

I am a resident of the Gladstone region of Central Queensland. I am making this submission to share my lived experience of regional air travel constraints and costs, and the significant impacts these have on regional communities, families, tourism, and access to essential services.

Central Queensland is served by a very limited number of commercial flight routes. For residents of the Gladstone and Bundaberg regions, air travel is effectively restricted to services to Brisbane. There are no realistic alternative routes, no meaningful competition on most services, and limited capacity during peak periods.

One-way fares of \$300–\$500 per person between Central Queensland and Brisbane are common. During peak periods, the cost for a family to travel can exceed \$2,000 for a return journey. These prices often exceed the cost of long-haul international travel, including flights to Fiji and to the United Kingdom.

Notably, when lower-cost services have been available, demand has been strong. The brief period during which Bonza operated flights out of Gladstone demonstrated clear, unmet demand for affordable regional air travel. This experience suggests that current pricing outcomes are not the result of insufficient demand, but of limited competition and constrained market structure.

### **About the Submitter and Regional Context**

I live and work in the Gladstone region in Central Queensland that relies heavily on tourism and regional connectivity. Like many residents in the Gladstone and Bundaberg regions, access to air travel is essential, not discretionary.

For most residents in this part of Queensland:

- Gladstone and Bundaberg airports offer limited commercial services
- Brisbane is effectively the only destination
- There is little or no choice of carrier or routing
- Travel times by road are long and often impractical, particularly for medical or time-sensitive travel

This lack of connectivity is structural rather than temporary.

### **Limited Flight Routes and Lack of Effective Competition**

Central Queensland's aviation market is characterised by thin routes with limited services and few competing carriers. Residents near Gladstone and Bundaberg have no practical alternatives when prices rise or services are reduced.

This creates a captive market in which:

- Travellers must accept the fares offered
- Families face disproportionate costs when travelling together
- Price increases coincide with school holidays and peak demand periods

### **Evidence of Suppressed Demand: The Bonza Experience**

The operation of Bonza flights out of Gladstone provided a rare example of lower-cost air services in the region. During this period, these flights were widely used and highly popular among local residents.

This experience is significant because it demonstrates:

- Strong underlying demand for air travel in Central Queensland
- Price sensitivity among regional travellers
- That lower fares unlock travel that would otherwise not occur

The popularity of these services indicates that high regional airfares are not primarily a function of weak demand, but of constrained supply and limited competition. When a lower-cost option was available, residents responded immediately.

### **Disproportionate Airfare Costs**

Based on my experience as a regional resident:

- One-way flights between Central Queensland and Brisbane commonly cost \$300–\$500 per person
- During peak periods, the cost of a return journey for a family can exceed \$2,000
- These fares are not proportionate to distance or service duration

By comparison:

- A recent one-way flight to Manchester, United Kingdom, cost less than \$1,000
- Flights to Fiji have been available for approximately \$400 each way

These comparisons highlight the impact of limited competition and market power on regional routes.

### **Impacts on Regional Communities**

#### **Tourism**

High airfares deter domestic tourists and reduce the competitiveness of regional destinations such as Agnes Water, which rely heavily on visitor spending.

## **Medical and Essential Travel**

Residents must often travel to Brisbane for specialist medical care. High airfares impose financial strain on individuals and families undertaking necessary, not discretionary, travel.

## **Equity and Social Impact**

Regional residents face a persistent financial penalty simply for accessing services available to metropolitan Australians, affecting family connection, education access, and long-term community sustainability.

## **Broader Policy Considerations**

The Commission may wish to consider whether:

- Current market structures allow excessive pricing power on thin regional routes
- Existing policy settings sufficiently protect communities with no alternative transport options
- Greater transparency or targeted intervention could improve outcomes for regional travellers

## **Conclusion**

Affordable air travel is essential infrastructure for regional Australia. The experience of Central Queensland residents demonstrates that demand exists, but access is constrained by pricing and limited competition.

The brief success of lower-cost services out of Gladstone shows what is possible when barriers are reduced. Without reform, regional communities will continue to bear disproportionate costs simply to remain connected.