



Australian Government  
Productivity Commission

[pc.gov.au](http://pc.gov.au)

# Determinants of regional airfares

## What we heard

Inquiry paper



June 2026

## Acknowledgement of Country



The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

---

## About us

The PC is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more information, visit the PC's website: [www.pc.gov.au](http://www.pc.gov.au)

---

© Commonwealth of Australia 2026



With the exception of the Commonwealth Coat of Arms and content supplied by third parties, this copyright work is licensed under a Creative Commons Attribution 4.0 International licence. In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to the PC (but not in any way that suggests the PC endorses you or your use) and abide by the other licence terms. The licence can be viewed at: <https://creativecommons.org/licenses/by/4.0>.

The terms under which the Coat of Arms can be used are detailed at:  
[www.pmc.gov.au/government/commonwealth-coat-arms](http://www.pmc.gov.au/government/commonwealth-coat-arms).

Wherever a third party holds copyright in this material the copyright remains with that party. Their permission may be required to use the material, please contact them directly.

An appropriate reference for this publication is:  
Productivity Commission 2026, *Determinants of regional airfares: What we heard*, Inquiry paper, Canberra

Publication enquiries:  
Phone 03 9653 2244 | Email [publications@pc.gov.au](mailto:publications@pc.gov.au)

---

# Contents

<b>1.</b>	<b>Introduction</b>	<b>1</b>
<b>2.</b>	<b>Community concerns about regional airfares and aviation</b>	<b>5</b>
	2.1 Concerns with current services	5
<b>3.</b>	<b>Impacts on regional communities</b>	<b>11</b>
	3.1 Why regional aviation matters	11
	3.2 Impacts on people and communities	13
	3.3 Impacts on economic activity, businesses and employment	17
<b>4.</b>	<b>Policy suggestions from regional communities</b>	<b>19</b>
	4.1 Ideas to improve affordability	19
	4.2 Ideas to improve connectivity	21
	4.3 Ideas to improve reliability	22
<b>5.</b>	<b>Drivers of regional airfares</b>	<b>23</b>
	5.1 Demand for air travel	23
	5.2 Airline and airport costs	25
	5.3 Regulatory and compliance costs	31
	5.4 Competition and market structure	33
<b>A.</b>	<b>Public consultation</b>	<b>35</b>
<b>B.</b>	<b>Online questionnaire methods</b>	<b>43</b>
	Study design	43
	Research questions and assumptions	43
	Data collection	43
	Sample description	45
	Analytic method	46



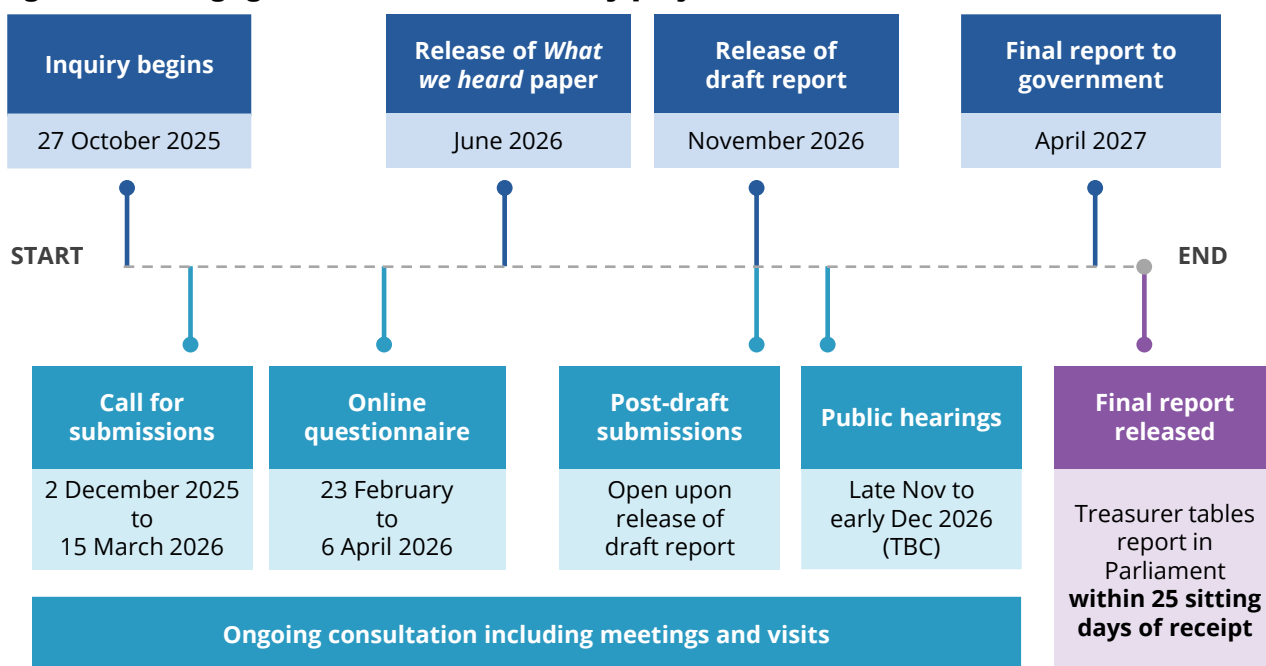
# 1. Introduction

In October 2025, the Australian Government tasked the Productivity Commission with examining the determinants of regional airfares. The inquiry focuses on understanding the factors that affect the level and variability of regional airfares. It also examines the influence of costs, demand factors, market structures and policy settings in shaping regional aviation services and the impacts of airfares and service availability on regional communities and economies.

Regional aviation connects a wide range of regional and remote locations and supports diverse travel needs. Communities differ in how much they rely on air services and in the availability of alternative transport options. As a result, regional aviation operates across a range of different markets, each with its own mix of challenges and constraints.

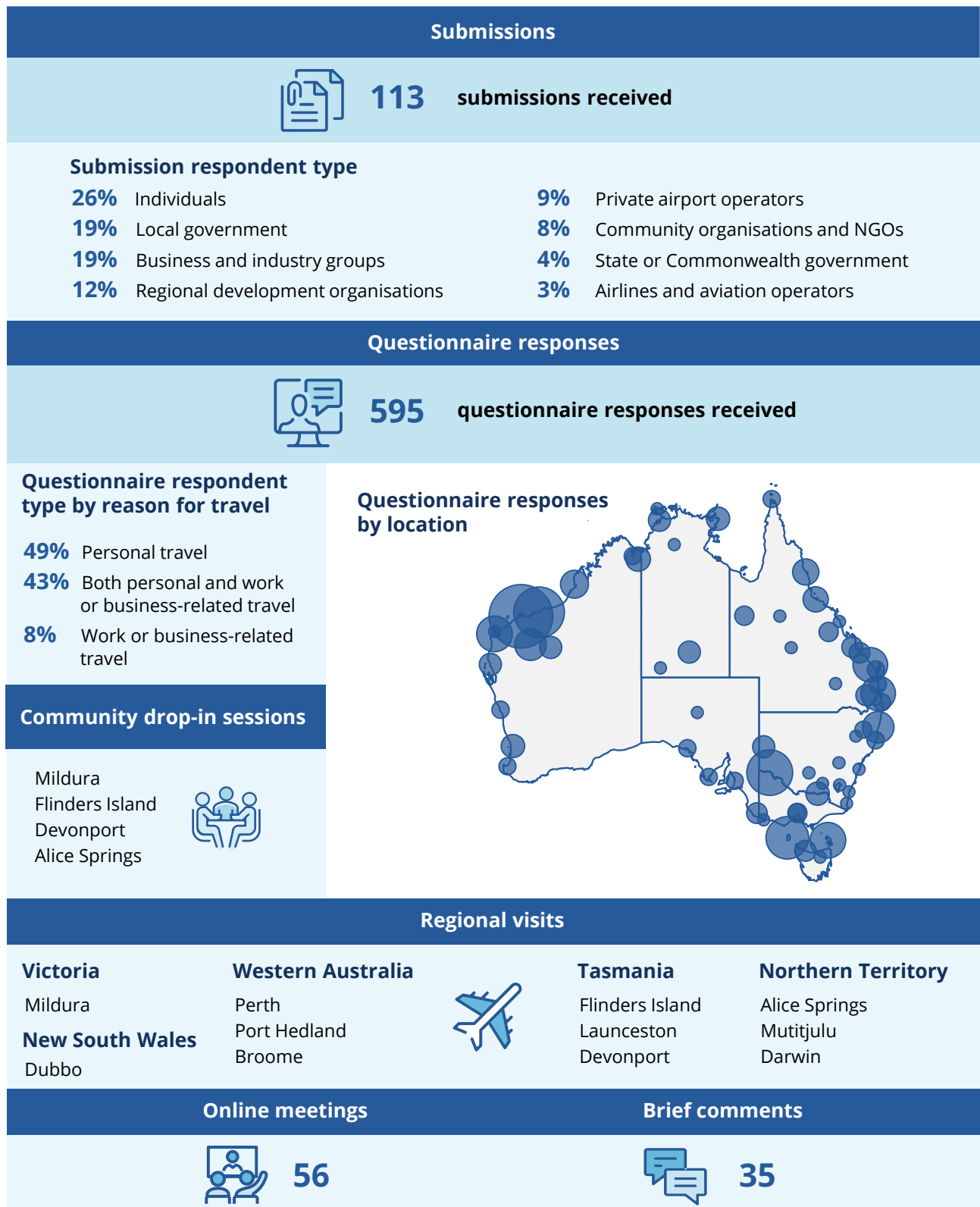
Engagement is central to understanding these dynamics. The diversity of regional aviation means that experiences differ widely across communities, routes and user groups. To capture this breadth, we have engaged widely with individuals, communities, businesses, peak bodies and governments across Australia. A timeline of all engagement activities planned for the inquiry and key project milestones is provided in figure 1.1.

**Figure 1.1 – Engagement activities and key project milestones**



This *What we heard* paper summarises the perspectives of participants who engaged with the inquiry through written submissions, an online questionnaire and community drop-in sessions between December 2025 and June 2026 (figure 1.2). The perspectives presented reflect the engagement to date and do not represent a complete account of participant views, nor do they represent the views of the PC.

**Figure 1.2 – A summary of participation in engagement activities to date**



All submissions and questionnaire responses were read by staff and analysed using qualitative methods, including coding in NVivo software.

We will continue to engage with participants in the lead up to the draft report, while also gathering and analysing a range of other information that will inform our thinking. Following its release in late 2026, we will seek feedback on our draft report and recommendations through submissions and public hearings. Further detail on these will be available on our website.

We thank participants for sharing a wide range of experiences and perspectives on how regional aviation operates in practice and the role it plays in supporting access, connectivity and economic activity. We value the time, insights and evidence provided and appreciate the strong interest communities have in this issue.



## 2. Community concerns about regional airfares and aviation

Participants in the inquiry have highlighted the numerous ways that air services can underpin their life in regional Australia, from enabling access to essential services to supporting economic activity and social connection. Many noted the importance of existing government supports for various types of travel (such as programs for some health- and education-related travel) as well as concession programs run by the airlines themselves.

That said, our terms of reference focus on potential improvements to aviation outcomes and much of our engagement has come from participants who have concerns about the state of aviation in regional Australia. These concerns span the reliability, affordability and adequacy of air services in regional areas.

This chapter outlines a range of cross-cutting themes that have emerged through our engagement to date. More detailed examples of the impacts of aviation and airfares – on people, communities, economic activity and employment – are discussed in chapter 3. Participants' ideas and suggestions for government policy are outlined in chapter 4, while perspectives on possible determinants and drivers of regional airfares are detailed in chapter 5.

