

4 December 2025

Submission to the Productivity Commission - Inquiry into the Determinants of Regional Airfares

Thank you for the opportunity to comment on the current state of regional aviation in Australia.

For people who live and work outside the capital cities, air services are not discretionary - they are essential for business, health, education and community connection. Yet the experience for many regional travellers continues to be defined by high fares, unreliable services and limited timetables, all of which place a real financial and social burden on regional communities.

This submission outlines the practical issues faced by regional passengers and businesses, with a focus on cost, reliability and access, and how these problems flow directly into economic outcomes.

1. The Cost of Regional Flights

1.1 High fares relative to distance travelled

Regional fares remain disproportionately high when compared with metropolitan routes of similar length. It is now common for short intra-state flights to cost many hundred of dollars more than a flight between major cities.

For many households, these fares are simply unaffordable. For businesses, they represent an ongoing overhead. For medical or essential travel, they become a barrier to accessing critical services.

1.2 Limited competition keeps prices elevated

The withdrawal or downsizing of several airlines has reduced competition on many regional routes. Towns served by a single carrier experience inflexible, non-competitive fare structures with minimal downward price movement even when demand is low.

As a result, regional passengers are routinely exposed to higher costs not faced by metropolitan travellers.

2. Unreliability and Service Interruptions

2.1 Cancellations and delays

Regular cancellations, delays and last-minute schedule changes are now a common feature of regional travel. Passengers often face additional nights away, missed appointments or disrupted business commitments

It is especially disappointing that, despite the significant expense of regional airfares, passengers continue to face regular delays, cancellations and last-minute schedule changes.

2.2 Lack of resilience in the system

With fewer aircraft, limited backup capacity and smaller operational teams, regional routes lack resilience. Minor fleet or staffing issues translate into major disruptions, leaving passengers with no same-day alternatives. This reduces confidence in regional travel and directly limits tourism, service provision and regional economic development.

3. Timetabling Problems and Limited Flight Frequency

3.1 Schedules that don't meet community or business needs

Many regional timetables do not reflect the needs of local communities. Common issues include:

- Midday arrivals and departures that prevent same-day travel
- Only one flight per day or, in some cases, every second day
- Poor alignment with major interstate services
- Seasonal or short-notice timetable changes

These scheduling constraints reduce productivity and increase both the time and cost of essential travel.

3.2 Frequency shortages that push fares higher

Low frequency also pushes fares upwards. With limited seats available each week, flights sell out quickly and prices remain elevated. Scarcity becomes a built-in price driver regardless of the actual cost of operating the route.

4. Broader Economic and Community Impacts

4.1 Cost-of-living pressures

High airfares add materially to household costs in regional areas. Travel for medical appointments, education, sport, family events or government services becomes prohibitive. People are forced to delay or avoid travel altogether.

4.2 Impacts on business and workforce attraction

Reliable and affordable air travel is essential for regional business. High fares and unreliable services undermine investment confidence, restrict labour mobility and increase the cost of moving staff and contractors in and out of regional locations.

4.3 Tourism and visitor declines

Visitors frequently compare the high cost of regional fares with the cost of travelling overseas and decide against regional destinations. Limited frequency and unpredictable schedules further weaken the appeal of regional travel.

5. Recommendations and Policy Considerations

5.1 Improve fare transparency

There is little public understanding of how regional fares are constructed. Greater transparency around airline pricing, airport charges and cost inputs would help inform both policy development and consumer expectations.

5.2 Support for improved competition

Where demand could support an additional airline, governments should examine barriers to entry, including airport access, slot allocation, ground handling availability and regulatory factors.

5.3 More accountable service standards

Minimum reliability and continuity standards would help protect regional passengers, especially on monopoly routes. This could include reporting requirements, compensation for cancellations or substitution obligations.

5.4 More community-aligned timetables

Airlines should consult with regional communities before altering schedules or reducing frequency, with particular attention to health, education and business travel needs.

5.5 Targeted affordability programs

Residency-based or purpose-based fare subsidy schemes show clear benefits in other jurisdictions. A coordinated national approach, particularly for essential travel such as medical appointments, would improve equity and access.

6. Specific Focus – Coffs Harbour and Dubbo

6.1 Coffs Harbour

Coffs Harbour continues to experience significant strain from high regional fares and limited flight availability. Despite being a major regional city with strong tourism, business and health-service demand, fares on the Sydney – Coffs Harbour and Melbourne – Coffs Harbour routes routinely exceed fares on longer capital-city routes. This has become a major barrier to attracting visitors and hosting regional events. For residents, essential travel for medical appointments in Sydney is frequently unaffordable, especially when combined with the unreliability of services and the cost of last-minute rescheduling. Strong population growth in

the region has not translated into improved service frequency, and the gap between community needs and airline timetabling continues to widen.

Coffs Harbour Airport has capacity for greater service volume, yet the region remains underserved. The lack of consistent competition, particularly following shifts in airline market participation, has left the community reliant on a small number of carriers whose timetable and pricing decisions have outsized local impact. As one of the most strategically located airports on the NSW Mid North Coast, the current aviation environment limits not only travel but also business expansion, specialist workforce access and regional tourism development.

6.2 Dubbo

Dubbo serves as a major service hub for Western NSW, supporting a wide catchment area that relies on the city for health services, government functions, education and business activity. Despite this central role, Dubbo experiences high airfares that do not reflect the scale of its travel demand. On the Sydney – Dubbo route, fares frequently exceed those of much longer capital-city services, placing a notable financial burden on residents and businesses across the Central West.

The limited availability of seats, particularly during peak periods linked to health appointments, education cycles and agricultural events, often results in inflated prices and difficulty securing bookings. Service disruptions have significant flow-on effects given the high proportion of essential travel, and insufficient timetable alignment with major interstate connections reduces the region's accessibility. These constraints suppress tourism potential and hinder economic diversification, despite Dubbo's strong position as a regional logistics and services centre.

Regional Australians depend on aviation in ways that metropolitan travellers do not. At present, the system is failing to meet their needs. The combination of high costs, unreliable services, limited timetables and constrained competition is restricting regional development and imposing a significant burden on families, businesses and communities.

A more transparent, reliable and affordable regional aviation network is essential if national objectives regarding regional growth, productivity and equitable access are to be met.

Yours faithfully

STEVE GOOLEY
General Manager