State of Australia's aviation sector and its ability to deliver reliable and affordable services to rural, regional and remote communities

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1. Inquiry Terms of Reference

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 25 February 2026:

The state of Australia's aviation sector and its ability to deliver reliable and affordable services to rural, regional and remote communities, with particular reference to:

a. costs, fees, levies, taxes and charges that are core components to the pricing of airfares and associated services;
   aa. the decision made by Qantas (Qantas Airways Limited) on 1 October 2025 to close its regional staff bases in Canberra, Hobart and Mildura;
b. disparities of these costs across rural, regional and remote airports and the basis for the disparities;
c. mechanisms for recovering federally mandated security and regulatory costs and options for achieving greater financial equity across the aviation sector, including the merits of a uniform national levy to cover security arrangements;
d. competitiveness of the aviation sector to service regional, rural and remote communities and the implications of reducing or withdrawing those services;
e. adequacy of government fees and levies to equitably address costs for airline services incurred due to federal legislation and regulations;
f. effectiveness of government processes and mechanisms to identify and quantify capital and ongoing costs due to federal legislation and regulations;
g. policy and practical measures in place, or that could be established, to assist the aviation sector to provide services to rural, regional and remote communities;
h. review of government responses to recommendations from previous relevant inquiries and the status of associated actions; and
i. any other related matters.

2. Preface

The Kimberley Regional Group (KRG) welcomes the opportunity to contribute to the Rural and Regional Affairs and Transport References Committee inquiry into the state of Australia's aviation sector and its ability to deliver reliable and affordable services to rural, regional and remote communities.

The KRG has recently prepared and submitted a detailed submission to the Inquiry into Regional Airfares in Western Australia (February 2026). That submission addresses many of the core issues raised in the present Terms of Reference, including affordability, structural cost drivers, thin market dynamics, regulatory cost impacts, service reliability and the essential public transport role of aviation in remote regions.

Rather than duplicate that analysis, the KRG respectfully submits the attached document as its primary evidence to this inquiry. The issues identified in the Western Australian context are directly relevant to the broader national framework now under consideration.

In particular, the attached submission addresses matters relevant to:

• costs, fees, levies and structural cost pressures embedded in remote airfares
• thin and highly seasonal aviation markets and their competitiveness constraints
• regulatory and compliance costs borne disproportionately by small regional airports
• the interaction between service availability, reliability and affordability
• the need to recognise aviation as essential public transport infrastructure in remote Australia

In addition, the KRG notes that the current inquiry's broader national scope raises specific Commonwealth matters including federally mandated security and regulatory cost recovery mechanisms, the equity implications of national levies, and the sustainability of regional airline workforce and base arrangements. The KRG supports examination of these matters through a national lens and would welcome the opportunity to provide supplementary evidence if requested.

The Kimberley context illustrates the systemic challenges faced by remote regions across Australia. Aviation policy settings that do not account for structural thin-market conditions risk entrenching inequity in access to health, education, employment and economic participation.

The Kimberley Regional Group therefore respectfully requests that the attached submission be considered as evidence to this inquiry.

3. Submission into the Regional Airfares in Western Australia

This submission responds to the Inquiry into Regional Airfares, which is examining:

- factors contributing to the current high cost of regional airfares
- the impacts of high-cost regional airfares on regional centres from a business, tourism and social perspective
- the impact of State Government regulatory processes on the cost and efficiency of regional air services
- actions that State and local governments can take to limit increases in airfares without undermining the commercial viability of regular public transport (RPT) services
- actions that airlines can take to limit increases in airfares without undermining the commercial viability of RPT services
- recent actions taken by other Australian governments to limit increases in regional RPT airfares

The Kimberley Regional Group (KRG) addresses these terms of reference through the lens of one of Australia's most remote and aviation-dependent regions, where air services function as essential public transport and where pricing, scheduling and service reliability have a direct impact on health access, economic participation and liveability.