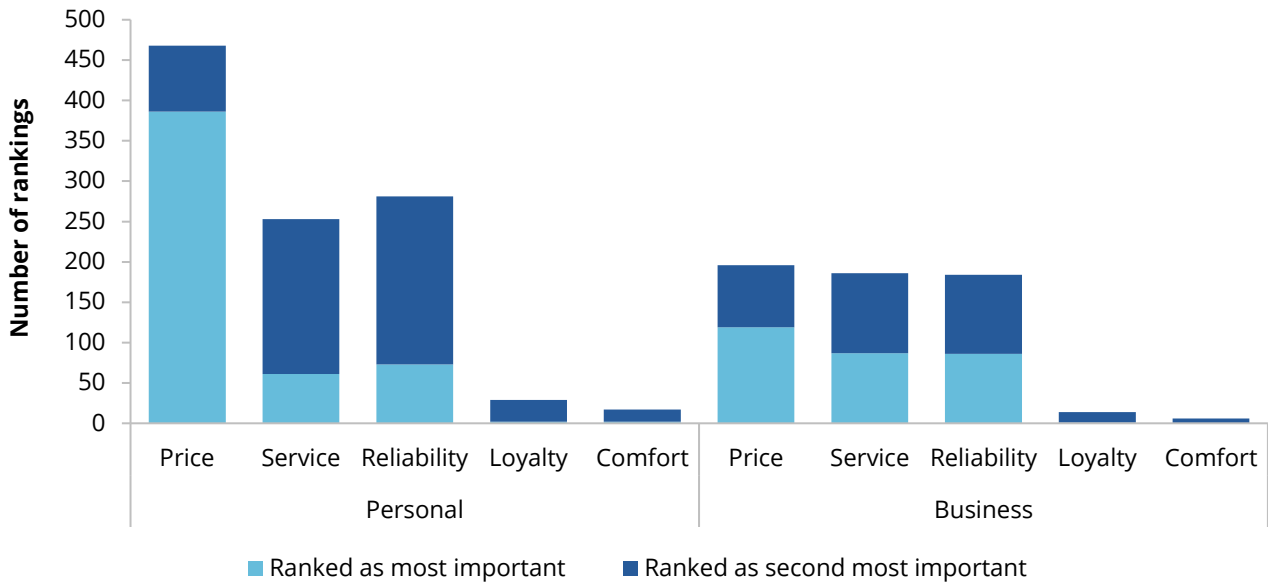
### 2.1 Concerns with current services

Engagement during the inquiry so far has helped us understand which issues are important to participants. For example, our online questionnaire asked respondents whether they used aviation for personal and/or business purposes. Among both groups of respondents, price was often the factor ranked as most important when considering air travel (figure 2.1).

- When considering personal travel, price was most commonly ranked as being of greatest importance (74% of respondents), followed by reliability (14%), and service offerings (12%).
- When considering business travel, price was most cited as the primary concern (41% of respondents), although almost as many respondents cited service offerings (30%) and reliability (29%) as their primary concerns.

Similar themes were explored in our community drop-in sessions (box 2.1).

**Figure 2.1 – Respondents ranked price as the most important factor in air travel decisions**



Source: PC analysis of unpublished questionnaire results.

**Box 2.1 – Reflections from community drop-in sessions**

The PC held community drop-in sessions at a small number of locations to understand how aviation affects the lives of regional Australians. These drop-in sessions were advertised on social media in advance and provided people with an opportunity to speak freely about any problems they experience with regional aviation. The PC is grateful for the opportunity to speak with participants and is thankful for their contribution to this inquiry. The following is a summary of the issues raised during the community drop-in sessions held in Mildura, Flinders Island and Alice Springs.

**Mildura, Victoria**

- Participants expressed frustration at a lack of alternative transport options, making them dependent on air travel. They noted that bus and train alternatives are long, difficult and unreliable, with the bus to Adelaide reportedly taking more than 11 hours and involving long waits in exposed bus shelters.
- Participants noted that return airfares to Melbourne can cost in excess of \$1,000, while needing to factor in potential flight cancellations can increase accommodation costs and time away from home.
- Travel to Melbourne for medical reasons was cited as a major issue, particularly for people reliant on the Age Pension. Participants reported having to travel to Melbourne for initial medical visits to confirm diagnoses or referrals. Once qualified, they have to pay for fares up-front before being reimbursed through the Victorian Patient Transport Assistance Scheme up to 8 weeks later. As a result, people spoke of having to choose between accessing cancer treatment and paying their rent.

## Box 2.1 – Reflections from community drop-in sessions

### Flinders Island, Tasmania

- Participants considered high fares and limited availability to be a major issue. They relayed that it can be difficult to secure a seat at busy times and fares seem expensive for the distance. This affects residents' ability to access services, maintain family connections and manage property and maintenance needs.
- Participants also reported frustration with the reduced flexibility of regular public transport (RPT) services (and the need to now pay extra for flexible fares), limited ability to add capacity for events (e.g. funerals), and frustrations with reliability and frequency. However, they recognised that the growth of more flexible charter options risked damaging the financial viability of RPT services.

### Alice Springs, Northern Territory

- There was a high level of frustration with the price, reliability and scheduling of flights in and out of Alice Springs Airport and it was noted that service quality had deteriorated in recent years. High prices and a lack of services meant that people were missing out on crucial family events such as weddings and funerals, and when a family emergency occurred in Darwin or out of state it was difficult or impossible to attend.
- Participants noted that it is becoming increasingly difficult to attract and retain staff in Alice Springs as it is too costly for people to relocate, or once there, to visit friends and family. For example, skilled migrants can feel isolated because they have no affordable way to return home to visit their friends and families, reducing the likelihood they will stay.
- We also heard that specialist health care providers that currently fly into Alice Springs weekly are reconsidering whether they will continue offering their services due to high airfares and delays to flights.
- Participants reported that tourist and backpacker numbers have declined since the COVID-19 pandemic, in part because of the cost of air travel.

## Fares and the affordability of air travel

Our engagements provided insights into how the price of air travel translates to affordability for individuals and households. Affordability of air travel depends on both fares and income levels.

I cannot see my Specialist Medical Doctors in Melbourne because I cannot afford the flight it is 89% of my pension for a return flight. (qr. 530)

Several participants made the point that what is most relevant to them is not the price of a single ticket, but the price of flying as a family unit. This may be the case where travelling as a family is central to the trip itself (e.g. when visiting family). It can also be relevant where children are too young to travel alone or have no temporary care available.

Currently it is 3 flights to get home to Adelaide and with 2 adults and 2 kids the cost is just not possible for us on one income. (qr. 450)

Airfares for a family of five to Perth can exceed \$3,000 and continue to rise, making flying unaffordable. As a result, many families, including ours, choose to drive the 1,600 kilometres each way instead. This is not a preference - it is a financial necessity. (qr. 56)

Other participants made comparisons between fares for different locations, questioning the logic and fairness of disparities. This included comparisons between the east and west coast of Australia; as well as between

Australian regional fares and international flights. One participant noted that perceptions of value can divert tourists to other destinations.

Travellers divert to alternative destinations perceived as offering better value or greater reliability. The current travel environment commonly sees short haul overseas travel to New Zealand, SE Asia, and the Pacific considered better value. (TTF, sub. 1, p. 5)

### **Fare volatility and unpredictability**

Aside from the level of fares, participants also commented on their variability, depending on when tickets were booked and when travel was to take place.

The one-way airfare between Moruya and Sydney varies from \$191 to \$600. Airfare fluctuations contribute to a large percentage of negativity from the community and travelling public. (Eurobodalla Shire Council, sub. 42, p. 2)

Several participants noted that seasonal differences in pricing can have significant impacts on travellers and their choices. They told us that peak fares can be prohibitively high, particularly for those who are constrained in the times of year they can travel or for people who have no choice but to travel.

In addition to higher average prices, rural and remote airfares are subject to significant volatility. Demand fluctuates throughout the year, with peaks during winter, school holidays and major events. Capacity constraints and limited flexibility in scheduling mean that increases in demand cannot always be accommodated. (WQAC, sub. 105, p. 9)

We compete with the tourists during peak periods and ... prices can [be] double or triple at this time compared to off season. We have to fly for school holidays so cannot change our flights to cheaper times. Our flights need to meet connecting bus services as students are under age [and] travel unaccompanied so cannot stay in hotels. (qr. 320)

Other participants noted that fares can increase as a flight gets closer to departure, with implications for those travelling at short notice.

Airline revenue management allocates lower fares early and higher fares closer to departure. This intertemporal price discrimination is economically rational. Volatility is particularly pronounced within 7-14 days of departure, a period in which travel is frequently non-discretionary (medical, bereavement, defence posting, operational call-outs). (DMBG, sub. 78, p. 5)

Flights booked at short notice or during peak periods can be prohibitively expensive, with stakeholders reporting fares of up to \$2,000. These high-cost fares often occur in situations involving essential travel, including medical, cultural, family or education-related trips. (WQAC, sub. 105, p. 10)

Participants acknowledged a range of possible causes of fare volatility. Some suggested that while some volatility might be unavoidable, more transparency around pricing would be valuable for passengers (DMBG, sub. 78, p. 5; WQAC, sub. 105, p. 10).

---

## Reliability, service levels and scheduling

Reliability issues were also raised by participants, although experiences varied. Some questionnaire respondents did not experience cancellations or delays in their area, and others commented that some variability was to be expected in travel. However, other participants noted that delays and cancellations were a relatively frequent occurrence, resulting in costs and other consequences.

Reliability is a major problem for us: we can only fly to Cairns and Darwin, so usually need connecting flights onward. Late or cancelled flights means missed connections and being very out of pocket frequently. (qr. 321)

The frequency, price and reliability of flights have been very poor. I have been residing here for work for 5 weeks and will be here for the next 5 months. In the two trips I have been engaged in since then, I have had 2 flight cancellations, a return flight delayed by 40mins and now an inbound flight delayed by 3 hours. (qr. 150)

There was widespread agreement among participants that the consequences of cancellations and delays were far greater in regional areas. This is because many regional routes have limited services, so delayed flights do not typically have a replacement flight as soon as at major airports. Travel can often be displaced by 24 hours or more, with implications not only for individuals' arrangements, but also for the confidence of businesses planning to travel to regional areas (New England FEC, sub. 31, p. 2; Bob Katter MP, sub. 39, p. 6; Austin Tourist Park, sub. 81, pp. 9–10).

Some participants noted that they plan their travel to account for potential delays or cancellations. In many cases, the lack of reliability adds directly to the cost of travel in the form of additional accommodation and time off work.

[Greater service reliability] would lessen the costs of additional stop-over accommodation and enable definite attendance at events. (qr. 291)

Due to the delays and cancellation we are forced to spend more money overall. We need leave town earlier than needed and pay more for accommodation in the main city just in case we miss crucial health appointments or ... miss another flight. (qr. 333)

In thin markets such as the Northern Territory, unreliable services can impose costs that exceed the ticket price itself, particularly for essential travel. (Northern Territory Government, sub. 48, p. 8)

Questionnaire responses reflected variations in reliability and service issues in different locations, as well as different individual preferences around reliability. Overall, many said explicitly that if reliability and service delivery were improved, they would travel by air more often. Others noted how reliability affects the overall cost of travel – which may also indirectly affect decisions to travel by air.



## 3. Impacts on regional communities

Inquiry participants emphasised that problems with the cost, reliability and scheduling of flights can be barriers for people living in regional areas, as well as the economic activity of the region. Participants' reliance on regional aviation can affect them in different ways. This chapter outlines what we heard about the effects on people, communities, economic activity, businesses and employment.

### 3.1 Why regional aviation matters

Participants throughout the inquiry have emphasised the importance of aviation for regional communities. We have heard how aviation is often the only way to travel, facilitates critical aspects of everyday life, and is essential for some people living in regional and remote Australia.

