

Submission to Productivity Commission on Airmfares.

I thank the Productivity Commission for organising and attending a session in Mildura for their inquiry into regional airmfares. I have been asked by friends and family to put together a submission on their behalf.

While this submission particularly focuses on airmfares and services to/from Mildura many of the comments and issues apply to other regional centres as well.

MILDURA

Mildura is located on the Murray River in the far North West of Victoria, near the borders of NSW and SA. With a Local Government Area population of 58,746 (Vic Gov "Victoria in Future" report), it is the largest city in the area that supports agriculture and tourism. There are additional populations in NSW and SA that are within the catchment area for Mildura Airport.

Located approx.550k from Melbourne and 400k from Adelaide the city is quite remote from large city centres for an Eastern State city.

Mildura does have a hospital but it lacks many specialists, so either patients are flown out (using the Flying Doctor service for emergencies), asked to make their own arrangements for travel to specialist appointments or specialists are flown in by various medical services.

Mildura is the busiest regional airport in Victoria.

Other cities that may face similar issues include:

Mount Gambier - SA's second largest city, while smaller than Mildura, is a similar distance from Adelaide and Melbourne and no longer has direct train services

Broken Hill – nearer Adelaide and Melbourne than Sydney

Albury – approx. half way between Melbourne and Sydney, with long distances between both

THE NEED FOR AIR SERVICES

With the distances from other major population centres and capital cities, there is a strong need for air services to and from Mildura, the reasons include:

- Emergency medical assistance (this is mostly provided by Royal Flying Doctors).
- Urgent medical assistance
- Specialist medical assistance – Patients attending specialist
- Special medical assistance – Specialists visiting the area
- Visiting friends and family
- Vacations
- Overseas travel
- Events
- Business

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- Tourism to the area
- Day trips
- Migration to/from the area

As will be noted in the alternative to flying section below, for many of these reasons, the option of not taking a plane is limited.

CURRENT AIRLINE SERVICES

Currently only Qantas and Rex fly to Mildura

Qantas

Provided by Qantaslink

- Mildura – Sydney 1 return daily. The Saturday evening service to Mildura runs on Sunday morning.
- Mildura- Melbourne 3 return flights Monday to Friday, one on Saturday and one on Sunday

Qantas currently use the De Havilland Dash-8-400 with a capacity of 72 passengers.

Rex

- Mildura-Melbourne 4 return flights daily

Two of the Qantas flights to Melbourne currently leave at the same time as Rex flights, the other leaves within 5 minutes of a Rex flight.

Rex currently uses Saba 340B turboprop aircraft that seats 36 passengers. These planes are old, noisy, small and cramped, many people do not like flying on them.

General

On the positive side the schedules allow for Mildura residents to travel to Sydney or Melbourne and return the same day, which is great for those with appointments or meetings in these cities as there is not a need to stay overnight. However, it does not work the other way around, especially for Sydney where the only flight to Mildura is in the evening.

Having no flights from Mildura to Adelaide is a big hole in flying requirements for Mildurans

In total there are 42 flights per week to Melbourne, 7 to Sydney and none to Adelaide or any other city/airport, not including private and training aircraft.

Rex previously had flights to Adelaide and Broken Hill from Mildura but stopped these routes on 1st May 2023 with the reason given as due to a shortage of planes and pilots. Having no flights from Mildura to/from Adelaide is a big hole in the services for the city.

FARES

I have done an analysis of the air fares to/from Mildura (see appendix 1) and compared these fares with Melbourne to Sydney for the same dates. This information was gathered on 5th March and included:

- Travelling the next day (6th March) to represent booking with very short notice
- Travelling the next weekend (Sat 7th March and Sunday 8th March)

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- Travelling in the next week (Monday 9th March to Sunday 15th March)
- Travelling on a Wednesday for the rest of March and all of April to represent the cheapest day of travelling when planning medium term
- Travelling on a Wednesday in the middle of the month (May to December) to represent planning in advance.