The KRG submission focuses in particular on:

- the critical role of aviation in enabling access to health, education, government and commercial services across the Kimberley, including the role of Broome, Kununurra, Halls Creek and Derby as regional service hubs
- the affordability and predictability of airfares for residents, businesses and service providers in a region with limited alternative transport options
- the interaction between airfare levels, service frequency, scheduling and reliability in thin and highly seasonal aviation markets
- the structural characteristics of remote aviation markets that contribute to high costs, limited competition and constrained service offerings
- the effectiveness and limitations of existing policy interventions, including fare caps and regulated routes, in improving access and affordability in the Kimberley context
- opportunities for policy and regulatory reform that recognise aviation as essential infrastructure in remote regions and support both affordability and long-term service sustainability

While the Kimberley includes several regional service centres that support surrounding communities, this submission reflects the shared and systemic challenges experienced across the Kimberley region as a whole, including in regional centres, smaller towns and remote communities, rather than the circumstances of any single locality.

4. Executive Summary

The Kimberley is one of Australia's most remote and aviation-dependent regions. Vast distances, dispersed populations and strong seasonal constraints on road access mean that aviation functions as essential public transport, rather than discretionary travel, for Kimberley communities.

This submission from the Kimberley Regional Group (KRG) responds to the Inquiry into Regional Airfares by outlining how high and volatile airfares, constrained service availability and limited reliability affect residents, businesses, service delivery and economic participation across the Kimberley. These impacts extend beyond individual travellers and influence access to health care, education, government services, workforce mobility, tourism and regional liveability.

The submission demonstrates that demand for air travel in the Kimberley is predominantly necessity-driven. High airfares do not eliminate the need to travel, but they alter behaviour by suppressing travel frequency, delaying access to services, increasing financial stress and shifting costs onto households, governments and service systems. Volatility and uncertainty in pricing and service availability further undermine confidence and planning.

Airfare outcomes in the Kimberley are shaped by structural and persistent factors, including thin markets, long distances, high operating costs, workforce constraints, limited competition and strong seasonality. These characteristics distinguish the Kimberley from metropolitan and larger regional aviation markets and limit the extent to which market forces alone can deliver affordable and predictable outcomes.

Government policies and regulatory settings have made a difference in specific circumstances, particularly through fare-based interventions. However, the Kimberley experience shows that short-term measures, limited certainty and a narrow focus on fares alone reduce the effectiveness of these interventions. Affordability outcomes are closely linked to service frequency, scheduling, reliability and the operating environments of remote airports.

The KRG submits that improving aviation affordability and access in the Kimberley requires a coordinated policy approach that recognises aviation as essential public transport in remote regions. Effective reform should prioritise long-term certainty, address service availability and reliability alongside fares, account for structural cost pressures, and be informed by robust data.

The Kimberley Regional Group welcomes the inquiry as an opportunity to develop policy settings that support equitable access, sustainable service delivery and regional liveability in remote Australia.

5. About the Kimberley Regional Group

The Kimberley Regional Group (KRG) of local governments is an alliance of the four Shires of the Kimberley in northern Western Australia, being the Shire of Broome, the Shire of Derby West Kimberley, the Shire of Halls Creek, and the Shire of Wyndham East Kimberley.

Our Vision is to maintain and enhance the rich diversity and liveability of the Kimberley for its people and the world. Collaboratively the group seeks to drive positive impact across the region through improved social, economic, and cultural outcomes.

Our region covers 427.5 square kilometres – larger than the states of Victoria and Tasmania. The Kimberley is home to over 39,000 people, 40 percent of whom are Aboriginal and Torres Strait Islander people. The Kimberley has three regional centres, Broome, Kununurra, and Derby, with smaller regional towns of Halls Creek, Fitzroy Crossing and Wyndham. There are over eighty remote communities across the region, some of which have large populations up to 600 people. The Kimberley is a key contributor to Australia's wealth with an annual economic output of $7.033 billion[1]**.** Mining, agricultural production, construction, and tourism are major contributors to the region's diverse economy.

The outcome we seek from the inquiry

The Kimberley Regional Group seeks inquiry outcomes that recognise aviation as essential public transport infrastructure for remote and very remote regions, and that support affordable, reliable and predictable air services for Kimberley communities.

