program will provide a record \$11.55 billion spend on Queensland roads \$9.7 billion of which will be State funded. It contains some 2500 road projects, including 165 new projects, statewide.

### *Rail*

Queensland Rail's (QR) capital works program for 2007-08 is \$1.278 billion. Approximately \$693.2 million (54%) is scheduled to be spent in regional and rural Queensland.

### *Air*

\$ 3.5 million was invested by the Queensland Government in 2005-06, to upgrade regional airports under the Regional Airport Development Scheme (RADS). (The RADS program is discussed in further detail on page 13)

## **The Case For Investment And Policy Intervention**

The Queensland Government supported long distance passenger transport network forms an integral link to major centres for rural and remote Queensland communities. It serves the social, economic and access needs of communities and plays a key role in achieving the following benefits:

### *Reducing Social and Economic Isolation*

The Queensland long distance passenger transport network is marketed as the bush's defence against the tyranny of distance. Closely linked to quality of life and social networks in rural communities, transport enables rural residents to access the everyday events that urban residents take for granted. Transport defines the availability and cost of household items and goods and services critical to sustaining rural-based industries.

It also provides access to essential health, business, education, cultural and community services –including access for city-based specialists – as well as to families and friends. Although predominantly passenger services, these services in rural and remote Queensland also transport freight, mail and supplies to the communities they service further reducing social and economic isolation.

### *Supporting Regional Employment*

An effective regional long distance passenger transport network has a significant impact on the employment prospects of regional, rural and remote Queenslanders, as rural and regional manufacturing, resource and service sectors rely on the transport system to remain competitive, both nationally and internationally. An effective and efficient transport network widens the sphere of employment opportunities within, across and between regional areas.

A large percentage of passengers travelling on regulated and/or subsidised air services are private business and/or government business passengers. Without these services there would be a significant impact on the potential for these passengers to travel for business. In the case of private business travellers, any loss or reduction of transport services could affect the

ongoing viability of their business as well as the viability of associated enterprises, such as suppliers, and the employment prospects of Queenslanders living in affected communities.

Backpackers also rely heavily on the long distance passenger transport network (particularly long distance bus services) to access regional communities where they provide a valuable resource to regional industries through transient/seasonal employment for example, fruit picking. What's more the services themselves generate employment opportunities for support personnel for transport operations in regional communities.

#### *Assisting Regional Tourism*

The tourist market provides valuable service sector income for regional communities. Traveltrain rail services in particular market regional Queensland as a travel experience. Through their "Central Red" destination packages they offer a unique Outback Queensland experience that promotes regional Queensland as a tourist destination.

Important tourist dollars can also hinge on service reliability as the tourist market can be sensitive to changes to regular passenger transport services particularly changes to air service frequency or aircraft size. Government contracted minimum service levels ensure that prior to any changes to services the impact on the economy in rural and remote Queensland is carefully assessed.

#### *Enhancing Skills and Education*

Skills are of critical importance to economic growth and career success. There is currently a skills shortage in a number of key areas in regional Queensland. If there were sub-standard or no transport services in a town it would further compound this skills shortage as it makes relocating to – or remaining in – such a town, less attractive than for towns with good quality transport services. Education and skills development for rural and remote Queenslanders would also be impacted as both air and long distance bus services receive a strong element of travel for secondary, tertiary and industry-based education/training.

#### *Providing Better safety outcomes*

By improving accessibility, and the attractiveness of passenger transport in rural and remote Queensland, there are less vehicles operating on Queensland's roads than there would otherwise be. This results in better safety outcomes for Queensland as bus, rail and air travel are safer than private vehicle travel. Road safety remains a critical issue for rural Queensland. Longer travelling distances, high speed limits, driver fatigue, kamikaze wildlife and the distance to emergency retrieval services and specialist medical care all combine to increase risks for rural and remote travellers.

#### *Providing Environmental Benefits*

More attractive passenger transport services in the bush also results in better environmental outcomes as bus and air travel produce lower emissions than comparable level private vehicle travel.

## **Identifying the 'Transport Disadvantaged' Community?**

QT has traditionally used the following broad criteria to identify transport-disadvantaged communities:

- Remoteness and lack of access to essential services.
- Quality and reliability of road, rail and marine access:
- where a community is unaffected by seasonal weather patterns, an air service is provided within a 200 kilometre drive of an identified transport-disadvantaged community; or
- where a community is affected by seasonal weather patterns, an air service is provided at key regional population centres.
- Existence of economic cycles that affect travel demand and ability of the market to carry services during depressed economic periods.
- Impact of intervention on commercial competitors, including competing modes of transport.

QT is considering further developing these criteria in the near future to improve system transparency, enhance public mobility and ensure that transport disadvantaged communities can be promptly identified.

## **Importance of Utilising Multiple Transport Modes.**

The Queensland Government is of the opinion that it is extremely important that regional Queensland is serviced by a long distance passenger transport network that utilises multiple transport modes. This is because the use of one dominant mode of transport is not as appropriate in Queensland as in some other states as air, bus and rail all play different and important roles. There are varying levels of competition between the modes, depending mainly on the length and location of the journey.

Given the size of Queensland and the distance to major centres, air services are often vital to remote communities. Climate also has a strong influence because, during the wet season, many unsealed roads in the north of the state become impassable for weeks (and in some instances, months) on end, making air services the only form of transport available.

The air transport market is very different than that for long distance bus and rail services, meeting different community needs. People who place a greater value on travel time will as a rule choose to fly. Those who are less concerned about time and more sensitive to travel costs will generally travel by bus or rail (BTRE, 2003: 50). Subsequently air passengers travel more frequently and most often for business, work and holiday.

Long distance bus travel by comparison is less likely to be paid for by an employer and more likely to be privately funded or paid for by Government (for example, for health travel), and is most likely to be for the purposes of visiting family or friends, to shop for products unavailable in smaller centres, or for health and education. Long distance bus services also better facilitate intra-route travel between neighbouring communities compared to the more end point focused travel achieved on air services. The provision of an extensive network of long distance bus services also enables Queensland Transport to meet the Queensland Government's social justice objectives at a lower cost to Government than air services.