#### Air travel is often the preferred – or only – option

Participants affirmed that aviation is particularly relevant to regional Australia given the need to travel long distances.

A day trip flying to Brisbane for a medical appointment then turns into two or three days to drive or train return. (qr. 282)

I frequently choose to drive long distances rather than fly due to airfare costs. Driving these distances involves journeys exceeding 1500 kilometres across remote highways where fatigue, wildlife collisions and mechanical issues present real risks. (ANH and Co Investments Pty Ltd, sub. 74, p. 2)

Mildura has limited public transport that takes 12 hours to get to Melbourne and even longer to get to Adelaide, so more affordable air travel would ... reduce long, tiring travel times by road and rail. (qr. 271)

Some stakeholders noted the lack of viable alternative modes of transport. This was particularly true of communities on islands or in remote areas that may be cut off from road travel temporarily.

Many communities are only accessible by road during the dry season. (ICAN, sub. 15, p. 2)

In very remote areas of Australia road transport may not be available at times due to seasonal weather conditions, or year round in the case of an island community such as Tasmania and its Bass Strait Islands. (Burnie Airport Corporation, sub. 79, p. 3)

## People travel for a range of reasons

Respondents to our questionnaire identified a wide range of reasons for personal and work-related travel (figure 3.1). For example, we heard how aviation enables people to access health services they would not be able to otherwise, whether by travelling to larger centres or allowing clinicians to visit.

Air services are critical for many residents requiring access to specialist healthcare in Melbourne and Sydney. For time sensitive appointments, surgery and ongoing treatment, aviation provides the only practical same day return option. (Albury City Council, sub. 24, p. 1)

We also heard how aviation can support residents of regional and remote areas to travel interstate or to major cities to visit family members, or to allow those family members to visit. This can include regular, planned visits as well as emergency visits to family.

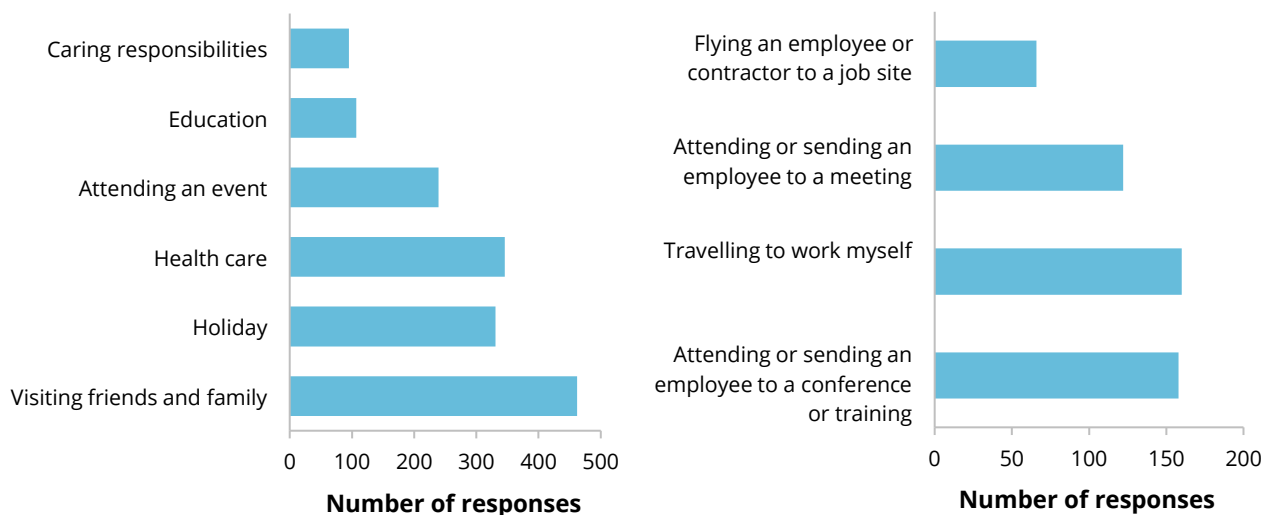
Affordable flights enables more visits to family, less financial stress when needing to book last minute flights ie to visit unwell family members, attend funerals etc. (qr. 40)

Participants also told us that air travel can contribute to economic activity, including by allowing people to travel for work or by bringing people into a region.

Improved air connectivity drives direct economic benefits for regional communities by bringing new visitor spending to local businesses, including accommodation, hospitality, tours, producers, and retail. (TTF, sub. 1, p. 5)

Responses to the questionnaire, as well as our public submissions, give further examples of how regional aviation impacts communities and economies.

**Figure 3.1 – Questionnaire respondents cited several reasons for air travel**  
**Reasons for personal travel (left) and business or work-related travel (right)**



Respondents were provided a list of potential reasons for travel and asked to choose all that were applicable. For personal travel, reasons included: holiday; health care; education; caring responsibilities; attending an event; and other. For work or business-related travel, reasons included: travelling to work myself; flying an employee or contractor to a job site; attending or sending an employee to a meeting; attending or sending an employee to a conference or training.

Source: PC analysis of unpublished questionnaire results.

We heard from some people and businesses that travel frequently.

As self-funded retirees, we travel frequently for visits to our grandchildren, medical specialist appointments, hospital admissions, and to attend meetings and conferences in relation to our volunteer role with a national organisation. (Brian and Amelia Wilmer, sub. 14, p. 1)

I operate businesses that require regular travel between Perth and regional towns including Karratha and Tom Price. (ANH and Co Investments Pty Ltd, sub. 74, p. 1)

While for some people, air travel is completely out of financial reach.

The very high cost of airfares between remote communities and regional centres places air travel beyond the financial reach of many of the people we assist. (ICAN, sub. 15, p. 2)

Given the nature of this inquiry, we received many submissions from regular air travellers, and few submissions from those for whom flying would be unaffordable, even if the fares were lower.

## 3.2 Impacts on people and communities

### Health service accessibility

Many participants discussed the important role aviation plays in accessing health services that are not available in their community. In some cases, the cost of air travel can increase the cost of accessing health services, influencing the way people use those services and impacting their wellbeing.

If you have to book a last minute flight due to urgent medical reasons it can be very expensive especially for a pensioner. (qr. 289)

It has been a disaster in terms of missing medical appointments, missing medical treatment, some people have had to choose between paying rent and paying for airfares to attend medical appointments. (qr. 135)

It's expensive enough now but the increase to prices means having to cut back on regular visits for medical and dental appointments, etc.(for services not provided locally and not covered by [Patient Assisted Travel Scheme]). (qr. 183)

Participants also outlined how patients experience the flow-on effects of flight cancellations or delays.

The fact that the planes are very often cancelled or delayed only adds to the stress patients are feeling ... This means that patients will not make their appointments in Melbourne that they sometimes have waited six to twelve months for and now have a mad scramble to try to change their appointment. (SIRS, sub. 92, p. 2)

We heard that aviation not only affects regional residents travelling for health services, but also the delivery of health services by visiting specialists.

For health providers, unreliable or costly travel reduces the frequency of visiting services or present an undesirable option for professionals who otherwise opt to avoid the provision of services outside of metropolitan areas. (City of Mount Gambier, sub. 51, p. 3)

... so many of our specialists (and even GPs for the Urgent Care Centre) rely on flights from Melbourne to provide a service to the local community. When flights are cancelled (there have been 4 that impacted on doctor travel this past fortnight) or are significantly delayed, Mildura people lose services. We already lost doctors when the Mildura to Adelaide route was cancelled. (qr. 5)

## Impacts on education

Regional aviation can affect people's access to and participation in educational services. Some inquiry participants said that the cost of flights limits these opportunities.

... the excessive cost of regional airfares limit schools' ability to participate in valuable extra-curricular activities that could enrich student's learning experiences. (CEQL, sub. 59, p. 3)

A boarding school in Tasmania noted that the continuing decline of boarder numbers across Tasmania may in part be attributed to the issue of travel costs for families. (ISA, sub. 94, p. 7)

For my children, affordable and consistent flights are essential. Many opportunities that support their development—whether in sport, music, drama, or other specialised programs—are only available in Perth. We use air travel so they can participate in professional squads, competitions, and high-level training that are not offered locally. (qr. 407)

Some participants highlighted that these costs are making them consider leaving their community.

With one child at boarding school and another one going there soon, it is becoming less viable for us to live in a remote community because we cannot get out easily or affordably when we need to. (qr. 321)

Inquiry participants also highlighted that current regional air service offerings make it difficult for students to return home to see their family and connect with their communities.

Airfares that are unaffordable on student incomes effectively penalise regional Aboriginal students for pursuing higher education away from their communities, and contribute to rates of noncompletion that in turn affect employment and long-term wellbeing outcomes. (RDA Mid North Coast of NSW, sub. 58, p. 13)

The price of flights means I cannot bring my daughter home from boarding [school] as often as I would like. It also means we cannot go and visit her, or any of our family. (qr. 476)

Participants expressed concern about the education workforce and the impacts that regional air services can have on educators in their communities.

I often have young education and health professionals tell me if they could fly home on Fridays and see family and friends for the weekend they could live with the isolation. They enjoy our lifestyle but being such a long way from family and friends is difficult. They often tell me they don't need to go home every weekend but once every couple of months would keep them happy to living in our community. (qr. 213)

For teachers and school leaders in regional areas, educational access and community participation are core professional obligations. However, when air services are unreliable or prohibitively expensive, schools' ability to meet these obligations is significantly reduced. (ISA, sub. 94, p. 6)

Some participants noted that school absenteeism can be caused by travel decisions relating to the cost and availability of flights.

On some occasions I have had to take my daughters out of school for a day or two so they can travel with me because the cost of flying multiple family members for a short trip is not economically viable. (ANH and Co Investments Pty Ltd, sub. 74, p. 2)

My daughter had serious breathing problems for several days ... As there are no direct flights to Adelaide her husband had to take a day off work and take their 2 daughters out of school to drive to and from Adelaide in one day. This was very distressing for all concerned. (qr. 192)

## Impacts on social connectedness

Inquiry participants highlighted a wide variety of impacts that airfares have had on their ability to engage in social and cultural connections with family and friends that live elsewhere.

Mental health has decreased. Not being able to attend funerals, see my parents. My husband can't see his family or daughter, which means our children can't connect in person. We can't afford it. Family of 4 and the price of living already. (qr. 62)

It makes me feel very disconnected from my family in Perth and Melbourne and creates a feeling of isolation as it's costly for me to visit them and unachievable for them to visit me as it is even more expensive without regional fares. (qr. 44)

Many participants said that impacts were amplified when travel is needed urgently.

For Yolŋu people, travel is often required at short notice to attend funerals, ceremonies, and family obligations, as well as for urgent health needs ... These trips are rarely planned weeks in advance, meaning people are often forced to purchase the most expensive fares. (Office of Yirjiya Guyula MLA, sub. 20, p. 2)

Recently, when my grandmother experienced what was suspected to be a stroke, the cost of returning home to see her exceeded \$3,000 return. I was effectively forced into an impossible choice: attempt the drive through flooded, dangerous wet-season roads, or stay here knowing I might lose the chance to see her. (Megan McGrath, sub. 53, p. 1)

In addition to familial connections, some participants stated that high airfares were reducing access to other social and cultural events.

I am a musician who regularly plays shows in Brisbane - we drive down due to not wanting to deal with regional airfares. However, there are a lot of people we would love to bring from southern Queensland, NSW, and VIC to culturally enrich the local region. It is just not fair to ask these people to drop so much money on flights to Central Queensland, meaning we as a region are missing out on arts, music, and culture. (qr. 314)

If flights were cheaper I would travel more to Perth to see shows, music events which is very important for my mental health. (qr. 438)

## Justice and family safety impacts

Inquiry participants said that without targeted support, the cost of flights can have a significant effect on access to justice and legal outcomes.