In particular, the KRG seeks:

- policy settings that improve the affordability and predictability of airfares for residents, businesses and service providers in the Kimberley
- aviation pricing and service frameworks that reflect the realities of thin, remote markets with limited alternative transport options
- sustained and coordinated Commonwealth and State involvement to support essential air services where market forces alone cannot deliver equitable outcomes
- greater certainty around fare-based interventions and regulated service arrangements to enable forward planning by households, employers and service providers
- recognition of the role aviation plays in enabling access to health care, education, employment, government services and economic participation across the Kimberley

The KRG also seeks inquiry findings that acknowledge the broader public value delivered by regional aviation in the Kimberley, including improved liveability, workforce attraction and retention, and reduced pressure on metropolitan service systems.

[1] https://app.remplan.com.au/kimberleyregion/economy/summary?state=grzqFNYpOIq9Mexua8nao9UVhYhY4q

6. Kimberley Context: Aviation as Essential Public Transport

The Kimberley is one of Australia's most remote and aviation-dependent regions. Vast distances, highly dispersed populations and strong seasonal impacts on road accessibility mean that air services function as essential public transport rather than discretionary travel.

For many Kimberley residents, businesses and service providers, aviation is the only practical means of accessing health care, education, government services, employment opportunities and markets. This reliance extends across regional centres, smaller towns and remote communities, with limited or no viable alternatives during significant parts of the year.

The aviation market in the Kimberley is characterised by thin demand, high operating costs, limited competition and strong seasonality. These conditions contribute not only to high airfares, but also to constrained service frequency, limited scheduling options and reduced reliability. In this context, fare affordability, service availability and certainty are closely linked.

Travel demand in the Kimberley is predominantly necessity-driven. Residents often have limited flexibility around timing due to health appointments, employment requirements, education commitments and cultural obligations. Service providers and government agencies similarly rely on aviation to deliver services across the region. As a result, price volatility and service disruptions have disproportionate impacts compared to metropolitan or larger regional markets.

The role of aviation in the Kimberley extends beyond passenger travel. Air services support emergency response, health evacuations, workforce mobility, supply chains and economic participation across key sectors including mining, agriculture, tourism and construction.

Aviation also plays a critical role in enabling tourism in the Kimberley. Due to distance, travel time and seasonal road conditions, air travel is the primary means by which most visitors access the region. High or volatile airfares can therefore suppress visitation, shorten stays and reduce economic activity for local businesses, particularly in smaller centres where tourism supports employment and service viability.

This context underscores the importance of policy settings that recognise aviation as essential infrastructure in remote regions, and that address affordability, reliability and access in an integrated manner.

7. Question 1: What impact do airfares have on demand for regional air travel?

In the Kimberley, airfares have a direct and material influence on demand, but the relationship differs from metropolitan and larger regional markets. Demand for air travel in the Kimberley is predominantly necessity-driven rather than discretionary, meaning that high fares do not eliminate demand so much as suppress travel frequency, delay access to services, shift costs to other systems, and constrain economic participation.

Essential travel is constrained, not discretionary

Many Kimberley residents rely on aviation to access essential services, including health care, education, employment, government services and family and cultural obligations. For this cohort, travel often cannot be avoided, even when fares are high. However, elevated or volatile fares affect how and when people travel, including:

- delaying or deferring travel until absolutely necessary
- reducing the frequency of visits to regional service centres
- consolidating multiple needs into fewer trips
- increasing financial stress for households and communities

As a result, high fares do not remove demand, but they transfer costs and impacts onto individuals, families and service systems.

Impact on service delivery and workforce mobility

Airfares also influence demand for travel by service providers, professionals and government agencies delivering services across the Kimberley. High or unpredictable fares can lead to:

- reduced frequency of visiting services and outreach programs
- greater reliance on fly-in, fly-out models with compressed schedules
- increased costs for government and non-government service providers
- challenges in attracting and retaining skilled workers

In some cases, service delivery models are adjusted or curtailed due to airfare costs rather than demand for services.

Economic participation and business travel

For Kimberley businesses, air travel is essential to accessing markets, suppliers, clients and professional services. 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.

Tourism demand (high-level)

While tourism is addressed in more detail elsewhere in this submission, it is noted that high airfares can suppress visitor demand for the Kimberley, particularly given the region's distance from major population centres and the limited feasibility of alternative transport modes. This has flow-on effects for local employment and service viability.

