

Introduction & Background

I was the CEO and a founder of Bonza Airlines the first new high capacity airline in Australia for 15 years. Prior to my role with Bonza, I had more than 25 years of air transport experience most notably in low-cost (LCC) airline operations. I was the Managing Director of FlyArystan, which launched in 2019 as the first LCC in Central Asia based in Kazakhstan.

I was also the former Chief Commercial Officer of Philippines based LCC Cebu Pacific Air where I led the airline through a major transformation project while overseeing significant profitable market growth. Cebu Pacific Air is now the domestic market leader in the Philippines transporting nearly 26 million customers in 2025 alone.

Prior to Cebu Pacific Air, I was head of Commercial Distribution for Virgin Blue Airlines in Australia where I oversaw the successful profitable growth of the airline from 15 to 48 aircraft.

Bonza

Bonza was announced publicly on the 12th October 2021 with the Air Operating certificate being issued by the regulator (CASA) on the 12th January 2023. The first commercial Bonza flight operated on the 31st January 2023 with the airline entering voluntary administration on the 30th April 2024. The airline was placed in liquidation on the 2nd July 2024. Below is the statement that was provided by the Australian Directors to the Administrators as to why Bonza failed:

“Bonza was wholly reliant on funding from our sole investor 777 Partners. Although there was no feedback that funding had ceased, our ongoing and progressing execution plans were curtailed abruptly on the 30th April 2024 with the repossession of our aircraft.

With the positive momentum in the business up until that time, coupled with maturing markets and additional fleet growth, Bonza was progressing positively towards being cash positive late in 2024.

Unfortunately for our Bonza Team, our Customers, our Partners and the Communities we serviced across Australia, that didn't get an opportunity to come to fruition owing to the under capitalisation of the business and the consequential repossession of our aircraft.”

In October 2025 the following statement was released by the FBI related to 777 Partners:

<https://www.fbi.gov/contact-us/field-offices/newyork/news/founder-and-cfo-of-investment-firm-777-partners-charged-with-500-million-fraud-scheme>

Bonza was first envisaged more than 15 years ago on my veranda south of Coffs Harbour, while watching a red tail fly overhead, and realising that despite being a first world economy, Australia trailed most other countries in the world in terms of giving its population the opportunity to fly at a reasonable cost whether that be for visiting friends and relatives, or for business or leisure.

Fast forward more than 13 years to late January 2023 and the first Bonza flight operated from the Sunshine Coast to the Whitsunday Coast. During that short operating window up until the 30th April 2024, Bonza carried nearly a million customers to 22 destinations across Australia with many of those proudly being large regional centres.

During our 15 months of operations the Australian public and our many partners welcomed us with open arms and the settings simply couldn't have been better in a domestic aviation market desperate for competition. It was based on this fundamental desire and wish to make flying to and from regional Australia more affordable for all of Australia that drove me personally and more broadly the Bonza Team to deliver Bonza.

It was therefore with huge sadness and a deeply heavy heart that Bonza ended where and how we did. There certainly was, and still is, a significant market opportunity in what is one of the largest, least competitive and most concentrated aviation markets in the world. During our limited period of operations, we delivered the following:

- Bonza received the first new high capacity Airline Operating Certificate (AOC) for a startup airline in Australia in more than 15 years (since Singapore owned Tiger Airways in 2007). The regulatory approvals process is certainly capital intensive but was very largely appropriate. The end-to-end timeline of 15 months from announcement to AOC issuance was effectively 12 months after the recruitment of key AOC postholders is taken into consideration.
- The Bonza Team undertook and delivered the broadest and fastest airline network ramp up in Australian aviation history with Bonza servicing a total of 42 routes to 22 destinations. All but 1 of those Bonza destinations (Melbourne Tullamarine), was a regional destination.
- On the 36 routes flown at the time of entering administration, Bonza averaged 130 passengers per flight / a 70% load factor across all flights from the first flight to the last flight. 83% of the routes were not operated by any other airline.
- During the first full 4 quarters of trading (Apr 2023 – Mar 2024) Bonza saw total flown revenue in excess of a hundred million dollars. During the same period more than a million seats were sold.
- Below is the route map of Bonza as at April 2024:



The experience and subsequent failure of Bonza provides an almost unique opportunity for Australia and Australian aviation to learn from. The following highlights my personal opinions and learnings from the Bonza journey that are applicable to the scope of this Commission.

