

Dear Productivity Commissioners

1. Why is regional aviation so important?

The PC is keen to understand:

- a) What difference access to regular and reliable air services can have on regional economies (including tourism and migration)?

Given that the Australian population is HUGELY focussed in the capital cities – to a much greater extent than other places I have lived — reliable and affordable air services are vital. High paying jobs are more common in capital cities, and even with WFH provisions staff are often required to attend the place of work from time to time. If this is challenging or ridiculously expensive, people may be excluded from well-paying jobs.

Apart from tourism, my town relies on events (sporting, cultural) to attract large numbers of visitors. What is quite clear to me is that airlines price-gouge at these times (a simple price comparison will confirm this during, for example, the Iron man event or the Annual Touchh Football comp).

This acts as a drag on the economy

- b) How is regional aviation important for improving productivity?

See above answer

- c) What role does regional aviation play in improving Closing the Gap outcomes? How does aviation affect regional and remote Aboriginal communities and communities in the Torres Strait?

I don't know

- d) To what extent does air travel substitute or complement other modes of transport (road and rail) or forms of communication in your community?

Air travel effectively replaces other modes of travel to and from Sydney or Melbourne. Rail travel is laughably slow, the time from Port Macquarie to Sydney is given as 7 hours 51 minutes (53 kilometres per hour!!). The only other reliable way of travelling is by car.

On the one occasion I bought a ticket to travel to Sydney by train (to avoid the possibility — frequent — of cancellation), the train was cancelled and buses made the trip instead.

2. How much do fares influence demand for regional air services?

The PC is keen to understand:

a) What are the main drivers of demand for regional air services – including but not limited to fares?

b) How have fares changed over time?

Huge increases in the time I have been using the Port Macquarie -Sydney route. When I came to live here in 2016, I flew to Sydney each week and could find a flight for \$119. There was brisk competition with Virgin. Now, even with Rex competing they are regularly \$300-\$400. I am flying to Sydney tomorrow (11.3.26) and returning on 12.03.26 and the fare is \$908!!!!

Here is an email I sent to the CEO of Qantas and to my local federal MP. No reply from either (There's a surprise!):

Dear Ms Hudson

Can you please explain to me how you justify \$901 for a return flight from Port Macquarie to Sydney as in the screen shot below.

When I visited the website to book these flights, Qantas was offering a return Sydney Singapore for \$905.

This is unfathomable!

Please be aware that this will be part of my submission to the current parliamentary enquiry into regional travel

Regards

d) To what extent have fares and demand changed since the COVID-19 pandemic?

I don't have data, but anecdotally fares have skyrocketed and demand has remained fairly steady.

The PC will issue data requests to aviation businesses for detailed demand data for regional routes.

3. What factors influence regional airfares?

The PC is keen to understand:

a) What are the key determinants of regional airfares?

Quite simply, what the airline thinks it can get away with.

The need that people have to access the capital for work and medical appointments. These are non-negotiable. If you want to see a top specialist you have to go to Sydney. If the job you do requires in person attendance, ditto. Simply put, the airline has you by the short and curlies.

b) How do these factors contribute to differences between airfares available on regional routes and those available between major cities?

Flights between major cities: much, much more frequent and greater variety.

The PC will issue data requests to aviation businesses for detailed data to better understand the composition of fixed and variable costs of providing regional flights, including airport fees and charges.

Information requests

4. What characteristics of the regional aviation sector have influenced the level of airfares?

The PC is keen to understand:

- a) To what extent is there competition between different air transport services in your region or for your business?

Almost non-existent

- b) Are there barriers to entry for new airlines in particular regional areas or across regional Australia generally?

Clearly! The ill-fated Bonza is the last in the line. Competition for slots at major airports is cited as a cost factor and in this context, it is a clear conflict of interest that parties to slot allocation should also be bidding for slot allocation. It's not rocket science!

Lack of creativity. Current fleets are not designed for very short-haul flights such as are needed in many parts of regional Aus, especially in the smaller and more populous states Victoria and NSW. We urgently need new aircraft design.

- c) Are there barriers to expansion for existing airlines in particular regional areas or across regional Australia generally?

Yes — they form the view that they won't make enough money to return good dividends to shareholders. Perhaps we should experiment (again!) with publicly owned transport that incorporate **service** and not just **business**.

- d) To what extent do non-passenger services (such as air freight) help to support the commercial viability of regional air travel? Don't know

5. Have government policies or regulations made a difference?

The PC is keen to understand:

- a) How do policies and regulatory settings – affecting airlines, airports, or other services – influence regional airfares, service levels or competition?

There is little understanding of policy outside those in the relevant departments. Need for more public education.

- b) What roles have governments played and what have been the most efficient forms of policy or regulatory intervention to improve access, pricing and service outcomes?

6. What could be done to make fares more affordable and to improve access to aviation?

Innovation:

New aircraft design enabling multi-stop flights (For example: Coffs-Port Macquarie-Newcastle-Sydney) I would predict a sizeable market for this type of service

Publicly own transport options (perhaps setting up proof of concept for the above)

The PC is keen to understand:

- a) Where should policy or regulatory actions focus?

See previous answer

b) What international examples of best practice could be useful in the Australian context?

I don't know