From this I have found:

- The base Qantas fare for the Mildura to Melbourne route is \$208, the max fare was \$640
- The base Rex fare for the Mildura to Melbourne route is \$179 plus surcharges, the max fare was \$548
- The base Qantas fare of the Mildura to Sydney route is \$300, the max fare was \$957
- The base fares on the Melbourne to Sydney route are \$123 for Jetstar, \$115 for Virgin and \$189 for Qantas (all prices include luggage to make fair comparisons)
- The only day that the Melbourne/Sydney route was more expensive than the Mildura/Melbourne route was the Victorian Labour Day Monday 9th March, which was the end of a long weekend, Grand Prix, Moomba and many other events in Melbourne.
- Generally, you need to book two weeks in advance to obtain the best prices on the Mildura/Melbourne route. However even then, the cheapest fares may not be available as with Qantas in November.
- Rex fares are almost always less than Qantas fares

It would be surprising if it cost the airlines more to fly a plane full of passengers from Melbourne to Sydney than from Melbourne to Mildura! Does it cost so much more to land at Mildura than Sydney?

The fares appear to be based on “the maximum that airlines believe that they can charge” and competition plays a large part in setting these fares. The more competition, the lower the fares.

There are international routes that have lower fares than the Mildura routes for much longer distances (others have provided examples of this).

PAST SERVICES

In the recent past, Mildura has been serviced by 3 airlines.

Prior to March 2020 Virgin flew once a day to Mildura from Melbourne using Embraer 190/195 with a capacity of 114-124 seats. Mildura Airport chief executive Trevor Willcock is reported to have said to the ABC that the service had "really good loading factors". This is my experience, when I used it. This service was important to the route as it brought good capacity and was able to keep prices at reasonable levels.

Rex reduced their frequency of services on the Melbourne/Mildura route and withdrew the Broken Hill and Adelaide services in May 2023.

Bonza operated twice weekly flights to and from the Sunshine Coast and 3 times a week to/from Melbourne. These services were reported popular, with the Sunshine Coast to Albury route said to be one of the most successful. The budget nature of these services and alternative destinations allowed my family to meet us in the Sunshine Coast for a week's holiday and Mildura West Primary School to use them for a school camp in Melbourne, therefore reducing travelling time and maximising educational time with activities. I understand that at the time of collapse that the airline was about to become cash flow positive and the collapse was mainly caused by issues with the backer capital partners and not Bonza's business model.

OTHER ISSUES

Rex

Rex is using Saba 340B turboprops, these planes are old with an average age of over 30 years. Production of this aircraft ceased in 1999.

Of the fleet of 57 (Australian Aviation) only 30 are in active service (airfleets.net) with two parked and the rest stored, likely waiting for parts (Australian Aviation). While the new owner of Rex, Air T is stated to have access to parts and hopes to get all the aircraft flying again, it does not change the fact that these aircraft are old and will need to be replaced in the future. This will require a massive capital investment.

Running a fleet of all the same aircraft has its advantages in maintenance and staff training/skill sets, but does not allow for different passenger volumes on different routes. As Virgin, Bonza and even Qantas have proved, there is great scope for increased capacity at Mildura.

Qantas

Qantas as part of another round of cost cutting are in the process of removing crew based here. The impact of this on their schedules is not yet known. Currently two aircraft are parked overnight in Mildura (one from Melbourne and one from Mildura)

Population

Mildura is a city that has scope to grow, it has empty plots near the city centre, space to expand in the area, yet we know of families moving away, with the main reason being airfares and services. The extra cost and time of travelling anywhere makes staying in Mildura uneconomic and limiting.

An affordable, frequent and reliable air service would encourage families to move to Mildura, providing a vibrant expanding city, encouraging more investment and more specialist services.