Submission to the Productivity Commission: Determinants of regional airfares

Further to the scope of the Commission the following submission considers the following range of factors:

1. The determinants of regional airfares and service offerings, including airport fees and charges;
2. The main drivers of demand for regional air services;
3. Barriers to entry or expansion for airlines to provide regional services;
4. Policies and regulatory settings that may contribute to higher regional airfares, reduced service levels or reduced competition;
5. Role for government and the most efficient forms of government intervention in the market and other policies to improve access, pricing and service outcomes;
6. Impacts of regional air fares and access to regular and reliable air services on regional economies (including tourism and migration), productivity, and improving Closing the Gap outcomes;
7. The extent of competition between different air transport services (regular public air transport and charter) and with other modes of transport (road and rail), and the role of regional air freight in supporting the commercial viability of regional air services; and
8. International comparisons and best practices in comparable aviation markets.

Each of the above referenced items are covered over the following pages with grouping of responses where appropriate to avoid unnecessary repetition.

1) The determinants of regional airfares and service offerings, including airport fees and charges;

The single largest driver of airline operating costs is the aircraft size operated. Simply put the larger the aircraft operated the lower the average seat operating cost. As such in regional Australia where smaller aircraft are generally operated it is absolutely to be expected that average seat costs for customers will be higher than on trunk domestic capital city markets where operations of 150-180+ seat jets is the norm.

However, the magnitude of the difference between trunk markets and regional markets should not be at the level that we see today in Australia. That level of unreasonable gap is unfortunately a regional airport that millions of Australians have to live with every day. For many Australians who choose to call regional Australia home, they deal with that airport by just not flying apart from when they absolutely have no other choice i.e. family or medical emergency. This is unjust and unfair on all Australians but especially for those who choose to call regional Australia home.

The level of regional imbalance on the cost of airfares is driven by a number of significant factors with those being driven by:

- a) Higher regional airport operating costs primarily driven by lower throughput e.g. security costs, localised air traffic control charges, localised rescue and firefighting charges.
- b) Airport operators being effective geographical monopolies.
- c) Lack of choice in the provision of key ground supplier contracts e.g. ground handling.
- d) Lack of airline competition in Australia and especially on regional markets (**this is by far the largest contributor** and is covered in more detail in section 2) of the input to the Commission).

a) Higher regional airport operating costs primarily driven by lower throughput

Security Costs - The current charging mechanism for security whereby each airport provides the mandated level of security provision with the total costs being divided by departing customer numbers creates the single largest pricing differential between major airports and regional airports.

Currently major airports with significant customer numbers have per customer security costs of about +/- \$1 per customer. However, at regional airports that have a much smaller annual passenger throughput that cost per customer charge can be up and around +/- \$10 per customer purely driven by the airport's annual total throughput number.

However, if the provision of mandated security costs were pooled on a national basis and then recharged to all airports equally then the cost per departing domestic customer at regional airports would likely be approximately \$2-3 with the increase seen in major airports being approximately \$1 per departing customer. This potential \$7-8 cost saving per departing customer likely represents the single largest opportunity to reduce input costs for airlines on regional routes across Australia.

Local Air Traffic Control & Aviation Rescue and Firefighting Services (ARFF) – Both local ATC charges and ARFF charges are effectively mandated based on the relative thresholds and parameters set for local provision of these services. No commentary is made here on the necessity or level of those specific thresholds as I do not believe I have the necessary experience or knowledge to do so.

Currently charges for these services are levied on a localised basis i.e. where there is a service provided there is a charge levied with that charge largely being driven as a consequence of local airport throughput. As a consequence of this current charging mechanism the charges currently levied at regional airports for both of these services are many times higher than for the very same aircraft arriving in a capital city airport with far higher throughput volumes.

