



ACCC submission

Submission to the Productivity Commission inquiry into the determinants of regional airfares

11 March 2026

Acknowledgement of Country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission

Land of the Ngunnawal people

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Glossary

ABS	Australian Bureau of Statistics
BITRE	Bureau of Infrastructure and Transport Research Economics
CCA	Competition and Consumer Act 2010 (Cth)
Full-service carrier	Airlines that provide a comprehensive range of services to passengers, including in-flight meals, checked baggage allowance and entertainment, often at higher fares compared to low-cost carriers.
Load factor	The total number of passengers as a proportion of the total number of seats flown.
Low-cost carrier	Airlines that specialise in keeping operating costs low and without some of the more traditional amenities such as in-flight meals included in the fare, meaning they can potentially offer lower airfares.
Major City routes	Classified using the ABS Australian Statistical Geography Standard Edition 3 (ABS 2021 version). Routes where both airports are in Major Cities of Australia. Refer to Appendix for a list of routes by route type.
Qantas	Qantas domestic passenger airlines that include Qantas Domestic (including QantasLink).
Qantas Group	Qantas domestic passenger airlines that include Qantas Domestic and Jetstar Domestic airlines.
Regional routes	Classified using the ABS Australian Statistical Geography Standard Edition 3 (ABS 2021 version). Routes where at least one airport is in Inner Regional Australia or Outer Regional Australia, but not in Remote or Very Remote Australia. Refer to Appendix for a list of routes by route type.
Regular Public Transport (RPT)	Air passenger transport services that operate on fixed schedules. It does not include charter or other non-scheduled operations.
Remote routes	Classified using the ABS Australian Statistical Geography Standard Edition 3 (ABS 2021 version). Routes where at least one airport is in Remote or Very Remote Australia. Refer to Appendix for a list of routes by route type.
Tigerair	Tigerair domestic passenger airlines. Tigerair was a low-cost carrier that was owned by Virgin Australia. It ceased operations in March 2020 when Virgin Australia went into voluntary administration.
Virgin Australia	Virgin Australia domestic passenger airlines that included Virgin Australia and Virgin Australia Regional Airlines (VARA). Virgin Australia also operated Tigerair until March 2020.

Executive summary

Reliable and affordable air services are essential for many regional and remote communities, underpinning access to employment, healthcare, education, and broader economic participation. Drawing on the ACCC's domestic airline monitoring data, this submission examines the factors driving higher regional airfares, declining connectivity and limited competition.

Passengers travelling to and from remote locations pay substantially more per kilometre than those on major city or regional routes. This reflects the structural characteristics of these markets, including lower passenger demand, less competition on routes, the use of smaller aircraft, and typically more empty seats. These factors limit airlines' ability to spread fixed costs and take advantage of economies of scale, placing upward pressure on fares.

Competition and economies of scale on thinner regional and remote routes however can operate in tension. While the presence of more than 1 airline on a route can enable competitive pressure that may help constrain airfares, splitting a small passenger base across multiple operators can further reduce flight occupancy rates and increase per-passenger costs.

Airlines operating regional and remote services face increasing cost pressures. Many regional operations link country towns and cities to the capital cities and Australia's major airports are undertaking a substantial investment program, including new runways at Melbourne and Perth airports, new terminals at Perth and Brisbane airports, and the redevelopment of Sydney Airport's T2 check-in and security hall. These investments are expected to result in higher charges to airlines as costs are recovered. Airservices Australia also increased its navigation and rescue charges in August 2025, with further increases anticipated as major capital programs progress. These cost pressures further constrain the commercial viability of regional and remote routes and will ultimately get passed onto consumers in the form of higher airfares.

Despite these challenges, passenger demand on remote routes has continued to grow. Since 2019, the number of passengers travelling on remote routes has increased by 13.3 per cent, while seat capacity has increased by 10.8 per cent. However, this growth in demand has not translated into improved connectivity. The number of remote routes collectively serviced by the Qantas Group (Qantas and Jetstar), Rex and Virgin Australia has fallen materially, from 52 routes in January 2019 to 38 routes in January 2026.

These outcomes occur in the context of a highly concentrated domestic airline industry. The Qantas Group provides more than two-thirds of all domestic passenger services, and together with Virgin Australia accounts for over 95 per cent of the market. Competition is particularly limited in regional and remote markets, where around 60 per cent of regional routes and around 70 per cent of remote routes are serviced by a single airline group. This lack of competitive pressure has likely contributed to persistently high airfares and limited available services for many communities.

Recent attempts at new entry, including Rex's expansion onto major city routes and Bonza's entry into previously unserved regional markets, initially increased choice and placed downward pressure on fares. However, both airlines faced structural and financial challenges that prevented sustained competition, underscoring the significant barriers to entry in thin regional markets.

Ensuring Australians in regional and remote areas have access to safe, reliable and affordable air services requires a policy framework that supports effective competition where feasible, provides proportionate regulatory oversight of monopoly infrastructure, and recognises the essential nature of air connectivity for many communities.

The ACCC's airline monitoring function provides visibility over prices, costs, profits and market dynamics, allowing emerging issues to be identified early. However, monitoring alone cannot address the structural barriers that drive high airfares in regional and remote Australia. Other complementary measures would help improve incentives for efficient pricing and deliver better outcomes for consumers. Examples include strengthened economic regulation of major airports and effective implementation of the updated Sydney Airport Demand Management Framework.

Further, given the time since the last Productivity Commission inquiry into airports, and both the scale of planned investment and increasing aeronautical profits at the major airports, it would be timely for the government to consider directing the Productivity Commission to commence a new inquiry into whether the regulatory settings for airports are appropriate.

The ACCC also supports the Federal Government's commitment to establish the Aviation Consumer Ombudsperson. The introduction of a well-designed ombuds scheme will ensure that aviation consumers have access to accessible, fair, and effective dispute resolution. This will significantly benefit consumers, including those flying to and from regional Australia.

1. Introduction

Aviation plays a vital role in supporting Australia’s economy and social connectivity. Many regional communities rely on air transport for accessing essential goods and services. Furthermore, aviation is a key driver of regional economic activity, supporting tourism and the resources sector to transport workers using fly-in fly-out (FIFO) services.

While metropolitan centres tend to benefit from high-frequency services, and some degree of competition on popular routes, many regional communities have relatively limited schedules due to lower demand and less competition, which can in turn impact service quality and airfares.

As Australia’s competition and consumer regulator, the Australian Competition and Consumer Commission (ACCC) is pleased to provide this submission to the Productivity Commission’s inquiry into the determinants of regional airfares. The ACCC recognises the value of this inquiry in understanding the drivers of high regional airfares and informing options to improve competition, affordability and reliability in regional aviation services.

This submission examines the state of domestic aviation in Australia, particularly as it impacts on regional and remote areas. We have drawn on the data collected by the ACCC under our domestic airline monitoring function¹ to share how competition behaves in thin regional markets. We discuss trends in connectivity, demand and capacity, competition and airfares in these markets.

Further information beyond what is outlined in this submission is available in the ACCC’s quarterly airline competition reports and the associated supplementary data tables on our website.²

1.1. The ACCC’s role in aviation

The ACCC is an independent Commonwealth statutory authority established in 1995. Its role is to administer and enforce the *Competition and Consumer Act 2010* (CCA) and other legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.

The CCA contains the Australian Consumer Law (ACL), which is enforced by state and territory ACL regulators alongside the ACCC under a one law, multi-regulator model.

The ACCC currently has the following roles specifically relating to the aviation industry:

Airport monitoring

- Monitoring and reporting on certain service quality matters, and receiving accounts and reports, in respect of the 4 major airports (Brisbane, Melbourne, Perth and Sydney, collectively the ‘monitored airports’) under Parts 7 and 8 of the *Airports Act 1996*.
- Monitoring and reporting on the prices, costs and profits related to the supply of aeronautical and car parking services at the monitored airports, pursuant to directions given by the then Assistant Treasurer in 2012 to the ACCC under Part VIIA of the CCA.

¹ Australian Competition and Consumer Commission (ACCC), [Domestic airline monitoring](#), ACCC, accessed 3 December 2025.

² Australian Competition and Consumer Commission (ACCC), [Domestic airline monitoring](#), ACCC, accessed 3 December 2025.

Airline monitoring

- Monitoring and reporting quarterly on prices, costs and profits relating to the supply of domestic air passenger transport services, and of related goods and services. This is pursuant to a direction given by the Treasurer in November 2023 to the ACCC under VIIA of the CCA, which lasts until 31 December 2026. The direction aligns with a previous direction in effect from June 2020 to June 2023.

Price notifications

- Assessing proposed price increases by Sydney Airport (for regional air services) and Airservices Australia (Airservices) under the price notification regime contained within Part VIIA of the CCA.

The ACCC's monitoring activities have strengthened our understanding of the aviation sector and provide early visibility of emerging competition and consumer issues. This enables us to respond more quickly as concerns arise and ensures we are better informed when undertaking related investigations.

One of the ACCC's enforcement and compliance priorities for 2026-27 is competition and consumer issues in the aviation sector. Competition issues may relate to conduct such as anti-competitive conduct on specific routes, or exclusionary practices by firms with substantial market power that impede access to key facilities or services. Potential consumer issues may include misleading or deceptive behaviour in ticket pricing and sales.

By way of examples, we note the following ACCC matters recently considered or investigated in the aviation sector.

- In October 2024, the Federal Court ordered Qantas to pay \$100 million in penalties following enforcement action by the ACCC.³ The penalties were imposed because Qantas misled consumers by offering and selling tickets for flights it had already decided to cancel, and by failing to promptly tell existing ticketholders of its decision.
- Separately, the ACCC investigated whether Qantas' entry and expansion on certain routes in competition with Rex in late 2020 and early 2021 amounted to a misuse of market power in breach of competition law. In closing the investigation, the ACCC noted that a range of factors impacted competitive dynamics at the time, particularly the COVID-19 pandemic travel restrictions.⁴
- In April 2023, the ACCC opposed Qantas' proposed acquisition of the remaining shares in Alliance Aviation, after Qantas had acquired a 19.9% holding in Alliance in 2019.⁵ Qantas and Alliance are key suppliers of air transport services to mining and resource companies who need to transport FIFO workers in Western Australia and Queensland. The ACCC considered Alliance to be an important competitor to Qantas, and that the removal of Alliance was likely to substantially lessen competition.

The ACCC also assesses applications from airlines who wish to work together in a way that may otherwise raise concerns under the competition provisions of the CCA. For example, in March 2025 the ACCC granted authorisation to Virgin Australia and Qatar Airways to allow them to engage in cooperative conduct under an integrated alliance for 5 years, doubling the

³ ACCC, [Federal Court orders Qantas to pay \\$100m in penalties for misleading consumers](#) [media release], 8 October 2024, accessed 3 December 2025.

⁴ ACCC, [Airline competition in Australia – June 2022 report](#), Australian Government, accessed 3 December 2025.

⁵ ACCC, [ACCC opposes Qantas' acquisition of Alliance](#) [media release], 20 April 2023, accessed 9 December 2025.

frequency of flights between Doha and major Australian airports.⁶ International alliances can help feed traffic onto domestic routes and therefore assist an airline to build scale.

1.2. ACCC airline monitoring data

The data in this submission is primarily drawn from data collected by the ACCC as part of its domestic airline monitoring function. The ACCC monitors regular public transport⁷ services across all domestic routes but has collected data specifically from the Qantas Group (Qantas and Jetstar), Rex and Virgin Australia from January 2019. We also collected data from Bonza from January 2023 to March 2024 inclusive.

The ACCC does not collect data from other smaller airlines, which together are estimated to comprise of around 2.5% of total domestic seat capacity on regular public transport services.

In categorising airports and routes, the ACCC uses the Australian Bureau of Statistics [Australian Statistical Geography Standard Edition 3 classifications](#):

- 'Major city routes' are routes where both airports are major cities.
- 'Regional routes' are routes where at least one airport is in regional Australia, but not remote, and
- 'Remote routes' are routes where at least one airport is in remote Australia.

Of the airports utilised by the Qantas Group, Virgin Australia and Rex in January 2026, 8 are defined as major city, 44 as regional, and 43 as remote. The major city airports are Adelaide, Brisbane, Canberra, Sunshine Coast, Melbourne, Gold Coast, Perth and Sydney.

In some cases, these classifications may differ from how people commonly view certain airports and routes. For example, despite being in capital cities, Darwin and Hobart airports are considered regional airports and Hobart–Melbourne, Brisbane–Newcastle, Avalon–Sydney and Adelaide–Cairns are all considered regional routes.

A list of routes and airports that fall under each classification can be found in the Appendix.

⁶ ACCC, [Virgin Australia and Qatar Airways integrated alliance authorized, doubling flights between Doha and Australia](#) [media release], 28 March 2025, accessed 9 December 2025.

⁷ 'Regular public transport' refers to air passenger transport services that operate on fixed schedules. It does not include charter and other non-scheduled operations.

2. State of the regional aviation sector

This chapter considers the state of the Australian domestic aviation sector, including in relation to air services provided in regional and remote areas. It considers the:

- number of routes offered across the network
- number of passengers flown and seat capacity offered, and
- market structure and levels of competition.