Community members involved in family law proceedings, child protection matters or criminal justice processes frequently face mandatory court appearances, mediation sessions or supervised contact arrangements in Coffs Harbour, Port Macquarie or Sydney. For families without reliable access to affordable transport — and for whom the cost of a last-minute airfare at \$374 is entirely out of reach — non-attendance at critical appointments can trigger adverse legal outcomes, including removal of children from family care ... (RDA Mid North Coast of NSW, sub. 58, p. 13)

We also heard that there can be significant family safety concerns in cases when people have had to urgently travel but have been unable to afford flights.

An Aboriginal woman from a remote Community and her children were escaping family violence and wanted to relocate interstate where she had the support of her family. She originally wanted to fly as her youngest child was a very young baby as well as several children under 10 years. As the cost of flights would have taken most of her Leaving Violence Program payment she opted to travel by bus for 24 hours instead. (4Rs Network, sub. 95, p. 9)

Further, the cost and reliability of flights can directly impact the opportunity for service providers to deliver legal services.

High airfares are not just a transport problem; they are an access to justice problem. Ensuring people in Balgo, Kalumburu and Fitzroy Crossing and other remote communities can access timely, culturally appropriate legal help requires an aviation system that is affordable, predictable, and designed with remote communities in mind. (4Rs Network, sub. 95, p. 19)

Lack of funding for travel and other higher overheads involved in providing legal assistance in 4Rs [inner regional, outer regional, remote and very remote] areas, penalises 4Rs areas by effectively shifting the higher overheads and travel costs onto services who must meet costs from their existing budgets. This reduces service provision compared to similar funding to similar services without these costs such as many with metro only service areas. (4Rs Network, sub. 95, p. 10)

## Impacts on service delivery in communities

As already discussed, regional aviation impacts people's ability to access services outside their communities. It also impacts the ability of organisations to deliver services in regional communities. This is not limited to health, education and justice; it is also a broader concern for other service delivery agencies.

As a not-for-profit community organisation operating within tight funding parameters, we must absorb travel costs within existing budgets. In practice, this means:

- Reduced capacity to travel
- Fewer in-person service visits
- Greater reliance on telephone and video conferencing. (ICAN, sub. 15, p. 3)

High airfares directly reduce the frequency with which staff can travel into communities, delaying program delivery, reducing continuity of support, and limiting our ability to respond flexibly to emerging needs within families and communities. In some instances, Australian Red Cross staff must ration travel or reduce onsite time due to cost constraints, which weakens the effectiveness of programs designed to provide consistent presence, engagement, and culturally responsive practice. (Australian Red Cross, sub. 33, p. 4)

Cancellations and delays have prevented me completing appointments and making [health and safety] site inspections. (qr. 405)

## 3.3 Impacts on economic activity, businesses and employment

### Impacts on business and regional growth

Inquiry participants talked about the importance of air travel in facilitating their businesses activities and regional growth. However, many participants said that existing regional aviation offerings were restricting their opportunities.

Some participants told us that the cost of regional air travel was limiting their business activities.

Elevated fares suppress trip frequency, reduce investment attractiveness and travel is either shifted to slower modes or cancelled, directly reducing productivity. (Tamworth Regional Council, sub. 64, p. 4)

High airfares affect business demand by:

- increasing the cost of doing business in the region
- reducing the viability of regular business travel
- discouraging investment and expansion
- limiting participation in training, networking and professional development

Smaller businesses are particularly sensitive to airfare costs, as they have limited capacity to absorb or pass on increased travel expenses. (KRG, sub. 21, p. 7)

Similarly, inquiry participants said that reliability and scheduling could be an impediment to their business.

The ability to travel to major cities within a single day is particularly important. Regional business owners, professionals and community leaders often rely on early morning flights to reach capital cities and evening flights to return home the same day. When services are delayed or cancelled this can result in missed meetings, lost business opportunities and additional costs associated with overnight accommodation and alternative travel arrangements. (Austin Tourist Park, sub. 81, p. 11)

It has cost my business a lot [in] money and lost time. I need to leave a day early to ensure I'm on time to work, increased accommodation costs, and lost opportunity to take on [additional] jobs. (qr. 571)

Other participants said that airfares, reliability and scheduling issues hindered regional investment and economic growth.

The Pilbara is one of Australia's most economically productive regions and contributes significantly to national export income. Despite this, aviation connectivity remains expensive and inconsistent. Poor connectivity increases costs for industry and weakens the efficiency of a region that delivers substantial national economic value. (RDA Pilbara, sub. 76, p. 3)

### Impact on local workforce

Many participants indicated that their ability to pursue additional training and professional development for themselves or their staff was hampered by regional air service offerings.

Currently, limited flight options and high costs restrict staff attendance at professional development, conferences, and networking events. With more frequent and direct flights, we would be more willing to send staff to training opportunities and educational forums without the added burden of long travel times or overnight stays caused by poor connections. (qr. 243)

I feel I have less opportunity to travel than my colleagues at metro sites due to travel budget constrictions. For me to attend the same two day conference will cost far more than my metro counterparts meaning my opportunities for development are limited. (qr. 384)

**Businesses and organisations told us that regional aviation limited their ability to attract and retain staff in regional areas.**

High fares and service unreliability deter applicants, constrain labour supply, complicate rostering and contribute to burnout — increasing turnover and recruitment costs for both government and private employers. (New England FEC, sub. 31, p. 10)

The high cost of airfares has directly affected our business operations. We have been unable to employ a FIFO boilermaker, as the cost of return flights would increase the total employment cost of that worker by at least 50%. This additional expense is commercially unsustainable and has limited our capacity to expand and meet service demand. Workforce shortages are already a significant challenge in our region, and the excessive cost of air travel further restricts access to skilled labour. (qr. 189)

**In line with these observations, we heard from people that their decision to live and work in regional areas was significantly impacted by the price of airfares.**

We love living in Karratha but the cost of travel and lack of destinations to travel to from here is making us consider moving to Perth. (qr. 44)

We love living in the Pilbara but the cost of leaving is something we find as a barrier to happiness here. (qr. 429)

## Tourism impacts

**Many participants considered that the price of travel to regional areas has made regional tourism less competitive, resulting in tourist visitors travelling to cheaper domestic or overseas destinations.**

Visitors frequently compare the high cost of regional fares with the cost of travelling overseas and decide against regional destinations. Limited frequency and unpredictable schedules further weaken the appeal of regional travel. (Bachrach Naumburger Group, sub. 3, p. 3)

From a tourism perspective, pricing and limited flight availability has resulted in visitors or clients choosing to drive, forgo travel, or select other destinations, impacting event attendance and visitor numbers. Of the respondents, 89% said they had customers, staff or visitors indicate they didn't visit because flights were too expensive or unavailable. (Bundaberg Regional Council, sub. 88, p. 4)

**Participants highlighted the implications the loss of tourism visitors has for regional towns.**

Elevated travel costs reduce destination attractiveness, shorten visitor stays, and limit repeat visitation, particularly for remote and emerging destinations where aviation represents a significant share of total travel costs. (CRCNA, sub. 27, pp. 3–4)

The result [of high airfares] is reduced occupancy certainty, dampened forward bookings, and constrained investment confidence. (ANW, sub. 45, p. 11)

## 4. Policy suggestions from regional communities

Regional community members, local governments and businesses had a range of ideas and suggestions for policies that could be implemented by governments to improve regional aviation services. Underlying these proposals is the belief from many participants that regional aviation is an essential service and governments should take action to reduce costs and improve connectivity and reliability of air services.

### 4.1 Ideas to improve affordability

#### Improving affordability for all regional residents

There was strong support for government schemes that would subsidise regional airfares for all passengers or for regional residents in particular.

Many participants praised the existing price cap schemes in Queensland and Western Australia and called for their continuation or for similar schemes to be established in their regions.

[Torres and Cape Indigenous Councils Alliance] strongly supports the continuation and expansion of the [Queensland Local Fare Scheme (LFS)] ... The LFS stands as a practical model demonstrating how targeted subsidies can improve equity without distorting competition on major routes. (RDA Tropical North, sub. 30, p. 3)

Remote resident airfare subsidy or cap schemes could reduce the cost of essential travel for residents of remote communities. Western Australia's Regional Airfare Zone Cap Scheme provides an example of a policy approach designed to reduce airfare costs for regional residents. (Yalu Aboriginal Corporation, sub. 89, p. 4)

Some participants recommended improvements to the existing price cap schemes.

It is disappointing that even though we have capped resident fares, we can only book return flights. This is frustrating as sometimes we can't afford to purchase a return fare at the one time, but because we can only book return it places undue financial strain on us. (qr. 413)

One participant highlighted the need for longer-term solutions, rather than price caps, to improve affordability.

Government interventions have improved affordability and connectivity in specific circumstances, including on routes serving Broome, particularly through subsidies and fare caps. These programs can provide important short-term relief for essential travel. However, experience indicates that:

- Short-term or uncertain programs reduce effectiveness and airline participation
- Fare caps alone do not address service frequency, reliability or capacity constraints
- Limited seat availability can restrict practical access to capped fares. (BIA, sub. 71, p. 18)

Other participants noted that even with these schemes, flying remained unaffordable.

In our region of Western Australia, the capped airfare scheme is appreciated; however, the cost of flights for a two-hour journey to Perth remains prohibitively high. The current lowest available return fare is approximately \$600, and the recent increase of \$170 to the capped fare during peak travel periods — when families are most likely to travel — has further compounded affordability challenges. (qr. 189)

Similarly, participants highlighted issues with the resident fare schemes offered by the airlines.

These fares are usually around \$200 less than the regular fare. Whilst this is a step in the right direction ... These residential fares need to be capped at a maximum fixed price of say \$300 Mount Isa to Brisbane and \$250 Mount Isa to Townsville for every flight available. (Adam McLure, sub. 11, p. 3)

... whilst there are resident fares offered by some operators, these must begin from their residential address. Students returning home from school cannot access these deals to reduce cost. (ICPA, sub. 86, p. 3)

### Improving affordability for specific needs

A number of submissions highlighted the need for targeted support to reduce the cost of airfares for specific groups of people or reasons for travel.

Targeted affordability measures can assist residents, medical travellers, students and off-peak leisure passengers, reducing inequity while supporting stable and sustainable demand. (Mildura Rural City Council, sub. 63, p. 7)

Where affordability concerns relate to essential travel—such as access to health services, education, and government services—policy responses should be directly targeted to those users, rather than applied across the entire market. (BIA, sub. 71, p. 20)

Several inquiry participants suggested changes to the existing Patient Assisted Travel Schemes (PATS), which are run by state or territory governments.<sup>1</sup>

Reform PATS to fully reimburse actual airfare costs rather than notional public transport equivalents, removing financial barriers to medically necessary metropolitan care access. (RDA Mid North Coast of NSW, sub. 58, p. 18)

The Victorian Government does have a scheme that refunds the cost of fares for medical issues when patients need to travel, but patients must pay up front first and then make claims. Refunds can take up to 8 weeks. Community groups like [Sunraysia Information and Referral Service] that assist those who can't afford to do this have strict requirements and limited opening hours restricting who can access. (James Cunningham, sub. 40, p. 8)

---

<sup>1</sup> All states and territories have PATS that help eligible patients in regional areas with the costs of travel related to accessing medical services, including by subsidising or fully funding the cost of airfares. The schemes differ across states and territories in their eligibility, processing and subsidy levels.

Other participants called for targeted measures to reduce the cost of airfares for students accessing educational services.

