FORMAL SUBMISSION

Productivity Commission | Inquiry into the Determinants of Regional Airfares

Submitted by: Christmas Island Community Action Group and Concerned Residents

Nominated representative: Tracey Krepp | Christmas Island, Indian Ocean Territories | 27 October 2026

1. Executive Summary

For Christmas Island residents, air travel is not a luxury. It is our essential connection to mainland Australia. Unlike mainland regional communities, we cannot drive to another airport or use road or rail transport when flights are unavailable or unaffordable.

Despite the Australian Government-supported air service, residents face high fares, limited availability, restrictive baggage arrangements and serious consequences from cancellations and timetable changes. We ask the Commission to examine Christmas Island and the Cocos (Keeling) Islands as distinct cases, rather than conventional competitive regional aviation markets.

The central question is whether an essential, government-underwritten air service should impose such significant costs on the community it exists to serve.

2. Government Underwriting and Accountability

Qantas commenced passenger and freight services under a five-year Australian Government arrangement in November 2025. Community priorities raised during the tender process included affordable and transparent fares, reliable flights, seat availability, suitable baggage allowances and effective disruption recovery.

The public should be able to understand how government support translates into affordable fares and measurable service standards. We request examination of fare structures, public subsidy arrangements, performance obligations and transparent reporting.

3. Airfare Affordability

Residents have identified one-way fares of approximately $995 between Christmas Island and Perth. At that price, two people travelling return would pay about $3,980 in fares alone, before accommodation, transport and baggage. These are illustrative observed prices, not an average fare series.

Travel is frequently essential for medical treatment, family emergencies, education, training, employment and family connections. Christmas Island residents do not have access to the Western Australian Regional Airfare Zone Cap scheme. We request

consideration of a dedicated resident airfare cap or equivalent assistance for the Indian Ocean Territories.

4. Flight Schedule Changes and Total Travel Costs

The change from Tuesday and Friday to Monday and Friday services has affected residents who previously travelled to Perth on Friday, attended Monday appointments and returned Tuesday. Some now face longer stays, missed work, extra accommodation, meals and car hire, or rearranged appointments.

Airfare affordability must be assessed as the full cost of accessing essential services, not just the ticket price.

5. Baggage Restrictions

From 1 October 2026, the checked allowance was reduced from 30 kg to one 23 kg piece. Residents have reported an additional checked bag costing approximately $236 at the airport, with no advance purchase option. Residents often rely on flights to bring home essential goods that are unavailable or expensive on-island. Baggage allowances and fees should be assessed as part of the real cost of the service.

6. Reliability and Disruption Recovery

Flight cancellations or delays can mean missed medical appointments, family commitments and connections, along with significant unplanned costs. While safety and weather considerations are paramount, the service contract should include measurable recovery times, passenger assistance standards and transparent reporting of disruption performance.

7. Limited Competition and Consumer Choice

Residents have no practical alternative airline, nearby airport or overland route. Normal competitive pressure cannot be relied upon to protect consumers on this route. Government support should therefore be accompanied by transparent pricing, appropriate consumer safeguards and independent oversight.

8. Economic and Social Impacts

Expensive and infrequent air travel affects business recruitment, specialist trades, education, tourism and local services. It can also separate families, restrict visits by children and grandchildren, and make it difficult for young people to return home. The Commission should consider these wider costs when assessing regional aviation policy.

9. Community Consultation

The community has held a public meeting, collected more than 1,350 petition signatures, written to ministers and Qantas, and raised concerns with government and local representatives. This engagement reflects widespread concern. Major changes to fares, baggage and schedules should require meaningful advance consultation, not simply notification after decisions have been made.

10. Recommendations

1. Resident airfare cap. Introduce a government-supported resident airfare cap or equivalent targeted assistance for Christmas Island and the Cocos (Keeling) Islands.

2. Government underwriting review. Assess whether government support produces adequate and demonstrable value for residents.

3. Fare transparency. Publish meaningful information on fare levels, lower-fare seat availability and the operation of public support.

4. Baggage review. Review the 23 kg allowance and additional baggage fees in light of the needs of isolated residents.

5. Total cost assessment. Account for accommodation, meals, transport and lost time arising from flight schedules and disruptions.

6. Reliability standards. Establish measurable standards for flight performance, recovery and passenger assistance.

7. Community consultation. Require consultation before material changes to schedules, baggage and essential service conditions.

8. Independent oversight. Monitor fares, passenger complaints, reliability and contractual performance independently.

9. External territory recognition. Ensure external territory residents are considered in national and regional aviation affordability policies.

11. Conclusion

Christmas Island residents are not asking for preferential treatment. We ask for recognition of the reality that air travel is our only practical link to mainland Australia. A government-supported essential air service that residents cannot reasonably afford does not fully meet its purpose.

We urge the Productivity Commission to examine the Christmas Island experience as a distinct case study and recommend practical reforms to affordability, transparency, reliability and accountability. We welcome the opportunity to appear at a public hearing and provide further evidence.

Submitted on behalf of the Christmas Island Community Action Group and Concerned Residents

Tracey Krepp | Nominated representative