



An Australian Government Initiative



Regional
Development
Australia

PILBARA

Submission to the Productivity Commission

Inquiry into the determination of regional airfares

March 2026

About Regional Development Australia Pilbara:

Regional Development Australia Pilbara is a not for profit organisation established under the Regional Development Australia Charter. RDA Pilbara works closely with all levels of government, industry, and community to support economic development, workforce growth, regional connectivity, and liveability across the Pilbara region of Western Australia.

RDA Pilbara is funded by the Australian Government under the Regional Investment Framework. Through this role RDA Pilbara provides place based advice to government, identifies structural barriers to regional growth, supports investment attraction and readiness, and contributes regional evidence to inform national policy and program design.

RDA Pilbara also works directly with employers, industry groups, and service providers to understand the practical challenges affecting regional communities. This includes workforce constraints, cost of living pressures, housing availability, and the role that transport connectivity, including aviation access, plays in supporting sustainable regional communities.

Through its work across economic development, migration, workforce planning, and regional advocacy, RDA Pilbara sees first-hand the impact that aviation accessibility and affordability has on business productivity, service delivery, tourism development, and community wellbeing.

Regional Context:

The Pilbara is a remote region of national economic significance. The region contributes approximately 35 percent of Australia's total exports and generates more than \$82 billion in Gross Regional Product each year. The strength of the Pilbara economy directly supports national prosperity, government revenue, and Australia's global competitiveness.

The Pilbara covers a vast geographic area with long distances between communities and limited alternative transport options. For many residents and businesses, aviation is not discretionary. It is essential infrastructure that supports access to health care, education, government services, workforce mobility, and supply chains.

The Pilbara operates at or near full employment. There is no spare labour capacity. Workforce shortages are structural and affect both major industries and essential services such as health, education, childcare, and local government. Connectivity plays an important role in addressing these challenges by supporting workforce attraction and retention.

The Pilbara also experiences some of the highest costs of living in Australia. High airfares contribute directly to this pressure. For many residents, air travel is a necessary and unavoidable expense rather than an occasional cost.

The region's relatively small population base, geographic isolation, and strong competition for labour mean market forces alone do not always deliver efficient or equitable outcomes in areas such as aviation access. These structural characteristics mean aviation policy settings have a greater impact in regions like the Pilbara than in larger metropolitan markets.

Reliable and affordable aviation access supports not only the resources sector, but also tourism, small business, government service delivery, and broader regional diversification. Improving aviation affordability is therefore closely linked to improving regional productivity, liveability, and long term economic resilience.

a) Essential aviation access for the Pilbara

Problem:

In the Pilbara, aviation is essential infrastructure. It supports access to health care, education, government services, and family networks. There are very few practical transport alternatives due to distance and geography. High airfares create barriers to accessing these essential services and place regional residents at a disadvantage compared to metropolitan Australians. This also affects liveability and confidence in choosing to live long term in our region.

Policy Request:

Regional aviation should be formally recognised as essential infrastructure in remote Australia. The Australian Government should expand and make permanent regional airfare affordability programs, including capped resident fares on key routes connecting the Pilbara to Perth. These programs must operate with long term funding certainty to support access, equity, and liveability outcomes.

b) Thin markets require targeted government intervention

Problem:

The Pilbara aviation market has the characteristics of a thin regional market. Passenger volumes are relatively small, competition is limited, and airlines naturally prioritise the profitable FIFO travel market. In markets like this, competition alone is unlikely to deliver affordable outcomes for residents and small businesses. Without policy intervention, affordability challenges will stay the same.

Policy Request:

Government policy should recognise that thin regional aviation markets require targeted intervention. This could include permanent resident airfare caps, route support mechanisms, and affordability programs designed specifically for remote markets where competition is structurally limited.

c) Workforce sustainability and regional productivity

Problem:

High airfares directly affect workforce attraction and retention in the Pilbara. Employers across industry and essential services rely on aviation to recruit staff, move workers, and maintain operations. High travel costs increase the real cost of regional employment. This affects productivity, service delivery, and regional growth.

Policy Request:

Regional aviation affordability should be recognised as a workforce and productivity policy lever. Improving airfare affordability through resident caps and stable aviation policy settings would support workforce attraction, reduce recruitment barriers, and improve service delivery outcomes across the Pilbara.

d) Cost of living and community stability

Problem:

For Pilbara residents, flights are a necessary part of household costs rather than discretionary spending. Families rely on aviation for medical travel, education access, and maintaining family connections. Price volatility and high fares contribute directly to cost of living pressures and affect decisions about whether people remain in the Pilbara.

Policy Request:

Regional airfare programs should be recognised as part of broader cost of living support for remote communities. Permanent affordability programs and improved fare transparency would provide certainty for households and support long term regional liveability.

e) National economic importance of regional connectivity

Problem:

The Pilbara is one of Australia's most economically productive regions and contributes significantly to national export income. Despite this, aviation connectivity remains expensive and inconsistent. Poor connectivity increases costs for industry and weakens the efficiency of a region that delivers substantial national economic value.

Policy Request:

Aviation connectivity to nationally significant economic regions should be recognised as a strategic national priority. A coordinated national regional aviation framework should be developed to guide affordability policy, access principles, and long term connectivity outcomes for remote regions such as the Pilbara.

What this means for the Pilbara

Affordable and reliable aviation access is not simply a transport issue in the Pilbara. It directly affects whether the region can continue to grow, attract workers, deliver services locally, and support the industries that contribute so strongly to the national economy.

When airfares are affordable and predictable, employers can recruit more effectively, families feel confident relocating to the Pilbara, and essential workers are more likely to stay here. This improves stability across health, education, childcare, local government, and small business.

There is also a strong national interest case.

The Pilbara continues to deliver a significant share of Australia's export income. Supporting affordable and reliable aviation access is a practical way to support the productivity of a region that delivers substantial national benefit.

RDA Pilbara priority recommendations are:

1. Establish permanent regional resident airfare caps for the Pilbara with multi-year funding certainty. This will provide certainty for residents, support workforce attraction, and improve regional liveability.
2. Recognise remote aviation as essential economic and social infrastructure. This will ensure regional connectivity is considered of the same importance as other enabling infrastructure such as roads, ports, and telecommunications.
3. Develop a clear national regional aviation policy framework. A coordinated Australian approach will ensure consistency between regions, provide clearer policy direction, and recognise the structural challenges faced by remote aviation markets.

From RDA Pilbara's perspective, improving regional aviation affordability is a practical step the Australian Government can take to support regional development. It is a policy lever that directly supports workforce outcomes, regional investment, and community sustainability.

The Pilbara does not need special treatment. It needs settings that recognise the reality of operating in a remote environment where aviation is essential infrastructure. Well-designed affordability programs and clear national policy settings would make a measurable difference to regional communities and the industries that depend on them.

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