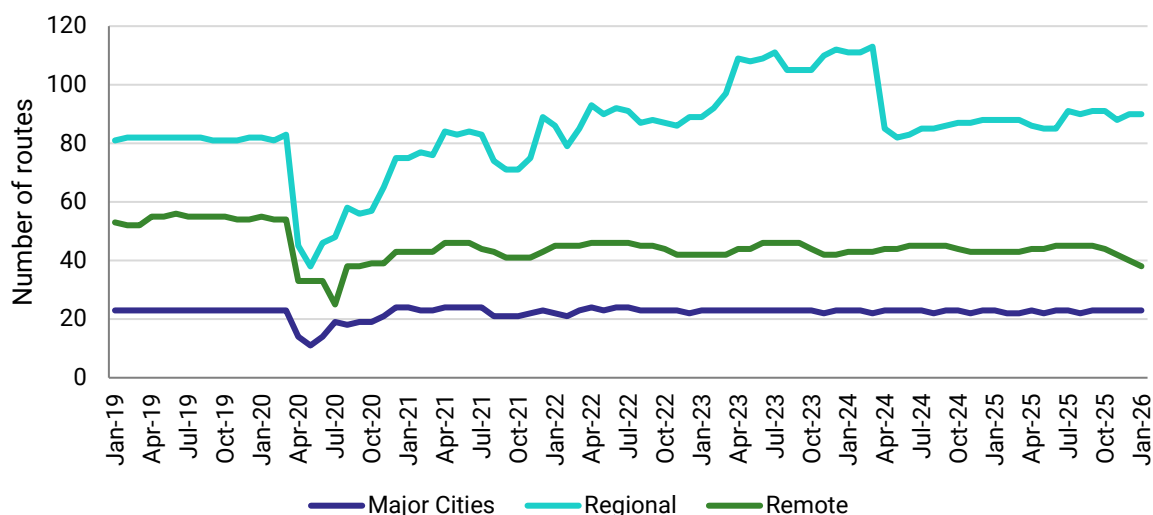
This chapter is based on data provided to the ACCC by the Qantas Group (Qantas and Jetstar), Rex, and Virgin Australia (including Tigerair until June 2020) and Bonza (January 2023 to March 2024).

2.1. Number of routes and connectivity

The number of routes serviced by domestic airlines is a key indicator of how well connected the domestic network is. Limited direct connections can increase travel time and costs, making access to essential services, business travel, and leisure travel more difficult for these areas.

Figure 1 shows the distribution of routes operated by the airlines across major city, regional and remote route types. In January 2026, there were 23 major city routes, 90 regional routes, and 38 remote routes. Regional routes include Hobart–Melbourne, Brisbane–Newcastle, Bendigo–Sydney, and Cairns–Townsville. Remote routes include Broome–Melbourne, Hamilton Island–Sydney, and Adelaide–Coober Pedy, and Cloncurry–Mount Isa.

Figure 1: Number of domestic routes by route type – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Note: Routes with less than 7 monthly flights are excluded from the total number of routes.

The number of regional routes serviced has been quite volatile since 2020. The fluctuations post-pandemic can be attributed to the entry and exit of Bonza as well as other airlines (particularly Jetstar) testing out demand on new routes to regional locations. The total number of regional routes has increased, from 82 in January 2019 to 90 in January 2026. Routes that were introduced over that period include Albury–Brisbane, Adelaide–Launceston, Adelaide–Newcastle, Avalon–Brisbane, and Brisbane–Wagga Wagga routes. In the meantime, there were 11 regional routes dropped and the most affected region was New South Wales (7 out of the 11 routes).

The airlines serviced around 52 remote routes in January 2019, prior to the COVID-19 pandemic. This compares to 38 remote routes serviced in January 2026. Of the 15 remote routes exited by the airlines over the period, Qantas dropped 11 routes, while Virgin Australia dropped 3 routes and Rex dropped 2 routes. The most affected region was Queensland, with 9 of the 15 dropped routes.

In January 2026, the Qantas Group serviced 82 regional routes and 26 remote routes. Virgin Australia serviced 26 regional routes and 11 remote routes.

Rex has continued to operate 18 regional and 13 remote routes throughout its voluntary administration period. In January 2026 Rex competed with Qantas on 14 of these routes. As at January 2026, it was the sole operator on the remaining 17 routes.

Some state governments protect and subsidise the operation of flights on certain regional and remote routes to ensure accessibility and connectivity to and from those communities. Regulated routes are those on which an airline is provided licence to service the route exclusively. Across Western Australia, Queensland, and New South Wales, there are currently 18 regulated routes. Rex operates 9 regulated routes, and QantasLink operates 2.⁸

2.2. Number of passengers and seat capacity

Passenger numbers and seat capacity indicate the level of demand for air travel and whether airlines are meeting it with adequate services. It also reflects the aviation sector's contribution to economic activity.

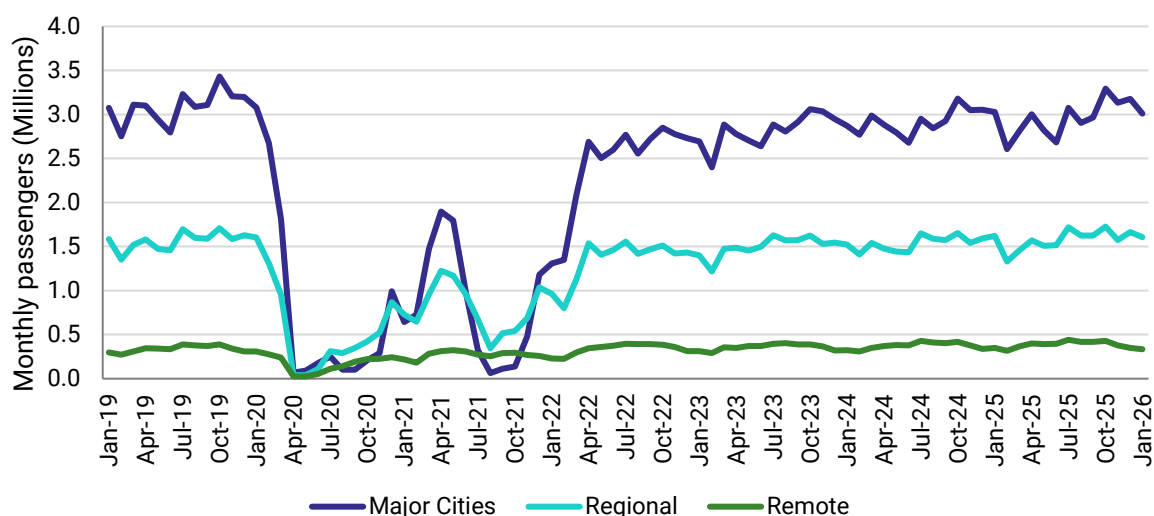
The characteristics and demand profiles of regional and remote routes can vary significantly across routes (see Box 1). As the Productivity Commission has identified in its 'Call for submissions' paper⁹, any analysis of the determinants of regional airfares should consider each route's unique characteristics.

Figure 2 shows the distribution in number of passengers carried by the airlines based on route type. It shows that most passengers flew on major city routes. In January 2026, 3.0 million passengers flew on major city routes, representing 60.8% of total passengers. Regional routes accounted for 1.6 million passengers (32.4%) and remote routes accounted for 336,000 passengers (6.8%).

⁸ Department of Transport WA, [Air services in Western Australia](#), 25 October 2024, accessed 13 February 2026; Department of Transport and Main Roads QLD, [Long distance air services](#), 7 May 2024, accessed 13 February 2026; Transport for NSW, [Regional air operators](#), n.d., accessed 13 February 2026; Up until the end of November 2025, Qantas operated the regulated Lord Howe Island to Sydney route. From 1 December SmartLynx took over the route.

⁹ Productivity Commission, [Call for Submissions](#), p 7.

Figure 2: Monthly passengers by route type – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Despite a drop in the total number of remote routes serviced between January 2019 and January 2026, the total number of passengers serviced on these routes increased by 13.3% (or around 39,500 passengers) over the period. The number of passengers on regional routes increased by 1.3% (or around 21,000 passengers) and passengers on major city routes fell by 2.1% (or around 65,000 passengers) over this period.

Box 1 Characteristics of demand on regional and remote routes can vary significantly by route

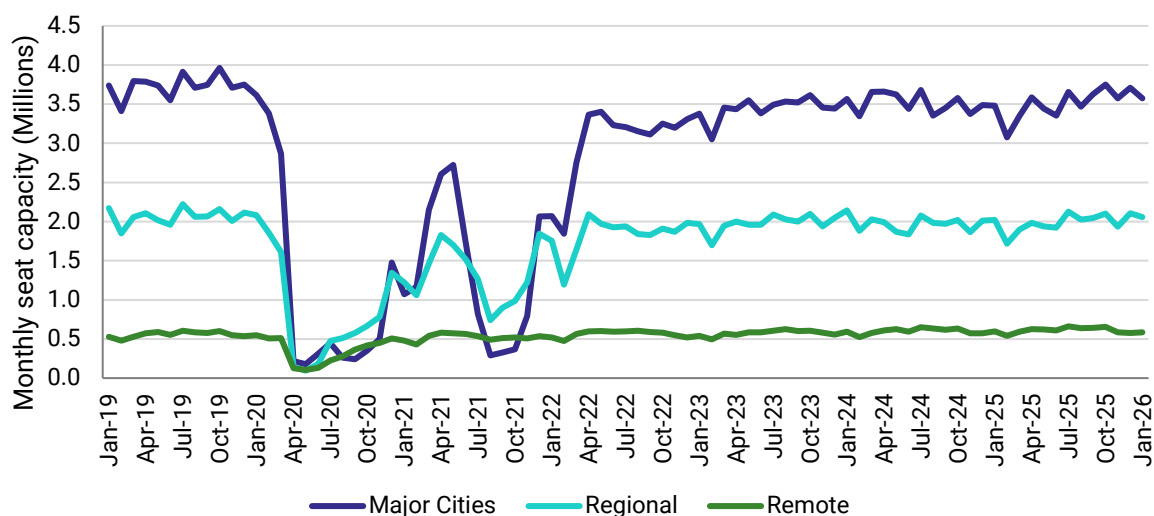
A range of factors can influence the demand for regional and remote air passenger services. These include tourism, climate, business/employment opportunities, population size, incomes, access to essential services, availability of alternative modes of transport such as road and rail, social connections, and airfares.

The demand profile of regional and remote routes can therefore vary significantly. Some routes have stable demand, while other routes are more seasonal or intermittent in nature. For example, the monthly passenger volumes on Adelaide–Port Lincoln, which is classified as a remote route, have remained relatively stable at around 13,000 to 15,000 since February 2022. Other remote routes such as Cairns–Mount Isa are also relatively stable but service a much lower volume of passengers (800-1,500) each month. In contrast, Cairns–Melbourne, which is classified as a seasonal regional route driven by tourism demand, experienced large fluctuations in monthly passenger numbers, of between 30,000 to 93,000 over the same period. Other regional routes, like Broken Hill–Mildura, have very low baseline demand and are currently not serviced.

Passenger demand is a key driver that influences how many seats an airline offers on a particular route. In deciding how much capacity to supply on a route, airlines also consider factors, such as the availability of aircraft, the presence of competitors, and the availability of suitable airport slots.

Figure 3 shows monthly seat capacity by route type for the period January 2019 to January 2026.

Figure 3: Monthly seat capacity by route type – January 2019 to January 2026



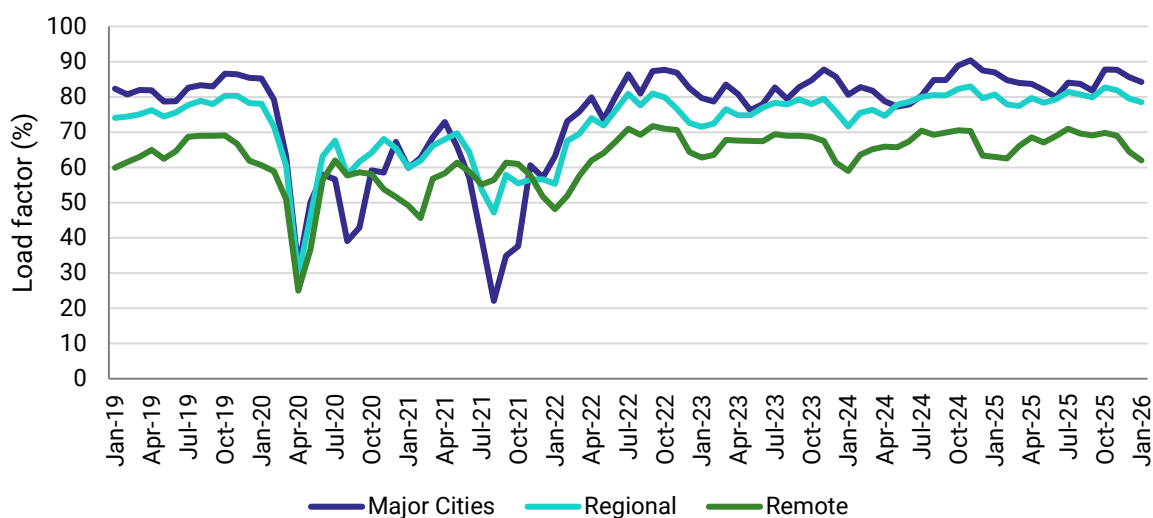
Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

In January 2026, 3.6 million seats were flown on major city routes, representing 57.5% of the total seats flown across the domestic network. There were 2.1 million seats flown on regional routes (33.1%) and remote routes accounted for 587,000 seats flown (9.4%).

The number of seats flown on remote routes was 10.8% (or around 57,000 seats) higher in January 2026 than it was in January 2019. The number of seats flown on regional and major city routes both fell marginally over this period. Seats on regional routes fell by 5.3% or around 115,000 seats, while seats on major city routes fell by 4.3% or around 160,400 seats.

Figure 4 shows the proportion of seats that were filled by passengers – known as load factor – by different route categories. Throughout 2025, all 3 route categories recorded slightly higher load factors than in 2019. This may be attributable to the relatively slower recovery in seat capacity post-pandemic.

Figure 4: Monthly load factor by route type – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Load factors for major city routes generally ranged between 80% and 90% due to the seasonal nature of demand. Meanwhile, load factors on regional routes hovered at around 80%. In contrast, flights on remote routes had typical load factors of between 60% and 70%.

2.3. Market structure and competition

The domestic aviation market is highly concentrated, with the Qantas Group servicing almost two-thirds of domestic passengers. This level of concentration weakens competitive pressure and reduces incentives for airlines to compete on price, service quality and innovation.

These effects are most pronounced in regional and remote markets, where fewer operators are present and the loss of even one airline can significantly reduce service availability.

Overall, the current market structure is not very competitive and despite a liberal legislative framework for aviation investment, there are high barriers to entry (see Box 2).