The costs for families to send their children to boarding school is significant and for many, the Assistance for Isolated Children Scheme provides vital but inadequate support that does not extend to the costs associated with air travel. The inflated costs of regional air travel and its disproportionate impact on families living in remote and regional areas is a vital consideration for this inquiry. (CEQL, sub. 59, p. 8)

[Isolated Children's Parents' Association Australia (ICPA)] strongly recommends the embedding of student capped fares on commercial air routes to facilitate affordable access to educational services. ICPA strongly recommends that the fees and charges being applied on top of ticket prices, which are sometimes significant extra costs, be investigated and methods be considered to offset/reduce these in order to reduce overall ticket pricing. (ICPA, sub. 86, p. 2)

One participant called for the Australian Government to take a leadership role with state and territory governments to subsidise regional air travel in order to achieve 'fair and effective access' to essential travel and services, noting the implications for wellbeing, equity and inclusion (4Rs Network, sub. 95, p. 7).

## 4.2 Ideas to improve connectivity

We heard that many participants consider regional aviation as an essential service for their community. Some respondents praised existing government intervention that ensured regular air services to their town.

From Council's experience, the regulated air service model has played a critical role in maintaining aviation connectivity for the region during periods of economic volatility. For example, the Maranoa experienced a significant economic adjustment during the downturn in coal seam gas (CSG) development activity, which previously supported strong aviation demand. Without a regulated air service framework in place, there is a strong possibility that the airline at the time may have withdrawn services from regional routes in favour of allocating aircraft to higher-yield metropolitan routes. (Maranoa Regional Council, sub. 85, p. 13)

Queensland's regulated long distance air service contracts and the Local Fare Scheme are clear examples of policy measures that have helped preserve connectivity and reduce the burden of high fares in some communities. (LGAQ, Attachment, sub. 61, p. 17)

Other participants considered that the government should recognise regional aviation as a community service obligation to ensure ongoing connectivity. This could mean, for example, that government would require an operator to run certain regulated routes, usually awarded through competitive tender, to ensure services are provided (often at subsidised rates) even when they aren't commercially viable.

Community service obligation arrangements could also be considered for routes that function as essential service connections rather than purely commercial aviation routes. (Yalu Aboriginal Corporation, sub. 89, p. 4)

Internationally, public service obligation (PSO) models in parts of Europe use competitively tendered contracts to ensure minimum frequency and maximum fare outcomes for essential regional routes. In the United States, the Essential Air Service program provides subsidies for service continuity to remote communities. (Tasmanian Government, sub. 96, p. 9)

### 4.3 Ideas to improve reliability

Inquiry participants discussed the impact of reliability on people, community and businesses. Some respondents suggested policy reforms to specifically target the issue.

Minimum reliability and continuity standards would help protect regional passengers, especially on monopoly routes. This could include reporting requirements, compensation for cancellations or substitution obligations. (Bachrach Naumburger Group, sub. 3, p. 3)

Policy interventions should therefore extend beyond pricing alone to consider:

- minimum service levels on essential routes
- scheduling that aligns with health, education and service delivery needs
- improved coordination between regular public transport, charter and contract services
- contingency arrangements where disruptions occur in thin markets. (KRG, sub. 21, p. 17)

One participant considered that facilitating a competitive market was the best approach to ensuring reliability.

Ultimately the airline involved in disruption carries the ongoing reputational risk of not handling delays and disruption appropriately. As such if the domestic market offers and encourages competitive alternatives across most markets the greatest option and outcome open to customers can and should be the ability for customers to take their business elsewhere. No matter the business that is ultimately the most powerful outcome available to customers and that is what Australia should be striving for. (Tim Jordan (former CEO, Bonza), sub. 17, p. 10)

## 5. Drivers of regional airfares

Participants noted that airfares on regional routes reflect the interaction of demand, operating costs and market structure. As a result, prices differ across route types and market conditions. This chapter draws mainly on input from airlines, airports and their representative peak bodies. It also includes perspectives from local governments, as owners of regional airports.

### 5.1 Demand for air travel

#### Market size

Participants consistently identified population size as a key constraint on demand, with many regional routes serving small and dispersed populations.

Regional aviation markets operate under fundamentally different conditions to high-volume metropolitan routes. Many serve relatively small catchments, have lower passenger throughput and are highly sensitive to changes in airline strategy or service levels. (RCA, sub. 111, p. 13)

The single largest driver of airline demand is population. Generally speaking, the larger the resident population, the larger the potential demand to and from that particular location. (Tim Jordan (former CEO, Bonza), sub. 17, p. 8)

Passenger demand is essential but dispersed across large distances and multiple small population centres. (KRG, sub. 21, p. 13)

#### Composition and price sensitivity of demand

Participants emphasised that the mix of passengers varies across regional markets and each group responds differently to prices (figure 5.1).

Participants noted that the lack of viable alternative transport in some regional areas contributes to low price sensitivity and pushes up airfares.

Road travel is often impractical due to distance, time or seasonal closures, and there are no viable rail or maritime passenger alternatives for most journeys. This lack of substitution reinforces the essential nature of aviation and reduces the scope for competitive pressure from other transport modes. (KRG, sub. 21, p. 14)

**Figure 5.1 – Mix of passengers across regional markets**



Some participants highlighted that industry and government-linked demand affects availability for other users, including through booking practices and changes to support arrangements.

Pre-booking of seats by government users can further constrain access, even when those seats are not ultimately used. Stakeholders reported instances where flights depart with empty seats that were unavailable for purchase by residents as they were pre-purchased, but not used, by government agencies. (WQAC, sub. 105, p. 9)

Participants highlighted that demand can be highly variable, especially in smaller markets.

Passenger volumes may fluctuate significantly due to seasonal tourism patterns, changes in resource sector activity, population movements or broader economic conditions. (AAA, sub. 93, p. 10)

Greater variability can have implications for peak prices, as participants noted.

The limited availability of seats, particularly during peak periods linked to health appointments, education cycles and agricultural events, often results in inflated prices and difficulty securing bookings. (Bachrach Naumburger Group, sub. 3, p. 4)

Seasonality also means airlines need to price in a way where peak season revenues offset losses incurred during the low season to ensure viable economics from an annualised perspective. (Northern Territory Government, sub. 48, pp. 9–10)

## Role of freight and charter services

Participants noted that freight and other non-passenger services can support route viability, although their impact on passenger fares is variable.

... the impact of freight on route reliability for passenger services to our regional ports is minimal. Typically, the passenger planes servicing these routes do not have significant freight capacity. As such, freight does not appear to materially reduce airfares. However, in specific instances, freight may determine if a route remains operational if it is being sustained by increasingly narrow margins. (QAL, sub. 84, p. 14)

Some participants raised concerns that charter services can disadvantage regular passenger services, particularly where they dilute demand or affect seat availability and pricing.

Seasonal charter operations further complicate the competitive environment through 'cream skimming' high value seasonal visitors. ... This creates seasonal demand distortion, where peak revenue is cannibalised across several charter operators, leaving the year-round community and connectivity obligations with the scheduled carrier. (WxNW, sub. 101, p. 4)

## 5.2 Airline and airport costs

### Airline costs

Participants consistently emphasised that regional aviation is inherently more costly to operate than services in larger markets, placing upward pressure on fares.

On a per-passenger basis, regional services face materially higher costs due to:

- Smaller aircraft and lower seat counts
- Reduced aircraft utilisation
- Higher per-unit costs for labour, engineering and maintenance
- Elevated fuel supply and logistics costs
- Airport and security charges that are often significantly higher than in capital city markets. (A4ANZ, sub. 106, p. 2)

### Lack of scale

There was overwhelming agreement from participants that many airline costs are fixed and do not vary with passenger numbers, which increases the cost per passenger in smaller markets and pushes up airfares.

Regional air services face inherently higher unit costs than capital city routes due to lower passenger volumes and the fixed nature of many aviation expenses. (Qantas Group, sub. 108, p. 2)

By their very nature, a regional airline operation does not enjoy the same scale of revenue afforded by larger domestic airlines due to the size of the air route network, the smaller aircraft being operated, the smaller numbers of passengers carried, and the variability of passenger demand. The ability for a regional operator to absorb any cost increase is therefore minimal. Any small increase in their operating cost base can mean a regional route moves from a modest profit to break even, or even a loss-making operation, very quickly. (RAAA, sub. 82, p. 2)

Participants highlighted the role of aircraft size in shaping costs.

Regional routes are typically served by turboprop aircraft such as the Dash-8 Q400 or Saab 340, or by small regional jets with seating capacities significantly lower than the narrow-body aircraft used on major trunk routes. ... Because operating costs must be recovered across far fewer passengers, the average cost per traveller on regional routes is inherently higher than on high-density metropolitan routes. (AAA, sub. 93, p. 11)

Low load factors and operational constraints also impact costs, especially in remote areas.

... 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 airline's 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. (ACCC, sub. 98, p. 20)

### Fuel costs

Participants identified fuel as one of the largest and most volatile components of airline operating costs.

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. (ACCC, sub. 98, p. 23)

Participants noted that exposure to international pricing and foreign exchange movements limits airlines' ability to control these costs.

Fuel is ... largely priced in international markets, thereby exposing operators - particularly smaller regional service providers - to foreign exchange movements and global supply dynamics beyond their control. (A4ANZ, sub. 106, p. 5)

Some participants also pointed to recent global events increasing costs and fares.

Within our operations, fuel historically accounts for approximately one-third of total operating costs, however in recent months this has increased to above 40%. Changes in fuel price therefore have an immediate and observable effect on fares and service cost. (Aviation Logistics, sub. 110, p. 2)

Fuel costs were consistently described as structurally higher in regional and remote markets due to transport and supply arrangements.

Fuel supply costs at regional ports are structurally higher due to lower volumes, higher logistics and storage costs, and, in some locations, limited supplier competition. Where supply arrangements are highly concentrated, airlines have limited negotiating leverage and pricing outcomes can diverge materially from those observed at comparable locations. (A4ANZ, sub. 106, p. 5)

## Labour costs

Labour was identified as a major cost driver in regional aviation. Participants highlighted persistent shortages of pilots, engineers and ground staff, which push up labour costs in regional and remote areas.

Already there is a shortage of pilots, flight instructors, aircraft maintenance engineers, and air traffic controllers. This shortage hits hardest in regional and remote areas, where there are challenges in attracting staff and sometimes different skill needs. A lack of aircraft maintenance personnel is a serious problem right now. When staff can be sourced it is often at a premium price with continual upward pressure on wages due to the regional location involved or the financial strength of the larger operators. (RAAA, sub. 82, p. 10)

Airlines operating in the Kimberley face challenges in attracting and retaining pilots, engineers and ground staff. Workforce shortages, housing constraints and higher costs of living in regional and remote locations contribute to higher employment costs. In some cases, airlines rely on fly-in staff or offer additional incentives, further increasing operating expenses that are ultimately reflected in fare levels. (KRG, sub. 21, p. 11)

Participants also noted the other factors that increase labour costs in regional and remote areas, including high cost of living and operational inefficiencies.

[Regional cities] often experience higher labour costs due to housing shortages, cost-of-living pressures and the need to offer incentives or fly-in staffing arrangements. (RCAWA, sub. 32, p. 11)

Workforce inefficiencies, where staff such as baggage handlers may be required for only a small number of flights per day but must be employed for full shifts. (WQAC, sub. 105, p. 7)

## Aircraft constraints and maintenance costs

Participants highlighted that the availability and suitability of aircraft is a key constraint on regional aviation.

The pool of modern aircraft offering an appropriate product and capable of operating efficiently on routes such as Karratha–Perth is limited. Where such aircraft are available, they are typically deployed on more product conscious east coast networks, where fares may be lower but competitive pressures are higher, reducing the incentive and capacity for airlines to allocate suitable aircraft to regional Western Australian routes. (City of Karratha, sub. 90, p. 6)

Some participants noted that the limited fleet can lead to reliability problems.

