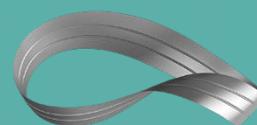# INQUIRY INTO THE DETERMINANTS OF REGIONAL AIRFARES

ISA SUBMISSION

March 2026

INDEPENDENT
SCHOOLS
AUSTRALIA

Acknowledgement of Country

Independent Schools Australia acknowledges the traditional custodians of country throughout Australia and recognises the continuing connection to land, waters and community. We pay respect to Elders past and present, and commit to the ongoing journey of reconciliation.

CONTENTS

1. ABOUT ISA

Independent Schools Australia (ISA) is the national peak body for Independent schooling in Australia. ISA represents the sector on national issues and engages with the Australian Government, national agencies, media, key stakeholders, and the wider Australian community.

Working with the eight state and territory Associations of Independent Schools (AISs), ISA represents almost 745,000 students, 1,230 schools and a workforce of over 128,600 people.

Independent schools are long-established partners in Australia's education system, alongside government and Catholic schools. They make a valuable contribution to society and the learning and wellbeing of Australian children.

The Independent school sector is diverse, and schools serve a wide range of communities. The latest available data shows that more than one in six Australian school students attends an Independent school. For secondary students, it is over one in five.

Students at Independent schools reflect the full diversity of Australian society – including those who experience one or multiple forms of disadvantage. These students include:

— High-needs students with disability attending special schools.

— Aboriginal and Torres Strait Islander students attending remote community schools, and students living in regional, rural and remote locations.

— Highly disadvantaged and disengaged young people attending Independent special assistance schools.

Most families with children enrolled in Independent schools are middle-to-low-income earners, increasingly from culturally diverse backgrounds, and residing in outer-suburban and inner-suburban communities. Many of these families are currently facing economic stress and are making substantial sacrifices for their children's education.

According to the most recent data, the majority of Independent schools charge annual fees of less than $6,000, and there was a greater number of schools charging less than $1,200 per year than those charging over $20,000. Some Independent schools charge no fees at all. More than half of the sector's recurrent income comes from parents and families.

Many Independent schools provide a religious or values-based education. Others promote a specific educational philosophy or alternatively recognised curriculum. Some have been established by community groups seeking to meet particular needs or to reflect the religious values of a community. Independent Catholic schools are a significant part of the sector, accounting for eight per cent of the Independent sector's enrolments.

Most Independent schools are set up and governed independently on an individual school basis. However, some schools with common aims and educational philosophies are governed and administered as systems, for example, Lutheran schools. Systemic schools account for 20 per cent of schools in the sector but the majority of schools in the sector are autonomous non-systemic schools.

2. INTRODUCTION

ISA has prepared this submission for the Productivity Commission's Inquiry into the Determinants of Regional Airfares. ISA consulted with the state and territory Associations of Independent Schools (AISs) in preparing this submission.

ISA has a longstanding commitment to advocating for regional and remote schools. In 2025, there were 415 Independent schools in regional and remote Australia—34% of all Independent schools. These schools had 146,000 enrolments, representing 20% of all Independent sector enrolments.

Regional and remote Independent schools vary considerably in size, location and resourcing but all are committed to providing the best possible education to the families they serve. They include large boarding schools in regional centres and also small Aboriginal and Torres Strait Islander community schools in remote locations.

All regional and remote schools, regardless of sector, face significant and unique challenges as rising operational costs impact their sustainability and growth. Key challenges include:

— Higher operational expenses than metropolitan areas.

— Difficulties attracting and retaining qualified teachers and support staff.

— Additional complexity delivering curriculum and services outside major centres.

For fee-charging schools, there is also pressure to keep tuition fees affordable while maintaining financial sustainability.

Despite these barriers, regional and remote Independent schools continue to grow. ISA's research report *Independent schooling 2025: Enrolment trends, characteristics and projections* found that from 2019 to 2024, Independent school enrolment growth in regional areas outpaced that of major cities.[1]

TABLE 6.2   INDEPENDENT SCHOOL ENROLMENTS BY REMOTENESS, 2019 - 2024

	STUDENTS IN 2024	ADDITIONAL STUDENTS FROM 2023	ADDITIONAL STUDENTS FROM 2019	ANNUAL GROWTH (FROM 2023)	AVG ANNUAL GROWTH (FROM 2019)	PROPORTION OF STUDENTS 2024	PROPORTION OF ADDITIONAL STUDENTS FROM 2019
MAJOR CITIES	598,075	+21,576	+88,223	+3.7%	+3.2%	80%	78%
INNER REGIONAL	110,343	+4,691	+17,125	+4.4%	+3.4%	15%	15%
OUTER REGIONAL	32,431	+1,722	+7,845	+5.6%	+5.7%	4%	7%
REMOTE	2,757	+156	+75	+6.0%	+0.6%	0%	0%
VERY REMOTE	1,388	+1	-37	0.0%	-0.5%	0%	0%
TOTAL	744,993	+28,145	+113,231	+3.9%	+3.4%	100%	100%

In addition to regional and remote Independent schools, there is also a significant cohort of boarding students from regional and remote Australia that either attend boarding school in a regional centre or in a metropolitan location. This group of students includes Aboriginal and Torres Strait Islander boarding students who don't have access to secondary education in their community. The Independent schools sector is the largest provider of boarding in Australia.