Some communities currently receive long distance bus services in addition to passenger rail, fostering perceptions of service and subsidy duplication. Compared to long distance passenger rail services, long distance bus (i) provides higher frequency and service connectivity; (ii) is more responsive to demand changes; (iii) has lower capital costs; (iv) is more efficient; (v) better matches capacity with demand; and (vi) provides much shorter travel times. In short, long distance bus services are good at meeting the essential travel needs of passengers based in rural and remote communities.

Queensland's long distance "Traveltrain" rail services however deliver other advantages for passengers, providing a different experience to long distance bus and are of historical interest, both are particularly important for tourism. They also provide greater levels of comfort, with onboard accommodation and dining, provide a social experience, take passengers off the 'beaten track', and help to pay for the cost of maintaining rail infrastructure that supports freight services to these regions. Traveltrain further assist pensioners living in regional areas by providing all Queensland Pension Concession card holders with four free (excluding a small administration fee) one way trips (or two return trips) on Traveltrain services each year.

### **Role of the Queensland Government in the Development of Regional Airports**

In addition to supporting rural and remote passenger transport services, the Queensland Government also provides significant funds for maintenance of regional airports. Whilst this responsibility for airport funding rests with airport owners in the first instance, the owners of some regional and remote airports are unable to sustain the cost of maintaining their airports without implementing high rate increases.

The Queensland Government supports the provision of air transport infrastructure so far as this can be achieved in a sustainable and cost effective manner. Where there is a funding shortfall, proposals for supplementary funding may be considered by Queensland Transport for airport funding assistance through its Regional Airport Development Scheme (RADS).

### *Aerodrome Local Ownership Plan*

In the 1980s and early 1990s the Commonwealth Government withdrew from its regional aerodrome ownership and funding roles, and devolved those responsibilities to local governments under its Aerodrome Local Ownership Plan (ALOP).

While a few regional airports with very high annual passenger numbers have been able to fund their operation and maintenance, most councils struggle to find funding, particularly at airports where there are no scheduled air services. These councils must therefore provide funding from other sources to operate and maintain their airports.

As the introduction of the ALOP scheme had a significant impact on the viability of Queensland's regional airports and air services - and consequently on the 'liveability' of isolated communities - the Queensland Government developed RADS to fund essential upgrades.

### *Regional Airport Development Scheme*

Queensland Transport provides RADS grants normally on the basis of a 50/50 funding formula to local governments to assist with infrastructure upgrades such as the re-seal or extension of runways, the construction of animal proof perimeter fencing and the installation of runway lighting at regional and remote airports.

RADS recognises that safe, all-weather aviation infrastructure is critical to rural and remote communities, particularly for emergency evacuation provided by the Royal Flying Doctor Service (RFDS) and the operation of regular passenger air services provided by regional airlines.

Since the introduction of Government funding for regional and remote airports, over \$20m has been allocated to local governments for 117 regional airport upgrade projects. In most cases this expenditure has been matched by local government, meaning almost \$40m will have been spent to date on aviation infrastructure in remote and regional Queensland including the 2006-07 financial year.

Queensland Transport continues to work proactively with key stakeholders such as regional airlines, the RFDS, the State departments of Health and Communities and the Local Government Association of Queensland (LGAQ), to determine priority airports for upgrade and ensure projects that promote rural and remote community development will be supported. Western Australia is the only other state jurisdiction that provides financial assistance to rural and remote airport infrastructure projects.

### *Basis for Funding*

There are two categories in which airport owners can submit a funding application:

- **Basic Access**  
This funding category supports airport infrastructure projects that ensure communities have basic access to essential medical and educational facilities.
- **Regional Development**  
Regional Development grants are awarded if the impact of the project is likely to extend beyond the local community to a larger region. This category recognises upgrades for the airport to support larger regular passenger transport (RPT) aircraft and commercial operations, whether that includes business or leisure. Applicants under this category are usually asked to provide a business case identifying major commercial development or similar in the area, which supports the need for significant upgrade to the airport infrastructure.

Applications are assessed on the basis of the criteria listed below:

- The population of an area, the degree of remoteness and the extent of disadvantage in accessing transport services;
- Quality and availability of other transport services (rail, road and sea);
- The proximity of the airport to major regional airports;
- The economic impact on the aviation sector and the regional economy;
- The views of emergency aircraft operators, for example, the RFDS;

- Whether the airport hosts regular air services, for example, RPT;
- The level of Council contribution toward the proposed project; and
- Consistency with government-endorsed strategies, such as air services regulation.

Once applications have been assessed a recommended forward program of projects is provided to the Minister for Transport for approval. Applicants are then advised of the final outcome of their RADS application in writing by Queensland Transport.

#### *Outcome for Regional Communities*

The RADS program supports the operation of the Queensland Government's \$7m annual subsidised network of regulated air services. By providing grants to airports in this network, the government ensures safe and reliable air access for transport disadvantaged communities.

But the scheme does more than this, providing funding to remote airports throughout Queensland to improve safety and all weather access.