Box 2 Key barriers to entry in the Australian domestic airline industry

1. *Economies of scope and scale* – Incumbents like the Qantas Group and Virgin Australia can spread fixed costs across large fleets, networks, and passenger volumes, creating cost advantages difficult for new entrants to match. Scale issues are exacerbated on regional and remote routes where passenger volumes are typically low, but unit costs can be higher due to the limited availability of labour and materials.
2. *Airport access* – Limited peak-period slots and terminal space at major airports, particularly Sydney, may restrict entry and expansion on key routes.
3. *Brand and loyalty* – Established carriers generally have strong reputations and large frequent flyer programs, generating customer stickiness that new entrants cannot easily replicate.
4. *Corporate market entrenchment* – Long-standing corporate contracts and negotiated agreements may favour incumbents, as these airlines are able to offer schedule breadth and reliability that small entrants cannot match.
5. *Network and fleet integration* – Large, integrated networks of the larger carriers support passenger feed across routes and efficient aircraft utilisation, reducing operational risk. This can take smaller, or new airlines much longer to achieve.
6. *Regulatory approvals* – While essential, Civil Aviation Safety Authority safety and operational assessments contribute to start-up timelines and require significant resources.
7. *High upfront costs* – High upfront investment in aircraft, staff recruitment and training, and systems, combined with financing challenges, make market entry costly and risky. Unlike large carriers such as Qantas, smaller carriers often do not have the means to acquire large quantities and/or varieties of aircraft that allow them to service a variety of different routes.
8. *Behavioural responses of incumbent airlines* – responsive changes to capacity, routes serviced and airfares by incumbents may impact the planning for, and viability of, new entry.

The domestic airline industry is highly concentrated

The domestic air passenger transport industry has been long dominated by the Qantas Group and Virgin Australia. When considering competition across the network, the ACCC looks at airline groups rather than individual airlines. This is because Qantas and Jetstar are both part of the same airline group and therefore are not considered to be in competition with each other.

Since at least January 2019, the Qantas Group has maintained around two-thirds of total domestic passenger share. In January 2026, its passenger share was 65.6%, with 33.0% held by Qantas and 32.6% held by Jetstar.¹⁰ Virgin Australia has maintained a domestic passenger share of approximately one-third (33.2% in January 2026). Meanwhile, Rex accounted for 1.2% of total domestic passengers.

¹⁰ The market shares listed include monitored airlines only. While the ACCC currently only monitors the Qantas Group, Virgin Australia and Rex, several smaller regional-based airlines such as Airnorth, Aviair/Nexus and Link Airways also provide regular public transport services. In November 2024, these smaller airlines comprised around 2.5% of total regular public transport service seat capacity.

A highly concentrated market with high barriers to entry and expansion is unlikely to exhibit strong levels of competition. A feature of the Australia domestic aviation sector that may be exacerbating this outcome is the increasing level of customer segmentation by airlines. Prior to the pandemic, Australians benefitted from both Qantas and Virgin Australia competing directly as full-service carriers, while Jetstar and Tigerair (owned by Virgin Australia) competed directly for budget leisure travellers.

Today, the airlines' strategies appear to focus on discrete customer segments in the market. Qantas is the dominant provider for premium and corporate customers, while Virgin Australia has repositioned itself to focus on the middle by targeting value-conscious customers. Jetstar is now the only low-cost carrier after Tigerair ceased operations in 2020. While passengers may be more readily able to find a product offering that meets their needs, they are also likely missing out on benefits of more intense competition for the same customer segment.

Further, the 2 largest airline groups now appear to have a different strategy to the early 2010s when both engaged in intense capacity expansion and fare discounting to win market share. This earlier period of aggressive rivalry subsided after around 2014-15, when Qantas publicly withdrew from its domestic capacity-growth strategy and abandoned its 65 per cent market-share target, signalling an end to the "capacity wars." Since then, public statements and financial disclosures indicate a clearer strategic emphasis on yield management and profitability, including a focus on maintaining strong margins in both full-service and budget segments.

The combination of a highly concentrated domestic market, high barriers to entry, increasing market segmentation, and reduced rivalry between airlines has likely resulted in consumers paying more to fly than they would otherwise.

Rex increased its market share in 2020 when it expanded beyond its regional operations and introduced services on major city routes. It accounted for 5.8% of passengers in November 2022, but this declined significantly after the airline entered voluntary administration in July 2024 and exited major city routes. Compared to the other airlines, Virgin Australia has likely picked up more of Rex's would-be passengers following the airline's exit from major city routes. The proportion of domestic passengers serviced by Virgin Australia increased by 3.2 percentage points from January 2024 to January 2026.

Box 3 The challenges faced by Rex and Bonza

Rex's expansion onto major city routes in 2021 and Bonza's entry into the domestic market in 2023 represented an opportunity to introduce greater competition and connectivity into Australia's highly concentrated domestic aviation market.

Following Virgin Australia's entry into voluntary administration in 2020, Rex leased Boeing 737 aircraft and began offering services between Sydney and Melbourne, later expanding to Adelaide, Brisbane, Cairns, Canberra, the Gold Coast, and Perth.

Rex ceased its major city operations when it entered voluntary administration in July 2024. Administrators cited pilot shortages and supply chain issues as key factors which led to the airline's financial difficulties. The experience highlights the challenges of sustaining competition on high-volume intercity routes in the presence of established incumbents with greater scale and network breadth.

The ACCC's February 2025 Domestic Airline Competition in Australia report showed a notable increase in the growth of real average fare revenue per passenger on major city routes (+13.6%) in the 6 months to December 2024, compared to the same 6-month

period in 2023 (+10.7%) and 2019 (+10.1%). Rex's exit from major city routes and the associated loss of competition likely contributed to this increase.

Low-cost carrier Bonza entered the market in 2023 with a strategy focused on targeting unserved regional leisure routes. By April 2024, Bonza serviced 30 exclusive routes and competed on a further 7 routes. While this strategy initially expanded connectivity, Bonza exited the market after encountering a range of challenges, including the suitability of its Boeing 737 aircraft for thinner routes, funding constraints, fleet expansion difficulties, and the time required to obtain regulatory approvals.

The challenges faced by Rex and Bonza underscore the significant barriers to entry and expansion in the Australian domestic aviation market. While there are reports that a new airline, Koala Airlines, may enter the market in 2026, limited information is currently available regarding its proposed business model.

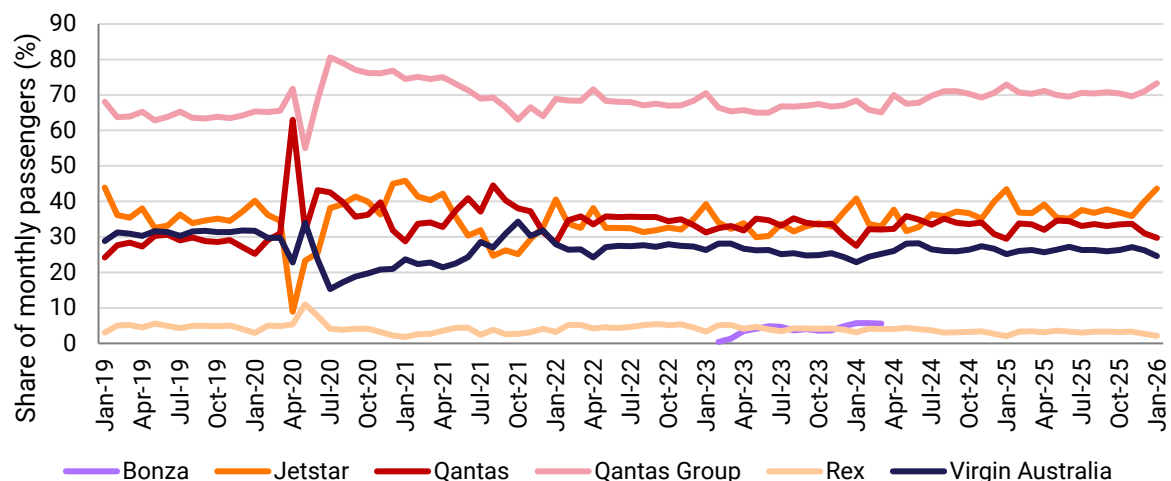
Rex appears to be in a more stable position now, having been acquired by United States-based company Air T in December 2025. Air T has indicated that it intends to continue operating Rex's existing regional and remote routes and to restore the carrier's regional and remote network to pre-pandemic levels.¹¹

The Qantas Group has a strong presence on regional and remote routes

The Qantas Group services a higher proportion of passengers on regional and remote routes than it does on major city routes. In January 2026, the Qantas Group serviced 73.3% of all passengers travelling on regional routes, and 67.8% of passengers travelling on remote routes. This compares to major city routes on which the Qantas Group serviced 61.2% of passengers.

Figure 5 shows the passenger market shares on regional routes for each of the airlines.

Figure 5: Airline passenger market shares on regional routes – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

¹¹ Air T, [Air T Inc. Enters into Agreement with Regional Express Holdings Limited](#) [media release], Air T, 21 October 2025, accessed 22 January 2026; Air T, [Air T/Rex Airline FAQ](#), Air T, updated 28 October 2025, accessed 22 January 2026.

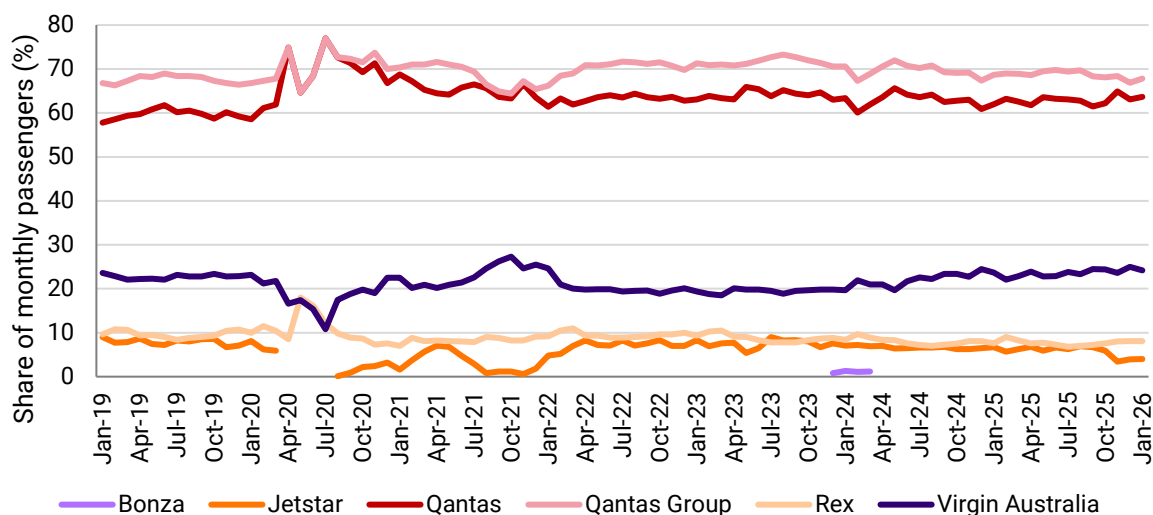
Within the Qantas Group, Jetstar has consistently serviced a greater share of passengers than Qantas on regional routes. In January 2026, Jetstar carried over 40% of passengers on regional routes, compared with 30% for Qantas. There is likely a greater share of budget conscious leisure travellers on higher-volume regional routes such as Hobart–Melbourne and Brisbane–Cairns. As a low-cost carrier with a relatively standardised fleet, Jetstar is well positioned to serve these markets. On regional routes, Jetstar typically operates Airbus aircraft with around 200 seats. In comparison, Qantas has a more diverse fleet to service both high volume and thinner regional routes, ranging from turboprop Dash 8 aircraft with around 80 seats to Airbus A320 aircraft with approximately 180 seats.

Virgin Australia’s share of passengers on regional routes has remained relatively stable since January 2019, with the airline accounting for 24.6% of passengers in January 2026. Since going into administration in July 2024, Rex has serviced around 3% of passengers on regional routes. In January 2026, Rex serviced 2.1% of regional passengers, reflecting the relatively quieter period for the regional airline as January is characterised by much lower business-related travel.

Smaller regional airlines such as Airnorth, Aviair/Nexus Airlines and Link Airways generally offer services on a limited number of routes in localised areas, some of which are provided as charter services. In contrast, major domestic airlines typically operate services on major city routes and more popular and well established regional and remote routes.

While the market structure for regional routes broadly reflects the structure for the entire domestic aviation industry, the structure for remote routes is quite different, with Qantas (predominantly QantasLink) servicing a significantly larger share of passengers than the other airlines (see Figure 6).

Figure 6: Airline passenger market shares on remote routes – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (up to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Qantas has consistently carried almost two-thirds of all passengers on remote routes accounting for 63.7% in January 2026. By contrast, Jetstar services a much smaller proportion of these passengers (4.0% in January 2026). As noted earlier, Qantas’s strong presence on remote routes reflects its ability to deploy smaller aircraft which are better suited to servicing thinner remote routes.

Virgin Australia accounted for 24.2% of remote passengers in January 2026. Some of these passengers would have flown on its Virgin Australia Regional Airline (VARA) brand, which mainly operates in Western Australia and provides services to FIFO workers in the mining sector.