As is the case with mandated security provisions both localised ATC and ARFF services are effectively mandated by necessary operating parameters / thresholds that are applied on a national basis. As such it is proposed that the charging mechanism applied for the provision of all such services be one of a pooled national cost that is subsequently levied on a per flight basis with adjustment made for aircraft size / weight similar as today. This would effectively see a very minimal increase levied to capital city flying costs with a more significant decrease in charges applied to regional operations.

b) Airport operators being effective geographical monopolies.

With the current exception of Melbourne, Australia's current airports are effective monopoly providers of airport access across Australia. With Western Sydney International (WSI) joining Kingsford Smith in Sydney soon, Sydney will also have a new 'choice' of runway providers in Sydney. However, despite the opening of WSI being a positive in the competitive picture of runway provision, the reality of airport critical mass, the absolute lack of airline competition domestically and the natural local catchment size and appeal, seriously limits the ability for new airports to gain a critical and viable mass in Australia.

The best example of this is Melbourne Avalon which has operated commercially for more than 20 years and despite being located in the largest growth corridor of Melbourne has largely struggled to significantly increase its throughput, and to attain sufficient customer throughput to really be considered a viable alternative to Melbourne Tullamarine. This is despite Melbourne Avalon being able to offer considerable savings to airline customers to service and grow at their airport.

Airports are all about enlarging and maximising their natural catchment areas. Realistically, there will not be many Australians that will have a viable choice of local airports from which to choose. Most of us will have a preference for our local airport based on proximity and of ease of transport to or from the airport but very few of us will really have a choice of flying to our chosen destination from more than 1 airport.

Based on the above and the fact that all airports are effective monopolies for their geographical catchment areas, it is proposed that the ACCC have an ongoing oversight of all airport charges levied on airlines via a commercial arbitration framework that would allow arbitration to take place if airlines could not reach mutually agreeable commercial arrangements with all Australian airports.

c) Lack of choice in the provision of key ground supplier contracts e.g. ground handling.

For new start-up airlines sub-contracted ground handling service providers generally provide all external aircraft, customer and baggage contact services in both regional outstations and home aircraft bases. Over time and as critical mass builds some airlines decide to bring some or all of these ground handling services in-house in the largest aircraft base locations. This decision is primarily based on the cost per turnaround of outsourcing versus that of providing the same service with your own inhouse organic team.

For a low frequency startup operation like Bonza the only obvious choice was to outsource to existing ground handling providers in all locations. In major locations and aircraft bases like Melbourne Tullamarine and the Sunshine Coast this meant a choice of 2 or 3 potential providers and hence a competitive tender process.

However, for Bonza in regional locations (the majority of our locations) there was often a choice of 1 or perhaps 2 potential ground handling providers. In certain cases where there was only 1 existing ground handler, that ground handler only currently worked for 1 other airline and consequently that was a harder and more difficult discussion. It was also a lot more expensive than expected with the cost being as much as 200-300%+ more per aircraft turnaround than an aircraft turnaround cost in the aircraft base locations. Part of this cost premium was certainly driven by lack of frequency and volume in the specific location but part of it certainly wasn't.

It is therefore proposed that where possible that regulatory barriers to entry and associated timelines for new ground handling businesses in airports be minimised and where necessary prioritised for approvals so that a competitive choice of provider can be a realistic proposition for future new entrants.

2) The main drivers of demand for regional air services;

Australia is 1 of the 10 largest domestic aviation markets in the world. However, Australian aviation is the most centralised and consequently the least competitive of all major domestic aviation markets in the world. More than 98% of the domestic market is controlled by 2 airline groups with the dominant Qantas group approximately twice the market share of the Virgin group.

Regional Australia is in an even worse position than that with the Virgin group not participating in many large regional markets. Qantas effectively tolerates Virgin on domestic trunk markets and QantasLink tolerates Rex on regional trunk markets. Australian aviation and the Australian travelling public is largely beholden to the Qantas group and their ongoing tolerance levels.