With fewer aircraft, limited backup capacity and smaller operational teams, regional routes lack resilience. Minor fleet or staffing issues translate into major disruptions, leaving passengers with no same-day alternatives. (Bachrach Naumberger Group, sub. 3, p. 2)

Participants also pointed to ageing fleets and limited availability of replacement aircraft as an ongoing problem in regional aviation.

Much of Australia's general aviation fleet is between 30 and 50 years old, reflecting decades of underinvestment driven by thin margins and constrained access to capital. Replacement options are limited, particularly in the 6 - 36 seat category, where few modern aircraft are being produced and those that are available come at significantly higher acquisition costs than legacy aircraft. (Aviation Logistics, sub. 110, p. 6)

Participants emphasised that ageing aircraft are becoming more expensive to maintain, placing further pressure on operating costs and airfares.

Aircraft can be kept flying safely with careful and thorough maintenance, however over time the cost of spare parts and labour becomes a financial weight on business that is then reflected in airfare price increases. (RAAA, sub. 82, p. 9)

High capital costs and limited access to finance were also identified as barriers to fleet renewal.

Many businesses want to invest but cannot afford to invest in newer aircraft or technologies because they cannot source affordable finance. This is in part due to the sector being viewed as too high a risk for medium-to-long-term finance lenders. Substantial capital investment is required to replace existing aircraft. For example, a used SAAB 340 or Bombardier Dash 200 would cost USD\$2M to \$3M, a new ATR 42 would cost over USD\$20M and single [a]isle regional jets are significantly higher again. (RAAA, sub. 82, p. 9)

## Airport charges

Participants noted that airport charges are generally used to recover the cost of maintaining and renewing airport infrastructure.

... airport charges at regional airports are frequently cited as a contributor to fares. However, for council-owned airports these charges are typically cost-recovery mechanisms, not profit-seeking tools. (ALGA, sub. 34, p. 3)

Participants highlighted that structural differences between regional and major airports can lead to higher airport charges on a per-passenger basis.

Regional airports operate at smaller scale and often lack the non-aeronautical revenue streams available to major airports. As a result, airport charges can be higher on a per-passenger basis, contributing to overall route costs. (RCAWA, sub. 32, p. 11)

All airports are required to provide and maintain minimum standards of infrastructure irrespective of their location or size. ... While some infrastructure costs are recovered through airline passenger charges or commercial agreements, the total cost base is amortised over a significantly lower passenger base at regional airports, producing higher per-passenger infrastructure costs that are a function of market size rather than operational inefficiency. (Launceston Airport, sub. 104, p. 37)

Participants also said that infrastructure costs can be higher in regional and remote areas due to location-specific factors.

Construction materials, specialist aviation equipment and infrastructure components often need to be transported long distances to site, increasing project costs compared with airports located closer to major supply centres. (BIA, sub. 71, p. 17)

Participants expressed differing views on the role of airport charges in airfares, with airlines emphasising they are a growing share of costs and airport operators noting that charges represent only a small share of ticket prices (figure 5.2).

**Figure 5.2 – Perspectives on the role of airport charges in airfares**

Participants also expressed differing views on bargaining power between airports and airlines in regional markets. Airline representatives suggested that regional airports have significant market power:

By their nature, airports are geographic monopolies, and many regional airports operate with little to no effective competitive discipline or regulatory constraint. This imbalance has real and unavoidable consequences for airlines and the customers they serve ... Regulatory reviews and inquiries consistently show that airlines are often subject to unilateral price increases, limited transparency around the basis for those charges, and few practical avenues to challenge or negotiate outcomes. (A4ANZ, sub. 106, pp. 3–4)

The majority of regional airports are owned by local councils and, as government-owned infrastructure, hold the ability to unilaterally set and increase airport pricing without consultation (at times over and above inflation and/or without justification) irrespective of whether there has been any capital investment or upgrade to the airport. (Qantas Group, sub. 108, p. 9)

Others indicated that regional airports have limited bargaining power, particularly where airlines can withdraw services.

Regional airports may also face an imbalance in bargaining power when negotiating with airlines ... In these circumstances airports often have limited ability to negotiate commercial terms because maintaining air services is critical for community connectivity and airlines retain the ability to redeploy aircraft across their broader network. (AAA, sub. 93, p. 12)

... 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. (ACCC, sub. 98, p. 25)

## Cost recovery and financial viability of regional airports

Airport representatives consistently highlighted that many regional airports operate at a financial loss and face ongoing challenges maintaining infrastructure with limited revenue capacity.

... many regional airports operate at a financial loss. Initial findings from the Regional Airports Financial Sustainability Survey indicate that more than half of participating airports recorded an operating loss in 2024-25, with a median deficit of \$192,000. (AAA, sub. 93, p. 1)

While operating revenue may support day-to-day activities, it is not sufficient to fund the full lifecycle cost of airport infrastructure. (RCA, sub. 111, p. 7)

Several local governments described airports as an ongoing financial burden that must be subsidised through general revenue.

Western Queensland councils are responsible for maintaining runways, lighting, terminal facilities and compliance with regulatory standards, often at a significant financial loss. In many cases, airport operations are not cost-recoverable due to low passenger volumes and limited ability to generate revenue through airport charges. As a result, councils effectively subsidise rural and remote aviation through their general revenue base, despite limited fiscal capacity. (WQAC, sub. 105, p. 5)

## Airport infrastructure funding

Participants highlighted that regional and remote airports rely heavily on government funding to maintain and upgrade infrastructure.

... regional airports frequently rely on government infrastructure programs to maintain safe and compliant aviation facilities. These funding arrangements reflect the recognition that regional airports perform a public infrastructure function rather than operating purely as commercial enterprises. (AAA, sub. 93, p. 20)

Participants identified several issues with current infrastructure funding arrangements, including short-term funding cycles, competitive grant processes and co-contribution requirements.

... an intermittent competitive grant program is not the most efficient way to maintain infrastructure with a use-life of decades. ... it may be the case that competitive funding is allocated to where infrastructure has degraded to critical levels after many years of neglect and at great cost, as opposed to ensuring that regular annual maintenance is undertaken to extend the life of the asset as long as possible. (NSW Farmers, sub. 87, p. 6)

... current co-contribution requirements, typically around 50%, can be prohibitive for smaller councils. Many councils are unable to raise the \$1 million to \$2 million required to co-fund even relatively modest upgrades (WQAC, sub. 105, p. 15)

In response to these challenges, airport representatives proposed increases in the amount and predictability of federal funding for airport infrastructure.

Establish a recurrent Regional Airports Sustainability Fund to support urgent capital renewal, address deferred maintenance and close critical infrastructure gaps at regional airports ... (RCA, sub. 111, p. 21)

The Australian Government should adopt more flexible co-contribution models for rural and remote aviation infrastructure funding that reflects the financial capacity of local governments. (WQAC, sub. 105, p. 26)

## 5.3 Regulatory and compliance costs

Participants noted that there is a cumulative impact of regulatory requirements on both airports and airlines, with overlapping obligations, ongoing reforms and implementation challenges increasing costs and administrative burden across the sector.

Regional airports, like major airports, must comply with a multi-layered regulatory framework comprising Commonwealth, State, and local government requirements, alongside adherence to industry standards. (Brisbane Airport Corporation, sub. 38, p. 11)

The cost of compliance does not scale with passenger volume. The airport must maintain an Airport Environment Strategy, conduct regular emergency exercises, meet Part 139 aerodrome standards, operate passenger screening to national requirements and manage PFAS remediation obligations whether it handles 500,000 passengers or 1.4 million. (Launceston Airport, sub. 104, p. 38)

### Security screening costs

Security screening costs were consistently identified as a significant and largely fixed cost. Participants acknowledged that security screening requirements serve important safety and national security objectives but many emphasised that current policy settings impose a disproportionate burden on regional airports relative to metropolitan airports.

Currently major airports with significant customer numbers have per customer security costs of about +/- \$1 per customer. However, at regional airports that have a much smaller annual passenger throughput that cost per customer charge can be up and around +/- \$10 per customer purely driven by the airport's annual total throughput number. (Tim Jordan (former CEO, Bonza), sub. 17, p. 4)

Several participants highlighted the scale of security screening infrastructure and ongoing operating costs required to meet these obligations.

Dubbo Regional Airport has recently incurred approximately \$450,000 in CCTV upgrades to meet security expectations. Mandated security and compliance projects at Geraldton Airport are estimated to cost around \$215,000, excluding longer-term fencing renewal, and Geraldton has committed approximately \$2.1 million in federally mandated security screening equipment funded entirely by council. (RCA, sub. 111, p. 7)

Participants reported that higher per-passenger costs flow through to airfares and, in some cases, affect service viability.

For Whyalla Airport, ... [a report by the Department of Infrastructure] found that the cost impacts of security screening requirements could add over \$50 to the cost of a ticket on a per passenger [basis], a 35% increase to the price of tickets. When the screening costs came into effect, Rex Airlines withdrew from Whyalla Airport, leaving behind a Qantas monopoly. The combined effect resulted in a 40% decline in passenger volumes, further increasing the cost-per passenger imposts. (AAA, sub. 93, p. 21)

Some participants pointed out that changes to security requirements can be onerous for regional airports.

... following the Avalon Airport breach, the review of fencing requirements highlighted the increasing scope and cost of security obligation. Ambiguous regulatory triggers and short implementation timeframes create further challenges for small, remote and low-volume airports. (WALGA, sub. 54, p. 3)

Others raised concerns that Commonwealth funding for security screening is no longer available, leaving regional airports to cover the costs.

The Commonwealth previously provided dedicated funding to support airport security screening, recognising that these obligations serve national security objectives and should not fall disproportionately on regional operators. The termination of this dedicated support has shifted the full cost onto airports, airlines and passengers. (Launceston Airport, sub. 104, p. 61)

Several participants called for alternative security cost allocation models to reduce the burden on regional passengers, emphasising that reform could directly reduce costs and regional airfares, but could increase fares at major city airports.

... if the provision of mandated security costs were pooled on a national basis and then recharged to all airports equally then the cost per departing domestic customer at regional airports would likely be approximately \$2-3 with the increase seen in major airports being approximately \$1 per departing customer. This potential \$7-8 cost saving per departing customer likely represents the single largest opportunity to reduce input costs for airlines on regional routes across Australia. (Tim Jordan (former CEO, Bonza), sub. 17, p. 4)

## Other regulatory and compliance costs

Participants identified Civil Aviation Safety Authority (CASA) requirements as a significant source of compliance costs, reflecting the breadth and rigidity of safety standards applied across all airports regardless of scale.

[CASA] standards ... are applied uniformly, despite rural and remote airports operating at significantly lower passenger volumes and risk profiles than major airports. (WQAC, sub. 105, p. 17)

... CASA-related regulatory costs account for approximately 12% of expenditure at some regional airports, compared with around 4% at major airports. (RDA NSW ACT, sub. 57, p. 5)

Participants also identified Airservices Australia charges as a distinct cost pressure, highlighting the role of location-specific pricing and per-movement charges in shaping airline costs and airfares.

Airservices Australia charges are generally applied per aircraft movement rather than per passenger. On larger aircraft serving capital city routes, that cost is spread across many seats. On smaller aircraft operating on regional routes, such as those serving Coffs Harbour, Tamworth or Armidale, the same per-movement charge results in a higher cost per passenger. (RDA NSW ACT, sub. 57, p. 11)

Some participants highlighted other concerns with CASA and Airservices Australia operations that negatively affect regional airlines and airports.