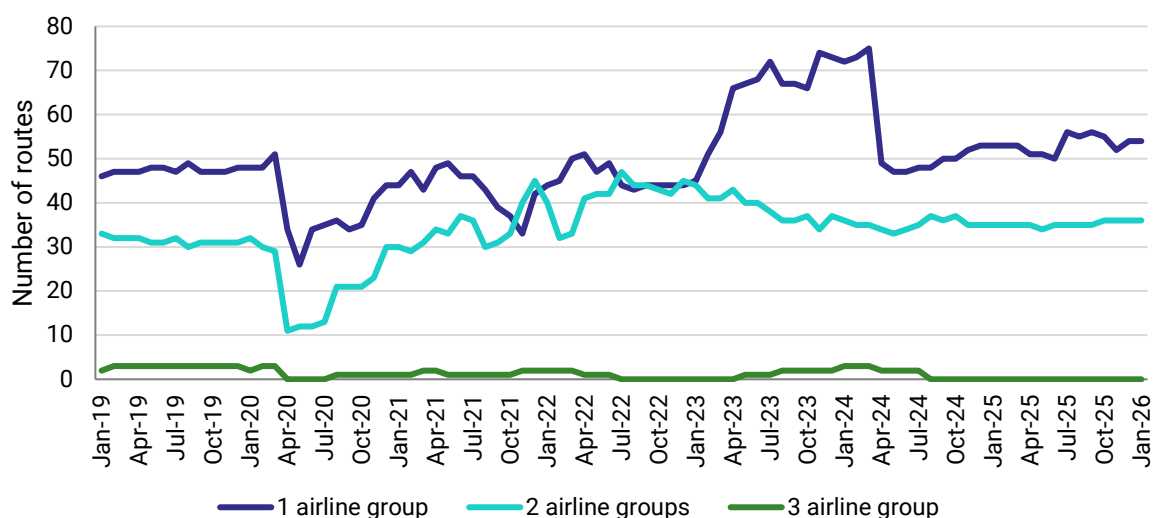
Rex accounted for 8.1% of passengers on remote routes in January 2026. Rex's lower passenger share reflects the types of services it offers. Rex tends to focus on thinner remote routes that are better suited to its exclusive fleet of 34-seat Saab turboprops. Of the 13 remote routes serviced by Rex, 8 are regulated routes. These routes are regulated by various state governments to support connectivity for communities despite lower levels of regular public transport demand on these routes.

Many regional and remote routes are serviced by a single airline group

The level of competition differs across domestic routes because some are flown by more airlines than others.

Figure 7 shows the number of regional routes with 1, 2 and 3 airline groups. In January 2026, 54 of the 90 regional routes were serviced by one airline group (60.0%), and 36 were serviced by 2 airline groups (40.0%). This contrasts with major city routes, all of which are currently serviced by 2 airline groups, that is the Qantas Group and Virgin Australia.

Figure 7: Number of airline groups on regional routes – January 2019 to January 2026

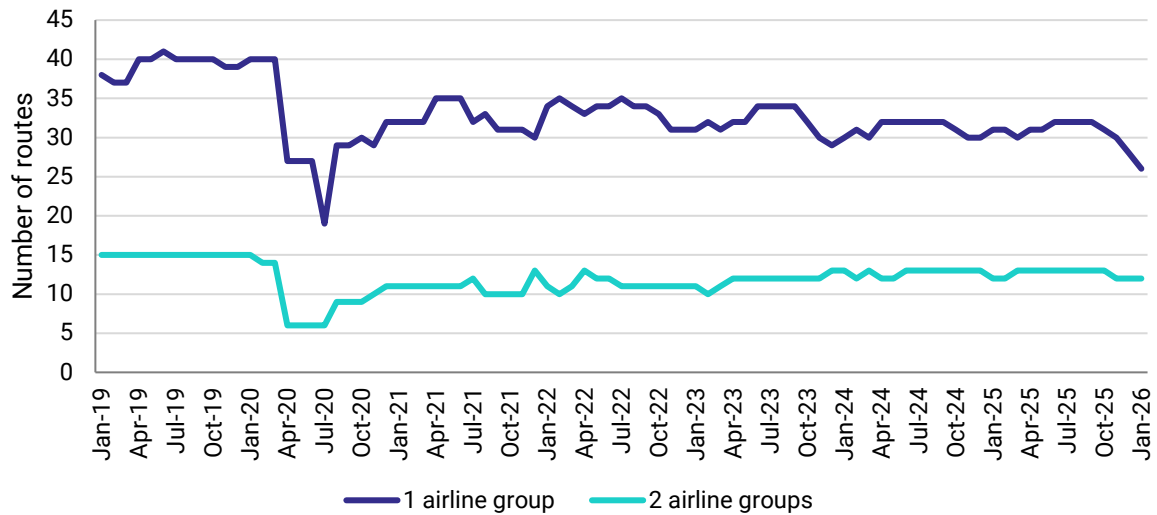


Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Figure 7 shows that the number of regional routes serviced by 1 airline group jumped to around 70 throughout 2023 and the first few months of 2024, which may be attributed to the entry of Bonza. The airline was the sole operator on approximately 30 new regional routes from 2023 and then ceased operations in April 2024. Of these, 11 routes provided direct connections to Maroochydore (Sunshine Coast) and 9 routes to the Gold Coast.

Figure 8 is the equivalent chart for remote routes. Like regional routes, most remote routes were serviced by 1 airline group. In January 2026, there were 26 remote routes serviced by 1 airline group (68.4%) and 12 remote routes services by 2 airline groups (31.6%).

Figure 8: Number of airline groups on remote routes – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

3. Airfares on regional and remote routes

This chapter presents trends in airfares on regional and remote routes and considers factors that may have influenced these movements. It also explains why airfares on remote routes are generally more expensive than major city routes.

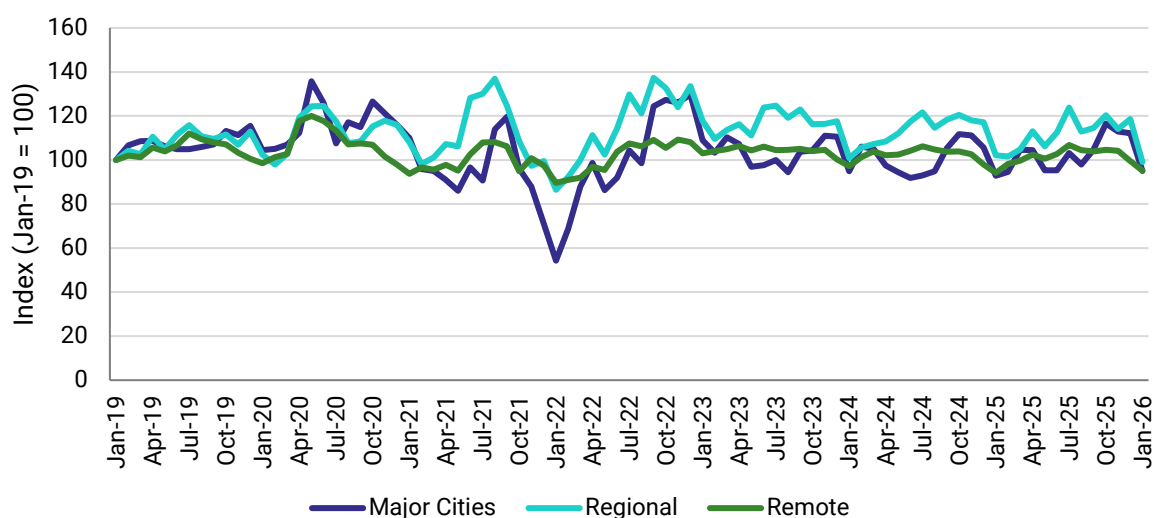
This chapter is mainly based on data provided to the ACCC by the Qantas Group (Qantas and Jetstar), Rex, and Virgin Australia (including Tigerair until June 2020) and Bonza (January 2023 to March 2024). The chapter also refers to best discount airfares data collected by the Bureau of Infrastructure and Transport Research Economics (BITRE).

3.1. Trends in airfares

Average revenue per passenger is a useful proxy for average airfares paid by passengers. The metric reflects movements in airfares across all types of domestic tickets and fare classes.

Figure 9 shows the average revenue per passenger index since January 2019 by route type (regional, remote, and major city), adjusted for inflation.

Figure 9: Index of real average fare revenue per passenger by route type – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Note: (1) Average revenue per passenger includes both economy and business fare revenue. It excludes data associated with ancillaries, such as baggage fees, fees for seat selection and food and drink sold on board. (2) Data has been adjusted for inflation using ABS CPI quarterly data up to December 2025.

Real average airfares on regional routes spiked after air travel first resumed post-pandemic, in 2022 and early 2023. These fares have fallen since, however generally remain higher than pre-pandemic levels.

In the 6 months to January 2026, the real average revenue per passenger index on regional routes was 11.3% lower than the 6 months to January 2023, and 3.9% higher than the 6 months to January 2020.

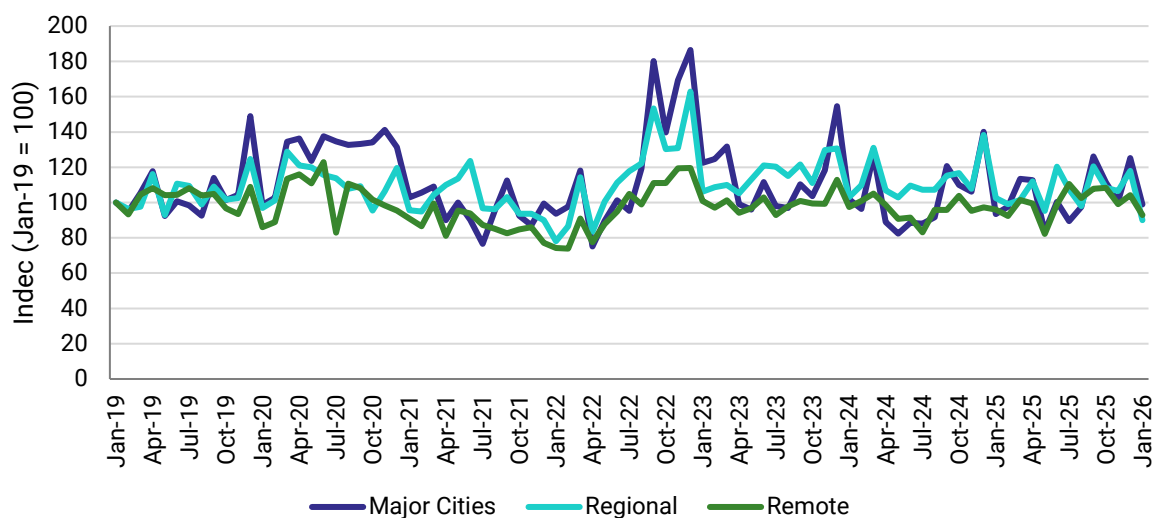
Real average airfares on remote routes have been less volatile compared to fares on regional routes and major city routes over the period. In the 6 months to January 2026, the average revenue per passenger index for remote routes was 4.6% lower than the 6 months to January 2023, and 2.4% lower than the 6 months to January 2020. Meanwhile, the index on major city routes in the 6 months to January 2026 was 10.6% lower than compared to the 6 months to January 2023, and 2.8% lower than compared to the 6 months to January 2020.

The analysis above is presented in real terms, where the results have been adjusted for inflation. In nominal terms, the revenue per passenger index was 29.1% higher on regional routes in the 6 months to January 2026 compared to the 6 months to January 2020, 21.3% higher on remote routes, and 20.8% higher on major city routes, reflecting the high inflationary environment post-pandemic. While inflation-adjusted data is appropriate for this analysis, it is also recognised that consumer perceptions of airfare affordability are more likely to be shaped by movements in nominal airfares.

Real average airfares on regional routes were greater compared to pre-COVID despite a fall in jet fuel prices (jet fuel prices are discussed in section 4.2). Real jet fuel prices were 5.3% lower on average in the 6 months to January 2026 compared to the 6 months to January 2020.

BITRE collects alternative airfare data to the ACCC, based on airlines' public internet sites. Figure 10 shows BITRE's best discount airfares (indexed), by route type (regional, remote, and major city). BITRE's best discount airfares refer to the lowest fare available (excluding baggage surcharges) on a route, across any airline, for the last Thursday of the month.

Figure 10: BITRE real cheapest airfare index by route type January 2019 to January 2026



Source: ACCC calculations based on [BITRE Domestic Air Fares](#).

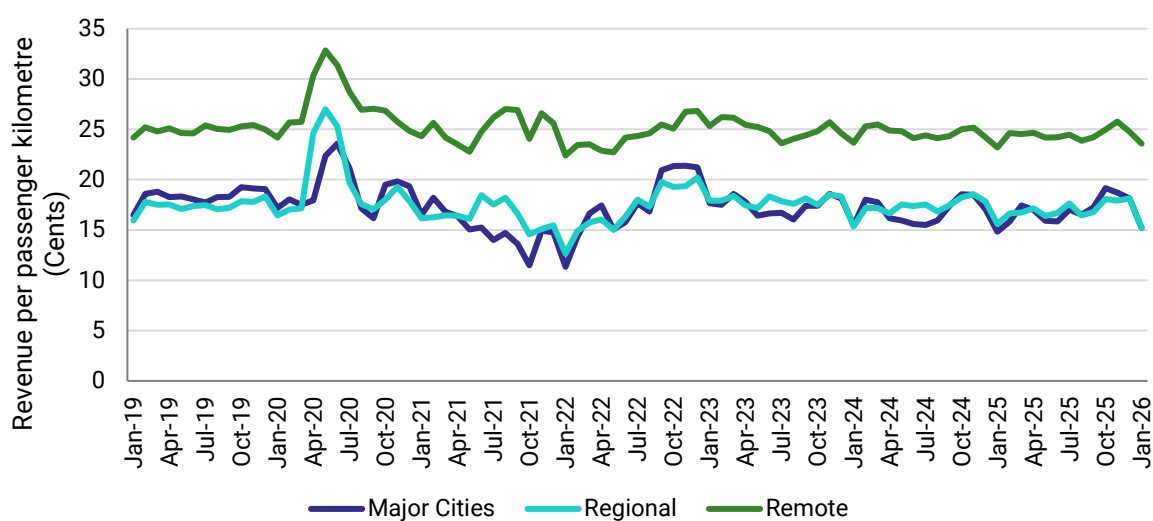
Note: The price index provides an average across the 70 busiest domestic routes. There were 39 regional routes, 11 remote routes, and 20 major city routes in January 2026.

Similar to the indices for real average airfares shown in figure 9, BITRE’s real best discount airfare indices for regional routes and remote routes spiked when air travel first resumed post-pandemic but have fallen since. In the 6 months to January 2026, BITRE’s real best discount airfares index was 1.2% higher on regional routes and 3.5% higher on remote routes than compared to the 6 months to January 2020. Meanwhile, the index was consistent (-0.1%) on major city routes over the period.

Difference in airfares for major city, regional and remote routes

Figure 11 shows average fare revenue per passenger kilometre by route type (regional, remote, and major city) in real terms. The measure accounts for differences in average distance between the route types.

Figure 11: Average fare revenue per passenger kilometre by route type in real terms – January 2019 to January 2026



Source: ACCC calculations using data collected by the ACCC from Bonza (January 2023 to March 2024), Jetstar, Qantas, Rex and Virgin Australia.