Volatility and uncertainty as demand suppressors

In addition to fare levels, volatility and uncertainty play a significant role in shaping demand. Short-term changes in pricing, limited seat availability and uncertainty around fare policies reduce confidence in travel planning for residents, businesses and service providers alike.

In the Kimberley context, demand is therefore influenced not only by the absolute cost of airfares, but by the predictability, availability and reliability of air services.

Summary

In the Kimberley, high airfares do not simply reduce demand — they reshape it in ways that disproportionately affect residents, service delivery and economic participation. Demand remains strong because travel is essential, but elevated and volatile fares suppress travel frequency, shift costs onto households and governments, and constrain the region's social and economic development.

Understanding this dynamic is critical to designing policy responses that improve affordability and access without undermining the viability of essential air services.

8. Question 2: How do high regional airfares affect regional centres, businesses and communities?

High and volatile airfares have wide-ranging social and economic impacts across the Kimberley. These impacts extend beyond individual travellers and directly affect regional centres, local businesses, service delivery systems and community wellbeing.

Impacts on access to essential services

High airfares increase the cost and complexity of accessing essential services for Kimberley residents. Travel for health care, specialist appointments, education, legal matters and government services often requires air travel, particularly from remote communities.

Elevated fares can result in:

- delayed or deferred access to health and specialist services
- increased financial pressure on households and families
- greater reliance on government-funded travel assistance schemes
- increased downstream costs to health and social service systems

Where residents are forced to delay or consolidate travel due to cost, outcomes can worsen and system-wide costs increase.

Impacts on service delivery and workforce attraction

Airfare levels also affect how services are delivered into the Kimberley. Government agencies, health providers, educators and community organisations rely on aviation to reach communities across the region.

High or unpredictable airfares contribute to:

- reduced frequency of visiting services and outreach programs
- compressed service schedules that limit continuity of care
- increased costs for service providers delivering regional programs
- challenges in attracting and retaining skilled professionals

In some cases, service delivery models are altered or scaled back due to airfare costs rather than community need.

Impacts on local businesses and economic participation

For Kimberley businesses, air travel is essential to accessing markets, suppliers, professional services and investment opportunities. High airfares increase operating costs and constrain business growth.

Impacts include:

- higher costs of doing business in the region
- reduced capacity for regular business travel
- barriers to attracting external partners, investors and clients
- increased reliance on remote or digital engagement where in-person presence is preferable

Small and medium enterprises are particularly affected, as they have limited capacity to absorb or pass on increased travel costs.

Tourism impacts

Tourism is a key contributor to the Kimberley economy and supports employment and service viability across the region. Due to distance, travel time and seasonal road conditions, air travel is the primary means by which most visitors access the Kimberley.

High or volatile airfares can:

- suppress visitor demand, particularly for price-sensitive travellers
- shorten length of stay or reduce spend
- limit attendance at events and seasonal tourism activities
- disproportionately affect smaller operators and communities

While tourism demand is more price-sensitive than essential travel, airfare levels remain a critical determinant of visitation to the region.

Impacts on regional centres and community liveability

Regional centres in the Kimberley function as service hubs for surrounding towns and remote communities. High airfares affect their ability to perform this role effectively by increasing the cost of connectivity for both inbound and outbound travel.

Over time, this can:

- weaken the role of regional centres as service and employment hubs
- reduce population retention and workforce stability
- increase reliance on metropolitan-based service delivery
- undermine broader regional development objectives

Summary

High regional airfares in the Kimberley have impacts that extend well beyond individual travellers. They affect access to essential services, the viability of local businesses, the delivery of government and community services, tourism activity and overall community liveability.

Addressing airfare affordability and predictability is therefore not only a transport issue, but a critical factor in supporting equitable access, economic participation and sustainable regional development across the Kimberley.

9. Question 3: What factors influence the cost of regional airfares?

Airfare levels in the Kimberley are shaped by a combination of structural, operational and market factors that differ markedly from metropolitan and larger regional aviation markets. These factors interact to produce higher base costs, limited competition and greater volatility in pricing.