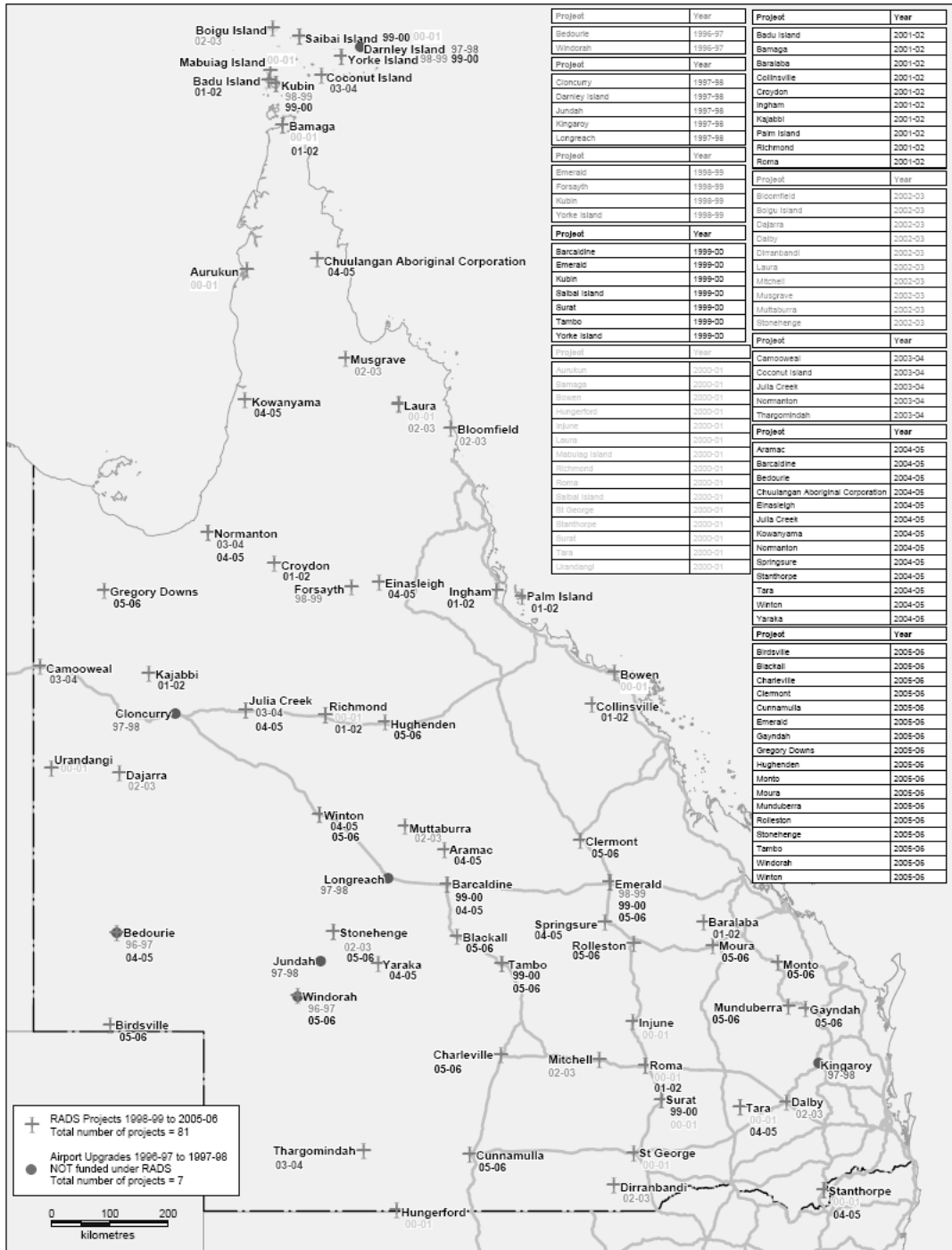
The program also seeks to support regional economies by investing in strategic airports to grow local industry and create employment. Airports are important entry gates to regions for business and industries that support and encourage ongoing regional and economic development. In a number of centres the scheme supports economic and tourism growth delivering extremely positive outcomes.

In remote and regional communities, basic services such as public transport and delivery of fresh food, medical supplies, mail, educational materials, and urgent supplies rely on the use of airport infrastructure.

Many rural and remote communities also depend on their airports for access to essential and social services, like judicial, emergency, police, medical and educational services. Limited funds can mean that some communities lose access to essential services when the airport is closed, which often happens in wet weather where the aircraft pavements are not sealed, or at night if the aerodrome is not lit. These airport limitations can impact adversely on RFDS medical emergency operations.

Without the funding provided through the RADS scheme, airports would not be in a financial position to undertake the essential upgrade and improvement programs themselves making the RADS program essential to meet the basic needs of rural and remote communities.

**Regional Airport Development Scheme (RADS)  
Projects Supported between 1998-99 and 2005-06  
and Other Airport Upgrade Projects Supported between 1996-97 and 1997-98**



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## Queensland's Network of Government Supported Air, Bus and Rail Services

### Air

There are 10 Queensland Government contracted regional air routes which provide approximately 130 services each week throughout Western, Central and Northern Queensland. Services are provided using a variety of aircraft from the 19 seat Fairchild Metro aircraft operated by Macair Airlines, to the 50 seat Dash 8-Q300 aircraft operated by Qantaslink.



The Queensland Government considers that to meet the needs of regional communities a minimum of two services per week are required. Well patronised routes receive up to 14 return services per week.

The level of subsidisation also varies between routes with some "regulated only" routes receiving no subsidy (Cairns - Horn Island and Townsville - Cloncurry - Mt Isa) and heavily subsidised routes receiving in excess of \$7004 subsidy per passenger per flight.

### *Bus*

There are 17 Queensland Government contracted long distance bus routes which provide approximately 140 services each week. Services are provided using a variety of vehicles from 12 Seat Toyota Commuters to 50 seat Coaches.

Smaller community based-transport type services are required to operate a minimum service frequency of once a week on a bookings only basis. Commercially operated services with higher demand provide between two and seven services per week.

All long distance bus routes are subsidised at a rate of between \$4.305 and \$58.866 per passenger per trip.

### *Rail*

The Queensland Government contracts QR to provide almost 50 passenger services per week. Routes are divided into "Coastal Services" "Outback Services" and "Tropical Services".

#### Coastal Services

The Tilt Train and Sunlander operate 36 coastal services per week servicing communities between Brisbane and Bundaberg, Rockhampton, Townsville and Cairns.

#### Outback Services

Spirit of the Outback (Brisbane – Rockhampton – Longreach), the Westlander (Brisbane – Charleville) and The Inlander (Townsville - Mount Isa) operate return services twice weekly.

#### Tropical Services

The Gulflander provides one return service from Normanton to Croydon each week; In 2005-06 Coastal long distance passenger rail services were subsidised at a rate of approximately \$70 per passenger, Outback services at approximately \$760 per passenger. The Tropical Gulflander service was subsidised at a rate of approximately \$550 per passenger.

