



## RAAA PRESS RELEASE

### Carbon Tax May Mean Pain For Regional Communities

The Gillard Government's carbon tax means more pain for regional aviation.

Aircraft are already flown at maximum efficiency and do not operate on alternative fuel sources, so regional operators cannot change their carbon emission behaviour – unless they simply walk away from the industry.

Fuel is a big proportion of an airline's costs and regional operators already minimise their fuel burn as much as they possibly can. The carbon tax will therefore have absolutely no carbon reduction effect, but at 6 cents per litre will add millions of dollars to regional operators' costs. These costs will then be passed onto regional communities and will also threaten marginal regional routes, possibly jeopardising the air services to some towns.

"Encouraging people to jump in their cars and drive long distances instead of using one of the regional operators seems a very poor environmental outcome", the RAAA CEO, Paul Tyrrell said.

The withdrawal of the enroute subsidy scheme and the imposition of new aviation security requirements on 1 July 2012 means that regional operators will now experience a triple whammy next year. These are the same operators who bring doctors, nurses, teachers and other essential services to country towns.

"The Prime Minister claims that the carbon tax is aimed at the big polluters, but the regional aviation industry contributes around 0.2% of the nation's total carbon emissions. The fact that the tax is being applied via the Aviation Fuel Levy to regional aviation, an industry that barely emits carbon and which actually acts as an alternative to other carbon producing transport options, makes a mockery of the Prime Minister's claim" Mr Tyrrell said.

Regional aviation is essential national transport infrastructure in the 21st century. It supplies essential services to hundreds of regional communities. At the same time that government regulation and taxes are slowly killing regional aviation, people are being actively encouraged through financial incentives to move to regional areas from Sydney, Newcastle and Wollongong.

"Why is regional aviation once again being punished when it is vital for the future of our nation? The fact that this tax is being applied at the first opportunity and will have absolutely no carbon reduction effect means it is simply a grab for revenue from an industry that is least able to afford it" Mr Tyrrell said.

He added, "It appears that the government either doesn't care, or doesn't understand the role of regional aviation."

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