Thin markets and limited economies of scale

The Kimberley aviation market is characterised by relatively low passenger volumes spread across vast distances. While demand for air travel is essential, it is often insufficient to support the economies of scale available on metropolitan or high-density regional routes. This results in:

- higher per-passenger operating costs
- limited ability to spread fixed costs across large passenger volumes
- reduced scope for sustained price competition

Even routes serving regional centres must also support access to smaller towns and remote communities, further constraining scale efficiencies.

Distance, aircraft utilisation and operating costs

Long distances between Kimberley centres and major population hubs increase fuel consumption, crew costs and maintenance requirements. Aircraft operating in the region often face:

- long sector lengths with limited opportunities for multiple daily rotations
- reduced aircraft utilisation compared to metropolitan routes
- higher maintenance and logistics costs due to remoteness

These factors increase the underlying cost base of Kimberley air services.

Workforce availability and cost pressures

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.

Limited competition and barriers to entry

Competition on Kimberley routes is constrained by market size, fleet availability and commercial risk. The capital costs associated with aircraft acquisition, combined with uncertainty around demand and seasonality, create significant barriers to entry for new operators. Where competition does exist, it may be intermittent or limited to specific routes or seasons, reducing its ability to exert sustained downward pressure on fares.

Seasonality and demand volatility

Travel demand in the Kimberley is highly seasonal, influenced by tourism cycles, weather conditions and industry activity. Seasonal peaks place pressure on limited seat capacity, while off-peak periods reduce route viability.

This volatility contributes to:

- fare spikes during peak demand periods
- reduced service frequency during off-peak periods
- pricing strategies designed to manage risk rather than maximise volume

Airport and regulatory costs

Airports in the Kimberley must meet the same safety, security and compliance standards as larger airports, but with far fewer passengers over which to spread costs. As a result:

- aeronautical charges can be higher on a per-passenger basis
- security and compliance costs are proportionally greater
- limited non-aviation revenue reduces cross-subsidisation opportunities

These costs are a necessary part of safe operations but contribute to higher overall fare levels.

Summary

Airfares in the Kimberley are influenced by a combination of thin markets, long distances, high operating costs, workforce constraints, limited competition and seasonality. These factors are structural and persistent, rather than temporary or discretionary.

Understanding these drivers is critical to designing policy responses that address affordability and access without undermining the viability of essential air services in remote regions.

10. Question 4: What characteristics of the regional aviation sector have influenced the level of airfares?

The regional aviation sector operating in the Kimberley exhibits a number of characteristics that fundamentally shape airfare outcomes. These characteristics reflect the realities of servicing remote and very remote markets and mean that the sector behaves differently from both metropolitan aviation markets and larger regional routes.

Thin and highly specialised markets

A defining characteristic of the Kimberley aviation sector is the presence of thin, highly specialised markets. Passenger demand is essential but dispersed across large distances and multiple small population centres. This limits the ability of airlines to achieve scale efficiencies or to operate high-frequency services that support sustained price competition.

Routes are often viable only with careful capacity management, conservative scheduling and pricing structures designed to manage risk rather than maximise volume.

Limited and episodic competition

Competition in the Kimberley aviation sector is inherently limited. Market size, fleet constraints and commercial risk mean that only a small number of operators are willing or able to service Kimberley routes.

Where competition does occur, it is often:

- limited to specific routes rather than network-wide
- seasonal or episodic rather than sustained
- sensitive to changes in demand, costs or policy settings

As a result, competition alone has limited capacity to consistently moderate fare levels.

High barriers to entry and expansion

The Kimberley aviation market presents significant barriers to both entry and expansion, including:

- high capital costs associated with aircraft acquisition and deployment
- limited availability of aircraft suited to long-distance regional operations
- workforce shortages and housing constraints in remote locations
- exposure to demand volatility and seasonal risk
- infrastructure and logistical challenges associated with remoteness

These barriers reduce the likelihood of new entrants and constrain the ability of existing operators to expand capacity in response to demand.

Dependence on multi-purpose operations

Airlines operating in the Kimberley often rely on a mix of passenger, charter, freight and contract services to maintain commercial viability. While this can improve aircraft utilisation, it also limits flexibility in scheduling and capacity allocation for regular public transport services.