Staffing challenges and operational constraints [at Airservices Australia] impact airlines and passengers, particularly where services operate with limited frequency and have inadequate flexibility to recover promptly from disruption. These impacts affect service reliability and connectivity for regional communities ... (Sydney Airport Corporation Limited, sub. 99, p. 11)

Staff at both CASA and Airservices are top heavy with administrators and light on the technical and operational people who deliver services and are responsible for safety. CASA can take months to deliver a straightforward service required to be provided under the safety regulations due to a lack of qualified staff. (RAAA, sub. 82, p. 7)

Participants proposed a range of reforms to address disproportionate regulatory costs and improve cost recovery settings, noting the implications for regional airfares and service viability.

This review should identify regulatory requirements that impose disproportionate costs relative to their benefits and support the adoption of performance-based or tiered regulatory approaches, reflecting the scale, activity levels and risk profiles of different regional airport and service contexts. Regulatory settings should be coordinated across all levels of government to avoid conflicting compliance obligations and duplication. (WQAC, sub. 105, p. 25)

## 5.4 Competition and market structure

### Limited competition

Participants consistently observed that many regional and remote routes operate with limited competition, including monopoly and duopoly market structures.

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%). (ACCC, sub. 98, p. 15)

Where competition is limited, participants reported higher fares and reduced service quality and flexibility.

Towns served by a single carrier experience inflexible, non-competitive fare structures with minimal downward price movement even when demand is low. (Bachrach Naumburger Group, sub. 3, p. 1)

Most air routes servicing North East Arnhem Land operate with little or no competition. This lack of competitive pressure allows airlines to set prices without strong incentives to improve affordability or customer service. (Office of Yinjya Guyula MLA, sub. 20, p. 3)

Participants also noted that the presence of more than one operator does not always result in effective competition or improved service outcomes.

In some markets, competing services are scheduled at similar times on key routes, meaning nominal competition does not necessarily improve frequency, spread of service or practical access. (RCA, sub. 111, p. 14)

### Barriers to entry and expansion

Participants identified a range of structural barriers that limit competition on regional routes and constrain entry or expansion by airlines.

- Established carriers generally have strong reputations and large frequent flyer programs, generating customer stickiness that new entrants cannot easily replicate. ...
- 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. ...
- 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. ...
- responsive changes to capacity, routes serviced and airfares by incumbents may impact the planning for, and viability of, new entry. (ACCC, sub. 98, p. 11)

High fixed costs, including aircraft acquisition, workforce constraints, and compliance with safety, security, and screening requirements, can deter new airlines from entering regional markets. Limited airport infrastructure can further restrict capacity and reduce the ability of carriers to scale or increase frequency on existing routes. (ART, sub. 109, p. 4)

Participants also identified slot availability and the timing of access at major airports as key constraints on entry and expansion.

There have been ongoing industry concerns that slot allocation practices may be used strategically by incumbent airlines, making it difficult for new entrants to obtain commercially viable arrival and departure times. (Shellharbour Council, sub. 49, p. 2)

### **Viability of competition in thin markets**

Participants emphasised that many regional routes lack sufficient scale to sustain multiple airlines, limiting the likelihood and benefits of competition.

Many regional routes lack sufficient scale to sustain two or more airlines over the long term. The presence of multiple operators at a point in time does not necessarily indicate long-term sustainability, as dividing limited passenger volumes reduces load factors and increases unit costs. Short-term competition may therefore be followed by market exit, resulting in instability rather than durable consumer benefit. (Virgin Australia, sub. 102, p. 5)

Participants also highlighted the fragility of competition in regional markets, including the risk of service reductions or withdrawal where routes are commercially marginal.

Each time an airline exits a route, communities are left with either no service or a single provider. The immediate consequences are higher fares, reduced frequency and the loss of genuine consumer choice. (New England FEC, sub. 31, p. 5)

The withdrawal of carriers from regional routes, instability among regional operators, and the collapse of new entrants illustrate a highly concentrated market structure with fragile competition dynamics. When a carrier exits a route, communities often have no immediate alternative. This imbalance reduces negotiating leverage for councils and airports and limits downward pressure on fares. (MRT, sub. 67, p. 3)

## A. Public consultation

This appendix lists the organisations and individuals who have participated in the inquiry so far. We received 113 submissions (table A.1) and 35 brief comments. We met with participants in person during visits to regions in Victoria, Western Australia, New South Wales, Tasmania and the Northern Territory (table A.2), held three community drop-in sessions (table A.3) and had 56 online meetings with 41 individuals and groups (table A.4).

**Table A.1 – Submissions**

Participants	Sub no.
Adam McLure	11
Airlines for Australia and New Zealand (A4ANZ)	106
Albury City Council	24
All Office and Business	4
ANH and Co Investments Pty Ltd	74
Anne-Marie Southall	6
Austin Tourist Park	81
Australia Pacific Airports Pty Ltd (Launceston Airport)	104
Australian Airports Association (AAA)	93
Australian Competition and Consumer Commission (ACCC)	98
Australian Local Government Association (ALGA)	34
Australian Red Cross	33
Australian Regional Tourism (ART)	109
Australia's North West Tourism (ANW)	45
Aviation Logistics	110
Bachrach Naumburger Group	3
Bega Valley Shire Council (BVSC)	46
Belinda Balch	29
Board of Airline Representatives of Australia (BARA)	65
Bob Katter MP	39
Brian and Amelia Wilmer	14
Brisbane Airport Corporation	38
Broken Hill City Council	56

Participants	Sub no.
Broome International Airport (BIA)	71
Bundaberg Regional Council	88
Burnie Airport Corporation	79
Canberra Airport	44
Canberra Region Joint Organisation (CRJO)	91
Canberra Region Tourism Leaders Forum	70
Catholic Education Queensland Limited (CEQL)	59
City of Ballarat	55
City of Greater Bendigo	2
City of Kalgoorlie Boulder	26
City of Karratha	90
City of Mount Gambier	51
Cooperative Research Centre for Developing Northern Australia (CRCNA)	27
Darwin Major Business Group (DMBG)	78
Darwin Turf Club	47
Desmond Gellert	16
District Council of Grant	97
Eurobodalla Shire Council	42
Global Travel Co	28
Helen Hall	75
Independent Schools Australia (ISA)	94
Indigenous Consumer Assistance Network (ICAN)	15
Isolated Children's Parents' Association Australia (ICPA)	86
James Cunningham	40
James Wilton	23
Justin Davies	18
Karen Stevens	35
Karratha and Districts Chamber of Commerce and Industry (KDCCI)	77
Kathryn Wardrobe	9
Dr Kerry Dunne	19
Dr Kevin O'Sullivan	37
Kimberley Regional Group (KRG)	21
Local Government Association of Queensland (LGAQ)	61
Maranoa Regional Council	85
Mary Karniewicz	69

<b>Participants</b>	<b>Sub no.</b>
Megan McGrath	53
Melbourne Airport	103
Michele Smith Consulting	7
Dr Mirjam Wiedemann	68
Mildura Rural City Council	63
Mount Isa to Townsville Economic Development Zone (MITEZ)	62
Murray Regional Tourism (MRT)	67
Name Withheld	5
Name Withheld	8
Name Withheld	107
National Regional, Rural, Remote and Very Remote Community Legal Network (4Rs Network)	95
New England Federal Electoral Council (FEC)	31
North Queensland Airports Group (NQA)	83
Northern Territory Government	48
Northern Territory Leader of the Opposition, Shadow Minister Air Connectivity	52
NSW Farmers	87
Office of Yinjiya Guyula MLA	20
People with Disability Australia (PWDA)	43
Qantas Group	108
Queensland Airports Limited (QAL)	84
Queensland Water Directorate (qldwater)	72
Regional Aviation Association of Australia (RAAA)	82
Regional Capitals Alliance of WA (RCAWA)	32
Regional Capitals Australia (RCA)	111
Regional Development Australia Southwest (RDA Southwest)	113
Regional Development Australia Kimberley (RDA Kimberley)	50
Regional Development Australia NSW and ACT (RDA NSW and ACT)	57
Regional Development Australia Goldfields Esperance (RDA Goldfields Esperance)	73
Regional Development Australia Limestone Coast (RDALC)	22
Regional Development Australia Loddon Mallee (RDA Loddon Mallee) and Regional Partnerships (Loddon Campaspe and Mallee)	25
Regional Development Australia Mid North Coast of NSW (RDA Mid North Coast of NSW)	58
Regional Development Australia Pilbara (RDA Pilbara)	76, 112
Regional Development Australia Southern NSW and ACT (RDASNA)	66
Regional Development Australia Tropical North (RDA Tropical North)	30

Participants	Sub no.
Residents of Clermont	10
Sarah Whelan	80
Shellharbour Council	49
Shire of East Pilbara	13
Steevylee and Adam Gow	12
Sunraysia Information and Referral Service Inc (SIRS)	92
Sydney Airport Corporation Limited	99
Tamworth Regional Council	64
Tasmanian Government	96
TasPorts (Tasmanian Ports Corporation)	36
Tim Jordan (former CEO, Bonza)	17
Tourism and Transport Forum Australia (TTF)	1
Tourism Australia (TA)	100
Tourism Top End (TTE)	41
University of Technology Sydney (UTS)	60
Virgin Australia	102
West by Northwest (WxNW)	101
Western Australian Local Government Association (WALGA)	54
Western Queensland Alliance of Councils (WQAC)	105
Yalu Aboriginal Corporation	89

## Table A.2 – Visits

### 24 February 2026: Victoria – Mildura

#### Participants

Mildura Rural City Council

Mildura Airport

### 9–11 March 2026: Western Australia – Perth, Port Hedland and Broome

#### Participants

Network Aviation

Perth Airport

Tourism Council Western Australia

Kimberley Regional Group

Western Australia Department of Transport and Major Infrastructure

---

**9–11 March 2026: Western Australia – Perth, Port Hedland and Broome**

---

**Participants**

Town of Port Hedland

Pilbara Development Commission

Port Hedland Chamber of Commerce and Industry (PHCCI)

Port Hedland International Airport

Broome Chamber of Commerce and Industry

Broome International Airport

Regional Development Australia Kimberley

Kimberley Development Commission

Australia's North West Tourism

Kimberley Education Regional Office

---

**27 March 2026: New South Wales – Dubbo**

---

**Participants**

Dubbo Business Chamber

Regional Development Australia Orana

---

**30 March to 1 April 2026: Tasmania – Flinders Island, Launceston and Devonport**

---

**Participants**

Sharp Airlines

Flinders Council/Flinders Island Airport

Flinders Island Business Inc

Launceston Airport

Visit Northern Tasmania

City of Launceston

Regional Development Australia Tasmania

West by Northwest Regional Tourism

Tourism Tasmania

Devonport City Council

Tas Ports/Devonport Airport

---

### 20–23 April 2026: Northern Territory – Alice Springs and Mutitjulu

---

#### Participants

Airport Development Group (ADG)

Central Land Council

Central Australian Aboriginal Congress

Northern Territory Council of Social Service (NTCOSS)

Tourism Central Australia

Alice Springs Town Council

Uluru-Kata Tjuta National Park Board of Management

Mutitjulu Community Aboriginal Corporation (MCAC)

---

### 1–2 June 2026: Northern Territory – Darwin

---

#### Participants

Purple House

Miwatj Health Aboriginal Corporation

Northern Territory Department of Trade, Business and Asian Relations

Airnorth

Northern Territory Department of Education

---

**Table A.3 – Community drop-in sessions**

Location	Date and time
Mildura	Tuesday 24 February 2026, 12:30 pm – 2:30 pm
Flinders Island	Monday 30 March 2026, 7:30 pm – 8:30 pm
Devonport <sup>2</sup>	Wednesday 1 April 2026, 11:00 am – 12:30 pm
Alice Springs	Tuesday 21 April 2026, 5:00 pm – 6:30 pm

---

<sup>2</sup> There were no attendees at the Devonport community drop-in session.

