FLYING MINUTE: Inquiry into the State of Australia's Aviation Sector and its ability to deliver reliable and affordable services to rural, regional and remote communities

By Negar Nili, Policy Officer Transport and Roads

WALGA RECOMMENDATION

That State Council endorse the submission to the Senate (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.

RESOLUTION 260.FM/2026   **CARRIED**

EXECUTIVE SUMMARY

- The Senate Rural and Regional Affairs and Transport References Committee is undertaking an inquiry into the State of Australia's aviation sector and its ability to deliver reliable and affordable services to rural, regional and remote communities.
- WALGA's submission is primarily based on existing policy positions, including those developed in response to the State Aviation Strategy, National Aviation Green Paper and White Paper.
- The submission is informed by engagement with a sample of regional Local Government airport representatives and reflects on-the-ground operational experience.
- The submission was discussed by the Infrastructure Policy Team on 20 January, and their feedback has been incorporated into this draft.
- The closing date for submissions has been extended to 27 February, which is prior to the next State Council meeting.
- The submission seeks:
  - Improved airfare affordability, transparency and fair access to lower-cost fares for regional communities.
  - Proportionate, risk-based aviation security requirements suitable for regional and low-passenger volume airports.
  - Targeted and consistent Commonwealth funding to support Local Government airport operations, compliance and asset renewal.
  - Support for essential regional air routes to ensure ongoing service viability and reliability.
  - Strengthened Local Government capacity, including staffing, operational support and access to modern systems.
  - Better coordination across governments, regulators, airlines and industry to reduce regulatory and operational burden.
  - A review of airport grant eligibility, particularly for airports with significant FIFO activity that also service regional communities.
  - National recognition of regional aviation as an essential service underpinning health access, emergency response, economic development and community resilience.

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ATTACHMENT

- Draft submission to the Senate Inquiry into State of Australia's Aviation Sector and its ability to deliver reliable and affordable services to rural, regional and remote communities

POLICY IMPLICATIONS

The current Advocacy Position is 5.9 Aviation.

BACKGROUND

WALGA's advocacy on aviation is guided by its established policy positions, which focus on the importance of safe, reliable and affordable air services for regional and remote communities in Western Australia. These positions recognise the role of aviation in supporting regional accessibility, service delivery and economic activity, as well as the operational and regulatory challenges faced by Local Government–owned airports.

Consistent with these policy positions, WALGA has engaged with national aviation policy development processes, including providing feedback on the Commonwealth Government's Aviation Green Paper and contributing to discussions informing the Aviation White Paper. This engagement has been informed by member councils' experience of airport ownership and operation and reflects practical considerations relevant to regional aviation.

WALGA's ongoing aviation advocacy seeks to ensure that national policy settings appropriately recognise regional circumstances and support sustainable aviation services and infrastructure for regional Western Australia.

Terms of Reference

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.

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The Parliamentary Inquiry can be viewed [here](#).

COMMENT

Regional aviation policy settings are critical to ensuring regional and remote communities have access to affordable, reliable and equitable air services. Improved transparency and appropriate oversight of airline pricing and market settings on regional routes remain important considerations, particularly where limited competition may contribute to higher airfares and reduced accessibility for regional communities.

Aviation security and regulatory frameworks would benefit from a proportionate, risk-based approach that reflects passenger volumes, operational risk and the scale of regional and low-volume airports. Aligning regulatory requirements more closely with risk profiles can assist regional airports to meet compliance obligations while minimising unnecessary operational and cost burdens.

Targeted and consistent Commonwealth funding continues to be important in supporting Local Government-owned regional airports, particularly in meeting regulatory requirements and undertaking essential asset renewal. Improved coordination across governments, regulators, airlines and industry would further support sustainable regional aviation by reducing regulatory complexity, improving policy alignment and enabling longer-term planning for air services as essential regional infrastructure.

The submission was discussed by the Infrastructure Policy Team on 20 January, and their feedback has been incorporated into this draft.