## **Reviewing Effectiveness – The 2006 Regional Network Analysis**

The five year air and long distance bus contracts entered into in 2002 expired on 30 June 2007. Subsequently in 2006, Queensland Transport reviewed the Queensland Government supported air and long distance bus network to ensure that services will continue to represent

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<sup>4</sup> 2005-06 subsidy for the route "Northern 2" was \$729.29 per passenger

<sup>5</sup> 2005-06 subsidy for Brisbane – Rockhampton.

<sup>6</sup> 2005-06 subsidy for Bowen – Collinsville.

the 'best fit' in meeting the current and future transport needs of rural and remote transport-disadvantaged communities.

Through this "Regional Network Analysis" (RNA) Queensland Transport investigated a number of significant changes to the contracts to:

- improve contract management processes and encourage greater use of public transport;
- improve network connectivity;
- address the 2007 requirements of the Disability Standards for Accessible Public Transport 2002; and
- revise Minimum Service Levels – including revised route structures.

### **Consultation**

Various approaches to consultation were considered from a low level public notice approach to a comprehensive multi faceted campaign. A combination of the sensitivity of the issues being analysed and the strong interest regional communities have in these services led to Queensland Transport taking a comprehensive approach.

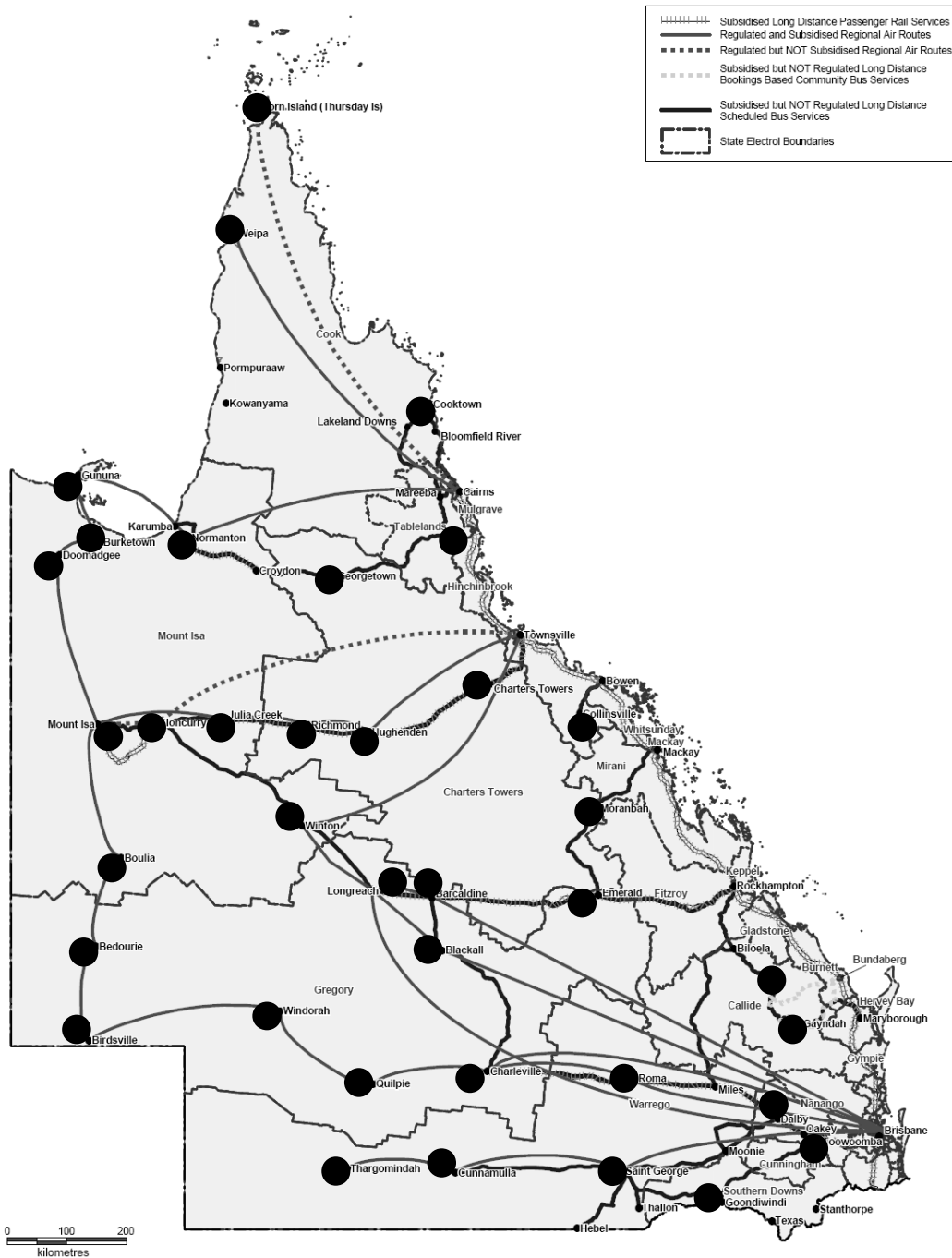
Consultation with affected communities and other important stakeholders was a fundamental element of this review. Consultation was undertaken throughout July and August 2006 via:

- 36 face to face meetings with major stakeholders from 73 communities;
- surveys of existing and potential passengers about travel patterns and future needs;
- Surveys were available for 6 weeks at:
  - selected councils, libraries and Queensland Transport customer service centres on an opt-in basis;
  - onboard Government-supported air and long distance bus services; and
  - the e-democracy web site and via free call phone number (1800 174 562);

Around 3500 surveys were completed – 3212 onboard, 227 online, and 26 phone.

- the seeking of submissions from major stakeholders - 37 received, from business', individuals, transport operators, representative bodies and government.

## RNA Community Meeting Locations



### Options for Government Supported Air Services in Cape York and the Torres Strait.

There are a number of transport-disadvantaged communities, particularly in the Cape York Peninsular and the Torres Strait, that receive air services that are not part of the current Queensland Government-supported network, including: Kowanyama, Edward River (Pompuraaw), Aurukun, Bamaga, Lockhart River, Coen, Cooktown, Badu Island, Boigu Island, Coconut Island, Darnley (Erub) Island, Dauan Island, Kubin (Moa) Island, Mabuiag Island, Murray Island, Palm Island, Saibai Island, Sue (Warraber) Island, Yam Island and Yorke Island.