In some cases, charter or contract commitments may take precedence during peak periods, further constraining seat availability on scheduled services and contributing to higher fares.

Exposure to volatility and external shocks

The Kimberley aviation sector is particularly exposed to volatility arising from weather events, seasonal demand shifts, workforce disruptions and broader economic conditions. With limited redundancy in fleets and staffing, disruptions can have immediate impacts on service availability and pricing.

This exposure reinforces conservative pricing and capacity strategies, which in turn contribute to higher and more volatile fares.

Limited scope for substitution or modal shift

Unlike metropolitan or larger regional markets, Kimberley passengers have very limited alternatives to air travel. 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.

Summary

The regional aviation sector in the Kimberley is characterised by thin markets, limited competition, high barriers to entry, exposure to volatility and a lack of transport alternatives. These characteristics fundamentally influence airfare levels and limit the extent to which market forces alone can deliver affordable and predictable outcomes.

Recognising these sector characteristics is essential to designing policy and regulatory responses that improve affordability and access while maintaining the viability of essential air services in remote regions.

11. Question 5: Have government policies or regulations made a difference?

Government policies and regulatory settings have had a material influence on airfare affordability, service availability and market behaviour in the Kimberley. Targeted interventions have demonstrated that outcomes can be improved in remote aviation markets; however, their effectiveness has been uneven and constrained by short-term design, limited certainty and a narrow focus on fares rather than service delivery as a whole.

Impact of fare-based interventions

Fare-based interventions, including capped fares and regulated routes, have improved affordability for Kimberley residents in specific circumstances. Where caps have been in place and clearly communicated, they have reduced extreme peak fares and provided some relief for residents and essential travellers.

However, the Kimberley experience also demonstrates the limitations of fare caps when applied in isolation. In particular:

- benefits are reduced where programs are short-term or extended at short notice
- uncertainty limits the ability of residents, businesses and service providers to plan travel
- fare caps do not address service frequency, scheduling or reliability issues
- constrained seat availability can limit the practical accessibility of capped fares

As a result, while fare caps have improved affordability at the point of purchase, they have not consistently delivered predictable or reliable access across the region.

Service availability, scheduling and reliability

For Kimberley communities, access is shaped as much by when and how services operate as by fare levels. Government policy settings have generally been less effective in addressing:

- limited service frequency on key routes
- schedule misalignment with health, education and service delivery needs
- cancellations and disruptions with limited alternative options
- the interaction between charter, contract and regular public transport services

In thin and remote markets, these factors can have impacts equal to or greater than fare levels alone.

Regulatory settings and cost impacts

Regulatory requirements relating to safety, security and compliance are essential, but they impose largely fixed costs regardless of route size or passenger volume. In the Kimberley, these costs are spread across very small passenger bases, contributing to higher per-passenger fares.

While these regulatory settings are not discretionary, there is scope for governments to:

- ensure regulatory frameworks are proportionate to scale and risk
- minimise duplication across jurisdictions
- consider targeted support where compliance costs are unavoidable and essential

Without such consideration, regulatory costs are ultimately passed through to users in the form of higher fares or reduced services.

Infrastructure investment and limitations

Government investment in Kimberley airport infrastructure has been critical to maintaining safety and operational capability. However, infrastructure investment alone has not delivered affordability or access outcomes where operating costs remain high and service availability is constrained.

Infrastructure funding must therefore be complemented by pricing, service and regulatory policy measures if it is to translate into improved outcomes for communities.

Policy certainty and market behaviour

Policy certainty plays a particularly important role in the Kimberley aviation market. Airlines operating in thin and volatile markets respond conservatively to uncertainty around pricing interventions, regulatory changes or funding arrangements.

Short-term policies and late extensions can unintentionally reinforce risk-averse behaviour, limiting capacity, reducing service frequency or increasing prices outside capped conditions.

Summary

Government policies and regulatory settings have made a difference to aviation outcomes in the Kimberley, particularly in improving affordability in specific circumstances. However, the experience to date shows that fare-based interventions alone are insufficient, and that policy design, certainty and scope are critical.