Note: (1) Average revenue per passenger includes both economy and business fare revenue. It excludes data associated with ancillaries, such as baggage fees, fees for seat selection and food and drink sold on board. (2) Data has been adjusted for inflation using ABS CPI quarterly data up to December 2025.

Figure 11 shows it costs passengers significantly more on average to fly on remote routes than it does to fly on major city and regional routes over the period. Average revenue per passenger kilometre on regional routes has tracked closely with that of major city routes. In January 2026, real average revenue per passenger collected by the airlines for remote routes was around 24 cents per kilometre. This compares to around 15 cents per kilometre for regional routes and 15 cents per kilometre for major city routes in the same month.

3.2. Why airfares tend to be more expensive on remote routes

Airfares on remote routes tend to be higher than those on major city routes for several structural factors that shape airlines’ cost bases, including demand conditions and competitive dynamics.

First, airlines serving remote routes are generally unable to access the economies of scale that are available on high-volume trunk routes between major cities. On busy major city routes, airlines can operate larger aircraft with high seat capacity, spreading fixed costs over a larger passenger base, and can schedule flights at a higher frequency to maximise aircraft utilisation. In contrast, remote routes often involve smaller aircraft and present fewer opportunities to improve productivity through frequency or fleet optimisation.

Second, demand on remote routes is generally lower, resulting in a higher proportion of empty seats on a flight compared to other services, despite the smaller aircraft typically used on remote routes. For example, in January 2026, the average load factor on major city routes was 84.2%, followed by regional routes at 78.5%, and remote routes at 62.0%. As an airlines' key operating costs such as jet fuel, aircraft costs, and labour do not vary materially with passenger numbers, lower load factors can significantly increase the effective cost per passenger. Airlines serving remote markets therefore need to recover their costs for each flight from a smaller customer base, placing upward pressure on fares.

Third, many remote routes have limited or no competition. A single airline may be the only operator on a route due to the small passenger base, high entry costs, limited airport infrastructure, or the commercial challenges associated with serving thin markets. Where competition is absent or limited, airlines may face reduced pressure to constrain fares. Conversely, on major city routes, multiple airlines may compete on price, frequency, service quality and loyalty benefits, which places downward pressure on fares. Consistent with this, research conducted by Treasury has found that both actual competition and the threat of new entry are associated with lower prices (see Box 4).

Box 4 Treasury study of the impact of competition on airfares

A 2024 study by the Treasury considered the relationship between the number of airlines on a route and airfares and found that competition had a significant impact on airfares.¹² Routes with more carriers experience significantly lower prices, with the addition of one airline typically reducing fares by 5-10%. Routes served by a single airline averaged around 40 cents per km, falling to 28 cents per km with 2 airlines, and 19 cents per km with 3, highlighting the strong consumer benefits of competition. Even the potential for new entrants can exert downward pressure on fares, particularly on regional or less-served routes.

Overall, Treasury estimates that competition in domestic aviation has delivered consumer welfare benefits of \$27-35 billion over the 14 years to 2023, equivalent to savings of roughly \$60 per return trip, or \$240 for a family of 4. The findings underline that a competitive, well-functioning domestic aviation industry would not only lower prices but also restrain fare growth over time, demonstrating the value of maintaining effective market rivalry.

Finally, the cost environment in regional aviation can also be higher. Some regional airports may have higher per-passenger charges because their fixed costs must be recovered from a much smaller volume of travellers.¹³ Other factors, such as additional costs of maintaining services to remote locations, more expensive transportation of fuel either on the aircraft or to a remote airport, specialised fleet types, and operational challenges associated with

¹² O Majeed, R Breunig and A Domazet, [How competition impacts pricing: The Australian aviation sector](#), Treasury, Australian Government, August 2024, pp. 2-3, 13, accessed 24 February 2026.

¹³ The Rural and Regional Affairs and Transport References Committee, [Inquiry into the operation, regulation and funding of air routes service delivery to rural, regional and remote communities](#), The Senate, Australian Government, June 2019, p. 176, accessed 24 February 2026.

weather and infrastructure, may further increase the cost of providing air transport to regional Australia.¹⁴

These factors help explain why remote routes tend to have higher fares than busy metropolitan routes, even when distances are similar.

On thin remote routes, competition and economies of scale can operate in tension. While the presence of 2 airlines on a route can introduce competitive pressure that may help constrain airfares, splitting a small passenger base across multiple operators can further dilute load factors and increase per-passenger costs. This dynamic has led some state governments to regulate certain routes by allocating exclusive operating rights to a single airline through a competitive tender process.¹⁵

¹⁴ The Rural and Regional Affairs and Transport References Committee, [Inquiry into the operation, regulation and funding of air routes service delivery to rural, regional and remote communities](#), pp. 46, 104-109.

¹⁵ Transport for NSW, [Regional air operators](#), NSW Government, n.d., accessed 17 February 2026; Department of Transport and Main Roads, Long distance air services, Queensland Government, n.d., accessed 17 February 2026; Department of Transport and Major Infrastructure, Air routes, Government of WA, n.d., accessed 17 February 2026.

4. The cost of providing domestic aviation services

The operating costs incurred by airlines to provide air passenger transport services have an influence on airfares. This chapter examines some of the most significant components of operating costs including jet fuel and airport fees and discusses any key differences in these costs between the larger domestic airlines and regional airlines.

4.1. Overview of key operating costs

The Qantas Group, Virgin Australia and Rex annual reports indicate that labour and fuel typically comprise the two largest airline costs.¹⁶ However, these costs as a proportion of total expenditure differ greatly across airlines, as cost structures can vary substantially due to differing business models, route characteristics and economic conditions.

Low-cost carriers generally maintain tighter labour arrangements and operate uniform fleets, reducing maintenance and training expenses. By contrast, full-service carriers tend to incur higher fixed costs per flight, as they typically have larger and more diverse fleet and less efficient network utilisation.

Route types can also influence costs. Regional and remote services tend to face materially higher labour and fixed operating cost shares than metropolitan or trunk-route operations, limiting the scope for competition alone to materially reduce regional airfares. In particular, regional and remote services typically deploy smaller aircraft and experience lower load factors raising per passenger costs. Conversely, high-density metropolitan routes can yield significant economies of scale. Longer flights will generally incur a higher proportion of fuel costs, while shorter flights will generally incur a higher proportion of airport charges.

Labour costs represent a larger percentage of total expenditure for Rex, than the Qantas Group and Virgin Australia.¹⁷ This was likely in part due to Rex's smaller fleet of Saab 340 turboprops (around 34 seats), typically flown on regional routes, requiring a higher crew-to-passenger ratio compared with larger jets (175+ seats). The Qantas Group and Virgin Australia had larger percentages attributable to fuel,¹⁸ likely because Rex's Saab 340 turboprops burn significantly less fuel than jet aircraft.

Other operating costs include airport and air navigation charges, which may also be a higher proportion of expenditure for regional airlines. Many of these charges operate on a per flight or per landing basis, rather than per passenger. This may disproportionately affect regional airlines that generally operate smaller aircraft on shorter routes.

The following sections discuss jet fuel prices, airport charges and air navigation charges in more detail.

¹⁶ Qantas, [Annual Report 2025](#), Qantas, 2025, accessed 25 February 2026; Virgin Australia, [Annual Report 2025](#), Virgin Australia, 2025, accessed 25 February 2026; Rex Airlines, [Annual report 2022](#), Rex Airlines, 2022, accessed 25 February 2026.

¹⁷ Qantas, [Annual Report 2025](#); Virgin Australia, [Annual Report 2025](#); Rex Airlines, [Annual Report 2022](#).

¹⁸ Qantas, [Annual Report 2025](#); Virgin Australia, [Annual Report 2025](#); Rex Airlines, [Annual Report 2022](#).

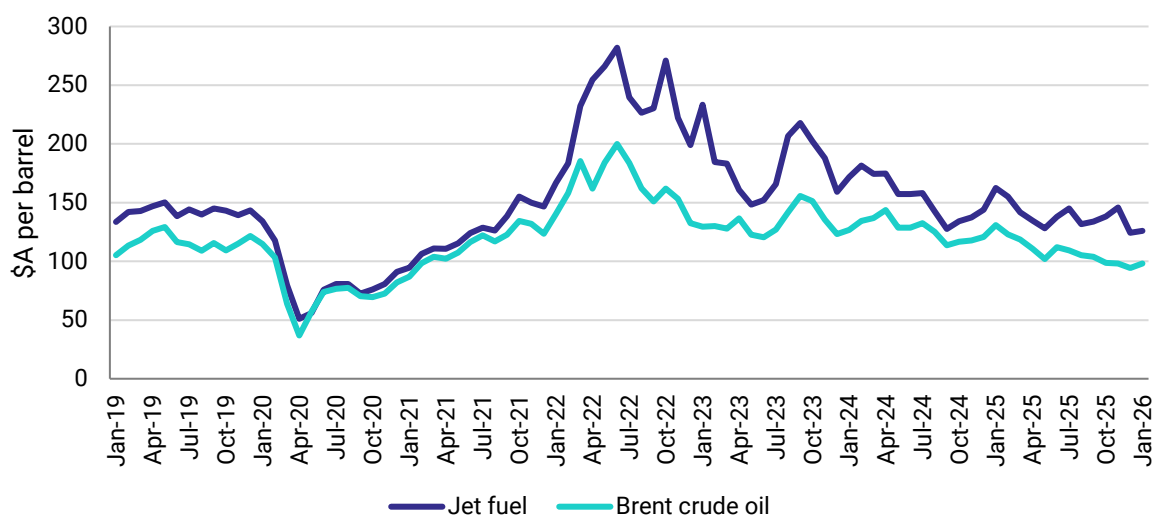
4.2. Jet fuel

Jet fuel tends to be one of the largest components of operating costs for domestic airlines, accounting for around 15% to 25% of total operating costs. This can change depending on fluctuations in jet fuel prices. Other factors that can influence the proportion of operating costs attributable to jet fuel include the type of aircraft flown, route distance and an airline's hedging strategies.

The price of jet fuel is influenced by changes in both Brent crude oil prices and the AUD-USD exchange rate. Brent crude oil is a key input in the refining of jet fuel. Changes to the AUD-USD exchange rate impact the international cost of jet fuel in Australian dollar terms. Some airlines may shield themselves from the volatility of jet fuel prices through fuel price and exchange rate hedging, which essentially locks in a fixed fuel price and exchange rate for a future date.

Figure 12 shows the jet fuel prices and Brent crude oil prices in real terms between January 2019 and January 2026.

Figure 12: Real jet fuel and Brent crude oil prices (\$AUD) – January 2019 to January 2026



Source: ACCC calculations using ABS CPI, RBA exchange rate, and US Energy Information Administration data.

Note: US Gulf Coast Jet Fuel prices converted into current Australian dollar terms, using RBA exchange rate data up to January 2026. The price an airline pays for jet fuel will also vary depending on the ports to which its aircraft operate and the respective region-specific jet fuel benchmarks. Data has been adjusted for inflation using ABS CPI quarterly data up to December 2025.

Jet fuel prices were relatively stable throughout 2019, then decreased sharply with the decline in global air travel at the beginning of the pandemic. Prices increased gradually through 2021 and 2022, as the aviation industry began its post-pandemic recovery. Prices subsequently peaked in June 2022 likely due to the Russia-Ukraine conflict and resulting tightening of supply conditions. Since October 2022, jet fuel prices have generally trended downwards with the easing of supply constraints.

Jet fuel prices were \$125.85 a barrel in January 2026, 22.6% lower than in January 2025 and 5.7% lower than in January 2019.

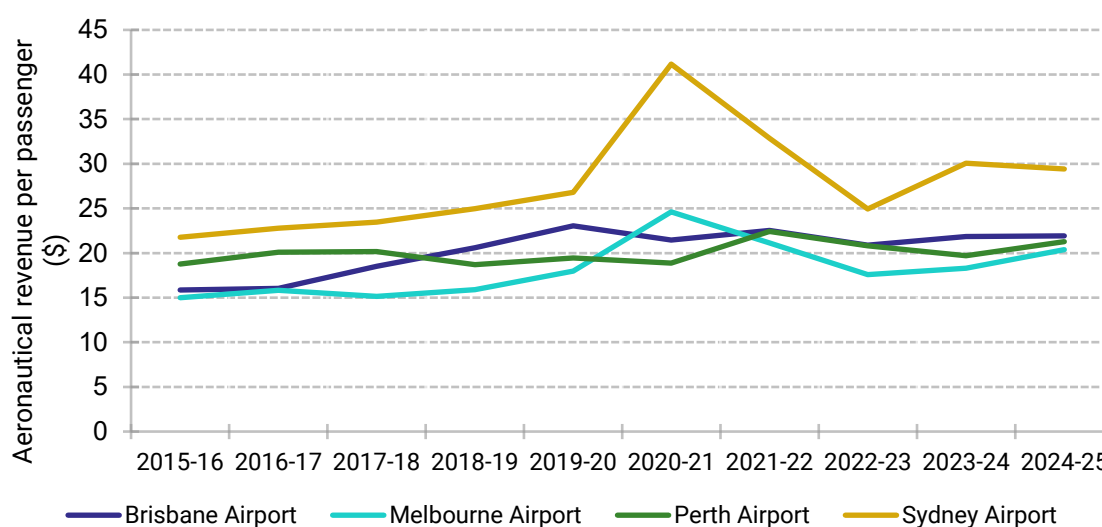
4.3. Airport charges

Airport charges are another notable operating cost faced by domestic airlines. These include aeronautical charges that are paid to airports such as landing and parking fees, and terminal access charges.

It is generally accepted that Australia’s 4 major airports (Sydney, Melbourne, Brisbane, and Perth) are geographic monopolies that have the potential ability and incentive to exercise market power. An airport not constrained by competition or regulation could be expected to exercise its market power to earn monopoly profit to the detriment of airport users and the broader Australian economy.