While services to these communities are currently provided on a commercial basis – some routes even sustain competition – services are generally characterised by small aircraft (some

Torres Strait people prefer not to fly in small aircraft due to safety concerns); and high fares ('y' class fares are as high as \$3.56 per kilometre compared to an average of \$0.52 per kilometre across the Queensland regulated air services network).

There is also evidence of air service instability throughout the Torres Strait and Cape York Peninsular with operators withdrawing a number of services due to lack of commercial viability.

Queensland Transport considers that Government intervention would provide the following positive outcomes:

- ensure set minimum service levels regarding aircraft size and service frequency,
- ensure a set reasonable upper fare limit,
- provide improved service reliability – by removing the potential for destructive competition, and
- reduce the risk to operators, encouraging investment in better services.

Many of the communities of the Torres Strait and Cape York Peninsula do not currently share the same standards of employment, health and education as other Queenslanders. These standards are further diminished by the high cost of living and travelling within the region and to larger regional centres.

Introducing a passenger transport service to these communities would assist to reduce issues of social and economic isolation, as well as providing connectivity to health, education, business and cultural opportunities in Cairns. Queensland Transport will therefore undertake a PBT to identify whether air services to these communities would benefit from government intervention.

### **Key Outcomes from the Regional Network Analysis**

The RNA resulted in the following key outcomes for the future of the Queensland Government supported long distance passenger transport network.

Queensland Transport to continue support for the existing Government-supported routes at the current service levels. This included:

- Continuing to subsidize air and long distance bus routes where appropriate,
- Continuing the existing system of regulation on currently regulated air routes,
- Extending some long distance bus routes to service additional communities
- Introducing more equitable fare levels across the network.

Queensland Transport to undertake PBT's in Cape York and the Torres Strait to determine whether the Queensland Government should regulate/subsidise these services.

Queensland Transport to investigate whether long distance and community bus services should be introduced to new communities that don't currently receive such services but are comparable in need or demand to communities that currently receive Government-supported services, for example Emerald to Roma; Woorabinda to Rockhampton; Thargomindah to Cunnamulla; Jandowae to Dalby; and Texas to Inglewood.

Queensland Transport to investigate policy/legislative changes to better support passenger transport services to regional and remote communities.

### *A stronger focus on connectivity*

QT has recognised that one of the most important elements of long distance services must be connectivity. This is the ability to 'connect up' the entire journey for people to be able to get where they want to go.

This approach has the potential to deliver much better value for money as it makes maximum use of the existing transport investment in services and infrastructure. As an example inland services should connect to regional city urban services and also connect travellers to long distance services such as rail and air.

### **Case study– Connecting Biloela and the North Burnett to the Eastern seaboard transport services**

In late 2002 Brisbane Bus Lines advised Queensland Transport that the Biloela to Goomeri extension of their Brisbane – Murgon long distance bus service had become financially unsustainable forcing Brisbane Bus Lines to make a commercial decision to discontinue the Biloela to Goomeri service in 2003.

Following advice from Brisbane Bus Lines about the possible cessation of the service, Queensland Transport conducted an onsite assessment of the transport needs of affected communities. Discussions were held with the councils, agents and service providers in the area seeking their views concerning service needs for the region.

During these discussions, many community representatives expressed a preference for travel to the nearer centres of Maryborough and Bundaberg. It became evident that one of the contributing factors to poor patronage on the service was that it connected passengers to Rockhampton (linking with the Queensland Government subsidised Brisbane – Rockhampton service) rather than more local centres.

It was also noted that Queensland Health officers in the area generally refer patients to specialists in Maryborough and Hervey Bay and not to Rockhampton. As a result, although the Goomeri – Biloela route was seen as valuable to the community by providing access to a major regional centre - Rockhampton, community feedback indicated that an alternative route would be preferred and would likely be better patronised.

In response to community need the Queensland Government established a new Biloela to Maryborough return bus service commencing on May 10 2006. Operated by Callide Coaches, the service provides two return services per week and connects regional communities to Maryborough where they can catch the word class tilt train and the coastal Greyhound Australia long distance bus services providing access to Brisbane and the Hervey Bay Airport.

The Biloela to Maryborough service was carefully integrated with two locally-run demand responsive inter-community transport services in the Burnett region which were also developed at this time:

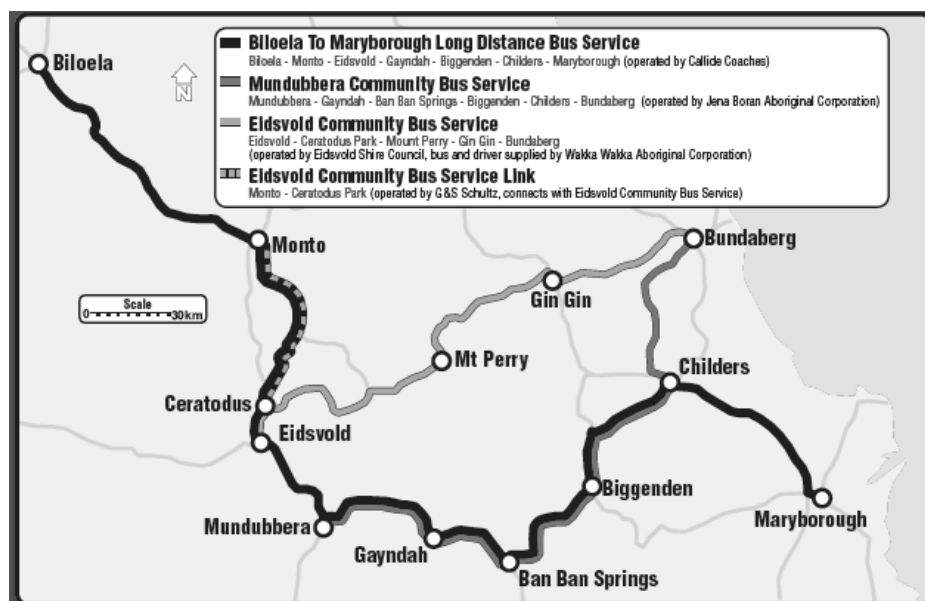
- Mundubbera to Bundaberg Community Bus Service - operated by the Jena Boran Aboriginal and Torres Strait Islander Corporation.
- Eidsvold to Bundaberg Community Bus Service starting in late May - operated by Eidsvold Shire Council with Wakka Wakka Aboriginal and Torres Strait Islander Corporation.