The current population has brought some stars to perform in Mildura (Jimmy Barnes, Human Nature, The Wiggles, Lenny Kravitz, Kings of Leon, Tones + I, etc). How many more would visit if the area was to grow?

Recruitment

Recruitment is difficult for businesses, education, health and other organisations. There is a limited pool of skilled workers in the area, and convincing potential staff to move can be difficult when they realise the cost and difficulty of travel.

This leads to organisations resorting to Locums, and fly in fly out workers adding to cost and major implications when flights are cancelled. This is not good for the area.

Tourism

Mildura advertises itself as "Tropical North Victoria" and the "Capital of Arts and Culture". Council runs a tourism website promoting the many events, history and experiences in the area. Both NSW and SA do the same for their local towns and attractions.

Without affordable, frequent and reliable air services, it is difficult to visitors to get to the area, meaning that they miss out on the attractions and the operators don't get the visitors they need to stay in business.

Rex surcharging

When looking at Rex fares, there are hidden surcharges that are not displayed until almost the end of the booking process. For example, the headline fare of \$179 costs a minim of \$182.26 (assuming you pay by PayPal). This is because after you have entered your contact details, you are presented with the following notice:

Please Note

Purchases via this website are subject to the following surcharges to recover the charges imposed by the credit card company as well as to recover the cost of providing this on-line service: (Excluding GST)

You can avoid the credit card costs listed below by paying cash for your ticket at all airport Rex check in counters.

Credit Card Type	Credit Card Surcharge	Booking/Handling fee
	3.27%	1.00%
	0.82%	1.00%
	1.61%	1.00%
	1.50%	1.00%
	1.50%	1.00%

Abandon Acknowledge

Qantas, Virgin and Jetstar all offer a payment option from the website without a credit card surcharge, in most cases PayID. None charge a “booking fee” on top of their fares. It is questionable whether this practice is legal, it is certainly not in the spirit of no hidden fees and makes it harder to compare pricing.

Cancellations and delays

Cancellations and delays can have significant impact on routes with limited flights, especially when the next flight on your airline is hours away or even the next day. They can result in:

- Missed appointments
- Missed connections
- The viability of making the journey
- Increased costs (e.g. getting a taxi instead of public transport, overnight hotel stay, cancellation fees, etc)
- Planning to take earlier services “just in case” with resultant wasted time and costs.

Using BITRE data on ‘Airline on Time Performance Monthly Reports’, it can be seen that Qantas is the least reliable of the two airlines over 2025 with 31 of their scheduled 946 Mildura to Melbourne flights cancelled (3.28%) and 24% of their flights arrived late. The service to Mildura from Melbourne was

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better with 26 flights cancelled (2.75%) but 34% arrived late. With approx. 70 passengers on each Qantas plane, that's nearly 4,000 passengers affected by cancelled Qantas flights last year.

The unreliability has continued in Jan 2026 (the only month with data currently available).

Rex provided a better service but still cancelled 8 services in 2025 from Mildura (0.68%) with 24.32% arriving late and cancelled 6 services to Mildura (0.51%) with 22.48% arriving late.

BITRE don't seem to report on the Mildura/Sydney route.

Whilst the percentage of cancelled flights is relatively low, the number of delayed flights is high and the number of passengers affected is important especially for medical appointments, leading to longer wait lists and unnecessary suffering. The impact of having to reschedule appointments affects every area of the medical professions and many individuals.

Compensation scheme

Currently Australia has no compensation scheme for airlines, unlike places such as EU, UK, USA, etc. This means that if the airline cancels or delays the flight the result is "too bad, so sad". The Qantas terms don't even guarantee to take you anywhere.