As shown in Figure 13 below, the average real aeronautical revenue collected per passenger by these airports has increased significantly over time. Sydney Airport reported the highest real aeronautical revenue per passenger, growing 35.2% over the decade in real terms to \$29.43 in 2024-25. Brisbane and Perth airports followed with respective per-passenger revenues of \$21.93 (an increase of 38.3% since 2015-16) and \$21.27 (an increase of 13.4%) in 2024-25. Melbourne Airport currently has the lowest per passenger revenue at \$20.37, an increase of 35.9% since 2015-16.

Figure 13: Real aeronautical revenue per passenger, 2015-16 to 2024-25



Source: ACCC analysis of information from the monitored airports.

Note: Revenue per passenger increased at some airports during the pandemic-impacted 2020–21 financial year because there were fewer passengers on flights, but some airport charges are not determined on a per-passenger basis (e.g. use of runway, parking). Data has been adjusted for inflation to FY25 dollars where annual cpi figures are the average of the September quarter to June quarter of that year.

International airlines generally generate more revenue than domestic airlines, which can contribute to higher aeronautical revenues per passenger at airports that service a greater proportion of international passengers. In 2024-25, international passengers represented a higher proportion of Sydney Airport’s total passengers (39.8%) than Melbourne (33.1%), Perth (29.5%), and Brisbane (27.4%) airports.

Sydney Airport fees for regional services are subject to a price notification regime. The ACCC objected to a proposed price increase for these services in 2010.¹⁹ As a result, Sydney

¹⁹ ACCC, *Sydney Airport regional aviation 2010 – Decision*, ACCC, Australian Government, 17 September 2010, accessed 25 February 2026.

Airport's prices for regional services have remained the same in nominal terms since 2001, representing a fall of around 50% in real terms.

It is reported that Australia's 4 major airports are currently undertaking a substantial investment program, which the Australian Airports Association has said will cost in total around \$19 billion over the next decade.²⁰ The program includes new runways at Melbourne and Perth airports, new terminals at Perth and Brisbane airports, and Sydney Airport's T2 check-in and security hall redevelopment.

Investment helps ensure the airports can continue to meet the needs of passengers and airlines, especially following a period of relatively low investment after the pandemic. However, it is likely that the substantial capital expenditure will result in an increase in charges to airlines to recoup these costs in the coming years, which will ultimately get passed on to passengers in the form of higher airfares. Airport charges will be higher than they should be if the airports undertake unnecessary investment, overspend in the delivery of the investment, and/or seek greater compensation for the risks involved than appropriate. As discussed in section 5.2, the ACCC considers the existing regulatory regime to insufficient in addressing these concerns.

In contrast to the major airports, smaller regional airports are less likely to have the ability to exercise market power. Airlines serving regional and remote airports can more feasibly withdraw these services if charges become excessive, an option which is not a credible threat at major airports. For example, Rex has threatened to or has cut several regional routes due to what it considers to be high airport charges. In July 2023, Rex exited its Adelaide–Whyalla route due to “significant additional security costs” that made the route “unviable”.²¹

As the ACCC's monitoring regime covers only the 4 major airports, the ACCC has limited visibility over the prices, profits, and quality of service at other airports. However, the ACCC is aware of airline concerns about Darwin Airport more than doubling its landing fees since July 2025.²²

4.4. Charges for air navigation and fire and rescue services

All airlines incur charges when flying through Australian airspace. This relates to their use of Australia's air traffic management and aviation rescue and fire fighting (ARFF) services. These services are provided by Airservices Australia, which is responsible for managing the safe and efficient operation of Australian airspace.

Airservices provides 3 main services to airlines, for which it charges airlines:

- **Enroute navigation:** air traffic control services provided to aircraft travelling through Australian airspace, but not within terminal navigation range.
- **Terminal navigation:** air traffic control services provided to aircraft arriving and departing an airport.

²⁰ Australian Airports Association (AAA), [Australia's biggest airports maintain high quality of service levels in ACCC report](#) [media release], AAA, 17 March 2025.

²¹ Regional Express, [Rex Exits Whyalla-Adelaide Route Due to Council Imposed Security Charges](#) [media release], Regional Express, 18 May 2023.

²² M Garrick, [Darwin's airport operators hike landing fees to 'more than double' anywhere else in Australia](#), ABC News, 18 July 2025, accessed 25 February 2026; J Nelson, [Darwin Airport slammed over 'unreasonable' fee hike](#), Australian Aviation, 23 July 2025, accessed 25 February 2026.

- **Aviation rescue and fire fighting (ARFF):** emergency rescue and fire-fighting services provided at an airport.

Aircraft flying through Australian airspace are subject to enroute navigation charges. These charges are dependent on an aircraft's maximum take-off weight (MTOW) and the distance the aircraft travels. If the aircraft arrives at an Australian airport where terminal navigation and ARFF services are provided, the airline will additionally be charged for these services, which are based on the aircraft's MTOW and the arrival location.

Airservices is the monopoly provider of these services. It is a corporate Commonwealth entity established and governed by the *Air Services Act 1995*. It is wholly owned by the Australian Government, and accountable to the Minister for Infrastructure, Transport, Regional Development, and Local Government. The ACCC is required to assess any price increase against statutory criteria, which is then subsequently approved or not approved by the Minister (see section 5.1 for further details).

On 1 August 2025, Airservices increased its prices by 6%, on a weighted average basis. This followed the ACCC's decision to not object to the increase on 16 October 2024, and the Minister approving the increase on 30 June 2025.²³

An airline can incur Airservices charges of several thousand dollars or more to operate a flight, depending on the route and the size of the aircraft. According to figures provided by Airservices, airlines flying a Boeing 737-800 from Gold Coast to Sydney currently incur a per passenger cost of about \$9 for Airservices services (or about 2% of the average airfare). To fly a Saab 340 from Sydney to Coffs Harbour the current per passenger cost incurred by airlines is about \$12 (or about 3% of the average airfare).²⁴

Airservices is currently developing a Long-Term Pricing Agreement (LTPA) to cover the 5-year period from 1 July 2026 to 30 June 2031. The ACCC expects this pricing proposal to include several major infrastructure projects, which will likely lead to substantial price increases. This includes OneSKY Australia, a multi-billion-dollar project funded on an 'as-commissioned' basis.²⁵ Other major infrastructure programs expected to be included are Airservices ARFF NextGen fleet and facilities renewal program, new services provided at Western Sydney International Airport, and its Enterprise Network Modernisation Program.²⁶

Similar to concerns over airport investment, airlines have raised issues with the ACCC about the likely size of price increases from Airservices, particularly due to the impact from capital expenditure. While airlines recognise the need for the capital expenditure programs, they have expressed concerns about the costs, timing, and the amount of information received to date about the need for the investment. In its assessment of Airservices upcoming price notification, the ACCC will closely review these capital expenditure programs to ensure they represent efficient and prudent expenditure.

²³ ACCC, [Airservices Australia 2023 – ACCC decision](#), ACCC, Australian Government, 16 October 2024, accessed 25 February 2026.

²⁴ ACCC calculations based on Table 19 of: ACCC, [Airservices Australia 2023 – Draft Notification](#), ACCC, Australian Government, 20 November 2023, accessed 25 February 2026.

²⁵ This means the vast majority of OneSKY expenditure incurred since the beginning of the project in 2016-17 will be included in its regulatory asset base when the project comes online in 2027-28.

²⁶ Airservices Australia, [Corporate Plan 2025-26](#), Airservices Australia, 1 July 2025, pp. 27-29, accessed 25 February 2026.

5. Policies to support regional air services

This chapter outlines existing and proposed aviation policies that support regional air services, including some where the ACCC has a role. It does not cover broader government measures, such as subsidies for regional services or infrastructure, or state-based regulation of specific routes where low demand limits the effectiveness of open competition.

5.1. Existing policies that help support regional aviation

ACCC monitoring and reporting on domestic airline services

The ACCC monitors the prices, costs and profits of domestic air passenger transport services under a direction from the Treasurer in November 2023.²⁷ The direction applies until December 2026. The direction follows a previous 3-year direction which expired in June 2023.

Under the direction, the ACCC is required to report at least quarterly on its findings. The reports provide data and analysis relating to passengers and seat capacity, the number of routes, airline market shares, airfares and service reliability. The reports also consider the implications of relevant industry developments on competition and consumers.

This monitoring increases transparency and helps deter anti-competitive behaviour, particularly by established airlines toward new or expanding competitors. It also allows the ACCC to respond more quickly to competition or consumer issues if inappropriate market conduct occurs.

Monitoring can also strengthen policy advice. Public reports have informed the Australian Government and other stakeholders about key competitive developments, and the knowledge gained has aided both this submission and the ACCC's engagement in the review of Sydney Airport's demand management scheme.

While the ACCC's reports typically focus on broader trends across the domestic network, the reports have also highlighted key developments regarding regional services. For example:

- analysis and commentary regarding developments with Rex and Bonza, including how their developments (including Bonza's exit) may impact on regional connectivity and competition
- reporting the number of routes provided across Australia, including those flown by regional carrier Rex
- changes in a price index representing average real fare revenue by passenger, broken down by major city, regional and remote routes
- a dedicated chapter on smaller Australian airlines in the [November 2024](#) report
- a dedicated chapter on regional air services in the [September 2021](#) report.

²⁷ ACCC, [Domestic airline monitoring](#), ACCC, Australian Government, n.d., accessed 25 February 2026.

With fewer airlines operating on regional and remote routes, there are challenges in publishing detailed data on these routes without disclosing commercially sensitive information. The ACCC is required to take this impact into account when determining what can be published.

Regulatory oversight of Airservices Australia's pricing for air navigation and fire and rescue services

Airservices is a declared person under Part VIIA of the *Competition and Consumer Act 2010* (CCA), and its terminal navigation, enroute navigation, and ARFF services are notified services which are those which have had charges set by a determination made under s 53 of the *Air Services Act 1995*. This means that Airservices cannot increase the price of these services without first notifying the ACCC and obtaining approval from the Minister for Infrastructure, Transport, Regional Development, and Local Government.

The ACCC's role is to consider Airservices proposed price increase and decide whether to:

- not object to the price increase, or
- not object to a price that is less than the proposed increase, or
- object to the price increase.

Airservices is not permitted to increase the price of its notified services until:

- 21 days have elapsed since the formal notification to the ACCC, or the ACCC has decided to not object to the proposed increase (or another lower proposed increase which Airservices has agreed not to exceed), and
- either the Minister has approved the proposed increase, or 30 days have elapsed since the notification to the Minister, and the Minister has not approved or disapproved the proposed increase.

That is, the ACCC does not set the prices of Airservices' notified services. Rather, any price increase proposed by Airservices requires the Minister's approval.

In assessing a proposed price increase, the ACCC must have regard to particular statutory criteria, and has set out its approach in its [Statement of Regulatory Approach](#). The ACCC's assessment considers, amongst other things, whether Airservices price increases are commensurate with the efficient costs of providing its services and that the increases reflect economically sound pricing principles. The ACCC assessment includes consideration of whether Airservices appropriately allocates its costs between metropolitan and regional services, and that the prices charged at regional airports reflect the efficient costs of providing those services.

Regulatory oversight of Sydney Airport's pricing for regional services

The ACCC also has responsibility for assessing notifications of proposed price increases from Sydney Airport Corporation. These are for aeronautical services and facilities provided to regional air services. As with Airservices, while the ACCC reviews these price increases, the decision to approve price increases lies with the Minister. In assessing price notifications from Sydney Airport, the ACCC follows a pricing standard. This standard means price increases cannot be more than the increase in the consumer price index for the same year.

Sydney Airport Corporation has not increased its charges for services to regional airlines since 2001. Its most recent application for a 2.9 per cent increase to its terminal, runway and passenger security charges was objected to by the ACCC in 2010.²⁸

Monitoring and reporting of the major airports

The ACCC monitors prices, costs, profits, and quality of aeronautical, car parking and landside access services at Brisbane, Melbourne, Perth, and Sydney airports. This monitoring regime promotes greater transparency around:

- the performance of Australia's major airports
- whether airports are taking advantage of their limited competitive constraints.

Each year, the ACCC publishes a report outlining its findings on our website, which is also provided to the Treasurer.²⁹ Our monitoring functions originate from the legislative requirements in Parts 7 and 8 of the *Airports Act 1996*, as well as directions issued by the Assistant Treasurer pursuant to section 95ZF of the *Competition and Consumer Act 2010*.

Affordable access to major airports is not only important for intercity airline routes, but also for regional-metropolitan routes. To the extent that a monitoring regime deters major airports from exercising market power (through increased transparency and the threat of further regulation), airlines servicing regional routes are better able to offer affordable, high-quality services to regional communities, as well as expanding the number of regional routes they operate.

As discussed further in section 5.2, the ACCC considers that the current monitoring regime is an insufficient deterrent to prevent major airports from exercising their market power over airlines. Consistent with the ACCC's 2019 submission to the Productivity Commission, we consider a negotiate-arbitrate framework provides stronger incentives for major airports to negotiate with airlines in good faith.³⁰

Reforms to the way slots at Sydney Airport are managed

The updated Sydney Airport Demand Management Framework (Framework), which commenced on 26 October 2025, should provide small airlines, including regional airlines, with improved access to slots at Sydney Airport. A 'slot' is a permission for an aircraft to enter or leave an airport gate at a particular time.³¹

The availability of slots at Sydney Airport is constrained during peak periods, due to the limited availability of land for expansion, and measures imposed by the Australian government to address community concerns about airport noise. Given Sydney Airport is Australia's largest airport and a key international gateway, it is imperative that slots are allocated in a transparent, competitive and efficient manner.

²⁸ ACCC, [Sydney Airport regional aviation 2010 – Decision](#), ACCC, Australian Government, 17 September 2010, accessed 25 February 2026.

²⁹ The ACCC's annual airport monitoring reports are available at: ACCC, [Airport monitoring reports](#), ACCC, Australian Government.

³⁰ ACCC, [Supplementary submission to the Productivity Commission Inquiry into the Economic Regulation of Airports](#), ACCC, Australian Government, March 2019, p. 14, accessed 25 February 2019.

³¹ *Sydney Airport Demand Management Act 1997*, subsection 34(2).