Designed to take passengers from the Inland to the Coast, these services provide a comprehensive transport network for the Burnett region and integrate with a choice of transport options enabling communities to connect to other major centres.

With the introduction of these services people are able to attend health appointments in Maryborough and return the same day. A number of communities can also attend appointments in Bundaberg and return the next day. This provides a substantial improvement to the previous arrangements where patients had to wait several days for a return service.

Queensland Transport considers that overall community feedback on this service has been extremely positive with delays in marketing being the only significant issue raised during the RNA consultation process. Queensland Transport believes this has contributed to lower than expected patronage (926 passengers) on the service in its first 12 months of operation. However the operator has subsequently addressed this issue and the Queensland Government is now providing marketing support to all three services in the region to work towards longer term sustainability.

These services are still in their infancy and Queensland Transport will continue to work with the operator to promote service awareness. It is expected that these services will provide a significant boost to the local economy by providing a regular passenger transport link to the coast and attracting backpackers to the region for seasonal fruit-picking work.



**Figure 1: North and Central Burnett Bus Services**

### **Australian and Overseas Comparisons**

Due to its vast expanse and number of small remote communities Queensland depends on accessible regional passenger transport to a greater degree than most other states and overseas countries. Queensland's remote communities are a great distance from its major capital city and regional centres. The roads that connect many remote communities, particularly throughout Cape York and the Gulf of Carpentaria, are cut off for extended periods due to flooding and associated road washouts making their air service the only link to the outside world. Without any road connections, island communities throughout the Torres Strait are

even more reliant on air services to maintain safe connections with the mainland (SCOT, 2003: 102-104).

Queensland is the most decentralised of the mainland states with a significant dispersion of population across its vast interior. Queensland has historically focused strongly on the development of its inland regions (Holmes, Charles-Edwards and Bell, 2005: 4).<sup>7</sup> In order to support this focus, and to be consistent with Queensland Government social justice objectives, Queensland Transport has taken an active role in supporting long distance passenger transport services to transport disadvantaged rural and remote communities.

The Queensland model of support is designed to meet Queensland Government objectives and the states own unique needs. While remote areas in the North of Western Australia and the Northern Territory share similar physical and remoteness characteristics with remote areas in Queensland, it is important to recognise that the model of support of each jurisdiction reflects the challenges and priorities specific to their own state/country.

## **Western Australia**

As part of its commitment to providing efficient passenger transport services that provide all Western Australians with access to work, education, services and leisure opportunities the Western Australia (WA) Government also regulates long distance passenger transport services.

### *Air Services*

It is the WA Government's position that transport routes unable to sustain competition require the government to continue to meet its community accessibility and service objectives through light-handed regulation of aviation services (Tourism Futures and Centre for Asia Pacific Aviation, 2007: 5).

Like Queensland, the WA Government has concluded that while there is a continuing role for regulation the need is defined exclusively in terms of community service and competition is the preferred option for reducing fares and increasing services. This is only supported however where deregulation would not jeopardise transport markets and reduce service levels (Tourism Futures and Centre for Asia Pacific Aviation, 2007: 5).

In order to maintain current levels of service and current fare levels to regional WA communities the WA Government assists regional air routes that it perceives are unable to sustain competition. These are routes that service less than 60 000 passengers per annum. Assistance is in the form of regulation with an exclusive route licence issued to operators (SCOT, 2003: 258).

The challenge of population dispersion is not as great in WA as it is in Queensland<sup>8</sup> (Holmes, Charles-Edwards and Bell, 2005: 4). This has resulted in the development of a number of hub and spoke routes which tend to be more viable than the traditional milk run structure

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<sup>7</sup> In South Australia and Western Australia, extreme aridity significantly restricted inland development other than from mineral resources (Holmes, Charles-Edwards and Bell, 2005: 7).

<sup>8</sup> The only comprehensive interstate comparison of population concentration was undertaken by Holmes (1973) revealing that 19.0 percent of the Queensland's population was located over 805 km from the capital, compared with 0.1 percent in Western Australia (Holmes, Charles-Edwards and Bell, 2005: 5).

necessary in Queensland.<sup>9</sup> For this reason most routes in Western Australia are able to operate without government subsidy with the exception of one commercially unviable route between Broome, Fitzroy Crossing and Halls Creek.

There are still many centres in WA where airlines do not consider that a regular air service would be viable. These centres therefore remain without a service. The WA Department for Planning and Infrastructure has provided that it may be in the interests of the State for the Government to assist such communities to build a viable air service over a reasonably short period of time, with the long-term view that it will become viable on a commercial basis (DPI, 2007).

The WA Government also contributes to airport infrastructure through their Regional Airport Development Scheme in a similar way to Queensland. Through the scheme the State works in partnership with airport owners providing assistance to develop regional airport infrastructure in order to meet access needs and contribute to regional economic growth (DPI, 2007).

Following the 2006-07 funding round allocations, the program will have injected approximately \$22 million into more than 200 projects since its inception in 1994-95 (DPI, 2007).

#### *Bus and Train Network*

The Transwa division of the WA Public Transport Authority operates passenger train and long distance coach services linking Perth with regional WA, servicing 275 locations. Train services operate between Perth and regional centres at Kalgoorlie, Northam and Bunbury. Transwa's coach services operate from Kalbarri in the north, Meekatharra in the north east, Esperance in the south east and Augusta in the south (PTA, 2007). There are no market entry restrictions on any routes operated by Transwa.