The reality for most large regional centres is that they have Qantas group service predominantly via QantasLink. In the largest trunk regional markets there is also service offered by Rex or in limited cases service on Virgin (which is generally operated by Alliance). However, there are also a number of large markets in excess of 100,000 annual customers that just have QantasLink service today.

In most businesses scale matters and in Aviation it really matters. At Bonza we were attempting to execute something that was hard but absolutely needed by Australia and especially across regional Australia. On the 36 routes flown at the time of entering administration, Bonza averaged 130 passengers / a 70% load factor across all flights from the first flight to last flight. 83% of the routes were not operated by any other airline.

During the first full 4 quarters of trading (Apr 2023 – Mar 2024) Bonza saw total flown revenue in excess of a hundred million dollars. Few Australian businesses have turnover in excess of 100 million in their first year of trading if, as some would have you believe, there is no market opportunity. During the same period more than a million seats were sold.

The premise for Bonza's operating model was that we would stimulate new markets that predominantly had not been operated before by incumbent airlines. This however was not how typical low cost market growth occurred initially in most parts of the world. Typically, new low cost entrants offer low cost services on the largest and most densely flown markets in the domestic market in question.

In the case of Australia this was the MEL-SYD-BNE golden triangle as well as key trunk markets to ADL and PER. This would effectively be supported by leisure market flying on the largest leisure orientated markets i.e. the Gold Coast, Cairns etc. Post de-regulation this worked effectively for Virgin Blue in the early 2000's. However, this was certainly not as effective for Tiger Airways later that same decade as they faced an emboldened Qantas group which by then had an effective low cost presence with Jetstar.

Fast forward to 2023, the launch of Bonza and the 2 major airline groups controlled more than 95%+ of the domestic market with Rex offering newly launched capital city jet operations. As such being the 4th airline group and 5th airline operating on the major domestic markets wasn't a viable option on these same markets. This is especially the case when looking at the recent Tiger Airways experience.

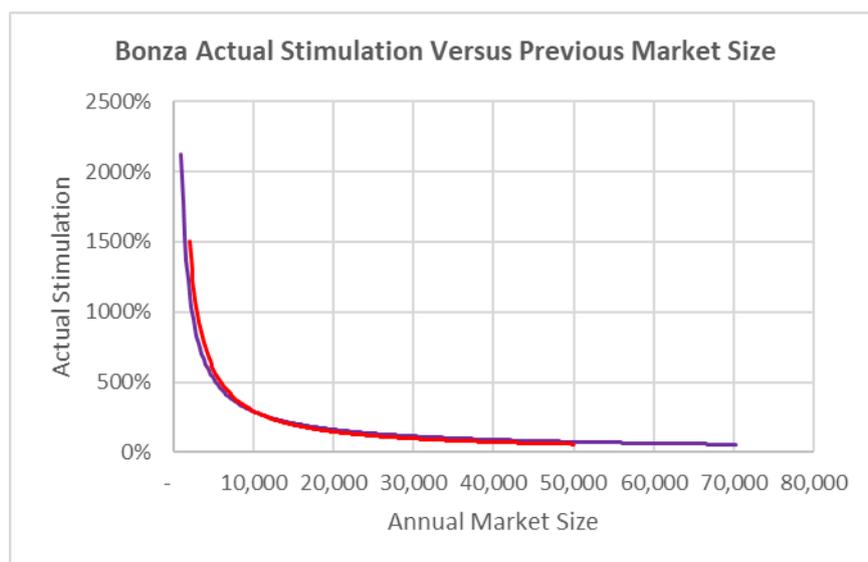
Based on the experience of successful low frequency low cost leisure operators in Europe and North America the alternative path was to largely stimulate new unflown markets that had long been ignored in Australia. Despite significant domestic population growth, the number of low cost operated markets

in Australia had grown by 0 routes / 0% / zero over a 10 year period (2010 – 2019). Australia was effectively an aviation duopoly in 2023. It is unfortunately even more so the case in 2026.