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[1] Independent Schools Australia, **Independent schooling 2025: Enrolment trends, characteristics and projections**, published October 2025 - https://isa.edu.au/wp-content/uploads/2025/10/Independent-Schooling-2025-FINAL.pdf

3.   WHY IS REGIONAL AVIATION SO IMPORTANT?

Independent schools in regional, rural and remote areas are directly impacted by the cost, reliability and availability of regional air services. For many of these communities, air travel is not discretionary; it is essential infrastructure that underpins school operations, workforce participation and student access to services and opportunities.

The availability of affordable, consistent and reliable transport options, including air travel, enhances productivity and supports safe, sustainable work practices. When this is absent, it increases costs for schools, constrains access to education and community participation, compromises safety, limits professional development opportunities and undermines workforce stability and effectiveness.

3.1 Impact on the provision of education

For teachers and school leaders in regional areas, educational access and community participation are core professional obligations. However, when air services are unreliable or prohibitively expensive, schools' ability to meet these obligations is significantly reduced.

Unreliable transportation options can require extended stays in metropolitan centres, unplanned overnight accommodation, or travel outside expected hours, including late night driving following cancelled or delayed flights. Sometimes even though the geographic distance is not great, changes to available flights can result in greatly extended travel times, resulting in half-day or full-day travel commitments.

High fares, cancellations and limited flight availability affect schools' ability to undertake governance, compliance and professional learning. It also impacts access to specialist services such as contractors, educational consultants, psychologists and other practitioners. In many regions, road travel is impractical, and flight unreliability forces staff to travel earlier, stay overnight, or miss essential activities.

These disruptions and the time needed for any travel add substantial financial and resource burdens on schools and can reduce teachers' capacity to work effectively the following day due to fatigue or missed connections. This impacts on the quality and continuity of students' access to education.

3.2 Teacher attraction and retention

Recruitment and retention of teachers, school leaders and specialist staff are critical challenges for regional and remote schools. The cost, unreliability and inconvenience of air travel is a material barrier to attracting skilled workers and families to regional and remote areas. Not only are relocation costs prohibitively high, but prospective employees also frequently factor in the ongoing cost of returning to the capital cities to visit family and friends. High airfares reduce the attractiveness of relocating to regional centres and remote areas, undermining regional development and community participation.

3.3 Professional development

Reliable air travel is also critical for staff professional development. Access to high-quality, in-person professional learning, collaboration opportunities and communities of best practice helps ensure educational quality and reduces the divide between metropolitan and regional education. Constraints on air travel limit these opportunities and further entrench disadvantage for regional and remote schools.

3.4 Community participation

Aviation reliability and cost directly influence the wellbeing, connectivity and long-term prosperity of regional communities. While education is rarely identified explicitly in aviation policy, schools are essential community institutions that rely on air travel to function effectively. When regional air services are expensive or unreliable, students face reduced access to educational opportunities, schools struggle to attract and retain staff, and regional and remote communities experience further isolation.

Regional and remote schools often operate with smaller total enrolments than metro schools and rely on population growth from migration and international education. Regional visa programs such as the Skilled Work Regional Visa (subclass 491) and Skilled Employer Sponsored Regional Visa (subclass 494) bring skilled workers and families to regional communities, supporting school enrolments. High regional airfares reduce mobility and make regional locations less attractive, limiting migration, international education activity, economic development and overall regional workforce retention, which in turn impacts school sustainability and community vitality.

3.5 International education

International students and visiting study groups can help stabilise enrolments, provide cultural exchange opportunities for domestic students, and generate economic activity in regional communities. Improving access to regional areas through cheaper and more reliable aviation access would enable schools to strengthen regional international education offerings.

3.6 Boarding students

For families considering boarding options, the cost and time associated with travel to and from regional centres can be a deterrent. Peak-time airfare pricing coincides with school term start and end dates, aligning with the periods when boarders need to travel, and limited competition on regional routes can keep prices high even outside peak periods, significantly increasing costs for families. This limits access to educational opportunities and places regional and interstate students at a disadvantage compared with those living in major cities.

A boarding school in Tasmania noted that the continuing decline of boarder numbers across Tasmania may in part be attributed to the issue of travel costs for families. This includes international students who need to fly first to mainland Australia and then catch another flight to their destination if attending school in Tasmania.