For remote regions such as the Kimberley, effective policy must address affordability, service availability and reliability together, recognising aviation as essential public transport rather than discretionary travel.

12. Question 6: What actions could be taken to improve affordability and access to regional aviation services?

Improving affordability and access to aviation services in the Kimberley requires a coordinated policy approach that recognises aviation as essential public transport in remote regions. No single measure will address the structural challenges of thin markets, high operating costs and limited competition. Effective reform must address pricing, service availability, reliability and policy certainty together.

Improve certainty and durability of affordability measures

Experience in the Kimberley demonstrates that affordability measures are most effective when they provide long-term certainty, rather than short-term relief. Fare-based interventions should be designed with sufficient duration and clarity to enable forward planning by residents, businesses and service providers. This includes:

- longer-term commitments to fare affordability programs
- early confirmation of program continuation or changes
- transparent eligibility and pricing rules
- avoidance of short-term extensions announced close to expiry

Predictability is particularly important in remote regions where travel is essential and alternatives are limited.

Address service availability, scheduling and reliability alongside fares

In the Kimberley context, access is shaped as much by service frequency, scheduling and reliability as by fare levels. 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

Improving reliability and alignment can deliver significant access benefits even where fare reductions are modest.

Recognise aviation as essential public transport in remote regions

Aviation policy should explicitly recognise that, in regions such as the Kimberley, air services function as essential public transport rather than discretionary travel. This recognition would support more consistent and equitable policy treatment across jurisdictions and provide a clearer basis for targeted intervention where market outcomes do not align with public interest objectives.

Such an approach does not imply uniform subsidy of all routes, but rather a framework for supporting essential access where market constraints are structural and persistent.

Reduce avoidable cost pressures through proportionate regulation

Governments should continue to examine opportunities to reduce or offset cost pressures that disproportionately affect remote aviation markets, including:

- regulatory compliance costs that are largely fixed regardless of passenger volume
- duplication of regulatory requirements across jurisdictions
- security and safety obligations that impose high per-passenger costs at small airports

Where such costs are unavoidable, targeted support may be more efficient than allowing them to be fully passed through to users via higher fares or reduced services.

Consider how airport operating and ownership models interact with affordability

Airport operating and ownership models vary across regional and remote Australia, with different implications for cost recovery, pricing flexibility and cross-subsidisation. In thin markets with limited non-aviation revenue, airport operators—regardless of ownership model—often have limited capacity to absorb costs without passing them through to airlines and passengers.

Policy responses should therefore consider how aviation affordability measures interact with airport operating environments, and whether complementary mechanisms are required to support access outcomes in remote regions.

Improve transparency and data to support better policy design

More consistent and transparent data on fares, demand, capacity and cost drivers would support better-targeted and more effective interventions. Improved data would allow governments to distinguish between essential and discretionary travel demand and to assess the distributional impacts of policy measures in remote regions.

Summary

For the Kimberley, improving aviation affordability and access requires policy approaches that move beyond short-term or fare-only interventions. The most effective responses will:

- provide long-term certainty
- address service availability and reliability
- recognise aviation as essential public transport
- account for structural cost pressures and operating environments
- be informed by robust and transparent data

Such reforms are critical to supporting equitable access, service delivery, economic participation and liveability across remote regions.

13. Conclusion

In the Kimberley, aviation is essential public transport. High and volatile airfares, constrained service availability and limited reliability have impacts that extend well beyond individual travellers, affecting access to health care, education, government services, economic participation and community wellbeing across the region.

This submission has demonstrated that the factors driving airfare outcomes in the Kimberley are structural and persistent. Thin markets, long distances, limited competition and high fixed costs mean that market forces alone are unlikely to deliver affordable, predictable and reliable outcomes in remote regions.

Experience to date shows that targeted government intervention can improve affordability and access, but that policy design, scope and certainty are critical. Fare-based measures must be complemented by attention to service availability, scheduling, regulatory costs and the operating environments of remote airports if they are to deliver durable outcomes.

The Kimberley Regional Group welcomes the inquiry as an opportunity to develop policy settings that recognise aviation as essential infrastructure in remote Australia and that support equitable access, service delivery and regional liveability over the long term.