**Table A.4 – Online meetings****Participants**

Airlines for Australia &amp; New Zealand (A4ANZ)

Airservices Australia

Austrade

Australia Post

Australian Airports Association (AAA)

Australian Competition and Consumer Commission (ACCC)

Australian Government Department of Finance

Australian Government Department of Home Affairs

Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

Australian Government Department of Social Services

Australian Government Treasury

Australian Local Government Association (ALGA)

Australian Tourism Export Council (ATEC)

Aviation Logistics Group

Bega Valley Shire Council

Bureau of Infrastructure and Transport Research Economics (BITRE)

Central Highlands Developmental Corporation (CHDC)

Civil Aviation Safety Authority (CASA)

Dubbo Regional Airport

Fly Pelican

Griffith City Council

Isolated Children's Parents' Association (ICPA)

Link Airways/Corporate Air

Mount Gambier Regional Airport

Nexus Airlines

Nhulunbuy Corporation

North Queensland Airports

OAG Aviation

Qantas Group

Queensland Department of Transport and Main Roads (TMR)

Regional Aviation Association of Australia (RAAA)

Rex

Skippers Aviation

**Participants**

---

Skytrans Australia

Tim Jordan (former CEO, Bonza)

Dr Tony Webber

Tourism Australia

Virgin Australia

Voyages Tourism Australia

Western Australia Country Health Service

Western Australia Department of Transport and Major Infrastructure

Western Australia Regional Development Alliance (WARDA)

---

## B. Online questionnaire methods

Qualitative research methods are critical to understanding the experiences and impact of regional aviation on people and businesses. This allows our inquiry to fill gaps where quantitative data is lacking and to provide further depth to our understanding of issues.

### Study design

The PC conducted an online questionnaire, targeted at people and businesses that are affected by regional aviation. A qualitative research study design was adopted for data collection, analysis and reporting of the findings. Qualitative research focuses on understanding the 'who', 'what', 'where' and 'when' of the phenomenon or situation being investigated. This approach is relatively simple and flexible, useful for exploring new, poorly understood or hard-to-measure issues in detail and provides a comprehensive description of different individuals' experiences and views in context.

### Research questions and assumptions

The online questionnaire was designed to explore three research questions that map onto the terms of reference for this inquiry.

- What are the main drivers of demand for regional air services?
- What are the impacts of aviation on people who live in the regions, regional economies, productivity, and Closing the Gap outcomes?
- What is the extent of competition between different air transport services (regular public transport and charter) and with other modes of transport (road and rail)?

### Data collection

The questionnaire was administered entirely online through the Microsoft Forms platform. A convenience sample was recruited by disseminating a web link to the questionnaire via:

- the inquiry home page on the PC website
- advertising (paid and unpaid) about the survey on social media platforms (Facebook, LinkedIn, X, Instagram, Bluesky and Threads)
- newsletters of various peak bodies.

This wide dissemination strategy aimed to recruit a diverse range of respondents. The survey was open to the public for about six weeks (23 February to 6 April 2026). Recruitment extended further than the point of data saturation (i.e. beyond where no new information was emerging) to allow time for as many people as possible to submit responses and include these in the analysis.

All questions, except reason for travel and consent, could be left unanswered, and responses were submitted anonymously. We aimed to collect only relevant information that we could use to inform the review. Therefore, each set of survey questions was closely framed around the review terms of reference. One broad, open-ended question was also asked to allow respondents to submit any views or experiences not captured in the main set of questions ('Is there anything else about your experiences of using regional air services that you think we should know that could be helpful for this inquiry?').

We did not apply any exclusion criteria for participation. However, respondents were asked to select their reason for travel as being either personal, work or business-related, or both personal and business-related travel. Self-selection into one or more of these categories determined conditional branching of respondents into the relevant path of survey questions (box B.1).

Respondents were asked to consent to quotes from their responses being included in the PC's reporting (with 92% consenting).

### **Box B.1 – Online questionnaire questions**

#### **Personal travel:**

- What have been your main reasons for personal air travel? (Please select: Visiting friends and family, holiday, health care, education, caring responsibilities, attending an event, other)
- When considering air travel for personal reasons, which of the following is most important for you? (Please rank: comfort, service offering, frequent flyer or loyalty programs, reliability of service, price of flight)
- If there were more flights from your local airport, including to more places, how would your personal use of air travel change?
- If airline tickets were more affordable (for example, a 10% reduction in ticket price), how would your personal use of air travel change?
- If there were fewer cancellations and delays, how would your use of personal air travel change?
- In general, how has the affordability, service offerings and reliability of air travel affected your regional community or the regional community you visit?

#### **Work or business-related travel:**

- What kind of service or business do you work in?
- What have been your main reasons for work or business-related air travel? (Please select: travelling to work myself, flying an employee or contractor to a job site, attending or sending an employee to a meeting, attending or sending an employee to a conference or training, other)
- When considering air travel for work or business purposes, which of the following is most important for you? (Please rank: comfort, service offering, frequent flyer or loyalty programs, reliability of service, price of flight)
- If there were more flights from your local airport, including to more places, how would your use of air travel for work change?
- If airline tickets were more affordable (for example, a 10% reduction in ticket price), how would your use of air travel for work change?
- If there were fewer cancellations and delays, how would your use of air travel for work change?
- In general, how has the affordability, service offerings and reliability of regional air travel affected your work or business?

### Box B.1 – Online questionnaire questions

#### All respondents' additional questions:

- What is the name of your nearest airport? (If you use more than one airport, please list the main one and include the airport code if you know it. If you do not fly from your nearest airport, please also include the name of the airport you fly from and why you choose this airport.)
- Is there anything else about your experiences of using regional air services that you think we should know that could be helpful for this inquiry?
- Do you identify as an Aboriginal or Torres Strait Islander person (Please select: No, Yes- Aboriginal, Yes- Torres Strait Islander, Yes- both Aboriginal and Torres Strait Islander, Prefer not to say)
- Do you consent to quotes from your responses being included in PC reporting for this inquiry?

## Sample description

A total of 595 people participated in the questionnaire (table B.1). Fifty of these were excluded from this report because they did not provide consent to their responses being included in PC reporting.

Almost half of the respondents travelled for personal reasons, followed by a significant proportion that travelled for both personal and work or business-related travel.

**Table B.1 – Description of survey respondents**

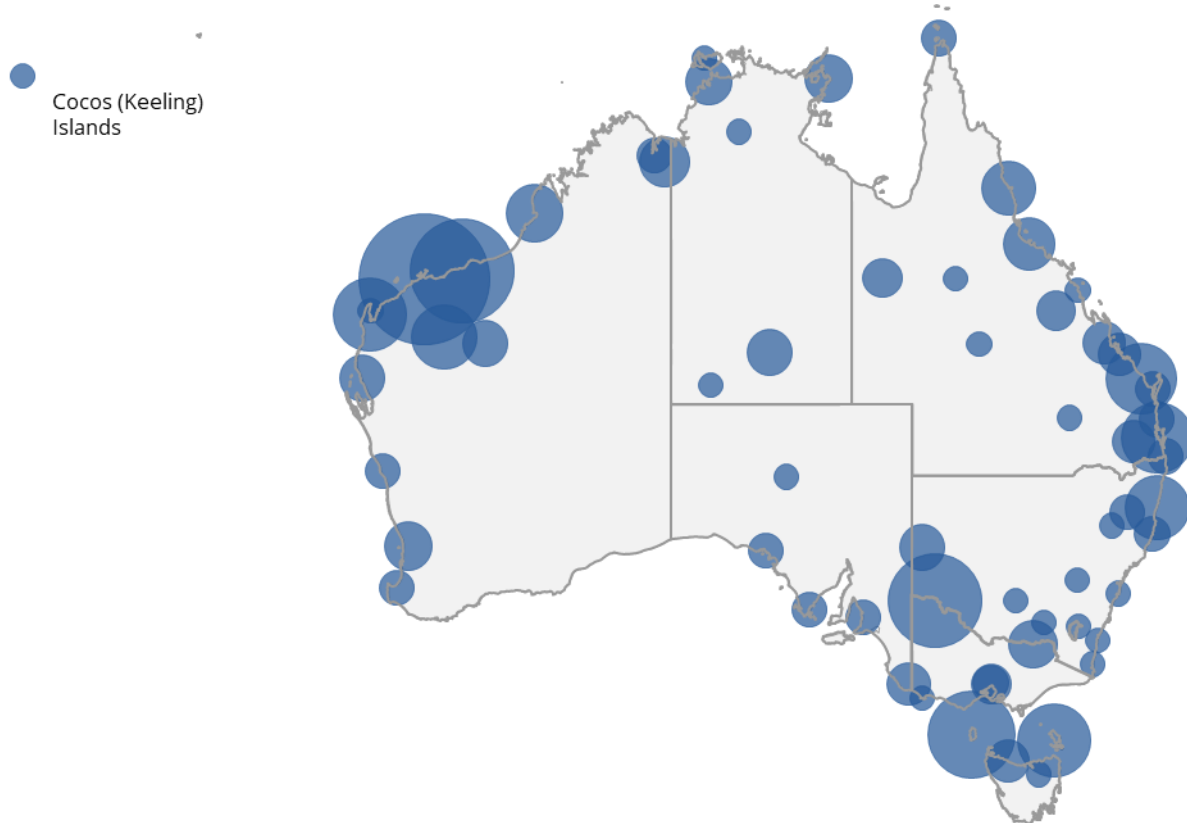
	Number of respondents	Percentage of survey responses (%)
<b>Total responses submitted</b>	<b>595</b>	<b>100.0</b>
<b>Respondent type by reason for travel</b>		
Personal travel	289	48.6
Work or business travel	47	7.9
Both personal and work or business-related travel	259	43.5
<b>Identified as</b>		
Aboriginal person	22	3.7
Torres Strait Islander person	0	0
Both Aboriginal and Torres Strait Islander person	1	0.2
Not Aboriginal or Torres Strait Islander person	518	87.1
Prefer not to say	52	8.7
<b>Consent</b>		
Consented to quotes being included in the inquiry	545	91.6

Source: PC analysis of unpublished questionnaire results.

The questionnaire received responses from people located throughout regional Australia<sup>3</sup> (figure B.1). The most responses came from Karratha (n=110), Port Hedland (n=66), Mildura (n=51) and King Island (n=40).

**Figure B.1 – Location of respondents**

**Number of respondents**



Source: PC analysis of unpublished questionnaire results.

## Analytic method

Thematic analysis was used to interpret, understand and report on the data collected from the survey. Thematic analysis involves an iterative process of data familiarisation, data visualisation, coding, theme development, theme refinement and reporting of themes with verbatim quotes.<sup>4</sup>

For the thematic analysis, we used a combination of deductive coding (i.e. we organised the raw data into broad categories according to the topics explored in each survey question and undertook the initial coding) and inductive coding (i.e. we iteratively read, visualised, and interpreted meanings in the data and refined the initial codes, renaming or combining some as required). Themes were constructed by grouping together codes that have similar or related meanings.

---

<sup>3</sup> Respondents' answers to the location of their nearest airport have been used as a proxy for their location.

<sup>4</sup> Ahmed, SK, Mohammed, RA, Nashwan, AJ, Ibrahim, RH, Abdalla, AQ, M. Ameen, BM and Khdir, RM 2025, 'Using thematic analysis in qualitative research', *Journal of Medicine, Surgery, and Public Health*, vol. 6, p. 100198.

All questionnaire responses were read and considered by staff. NVIVO 15 and AI tools were used to help identify themes and group perspectives from these responses. Staff reviewed all AI-generated outputs.

We applied several strategies to increase the reliability and robustness of the analysis, including: a systematic coding process; documentation of coding decisions; checks of data interpretations (human coder and use of AI) and presentation of supporting extracts for each relevant theme.