



Regional Airfare Zone Cap Scheme Policy Statement

1. Strategic Intention

The State Government's strategic intention is to help to improve the liveability, social and economic development of the regions by improving access to regular public transport (RPT) air services operating directly between Perth and regional towns.

2. Objective

The objective of the Regional Airfare Zone Cap (RAZC) Scheme, administered by the Department of Transport (DoT), is for the State Government to reduce the price of airfares on RPT air services for regional residents of WA travelling to Perth for personal reasons.

3. Scope

Under the RAZC Scheme, there are two zones a:

- Zone 1 - regional residents departing from an airport within 1,000km driving distance from Perth will pay no more than \$199 (inclusive of GST and taxes) for a one-way airfare; and
- Zone 2 - regional residents departing from an airport more than 1000km driving distance from Perth will pay no more than \$299 (inclusive of GST and taxes) one way.

Put simply:

- Zone Cap Fare 1 is \$199 one way.
- Zone Cap Fare 2 is \$299 one way.

The RAZC Scheme is a partnership approach between the State Government and airlines that operate on regional RPT routes in WA. This will be based on the airline operating a resident fare program on each eligible route.

4. Outcomes

The desired outcomes of the RAZC Scheme are:

- improved regional community access to affordable airfares; and
- enhanced liveability of regional communities through lowering the cost of travel to Perth to access essential services, visit friends and family, and conduct personal business.

5. Legislative Authority for RAZC Scheme

The RAZC Scheme is governed and administered under the *Transport Co-ordination Act 1966*, particularly Section 63 which allows the Minister to authorise the payment of subsidies.

6. Funding

Funding grants will be offered to eligible airlines upon approval of applications and subsequent execution of Grant Framework Deeds. The RAZC funding grants are to cover some the gap between the applicable Zone Cap Fare purchased by a regional resident and the maximum resident airfare offered by the airline.

7. Term

Grant Framework Deeds under the RAZC Scheme are executed for a period of three years, subject to a review of the scheme in the first year. The State reserves the right to terminate the Deeds earlier.