The single largest driver of airline demand is population. Generally speaking, the larger the resident population, the larger the potential demand to and from that particular location. There is of course a plethora of other influencers that drive actual demand including the type of destination involved i.e. leisure or business, the distance to alternative destinations, alternative transport modes available and of course the cost of the various modes of transport.

In Australia historical data tells us that the propensity to travel to or from a destination is approximately 3 times higher if there is a low cost air fare available to that destination. The vast majority of regional Australia do not have access to low cost fares and that has ongoing devastating consequences for economic development and all Australians.

Bonza looked to stimulate new travel demand and it was our belief that regional Australia would travel with a similar propensity as the rest of Australia (& the rest of the world), if airfares available were similar to those made available in capital cities. That required a significant level of market stimulation and these assumptions were largely based on a very significant study by SEO Economics in 2017 that examined the growth of more than 5,000 new airline markets (both low cost and non-low cost) predominantly in Europe.



— Actual Bonza LCC stimulation — SEO Amsterdam Economics actual LCC stimulation

Source: Study by SEO Amsterdam Economics on Market stimulation of new airline routes by Thijs Boonekamp (SEO) Howard Riddiough (Schiphol Group)
http://www.seo.nl/uploads/media/DP_88_Market_stimulation_of_new_airline_routes.pdf

When we look at the experience of Bonza in the domestic market and actual market stimulation rates for all Bonza routes (even those that were subsequently cancelled), that had a previous annual market size of 1K to 70K prior to our entry, we can see that the Bonza experience across regional Australia replicates almost exactly the stimulation rates seen by low cost carriers in the rest of the world.

Bonza has certainly demonstrated that regional Australia and large regional centres have the same needs, wants and desires to travel as the rest of Australia and the rest of the world. With this knowledge Australia must improve its encouragement and support of new Australian aviation businesses that can deliver significant positive change for all of Australia.

3) Barriers to entry or expansion for airlines to provide regional services;

Financing of New Aircraft – Financing of new aircraft is a major issue for smaller and growing airlines. Owing to scale and lack of history financing is often unavailable or is punitive in terms of rates which place younger and smaller operators at a major disadvantage when compared to Qantas and Virgin. It is therefore proposed that new aircraft financing options be examined by Australian government so that new aircraft be treated like infrastructure projects. This will lead to broader financing appeal which could help with leveling the playing field for newer smaller operators when financing new aircraft.

Limited Availability of Simulator Facilities for New Aircraft Types – Bonza was the first domestic operator of the 737 MAX aircraft. This certainly allowed the Bonza Team to deliver an onboard product that challenged and surpassed what it meant to be a low cost carrier in Australia. However, being first to operate the MAX meant that from a pilot training perspective we were highly constrained in terms of available flight simulator facilities. Virgin Australia did have a MAX simulator in Brisbane but that was not available, apparently due to VA needing the simulator 24/7 for their own training needs for their upcoming MAX deliveries. Consequently, the vast majority of pilot training for Bonza was therefore conducted in Fiji as Fiji Airways had a MAX flight simulator with limited availability, albeit at generally very unsociable hours for our training crew.

Fiji was certainly not optimal in terms of costs especially during tourist season but it was the best option available to us. If Fiji was unavailable crews had to be sent to other Boeing facilities in Singapore, Miami and even London Gatwick which as a new low cost entrant presented a significant time and cost challenge that was larger than initially anticipated. This cost imposition was certainly significant and not one that is faced by a large established operator who would generally be able to ensure that training and simulator needs are part of negotiated arrangements for new aircraft orders. Clearly this was not an option for a new startup with leased aircraft such as Bonza.