So far the airlines have been pushing back because it's not in their interest, but it is in the public's interest for protection. Having a scheme in place will:

- Make airlines think twice before cancelling or delaying flights
- Help passengers with the additional costs that they may incur
- Ensure passengers are not left stranded
- Make clear to both sides what their obligations are

Any scheme should include

- Getting passengers to their destination as quickly as possible, this should include the use of other airlines where services are not frequent
- Overnight accommodation for overnight delays
- Food vouchers (where food is available, provide food where it is not)
- Monetary compensation based on length of delay
- Assistance with onward journeys even if that is on another service.

ALTERNATIVES TO FLYING

Car

Adelaide

Adelaide is the nearest capital city and can be driven in approx. 4.5 hours, making it possible to do the return trip in a long day for a short hospital appointment or meeting.

Melbourne

At 550k the journey takes an estimated 6 hours plus rest stops, which all but rules out same day return journeys for meetings and hospital appointments

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Canberra

At just over 800k, the journey is estimated to take about 8 hours 42 minutes plus a couple of rest stops along the way, making it not possible to do the trip in a day. The route is simple following the A20 Sturt highway until the M31 Hume Highway, then into Canberra

Sydney

At a little over 1000k the journey is estimated to take about 11 hours, plus rest stops again making it not possible to do a return journey in a day and questionable if you should travel one way in a day unless you have multiple drivers. Like the journey to Canberra, the route is simple following the A20 Sturt highway then the M31 Hume Highway

All car transport generally requires at least 2 drivers due to fatigue and length of drive. For example, my daughter recently had a health appointment in Adelaide and as we were away, her husband had to take the day off and the children had to be taken out of school so that they could safely share the driving to Adelaide.

For some health appointments people may not be able to drive themselves.

Public Transport.

Mildura is lucky compared to other regional centres that you are visiting (e.g. Port Hedland and Broome) in that there is some public transport available:

Melbourne

With no regular passenger train service to/from Mildura, public transport is in the form of Vline services which consist of coaches going to train stations (Swan Hill, Bendigo or Ballarat), these are cheap (\$11.40 one way, with discounts for seniors and free fares for under 18s) thanks to the Victorian Government policy of regional fares costing no more than Melbourne fares but they take all day. e.g. the 10am service is a coach to Swan Hill and Train from Swan Hill to Melbourne via Bendigo arriving at 6.20pm (total time 8hrs 20 minutes) and later during extreme heat days. The return service the same way leaves Melbourne at 7.39am and arrives in Mildura at 3.42pm. There are other services but they typically involve more time on the coach.

These services are OK if you are fit and well and have free days to spend the time travelling, but not if you are working, have medical issues, or need to do the return trip in a day.

Adelaide

Like Melbourne, there are no direct public transport services to Adelaide, Sydney or Canberra. These are hampered because they cross over state boundaries and state transport companies don't want to provide services for other states. For Adelaide it's the 7.14am coach to Bendigo, getting off two hours 17 minutes later at Wood Wood General store, waiting 1 hour 22 minutes, then a 7 hour 32 minute coach journey to Adelaide arriving at 5:55pm for a total 11 hours 11 minutes. It is possible to do it slightly quicker by catching the 7:45am Horsham service but this means a 12-minute walk in Ouyen (you do get 3 hours 20 minutes to walk the distance!)

This means that with the exception of driving the 8 hours to and from Adelaide, day return journeys are only possible by plane.

Sydney

The fastest service is a Southern NSW service that leaves Mildura at 3:40 am with over 8.5 hours on the coach to Cootamundra, before catching the 624 train for over 5 hours to Central station arriving at 7:48pm of a total journey time of over 16 hours including transfer time at Cootamundra. There is a nearly 21-hour alternative leaving at 10am with a coach to Swan Hill, then a coach towards Albury and changing to the train at Benalla to Sydney Central arriving at 6:52am the next day.

Canberra

Like Sydney the fastest service is a Southern NSW service that leaves Mildura at 3:40 am with over 8.5 hours on the coach to Cootamundra, before catching another coach for 2.5 hours to Canberra arriving at a more respectable 5:22pm for a total journey time of 13 hours and 42 minutes.