For many boarding students, including those funded by ABSTUDY, air travel is often the only practical way to move between very remote communities and boarding schools. These journeys however can be complex and subject to disruption, as students may have limited flight schedules, long layovers and multi-leg itineraries, and limited alternative flight options when there is a cancellation. Cancellations or weather events can trigger missed connections and unplanned overnight stays, creating additional supervision and welfare considerations for schools and families, particularly for younger students travelling independently.

The Association of Independent Schools of Western Australia noted that for Year 12 ATAR practical exams, unreliable flights are forcing families to travel long distances by road and stay overnight instead of flying.

Another cost issue facing boarding students and their families is the carrier baggage allowance for passengers. Boarding students are away from home for many weeks at a time and the normal luggage allowance, which generally ranges from 20-23kg plus a carry-on allowance of 7-10kg, is generally not sufficient. Ideally, boarding students should be able to access a larger baggage allowance to support their specific needs. At the very least, the cost for additional luggage should be reasonably priced and affordable.

4. HOW MUCH DO FARES INFLUENCE DEMAND FOR REGIONAL SERVICES?

The influence of fares on the demand for regional air travel depends greatly on the availability of other transport options. In many instances, schools have limited practical alternatives to aviation. Road travel can often require one or two full days each way, making it unworkable for most school obligations. Limited flight schedules and the lack of one-way car hire options leave schools with no viable fallback when flights are delayed or cancelled.

5.   WHAT FACTORS INFLUENCE REGIONAL AIRFARES?

Feedback received by ISA suggests that, while some states and territories offer targeted subsidies, these are largely restricted to specific cohorts and locations and do not address the broader affordability and connectivity challenges faced by many regional centres. As noted in the issues paper, regions with limited competition and smaller markets are particularly vulnerable to persistently high fares without effective policy intervention.

Western Australia has the Regional Airfare Zone Cap (RAZC) which sets caps on the cost of flights to and from regional areas to Perth. The RAZC scheme is a joint initiative between the WA state government and the six airlines servicing regional WA. Currently the scheme ensures regional airfares are capped at a maximum cost of $199 or $299 one-way. However, the capped fares are for personal travel only.[2]

Much of the feedback received by ISA also noted that air fares increase significantly during weekends, long weekends, school holidays and on evening services. These are often the only viable travel windows for working families, boarding students, and professionals. The lack of affordable options at these times disproportionately affects regional residents who must travel to mainland cities for family, education, health, or professional reasons, reinforcing the Productivity Commission's findings that fares outside capital cities remain consistently higher on a per-kilometre basis.

AISs noted that other factors influencing fares and flight availability include FIFO cycles, tourism peaks, and local events.

6.   RECOMMENDATIONS

ISA recommends the following measures to address the issues that have been raised by the Independent school sector.

1.   Recognition from governments that schooling is an essential regional service, rather than as a commercial activity.

2.   Introduce minimum guaranteed service levels for airlines servicing regional and remote areas, particularly during school-term peaks for professional learning, governance, recruitment and student travel.

3.   Provide fairer fare structures for essential community services, including:

— Extending state-wide capped or discounted fares to eligible school-related travel which would improve affordability for students/boarders, families and staff.

— More flexible booking conditions for schools and not-for-profits

— Transparency around pricing and load availability

— Reserved seat allocations for essential services (education, health, community organisations).

4.   Increase competition and frequency on key regional routes, including:

— Additional carriers to support pricing pressure and reliability.

— Early-morning and late-evening flights to improve same-day travel options and reduce accommodation costs.

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[2] Current RAZC scheme | Transport WA, accessed 18 March 2026.

5. Remove barriers to entry for new and/or expanding regional airlines and deter market concentration and/or monopoly.

6. Improve the connectivity between regional centres and international gateway airports to support study tours and student mobility. This could include supporting the development of partnerships between airlines, education providers and tour operators.

6.1 Very remote schools

The Independent school sector includes several Aboriginal and Torres Strait Islander community schools located in remote areas that are impacted by seasonal rains and can be inaccessible by land for months each year. For these schools, charter air travel is the only means of transporting staff, students and essential materials. While the focus of this inquiry is on regional airfares (rather than charter services), ISA suggests that similar principles could be applied by recognising and subsidising the costs faced by schools in hard-to-reach areas.

7. CONCLUSION

Regional air travel is vital to the prosperity of regional communities. This inquiry provides an important opportunity for the Productivity Commission to recognise education related travel as a legitimate and essential dimension of regional aviation demand and to consider its impacts when assessing policy settings to improve affordability, reliability and the long-term viability of regional air services.

ISA welcomes the Commission's findings when released and would be pleased to discuss this submission or participate in further consultation.

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