

# Submission to the Productivity Commission Inquiry: Determinants of Regional Airfares

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## Introduction

All Office & Business is a regional enterprise based in Coffs Harbour, NSW. Our operations rely heavily on regional air services for business travel, client engagement, and logistics. Affordable and reliable air travel is critical for sustaining regional businesses like ours, enabling us to compete effectively and maintain strong connections with suppliers and clients across Australia.

## Affordability Challenges

Regional airfares remain significantly higher than fares between major cities. For small and medium businesses, these costs impose a substantial burden on operating budgets. For example, a return flight from Coffs Harbour to Sydney often costs more per kilometre than flights between capital cities. This pricing disparity limits our ability to expand services and attend critical meetings, reducing competitiveness and growth opportunities.

## Reliability Issues

In addition to high fares, we frequently experience flight cancellations and schedule disruptions. These cancellations often occur with minimal notice, causing delays in client engagements and additional accommodation and transport costs. For businesses operating on tight timelines, these disruptions have a direct impact on productivity and client satisfaction.

## Impact on Regional Business

The combination of high fares and unreliable services discourages investment and collaboration in regional areas. It also affects our ability to attract skilled staff who require dependable travel options. For businesses like ours, regional aviation is not a luxury, it is a necessity for economic participation and growth.

## Recommendations

We urge the Commission to consider:

1. Fare Caps or Subsidies: Similar to schemes in WA and Queensland, to make regional travel more affordable for businesses and residents.
2. Improved Reliability Standards: Incentives or regulatory measures to reduce cancellations and ensure minimum service levels.
3. Competition and Market Access: Policies that encourage new entrants and reduce barriers to entry for airlines servicing regional routes.
4. Transparent Pricing: Greater visibility of cost components (airport fees, fuel surcharges) to identify areas for efficiency improvements.

## Conclusion

Affordable and reliable regional air services are essential for the sustainability of regional businesses. Addressing these challenges will not only support companies like All Office & Business but also strengthen regional economies and communities across Australia.