RECOMMENDATIONS

While it is recognised that airlines are commercial companies and need to make a return on their investments as well as facing challenging environments with variable costs like fuel prices and load factors, they are providing a public transport service that needs to also service the community.

Medical travel

It would be easy to recommend that air fares are subsidised for certain groups, but that ignores who is going to pay. The Victorian Government does have a scheme that refunds the cost of fares for medical issues when patients need to travel, but patients must pay up front first and then make claims. Refunds can take up to 8 weeks. Community groups like Sires that assist those who can't afford to do this have strict requirements and limited opening hours restricting who can access.

So, the first recommendation would be for the Victorian Government and/or community support groups to negotiate with the airlines a great fixed low-price contract for medical travel. This would assist the community and may reduce government costs as well as simplifying the scheme

Encourage competition

The current cosy duopoly encourages higher fares, airports like Mildura can support 3 airlines as long as they are providing for different market segments. When Virgin flew to Mildura, they provided for tourists, and other cost conscious passengers, expanding the number of people who could afford to travel. Their once daily flight with a larger jet provided a great additional service for the area. Bonza provided for the same market but added routes to Queensland that no one else provided for. The twice a week service to Queensland and 3 times a week service to Melbourne expanded the range of people who could afford to fly and brought new connections.

New airlines need support to establish themselves on routes like these, this would need government support to make it easier to start up and to stop the other airlines driving them out of the market.

Security screening costs

It has been reported that some regional airports have very high security screening costs, while major airports have very low costs per passenger and this is one reason that Rex does not use bigger planes. If this is correct, a solution could be for the government to even out screening costs through the country. This could also stop the ridiculous issue of sometimes being screened after you arrive in Melbourne instead of before you get on the plane!

Adelaide service

Not having a service to and from Adelaide is a major issue for Mildura as it prevents access to the nearest Capital city. Neither the Victorian or South Australian governments have any incentive to fix the issue as it means leaving their areas, therefore it falls on the Federal government to provide some sort of support or advocacy for the route. The most obvious way would be similar to some of the contracted routes in Queensland. But support for a new regional airline could fix the issue.

Rex old planes

The future for Rex does not look good with their old planes, the new owners may be able to keep them going for a few more years, but this will continue to be harder and cost more as well as remaining unpleasant to fly in. While there are a few airlines in the world (Inuit Air with Boeing 737-200s with an average age of 45 years, Iranian Mahan Air and Iran Air both with planes 35 years), very few are older than the current Rex fleet.

With the current wait for new planes stretching to over 10 years for some models, we need to see the investment plans of the new owners of Rex in the near future and ideally before your final report.

Rex surcharging

Rex should be referred to the ACCC for the compulsory surcharging as it is not displaying the final cost correctly on its website. If this is technically within the rules, it is not in the spirit of them.

Dynamic pricing

It is clear that the airlines use dynamic pricing and appear to lift prices, if they think that there will be demand, I, like others have seen prices increase while looking. We had one instance that required us traveling from interstate, we looked at options of going through Sydney or Melbourne for flights over a month in advance. Having decided on going through Melbourne, we booked the first flight, then went to book the Melbourne to Mildura flight and found it had increased from \$179 each to over \$400 each. In the end we spent the night at Melbourne airport flying out the next morning.

We believe the flight prices went up because we had done several searches. This practice makes it difficult to plan.

ABOUT THE AUTHOR

For context on this submission, I am a recently retired IT manager who moved to Mildura last year to be with my daughter and granddaughters after spending 3 years travelling around Australia. My son in law and his family have lived in Mildura most of their lives and have been active in the community. We have travelled to and from Mildura many times over the years. Currently we try to use the coach and train because of the cost, but fly when the times for the train don't work out. We are lucky to have our health and time to use the coach and train, many others don't.

We are not associated with any organisation and aim to represent the normal travelling public.