### **Northern Territory**

#### *Air*

Air transport in the Northern Territory (NT) was deregulated in 1992 and the Territory now has an 'open skies' approach to intra-territory air services. As a result no formal assistance is provided by the NT Government for intra-territory air services. The Commonwealth Government funded Remote Air Service Subsidy (RASS) scheme is therefore especially to remote areas of the NT (see discussion of RASS services below) (BTRE, 2003: 48).

#### *Bus*

There is no subsidisation of long distance bus services in the NT. The only form of assistance is route protection for operators of pioneer routes (BTRE, 2003: 49). A route can be declared a 'pioneer route' if the NT government is satisfied that a service in operation for less than twelve months is unlikely to continue, or if a proposed new service on a currently service-less route is unlikely to be proceeded with.

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<sup>9</sup> From an operational perspective milk run structures are less than optimal as load factors on segments can be variable, but the aircraft used must be able to cope with the heaviest demand encountered, leaving significant spare capacity on other sectors of the trip. Hub and spoke structures can increase aircraft utilisation, traffic density and load factors (BTRE 41).



'Pioneer routes' remove the risk of competition and provide operators with the confidence to continue operating, or commence operation of, a service that might not be operated otherwise.

*The Northern Territory currently has no declared pioneer routes.*

### *Rail*

The Ghan rail service, which runs from Adelaide to Darwin, is currently the only passenger rail service in NT. The NT Government committed \$165 million towards the construction of the railway when it was extended from Alice Springs to Darwin in 2004 (Australasian Railway Corporation, 2007). Freight movement is the main focus of the railway however the investment has also increased accessibility for passengers (BTRE, 2003: 49).

### **Other States**

Queensland provides the most extensive system of support for regional passenger transport in Australia. Apart from WA no other Australian state provides funding for air, rail and long distance bus services to regional areas.

The New South Wales (NSW) Government has a regulatory framework for regional air services, but does not provide subsidy funding. It regulates lower volume routes of up to 50 000 passengers per annum to ensure their long term sustainability by issuing an exclusive license to the operator (SCOT, 2003: 252).

Open competition is allowed on higher volume routes of over 50 000 passengers per annum.

CountryLink rural coach services are provided by private operators. Operators are paid a subsidy, which is included in their contract price. Contracts are awarded following a competitive tender process.

The South Australian (SA) Government has the power to offer licenses to operators on declared air routes for the provision of scheduled air services when that is in the public interest. This is intended to provide for community needs by encouraging regional operators to invest in very marginal routes deemed to be suitable for single operators only. To date this power has only been exercised on one route – Adelaide to Coober Pedy (SCOT, 2003: 256).

The SA Government does not subsidise regional air services other than through its contribution to the Remote Air Service Subsidy Scheme.

Long distance bus services in SA operate without state government funding however they must be subject to a service contract. SA regulates a mixture of exclusive and non-exclusive routes.

### **Commonwealth**

While Australian states and territories have responsibility for the provision of regional public transport services in their respective jurisdictions, the Commonwealth Government also provides the following support for regional transport.

### *Enroute Charges Rebate Scheme*

The Commonwealth Government's Enroute Charges Rebate subsidises the enroute air traffic control charges paid by more than 35 regional airlines and other operators (Ministerial Statement, 2007: 98). All airlines which operate Regular Public Transport (RPT) services using aircraft with a maximum take-off weight of 15 tonnes or less are eligible for assistance under the Scheme (DOTARS, 2007a).

Operators of aeromedical services, such as the Royal Flying Doctor Service, are also eligible (DOTARS, 2007a).

### *Remote Area Service Subsidy Scheme*

The Commonwealth Government funds regional air services through the Remote Air Service Subsidy (RASS) scheme. The program ensures that extremely remote areas of Australia, like large outback stations, have access to a regular weekly air transport service for the carriage of passengers and goods including the delivery of mail, educational materials, medicines, fresh foods and other urgent supplies (DOTARS, 2007b).

The RASS scheme currently subsidises operators providing regular weekly air services to more than 230 isolated communities located in Queensland, the Northern Territory (NT), South Australia (SA), Western Australia (WA) and Tasmania (Ministerial Statement, 2007: 98).

### *Regional Aerodrome Inspection Programme*

The Regional Aerodrome Inspection Programme funds the cost of inspecting a number of Aboriginal community aerodromes, in Queensland, NT and WA (BTRE, 2003: 26).

## **The United States Framework**

According to the Community Transport Authority of America more than one third of the United States (US) population lives outside of urbanized areas (CTAA, 2007). What's more, almost 40 percent of the country's transport dependant population, specifically senior citizens, persons with disabilities and low income earners, reside in rural areas (CTAA, 2007). Like in Queensland the population of the U.S is spread over a large area. Many rural communities have small populations, are spread far apart and possess limited essential services.

For this reason the U.S Government also provides a framework of support for transport to regional communities. Public transportation programs in the U.S are funded through a partnership of federal, state and local governments (Millar, 2007: 3) and include the following examples:

### *Air*

Following air service deregulation in 1978 the US put into place an Essential Air Service (EAS) program to ensure small communities maintained a minimal level of scheduled air service and a link to their national air transport system (Office of Aviation Analysis, 1998: 1). Under this program the last airline servicing a community must first file a notice of its intent to suspend service. Any air carrier may propose to replace the incumbent carrier on a subsidy-free basis before the expiration of the notice period. If no air carrier is willing to serve a

particular eligible point on a subsidy-free basis, the Department is required to call for proposals for subsidized services (Office of Aviation Analysis, 2007).

The EAS does not support communities that are within a reasonable drive (70 miles or approximately 112 km) of a major hub airport or if the subsidy per passenger exceeds \$200 US (there is an exception from the \$200 US -per-passenger rule for communities that are more than 210 highway miles (approximately 337 km) from their nearest medium or large hub airport) (Office of Aviation Analysis, 2007).

Through this program the US Department of Transport currently subsidises services to approximately 140 rural communities who would not otherwise receive a scheduled air service (Office of Aviation Analysis, 2007).