The allocation of slots at Sydney Airport is governed by the Framework. At its core, the Framework imposes a cap of 80 aircraft movements per hour to balance air traffic management, access, efficiency, and noise management objectives.³²

Under the previous slot management scheme at Sydney Airport, the ACCC was concerned that airlines were able to hold more slots than they needed.³³ Historic precedence under the previous regime allowed an airline to retain a slot series from the previous scheduling season, if it could demonstrate that it used 80% of the slots in the series and complied with the 'size of the aircraft' test.³⁴ Slot series that are retained by an airline pursuant to historic precedence are termed 'historic slots'.

This new Framework aims to improve slot utilisation and address slot retention issues. It seeks to ensure slots that an airline does not genuinely need are made available to other airlines. One way the Framework seeks to improve slot utilisation is by introducing 4 new slot misuse offences and higher penalties for airlines that commit a slot misuse offence.³⁵ The new regime also grants the Slot Manager new monitoring and administrative powers to better identify and address slot misuse.³⁶

The Framework requires the Slot Manager to publish information on slot allocation and use.³⁷ Moreover, the regulator, the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, can at any time arrange an audit of the allocation and use of slots.³⁸ These measures should provide greater transparency on slot usage and scrutiny of airlines' compliance with the new regime.

The original framework contained provisions that secure access to slots in peak periods for New South Wales (NSW) regional services. The Framework preserves access to peak period slots for regional airlines and should provide regional airlines with improved access to Sydney Airport. The Framework grants new entrants (airlines with less than 7 slots) priority access with the aim of the first 50% of available (i.e. non-historic) slots going to new entrants where possible.³⁹ Furthermore, NSW regional services should be able to access additional slots in peak periods.⁴⁰ These changes should create conditions that allow regional airlines greater access to Sydney Airport, which in turn, could provide more travel options and cheaper airfares for regional NSW communities.

5.2. The need for stronger regulatory oversight of major airports

For some years, the ACCC has considered that stronger regulatory oversight of the major airports is required to prevent them from exercising their market power and imposing higher charges on airlines, including those that operate in regional areas. Higher airport charges are likely to flow through into higher airfares for travellers, and in some cases, may impact the ability of an airline to continue to operate certain routes, or introduce new ones.

³² *Sydney Airport Demand Management Act 1997*, section 6.

³³ See page 9 of the [ACCC's submission to the Aviation Green Paper](#).

³⁴ Under the new regime, the size of the aircraft test has been replaced by the 'conditions test'. The conditions test allows the Slot Manager to impose certain conditions on the use of a slot series.

³⁵ See Division 4 of the *Sydney Airport Demand Management Act 1997*.

³⁶ *Sydney Airport Slot Management Scheme 2025*, sections 31 and 32.

³⁷ *Sydney Airport Demand Management Regulations 2025*, subsection 47(1).

³⁸ *Sydney Airport Slot Management Scheme 2025*, section 36.

³⁹ *Sydney Airport Slot Management Scheme 2025*, section 18.

⁴⁰ *Sydney Airport Slot Management Scheme 2025*, paragraph 22(1)(iv).

The existing framework, based on ACCC monitoring and reporting, no longer acts as a constraint on behaviour because there is less of a threat of regulatory action than there was when the regime was first introduced over 2 decades ago.

At the last Productivity Commission inquiry into the economic regulation of airports, conducted in 2019, the ACCC and airlines supported the introduction of a scheme to enable binding commercial arbitration to occur should negotiations between major airports and airlines breakdown (i.e. a negotiate/arbitrate regime). We considered that this would incentivise the major airports to negotiate with the airlines in good faith.

In the Productivity Commission's inquiry report, it made a number of recommendations including:

- for the major airports to provide the ACCC with more detailed financial information (recommendation 9.4)
- for the set of quality-of-service indicators used by the ACCC in its monitoring to be updated by the government (recommendation 9.5), and
- for the Aeronautical Pricing Principles to be amended to specify that any agreement between an airport and airport user must not contain anticompetitive clauses.⁴¹

We continue to support the idea that a commercial arbitration scheme would help to address concerns with the major airports exercising their market power, which would help to reduce airport charges faced by airlines including those that operate in regional locations.

Given the time since the last Productivity Commission inquiry, and both the scale of planned investment and increasing aeronautical profits at the major airports, it would be timely for the government to consider directing the Productivity Commission to commence a new inquiry into whether the regulatory settings for airports are appropriate.

The ACCC also supports action to improve the effectiveness of the ACCC's monitoring and reporting of airports. In this regard we would like to see the government adopt the recommendations that the ACCC made in May 2023 regarding the collection of more disaggregated financial data from the airports.⁴² This information would better enable the disaggregated analysis of airport profitability in the supply of domestic and international services.

We also consider more effective oversight of the major airports would be assisted by the adoption of the ACCC's recommendations for a new set of quality-of-service indicators, which we also provided in May 2023 following a request from the government.⁴³ We understand that Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts is currently actively considering the ACCC's recommendations on both the quality-of-service indicators and greater financial data.

The ACCC also supports the proposed amendments to the Aeronautical Pricing Principles, which set out the government's expectations for how airports determine their aeronautical charges. Under initiative 12 of the Aviation White Paper, the government said that it would consult on amendments to the Aeronautical Pricing Principles to specify that:

- pricing agreements between airports and airlines should not contain anti-competitive clauses (as recommended by the Productivity Commission)

⁴¹ Productivity Commission, [Economics regulation of airports](#), Productivity Commission, Australian Government, June 2019, accessed 23 February 2026.

⁴² ACCC, [More detailed information on financial performance of airports](#), ACCC, Australian Government, May 2023, accessed 23 February 2026.

⁴³ ACCC, [Airports quality of service review](#), ACCC, Australian Government, May 2023, accessed 23 February 2026.

- airports should provide such information and data to airlines to ensure transparent pricing negotiations.⁴⁴

The Aviation White Paper also said that the government will consider options for the ACCC to monitor the conduct of aeronautical pricing negotiations at Sydney, Brisbane, Melbourne, Perth and Western Sydney airports.

5.3. Possible extension of the ACCC's airline monitoring role

The ACCC notes that the current direction underpinning its airline monitoring role is due to expire in December 2026. The monitoring framework allows the ACCC to collect and analyse information on competition, pricing and capacity trends in the domestic aviation sector. As demonstrated in this submission, this information helps inform the ACCC's understanding of the industry and identify inappropriate market conduct.

Maintaining the monitoring role beyond 2026 would ensure that oversight of the industry continues during a period when competition in the sector remains limited. The reporting provides a source of transparency for the sector and helps identify emerging trends or areas of concern.

An extension would ensure continuity in the ACCC's monitoring role. It would also allow the ACCC to better understand how the aviation sector is meeting the needs of rural, regional and remote communities, thereby supporting a clearer picture of sector performance and providing ongoing visibility for stakeholders and policymakers.

5.4. A fit-for-purpose price notification regime for Airservices

The ACCC considers that the existing price notification framework does not adequately support efficient or fully effective regulatory processes. Targeted reforms to key elements of the framework could result in a regime better suited to its intended purpose.

In particular, the ACCC notes that the current 21-day assessment period to assess a formal price notification does not allow for the ACCC to apply a rigorous and fulsome economic assessment. This limits the ACCC's ability to properly assess the level and the efficiency of the declared firm's cost base, as well as the reasonableness of its rate of return.

More broadly, the statutory framework and assessment criteria for assessing price notifications has remained broadly the same for over 40 years. In the ACCC's view, section 95G(7) of the CCA no longer reflects contemporary pricing principles that are widely accepted in economic theory and applied to monopoly infrastructure in other regulatory settings.⁴⁵

⁴⁴ Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRDCA), [Aviation White Paper—Towards 2050](#), DITRDCA, Australian Government, August 2024, accessed 23 February 2026.

⁴⁵ See for example, the pricing principles contained in section 44ZZCA of the CCA or the revenue and pricing principles contained in section 7A of the National Electricity (South Australia) Act 1996 and section 24 of the National Gas (South Australia) Act 2008.

Further, price notifications do not allow the ACCC to make binding decisions. The ACCC can only decide whether or not to object to the prices notified (or to not object to another lower proposed increase).

Finally, the initiation of a price notification is at the discretion of the regulated firm, which can occur on an ad hoc basis and create uncertainty for industry. The ACCC has no power to initiate a price review, increasing the risk that excessive returns may persist and creating gaps during which the efficiency of a firm's cost base may go unexamined for extended periods.

Further information regarding the ACCC's views on the price notification framework can be found in the ACCC's decision to the Australia Post 2024 Price Notification.⁴⁶

5.5. The need for effective consumer dispute resolution

As outlined in the ACCC's submission to the Aviation Green Paper, over many years, aviation consumers have reported poor customer service, including poor communication, decreasing service quality, and issues in resolving disputes and obtaining redress.⁴⁷

The financial impact and inconvenience caused by poor service levels is often more acute for consumers travelling to and from regional areas, given flights to these locations operate with less frequency. These consumers can end up being significantly out of pocket in the event of delayed or cancelled flights. For example, they may have paid for related activities and accommodation which they are unable to use.

Customers may be placed on alternative flights which are unsuitable for their travel needs, such as missing a medical appointment, major life event (e.g., wedding, funeral), or a business meeting. Consumers may receive a flight credit for their original disrupted flight but still need to pay for a new flight with another airline, or some other mode of travel, to travel in time to meet these appointments or life events. However, these new flight or other travel bookings often need to be made very close to, or on, the date of travel, resulting in the consumers often paying substantially higher prices to get to their destination.

In addition, consumers on a disrupted flight may be placed on the next available flight which given the limited frequency of flights may be the following day, or even multiple days later. Consumers report bearing the cost and inconvenience of paying for and booking accommodation, food, and transport to and from the airport, with some airlines providing limited or insufficient assistance.

Dispute resolution through industry self-regulation has proven ineffective and has resulted in consumers, including consumers travelling to and from regional areas, bearing the costs of poor service levels in the aviation sector. Consumers need an effective dispute resolution body to help them resolve issues with the airlines when things go wrong.

The ACCC supports the Federal Government's commitment to establish the Aviation Consumer Ombudsperson, which was a key initiative announced in the Aviation White Paper.⁴⁸ While not directly focused on regional services, the introduction of a well-designed ombuds scheme will ensure that aviation consumers have access to accessible, fair, and

⁴⁶ ACCC, [Australia Post letter price 2024 – ACCC decision](#), ACCC, Australian Government, June 2025, pp. 80-81, accessed 26 February 2026.

⁴⁷ ACCC, [Aviation Green Paper submission](#), ACCC, Australian Government, November 2023.

⁴⁸ DITRDCA, [Aviation White Paper](#).

effective dispute resolution. It will also mean greater efficiencies and improved effectiveness in dispute resolution, including through incentivising airlines to improve internal complaints handling and overall service levels. This will significantly benefit consumers flying to and from regional Australia.

It has been suggested that additional consumer protection measures in the aviation sector could have adverse impacts on airfares and route availability. However, consumers are already disproportionately bearing the costs of flight delays and cancellations. A fair dispute resolution mechanism would mean these costs are redistributed.

The Federal Government is also intending to introduce an Aviation Customer Rights Charter to set out the expectations of fair and reasonable conduct by airlines and airports, including in relation to:

- accurate, timely and accessible information and customer service
- prompt and fair remedies and support during and after cancellations, delays and disruptions, and
- how customers can make complaints and exercise their rights.⁴⁹

The proposed Charter is still being developed, but may also assist consumers where issues arise in their interactions with airports and airlines, including consumers flying to and from regional Australia.

Further information regarding the ACCC's views on the effective design of the proposed ombuds scheme is available in the ACCC's submissions to the Aviation Industry Ombuds Scheme consultation and Aviation Consumer Protections consultation.⁵⁰

⁴⁹ DITRDCA, [Aviation Customer Rights Charter](#), DITRDCA, Australian Government, n.d., accessed 5 March 2026.

⁵⁰ ACCC, [Aviation Industry Ombuds Scheme submission](#), ACCC, Australian Government, October 2024. The ACCC's submission to the Aviation Consumer Protections consultation has not yet been published at the time of this submission.

Appendix: Airline route categorisation

For the purposes of its airline monitoring reporting, as well as this submission, the ACCC identifies each domestic airline route as either a major city, regional or remote route.

Route type is based on the remoteness of each airport connected by the route. The remoteness of airports is defined by the ABS remoteness structure which is part of the Australian Statistical Geography Standard (ASGS) Edition 3.

Routes are categorised as follows:

- major city route: both airports are in Major Cities of Australia
- regional route: at least one airport is in Inner Regional Australia or Outer Regional Australia, but not in Remote or Very Remote Australia, and
- remote route: at least one airport is in Remote or Very Remote Australia.

Table 1 shows each domestic route operated in January by the 3 monitored airline groups by route type.