4. **Policies and regulatory settings that may contribute to higher regional airfares, reduced service levels or reduced competition;**
5. **Role for government and the most efficient forms of government intervention in the market and other policies to improve access, pricing and service outcomes;**
6. **Impacts of regional air fares and access to regular and reliable air services on regional economies (including tourism and migration), productivity, and improving Closing the Gap outcomes;**

ACCC – Quarterly Domestic Airline Monitoring must continue on an ongoing and permanent basis as it allows for timely and periodic monitoring of the domestic market. The current planned expiration in December 2026 would be highly inappropriate based on the absolute lack of competition in the domestic market. As previously the Australian domestic market is currently the least competitive major domestic aviation market in the world and consequently the ongoing monitoring of incumbents, their offering and performance along with potential new entrants is something that cannot be left to chance or to the goodwill of incumbents.

Slot Coordinator – The recent commencement of the independent slot coordinator, ACL Limited at Sydney is a positive step forward for ensuring the scarce resource of SYD slots are maximised to their full extent. However, the availability of vital peak slots is the ultimate limiting factor for new entrants and added competition, and it is the availability of those specific peak slots that should be the focus and measure of success for slot monitoring. Aircraft basing in SYD for new entrants can't happen without the availability of peak morning and afternoon slots and hence monitoring the big picture, averages and off peak slots adds very little to the competitive picture. New entrants must be able to access consistent peak slots in Sydney to enable the maximum use of slots for Australian travellers.

Consumer Delays & Cancellations Policy – The largest incumbent airlines will always have the greatest ability to recover customers in the case of delays and cancellations. They have more flights more regularly and hence the imposition of mandated financial penalties will likely hit smaller, growing or newer airlines the hardest. That in turn has the potential of further entrenching the status quo and lack of competition in the domestic market.

It is also important to remember that new operators are also unlikely to have customer recovery arrangements available with other major airlines and hence recovery will likely be inhouse and that may not be as timely as anyone would like. For much of (but not all) of our time operating, Bonza had a dedicated spare aircraft available to support customer recovery which allowed us to recover customers but the associated cost of having 1 of your fleet of only 4 aircraft on standby was clearly very significant.

Exemptions to such a consumer scheme for smaller or new entrant airlines may assist but such exemptions may also mean that customers choose not to book with the smaller, newer airlines as there is no participation in the consumer scheme.

Ultimately the airline involved in disruption carries the ongoing reputational risk of not handling delays and disruption appropriately. As such if the domestic market offers and encourages competitive alternatives across most markets the greatest option and outcome open to customers can and should be the ability for customers to take their business elsewhere. No matter the business that is ultimately the most powerful outcome available to customers and that is what Australia should be striving for.

Residents Fares – Residents fares are essentially an acceptance of market failure in monopolistic markets and should really be seen as a step of last resort. In a world where equality for everyone, no matter where you live is rightfully front and centre, the official endorsement of accessing lower fares because you happen to live at one end of an air route and not the other is questionable at best.

GST on Remote / Regional Flights – The single largest change that government (Federal in conjunction with State governments) could make is to remove the requirement of GST on airfares from specific destinations / routes. Based on average fares this would likely have an immediate impact of reducing average roundtrip fares by approximately \$50-\$70+. As has been acknowledged by all levels of government throughout the lengthy Rex administration process, air travel in specific regional and remote locations is absolutely a necessity. As such much like basic grocery items, health, medical and education services the ability to get in and out of remote locations is very similar in nature and should be treated in the same manner in relation to GST. In fact, much of the traffic seen today on such regional and remote markets is often travelling for medical or educational reasons, therefore emphasising this basic need status.

In terms of potential process and parameters I believe that if a specific remote destination is operated on a regulated basis and operated by a single airline, that may be an initial threshold for further consideration. Beyond that initial qualification, subsequent agreement by both Federal and State governments would be required. In order for this not to create geographical imbalance in the market between destinations this should really be limited in scope i.e. remote regional locations. Of course, the complete removal of GST on all regional routes would of course certainly assist in helping regional Australians across the board considerably while also increasing regional tourism appeal too.

Government Response to Airline Failures – Federal government determined very rapidly in mid-late April 2024 that they would not assist Bonza. This was despite an ongoing domestic sale process that was progressing positively for Bonza at that time. I am not aware of the specific reason or rationale for this government position but this position was consistent with the earlier decision not to assist Virgin Australia when they also entered voluntary administration in 2020.