The US Federal Government also supports the aviation industry through its Airport Improvement Program (AIP). This program provides funding for runway and terminal enhancements and security improvements to public use airports that serve civil aviation. In excess of 3.5 billion U.S dollars was made available for AIP projects in the 2006 fiscal year (Kirk, 2007: 7-12).

AIP grants cover 75 percent of the eligible costs for large and medium primary hub airports (or 80 percent for noise program implementation) and 95 percent of eligible costs for small primary, reliever, and general aviation airports (Federal Aviation Administration, 2007).

### *Bus*

The Section 5311 'Non-urbanized Area Formula' program provides funding for public transport to rural communities with populations of less than 50,000 people. Congress authorized funding for the program in 1979 as a result of the abandonment of unprofitable routes and a general decline in bus services, particularly to rural areas (American Bus Association, 2007).

The program is managed by the Federal Transit Administration (FTA), and is designed to develop and support intercity bus transportation in non-urbanized areas by providing planning, capital, operating and administrative assistance to state agencies, local public bodies, non-profit organizations, Native American organizations, and operators of public transportation in non-urbanized areas (American Bus Association, 2007).

Goals of the 5311(f) Program are:

- Enhance the access of residents in non-urbanized areas to urbanized areas with health care, shopping centres, educational opportunities, employment, public services and recreation;
- Assist in the maintenance, continued development, and improvement of the infrastructure and operation of public transportation in rural and small-urban areas;
- Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in non-urbanized areas through the coordination of programs and services by supplementing them with local matching assistance;
- Provide for the participation of private transportation providers in non-urbanized transportation to the maximum feasible extent.
- (American Bus Association, 2007)

## *Rail*

Passenger rail in the U.S is provided by the government agency Amtrak. Amtrak provides intercity passenger rail services to more than 500 destinations, in 46 states, on a greater than 35 000 km route system (Amtrak, 2007). Amtrak received in close to 1.3 billion U.S dollars funding for fiscal year 2006 (Obey, 2007: 5) and carried 24.3 million passengers (Amtrak, 2007). This equates to a subsidy of approximately \$53 US per passenger.

## **Future Focus for Queensland**

### *Marketing*

Regional communities have a lower than anticipated awareness of the current long distance bus services available in Queensland.

As a result the Queensland Government will introduce government branding on all Queensland Government supported long distance passenger transport services and infrastructure. This will provide greater service integration, as well as better promoting the Queensland Government's support for services and infrastructure. This will include branding of schedules, maps, airport and bus terminals, and potentially of buses and/or aircraft.

In particular it is anticipated that additional bus stop infrastructure throughout the state will provide a visual reference point for where services operate, and show timetables as a reminder of the level of service available.

Enhanced marketing requirements will also be established to improve awareness of services requiring a minimum spend from operators to promote the service.

### *Focus on Connections*

Service connectivity is key to ensuring that long distance passenger transport networks provide the best outcomes possible for regional communities. In designing its regulated transport network Queensland Transport has placed a particular emphasis on ensuring that government supported routes link passengers to centres where they can access additional transport services and therefore a greater variety of destinations/services.

Queensland Transport's RNA has revealed however, that the government supported network is not achieving optimum outcomes as the timetables of many services make connecting to another transport service difficult and/or impractical with some services missing linkages by as little as five minutes.

For this reason all long distance scheduled passenger service contracts entered into from 2007 onwards will require contracted operators to use all reasonable endeavours to ensure that the services are coordinated with other major domestic transport service operators to avoid an unreasonable period of time between connecting services.

Queensland Transport will also work closely with operators to achieve an improved standard of service connectivity, across all transport modes, and ensure that wherever possible transport operators facilitate the smooth transition of passengers from one service to another.

### *Disability Standards for Accessible Public Transport*

The Commonwealth Disability Standards for Accessible Public Transport 2002 (Transport Standards) are legally enforceable standards, authorised under the Disability Discrimination Act 1992 (Cth) and are designed to remove 'as far as possible' discrimination against people with disabilities (Queensland Transport, 2006: 4). They establish minimum accessibility requirements to be met by providers and operators of public transport conveyances, infrastructure and premises (Attorney-Generals Department, 2007).

The Transport Standards require operators of public transport services to meet staged compliance targets in making their services accessible with the first compliance target occurring on 31 December 2007. Target dates continue in five-yearly increments until 2022 (2032 for railway operators) (Queensland Transport, 2007).

For this reason Queensland Transport is currently working with regional transport operators to ensure they are on target to meet the 31 December deadline. This has included the publication and dissemination of information booklets outlining the responsibilities of public transport operators and providers of infrastructure and premises, as well as ongoing consultation with individual operators and industry peak bodies.

Queensland Transport has also secured additional grant funding totalling \$27m over the next 17 years to assist local councils meet their obligations under the Transport Standards. The majority of this funding will be used to provide councils with infrastructure grants in the form of a 50% subsidy of the cost to make bus stops compliant with the Transport Standards. Queensland Transport is also assisting local governments by providing:

- recommended state-wide standard compliant bus stop designs
- technical advice
- helping identify the 25% of bus stops which will be Transport Standard compliant by 31 December 2007.

Queensland Transport is responsible for monitoring and reporting on the implementation of the Transport Standards in Queensland and preparing reports on an end of financial year basis. In accordance with this responsibility Queensland Transport will contact all transport operators and providers and obtain information on their level of compliance with the Transport Standards each year until full compliance has been achieved (Queensland Transport, 2006: 5).

### **CONCLUSION**

The Queensland system of support for long distance passenger transport is not perfect. As with other states there are areas where transport disadvantage still exists and needs to be addressed. The Cape York Peninsular and the Torres Strait Islands have some of the most transport disadvantaged communities in Australia, yet they are subject to some of the highest 'per kilometre' air fares.

The Queensland Government does however provide a comprehensive and diverse range of support for public transport to regional communities which (based on consumer feedback) is very effective.

While the solution to this problem is not simple the program of support provided by the Queensland Government is working towards infrastructure and service improvements throughout Queensland in order to provide accessibility, certainty and equity for regional Queenslanders.

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