

Quote No L26/520 - 11/525
JN:LJB

Telephone / Personal Enquiries
Ask for Mr Jay Nankivell

13 March 2026

Australian Government Productivity Commission
Inquiry – Determinants of Regional Airfares

Dear Sir/Madam,

BROKEN HILL CITY COUNCIL SUBMISSION

Air Travel to and from Broken Hill and the Far West NSW Region

Broken Hill is severely disadvantaged by the costs associated with air travel to and from the city.

Flights from capital cities to Broken Hill can cost up to \$900, which severely impacts tourism and industry.

The prices also impact the city's liveability. Air travel for health and education is unaffordable for many residents, and local businesses have reported reduced job retention for new employees to the city as it is too expensive for them fly home to regularly visit friends and family.

The issue of pricing is exacerbated by the current state of the city's runway.

Upgrades to the Broken Hill Airport Runway, Taxiways and Aprons

Broken Hill's existing runway has reached the end of its useful life and can currently cater to aircraft no larger than a Q400 due to its thin construction, which significantly restricts local tourism and industry.

A \$20m overlay to repair and strengthen the runway would secure the life of the runway for the next 20 years and allow the airport to accommodate commercial, freight, and charter aircraft as large as a Boeing 737.

The ability to accommodate a larger range of aircraft would provide greater competition amongst commercial carriers, enable larger charter flights, complement plans to establish a new industrial precinct at the airport, and provide a significant boost to the tourism economy.

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The upgraded runway will be crucial for the logistics and staff movements of upcoming major mining and energy projects in the region, including Hawsons Iron Ore Mine and the \$1 billion Hydrostor project.

An improved runway will also allow the city to quickly receive emergency supplies and act as a support hub for the Far West in the event of a natural disaster, such as the 2024 blackout, during which generators and other supplies could not be delivered to the city by air due to runway limitations.

\$13 million was recently spent to replace aprons and taxiways for commercial and RFDS services, and increase aircraft parking bays. This work was preceded by a \$2.4 million to airport upgrade fencing and lighting.

An upgrade to the main runway is the next step to compliment the State and Federal Government's existing commitment to airport upgrades, and secure the airport's future for both commercial operations and the RFDS.

Council has already secured \$5m in funding from the State Government toward these upgrades, however the funding is contingent on securing a further \$15 from the Federal Government to carry out the works.

Proposal for the introduction of a NSW Regional Airfare Zone Cap fare subsidy

Council has been advocating for more affordable air services for the city for some time. Council's advocacy included a proposal to the NSW Government for the introduction of a Regional Airfare Zone Cap (RAZC) fare subsidy, similar to that introduced in Western Australia as a trial in 2022.

In Western Australia to be eligible for the RAZC fare residents need to live in the regional areas outside of Perth and Peel; the fares are for personal travel only; and must be booked as a return fare that departs and returns to the same regional destination.

There are two RAZC fares:

- Zone 1 - \$398 inclusive of GST and taxes for return travel from regional locations within 1,000 kilometres driving distance from Perth.
- Zone 2 - \$598 inclusive of GST and taxes for return travel from a regional location more than 1,000 kilometres driving distance from Perth.
- Plus, other requirements relating to flight change fees, baggage, credit card booking fees etc.

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Permanent Western Australia Regional Airfare Zone Cap scheme from 1 July 2026

The success of the trial is evident with the RAZC scheme becoming permanent from 1 July 2026 with updated requirements which include:

- Zone cap fares are for personal travel only.
- Must be booked as a return fare that departs and returns to the same regional destination.
- Have an annual 12 trip limit per person.
- Zone 1 - \$199 one way for low demand flights or \$265 one way for high demand flights and for last minute travel for regional locations within 1,000 kilometres driving distance from Perth.
- Zone 2 - \$299 one way for low demand flights or \$385 one way for high demand flights or for last minute travel for regional locations outside 1,000 kilometres driving distance from Perth.
- Plus, other requirements relating to flight change fees, baggage, credit card booking fees etc.

Details of the Western Australia RAZC Scheme can be found at:
<https://www.transport.wa.gov.au/aviation/regional-airfare-zone-cap>

Council urges the Federal and State Government to investigate the successful Regional Airfare Zone Cap Scheme operating in Western Australia and to introduce a similar scheme for NSW. Subsidised return airfares to Sydney for regional residents to visit the State's capital city for medical or recreational reasons, or to visit family and friends will increase the liveability of regional and remote cities and towns, which will in-turn bring economic growth and prosperity to the regions.

Similarly, Council urges the Federal Government to consider the Broken Hill Airport Runway Upgrade project for any Federal discretionary grants available or would welcome advice of upcoming Federal grant opportunities to assist Council to secure the additional \$15m to complete the project which will be the catalyst to opening the region to tourism, industry and economic growth.

Yours faithfully,

JAY NANKIVELL
GENERAL MANAGER