However, just 3 months after Bonza entered administration Rex also entered voluntary administration. There was certainly a very different Federal government response and outcome to the Rex administration versus that of Bonza some 3 months earlier. Part of that change in response may have indeed been driven by Bonza's earlier failure and part of it may have been driven by other factors.

Some 83% of Bonza's routes were solely operated by us at the time of entering administration. However, as has been cited many times, Rex is the only operator to and from a number of remote regional destinations e.g. Ceduna, Parkes, Albany etc. and that was not the case for Bonza whereby we generally added new routes to existing offerings of other incumbent operators e.g. in Port Macquarie we added Melbourne-PQQ to the Qantas and Rex existing routes to Sydney and Qantas to Brisbane.

Australia is fortunate to have a number of very good and well operated regional airlines across the country e.g. Link Airways, Aerlink, FlyPelican, Sharp Airlines, Nexus, Airnorth, Alliance, SkyTrans etc. I personally have no doubt that some or many of these highly reputable operators would have been very willing and able to pick up the operations of these sole Rex operated markets across the country. Unfortunately, the subsequent rolling and lengthy administration process and subsequent sale arrangement did not allow for that to happen and consequently will have certainly not assisted those existing regional airlines. I certainly don't believe that the Rex process and outcome presented a level playing field for those other existing Australian regional operators.

It is certainly my personal opinion that where there is the ability for a market led solution to a current problem that should certainly be the preferred course of action pursued by and for the industry. If in due course that market solution doesn't eventuate then of course other options such as government intervention may be assessed. This was certainly the market precedent in the cases of both Virgin Australia and Bonza, but was unfortunately not the case for Rex.

I have no doubt in saying that if Federal government had assisted Bonza in a similar vein and scale to Rex then the Australian consumer would be faced with a far more robust and competitive domestic aviation proposition than we currently see today.

Airservices Australia – New Direct Routings - At Bonza we were the sole operator on the majority of our routes. That initially meant that direct air service routes were not established for many of our new city pairs e.g. MEL-ROK, MEL-MKY, MEL BDB etc. This meant that initially we effectively operated on the main airways i.e. MEL-BNE and then turned left at BNE and headed up the coast to the destination. This meant that already busy airways became even busier, fuel and associated costs were driven higher and of course aircraft emissions were higher than they needed to be. To their credit and over time Airservices Australia were proactive with the Bonza Team at establishing new direct air routes which subsequently decluttered major air routes, saved time, costs and emissions. A fairly obvious but positive Bonza experience to share and hopefully one that can be replicated elsewhere.

- 7. The extent of competition between different air transport services (regular public air transport and charter) and with other modes of transport (road and rail), and the role of regional air freight in supporting the commercial viability of regional air services; and**
- 8. International comparisons and best practices in comparable aviation markets.**

Domestic Charter Operations – Unlike the UK, current Australian regulations do not allow registered travel agents to charter domestic flights (flown by a CASA approved RPT operator) that are then able to be sold by travel agents to individual travellers (& not just group travellers). Currently, domestic charters can only be made by travel agents or individuals for specific groups who are travelling together for a specific purpose.

This change could be a relatively simple and quick win opportunity for the domestic aviation market that would allow for lower fares especially during peak travel periods e.g. school holidays, and for those markets that have limited schedules and capacity i.e. regional markets. As referenced above this is already in place in the UK with approvals for travel agents.

Summary

Aviation worldwide is a tough business to call home, and owing to the existing competitive environment Australian aviation is tougher than many other places in the world. The current entrenched position of the Qantas group along with a Qantas tolerated Virgin group drives a very ordinary aviation outcome for Australian consumers. Australia currently has a severely limited route network and fares that do little to encourage and maximise economic or tourism growth.

All levels of government should be encouraging further and increased competition to change the status quo. It is without doubt the single largest hurdle against aviation progress in Australia. Unfortunately, the current market and highly effective power of incumbents mean that changing the status quo gets harder as each airline challenger operates its last flight.