Table 1 List of domestic routes by remoteness class – January 2026

Route		Route type
ADL-BNE	Adelaide-Brisbane	Major city
ADL-CBR	Adelaide-Canberra	Major city
ADL-MCY	Adelaide-Sunshine Coast	Major city
ADL-MEL	Adelaide-Melbourne	Major city
ADL-OOL	Adelaide-Gold Coast	Major city
ADL-PER	Adelaide-Perth	Major city
ADL-SYD	Adelaide-Sydney	Major city
BNE-CBR	Brisbane-Canberra	Major city
BNE-MEL	Brisbane-Melbourne	Major city
BNE-PER	Brisbane-Perth	Major city
BNE-SYD	Brisbane-Sydney	Major city
CBR-MEL	Canberra-Melbourne	Major city
CBR-OOL	Canberra-Gold Coast	Major city
CBR-PER	Canberra-Perth	Major city
CBR-SYD	Canberra-Sydney	Major city
MCY-MEL	Melbourne-Sunshine Coast	Major city
MCY-SYD	Sunshine Coast-Sydney	Major city

MEL-OOL	Gold Coast–Melbourne	Major city
MEL-PER	Melbourne–Perth	Major city
MEL-SYD	Melbourne–Sydney	Major city
OOL-PER	Gold Coast–Perth	Major city
OOL-SYD	Gold Coast–Sydney	Major city
PER-SYD	Perth–Sydney	Major city
ABX-SYD	Albury–Sydney	Regional
ADL-BHQ	Adelaide–Broken Hill	Regional
ADL-CNS	Adelaide–Cairns	Regional
ADL-DRW	Adelaide–Darwin	Regional
ADL-HBA	Adelaide–Hobart	Regional
ADL-MGB	Adelaide–Mount Gambier	Regional
ADL-WYA	Adelaide–Whyalla	Regional
ALH-PER	Albany–Perth	Regional
ARM-SYD	Armidale–Sydney	Regional
AVV-OOL	Avalon–Gold Coast	Regional
AVV-SYD	Avalon–Sydney	Regional
BDB-BNE	Brisbane–Bundaberg	Regional
BNE-CNS	Brisbane–Cairns	Regional
BNE-DRW	Brisbane–Darwin	Regional
BNE-EMD	Brisbane–Emerald	Regional
BNE-GLT	Brisbane–Gladstone	Regional
BNE-HBA	Brisbane–Hobart	Regional
BNE-HVB	Brisbane–Hervey Bay	Regional
BNE-LST	Brisbane–Launceston	Regional
BNE-MKY	Brisbane–Mackay	Regional
BNE-MOV	Brisbane–Moranbah	Regional
BNE-NTL	Brisbane–Newcastle	Regional
BNE-PPP	Brisbane–Proserpine	Regional
BNE-ROK	Brisbane–Rockhampton	Regional
BNE-TSV	Brisbane–Townsville	Regional
BNK-MEL	Ballina–Melbourne	Regional
BNK-SYD	Ballina–Sydney	Regional
CFS-MEL	Coffs Harbour–Melbourne	Regional
CFS-SYD	Coffs Harbour–Sydney	Regional

CNS-DRW	Cairns-Darwin	Regional
CNS-MEL	Cairns-Melbourne	Regional
CNS-OOL	Cairns-Gold Coast	Regional
CNS-PER	Cairns-Perth	Regional
CNS-SYD	Cairns-Sydney	Regional
CNS-TSV	Cairns-Townsville	Regional
DPO-MEL	Devonport-Melbourne	Regional
DRW-MEL	Darwin-Melbourne	Regional
DRW-PER	Darwin-Perth	Regional
DRW-SYD	Darwin-Sydney	Regional
GET-PER	Geraldton-Perth	Regional
HBA-MEL	Hobart-Melbourne	Regional
HBA-OOL	Gold Coast-Hobart	Regional
HBA-PER	Hobart-Perth	Regional
HBA-SYD	Hobart-Sydney	Regional
HVB-SYD	Hervey Bay-Sydney	Regional
KGI-PER	Kalgoorlie-Perth	Regional
LST-MEL	Launceston-Melbourne	Regional
LST-SYD	Launceston-Sydney	Regional
MEL-MGB	Melbourne-Mount Gambier	Regional
MEL-MIM	Melbourne-Merimbula	Regional
MEL-MQL	Melbourne-Mildura	Regional
MEL-NTL	Melbourne-Newcastle	Regional
MEL-PPP	Melbourne-Proserpine	Regional
MEL-TSV	Melbourne-Townsville	Regional
MEL-WGA	Melbourne-Wagga Wagga	Regional
ABX-MEL	Albury-Melbourne	Regional
MKY-ROK	Mackay-Rockhampton	Regional
MKY-TSV	Mackay-Townsville	Regional
MRZ-SYD	Moree-Sydney	Regional
NTL-OOL	Gold Coast-Newcastle	Regional
OAG-SYD	Orange-Sydney	Regional
PKE-SYD	Parkes-Sydney	Regional
PPP-SYD	Sydney-Proserpine	Regional
PQQ-SYD	Port Macquarie-Sydney	Regional

SYD-TMW	Sydney-Tamworth	Regional
SYD-TSV	Sydney-Townsville	Regional
SYD-WGA	Sydney-Wagga Wagga	Regional
SYD-WTB	Sydney-Toowoomba	Regional
CBR-HBA	Canberra-Hobart	Regional
BXG-SYD	Bendigo-Sydney	Regional
ADL-LST	Adelaide-Launceston	Regional
LST-PER	Launceston-Perth	Regional
ADL-NTL	Adelaide-Newcastle	Regional
BNE-WLE	Brisbane-Miles	Regional
BNE-PQQ	Brisbane-Port Macquarie	Regional
MQL-SYD	Mildura-Sydney	Regional
NTL-PER	Newcastle-Perth	Regional
ABX-BNE	Albury-Brisbane	Regional
BNE-WGA	Brisbane-Wagga Wagga	Regional
BQB-MEL	Busselton-Melbourne	Regional
CNS-MCY	Cairns-Mackay	Regional
BQB-SYD	Busselton-Sydney	Regional
AVV-BNE	Avalon-Brisbane	Regional
HVB-MEL	Hervey Bay-Melbourne	Regional
ADL-PPP	Adelaide-Proserpine	Regional
HBA-NTL	Hobart-Newcastle	Regional
MEL-ABX-WGA	Melbourne-Albury-Wagga Wagga	Regional
SYD-DBO-BHQ	Sydney-Dubbo-Broken Hill	Regional
SYD-GFF-NRA	Sydney-Griffith-Narrandera	Regional
SYD-MYA-MIM	Sydney-Moruya-Merimbula	Regional
ADL-ASP	Adelaide-Alice Springs	Remote
ADL-CED	Adelaide-Ceduna	Remote
ADL-CPD	Adelaide-Cooper Pedy	Remote
ADL-KGC	Adelaide-Kingscote	Remote
ADL-PL0	Adelaide-Port Lincoln	Remote
ASP-BNE	Alice Springs-Brisbane	Remote
ASP-DRW	Alice Springs-Darwin	Remote
ASP-MEL	Alice Springs-Melbourne	Remote
ASP-SYD	Alice Springs-Sydney	Remote

AYQ-CNS	Uluru-Cairns	Remote
AYQ-MEL	Uluru-Melbourne	Remote
AYQ-SYD	Uluru-Sydney	Remote
BME-PER	Broome-Perth	Remote
BNE-HTI	Brisbane-Hamilton Island	Remote
BNE-ISA	Brisbane-Mount Isa	Remote
CNS-HID	Cairns-Horn Island	Remote
CNS-ISA	Cairns-Mount Isa	Remote
CNS-WEI	Cairns-Weipa	Remote
EPR-PER	Esperance-Perth	Remote
HTI-MEL	Hamilton Island-Melbourne	Remote
HTI-SYD	Hamilton Island-Sydney	Remote
ISA-TSV	Mount Isa-Townsville	Remote
KNX-PER	Kununurra-Perth	Remote
KTA-PER	Karratha-Perth	Remote
LEA-PER	Learmonth-Perth	Remote
PBO-PER	Paraburdoo-Perth	Remote
PER-PHE	Perth-Port Hedland	Remote
PER-ZNE	Perth-Newman	Remote
ONS-PER	Onslow-Perth	Remote
Central 1	Brisbane-Roma-Charleville	Remote
Central 2	Brisbane-Barcaldine/Blackall-Longreach	Remote
Gulf	Cairns-Normanton-Mornington Island-Burketown-Doomadgee-Mount Isa	Remote
MEL-BWT-KNS	Melbourne-Burnie-King Island	Remote
Northern 1	Townsville-Winton-Longreach	Remote
Northern 2	Townsville-Hughenden-Richmond-Julia Creek-Mount Isa	Remote
PER-CVQ-MJK	Perth-Carnarvon-Monkey Mia	Remote
Western 1	Brisbane-Toowoomba-St George-Cunnamulla-Thargomindah	Remote
Western 2	Brisbane-Toowoomba-Charleville-Quilpie-Windorah-Birdsville-Bedourie-Boulia-Mount Isa	Remote

Table 2 lists the 95 airports serviced by the 3 airline groups, the Qantas Group, Virgin Australia, and Rex, in January 2026 and their respective remoteness classification.

Table 2 Airport and remoteness – January 2026

IATA	Airport name	Airport remoteness	Airport remoteness area
ADL	Adelaide International Airport	Major Cities	Major Cities of Australia
BNE	Brisbane International Airport	Major Cities	Major Cities of Australia
CBR	Canberra International Airport	Major Cities	Major Cities of Australia
MCY	Sunshine Coast Airport	Major Cities	Major Cities of Australia
MEL	Melbourne International Airport	Major Cities	Major Cities of Australia
OOL	Gold Coast Airport	Major Cities	Major Cities of Australia
PER	Perth International Airport	Major Cities	Major Cities of Australia
SYD	Sydney Kingsford Smith International Airport	Major Cities	Major Cities of Australia
ABX	Albury Airport	Regional	Inner Regional Australia
ARM	Armidale Airport	Regional	Inner Regional Australia
AVV	Avalon Airport	Regional	Inner Regional Australia
BDB	Bundaberg Airport	Regional	Inner Regional Australia
BNK	Ballina Byron Gateway Airport	Regional	Inner Regional Australia
BQB	Busselton Regional Airport	Regional	Inner Regional Australia
BXG	Bendigo Airport	Regional	Inner Regional Australia
CFS	Coffs Harbour Airport	Regional	Inner Regional Australia
DBO	Dubbo City Regional Airport	Regional	Inner Regional Australia
GLT	Gladstone Airport	Regional	Inner Regional Australia
HBA	Hobart International Airport	Regional	Inner Regional Australia
HVB	Hervey Bay Airport	Regional	Inner Regional Australia
LST	Launceston Airport	Regional	Inner Regional Australia
MKY	Mackay Airport	Regional	Inner Regional Australia
MYA	Moruya Airport	Regional	Inner Regional Australia
NTL	Newcastle Airport	Regional	Inner Regional Australia
OAG	Orange Airport	Regional	Inner Regional Australia
PQQ	Port Macquarie Airport	Regional	Inner Regional Australia
ROK	Rockhampton Airport	Regional	Inner Regional Australia
TMW	Tamworth Airport	Regional	Inner Regional Australia
WGA	Wagga Wagga City Airport	Regional	Inner Regional Australia
WTB	Toowoomba Wellcamp Airport	Regional	Inner Regional Australia
ALH	Albany Airport	Regional	Outer Regional Australia
BHQ	Broken Hill Airport	Regional	Outer Regional Australia
BWT	Wynyard Airport	Regional	Outer Regional Australia

CNS	Cairns International Airport	Regional	Outer Regional Australia
DPO	Devonport Airport	Regional	Outer Regional Australia
DRW	Darwin International Airport	Regional	Outer Regional Australia
EMD	Emerald Airport	Regional	Outer Regional Australia
GET	Geraldton Airport	Regional	Outer Regional Australia
GFF	Griffith Airport	Regional	Outer Regional Australia
KGI	Kalgoorlie Boulder Airport	Regional	Outer Regional Australia
MGB	Mount Gambier Airport	Regional	Outer Regional Australia
MIM	Merimbula Airport	Regional	Outer Regional Australia
MOV	Moranbah Airport	Regional	Outer Regional Australia
MQL	Mildura Airport	Regional	Outer Regional Australia
MRZ	Moree Airport	Regional	Outer Regional Australia
NRA	Narrandera Airport	Regional	Outer Regional Australia
PKE	Parkes Airport	Regional	Outer Regional Australia
PPP	Proserpine Whitsunday Coast Airport	Regional	Outer Regional Australia
RMA	Roma Airport	Regional	Outer Regional Australia
TSV	Townsville Airport	Regional	Outer Regional Australia
WLE	Miles Airport	Regional	Outer Regional Australia
WYA	Whyalla Airport	Regional	Outer Regional Australia
ASP	Alice Springs Airport	Remote	Remote Australia
BME	Broome International Airport	Remote	Remote Australia
EPR	Esperance Airport	Remote	Remote Australia
HTI	Hamilton Island Airport	Remote	Remote Australia
ISA	Mount Isa Airport	Remote	Remote Australia
KGC	Kingscote Airport	Remote	Remote Australia
KTA	Karratha Airport	Remote	Remote Australia
PHE	Port Hedland International Airport	Remote	Remote Australia
PLO	Port Lincoln Airport	Remote	Remote Australia
SGO	St George Airport	Remote	Remote Australia
AYQ	Ayers Rock Connellan Airport	Remote	Very Remote Australia
BCI	Barcaldine Airport	Remote	Very Remote Australia
BEU	Bedourie Airport	Remote	Very Remote Australia
BKQ	Blackall Airport	Remote	Very Remote Australia
BQL	Boulia Airport	Remote	Very Remote Australia
BUC	Burketown Airport	Remote	Very Remote Australia

BVI	Birdsville Airport	Remote	Very Remote Australia
CED	Ceduna Airport	Remote	Very Remote Australia
CMA	Cunnamulla Airport	Remote	Very Remote Australia
CPD	Coober Pedy Airport	Remote	Very Remote Australia
CTL	Charleville Airport	Remote	Very Remote Australia
CVQ	Carnarvon Airport	Remote	Very Remote Australia
DMD	Doomadgee Airport	Remote	Very Remote Australia
HGD	Hughenden Airport	Remote	Very Remote Australia
HID	Horn Island Airport	Remote	Very Remote Australia
JCK	Julia Creek Airport	Remote	Very Remote Australia
KNS	King Island Airport	Remote	Very Remote Australia
KNX	Kununurra Airport	Remote	Very Remote Australia
KRB	Karumba Airport	Remote	Very Remote Australia
LEA	Learmonth Airport	Remote	Very Remote Australia
LRE	Longreach Airport	Remote	Very Remote Australia
MJK	Shark Bay Airport	Remote	Very Remote Australia
NTN	Normanton Airport	Remote	Very Remote Australia
ONG	Mornington Island Airport	Remote	Very Remote Australia
ONS	Onslow Airport	Remote	Very Remote Australia
PBO	Paraburdoo Airport	Remote	Very Remote Australia
RCM	Richmond Airport	Remote	Very Remote Australia
ULP	Quilpie Airport	Remote	Very Remote Australia
WEI	Weipa Airport	Remote	Very Remote Australia
WIN	Winton Airport	Remote	Very Remote Australia
WNR	Windorah Airport	Remote	Very Remote Australia
XTG	Thargomindah Airport	Remote	Very Remote Australia
ZNE	Newman Airport	Remote	Very Remote Australia