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FLYING MINUTE OUTCOME

Poll created: 29/01/2026 at 16:00
Poll closed: 05/02/2026 at 17:00

Name	Completed Date
Chris Antonio	05/02/2026 10:49
Phillip Blight	04/02/2026 6:43
Laurene Bonza	05/02/2026 16:41
Donelle Buegge	04/02/2026 13:01
Scott Crosby	04/02/2026 12:22
Patrick Hall	01/02/2026 10:12
Cate McCullough	No response.
Lewis Hutton	No response.
Mark Irwin	05/02/2026 15:01
Paul Kelly	04/02/2026 22:28
Terresa Lynes	30/01/2026 16:51
Paige McNeil	04/02/2026 10:50
Chris Mitchell	05/02/2026 15:32
Matthew Niikkula	04/02/2026 15:33
Les Price	05/02/2026 16:18
Helen Sadler	30/01/2026 12:12
Robert Schmidt	No response.
Eman Seif	04/02/2026 8:21
Audra Smith	05/02/2026 15:42
Stephen Strange	04/02/2026 20:22
Liz Sudlow	05/02/2026 16:48
Mike Walmsley	04/02/2026 15:35
Karen Wheatland	02/02/2026 10:29
Barry Winmar	02/02/2026 12:03

The submission was endorsed.

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Senate Inquiry

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

Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
Parliament House, Canberra

Via email: rrat.sen@aph.gov.au

Dear Chair and Committee Members

Thank you for the opportunity to provide a submission to the 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 Western Australian Local Government Association (WALGA) is an independent, member-based, not-for-profit organisation representing and supporting all Local Governments in WA. Further information is available at About WALGA | WALGA. WALGA's position is guided by established policy positions endorsed by the Local Government sector, which emphasises the need for a strategic, equitable and evidence-based approach to aviation and regional air services.

The Western Australian Local Government sector seeks:

- Greater oversight of airline pricing practices in regional markets, including transparency of fare structures, equitable access to discounted and lower cost fares to mitigate adverse impacts of limited (or no) competition and dynamic pricing on regional residents, businesses and essential travel.
- The Commonwealth manage aviation security in a way that is proportionate, risk-based and appropriate for regional and low-volume airports, including clearer guidance on regulatory triggers, realistic implementation timeframes for new requirements, and support to address outdated and inefficient security equipment.
- Targeted and consistent Commonwealth funding to address the cost impacts on Local Governments providing airport services including aviation security, regulatory compliance and asset renewal, recognising that most Local Government airports serving regular passenger transport services cover operating costs but lack sufficient capital reserves to fund major infrastructure renewal and upgrades.
- Targeted support to ensure the ongoing viability and reliability of essential regional air services and routes, accounting for market settings, regulated routes, and regional population.
- Increased support for Local Governments to address resource constraints, including staffing capacity, operational costs, ageing infrastructure and access to modern technology and systems.
- Greater coordination between governments, regulators, airlines and industry to support sustainable regional aviation outcomes and reduce regulatory and operational burden on Local Governments.
- Review the eligibility requirements for airport grant programs, particularly in relation to airports with significant fly in fly out (FIFO) industry activity that also provide critical services to regional communities but may be excluded from funding.
- Recognition of regional aviation as an essential service, underpinning access to health services, emergency response, tourism, economic development and regional resilience.

Across Western Australia, Local Governments own, maintain, and operate approximately 150 airports and airstrips, including 17 that support regular passenger transport (RPT) services. These facilities form the backbone of the State's regional aviation network and are vital to economic resilience, tourism, and access to essential services.

WALGA has consistently contributed to aviation policy development, including submissions to the Aviation Green Paper and Aviation White Paper. Building on this foundation, this submission seeks to ensure that future aviation policy and regulation deliver equitable, transparent, and reliable air services that meet the needs of regional communities and Local Governments.

Context

Affordable and reliable air services are critical to the prosperity of Western Australia's regional communities, supporting the movement of people and goods, connecting regional hubs with the capital city. In a vast state like WA, these services underpin liveability, regional economic development, delivery of essential services and a vibrant tourism industry. Aboriginal and Torres Strait Islander people represent over 8.5% of the population outside of the Greater Perth area, compared to less than 2% in the Perth metropolitan region[1] and so are disproportionately affected by high airfares, limited-service availability and therefore indirectly the achievement of Commonwealth priorities, including Closing the Gap.

As highlighted in the Aviation White Paper (Towards 2050), aviation enables most other sectors of the Australian economy, including key export sectors of tourism, mining, manufacturing, fresh produce and higher education. Air connectivity has also been demonstrated to have a positive link with economic productivity and can generate improved competitiveness and employment growth, including through better access to capital markets and human resources[2].

Air services that meet minimum standards ensure access to services that are not provided or viable in smaller regional communities, particularly healthcare. As at November 2024, there were 174 GPs serving rural communities through Fly-in Fly-out or Drive-in Drive-out arrangements in WA, the fastest growing cohort of GPs.[3] While data isn't publicly available, similar models are used for Remote Area Nurses, allied health professional and some Aboriginal Community Controlled Health Organisations. For maternity and obstetric services, only 12 hospitals across more than 2.55 million square kilometres provide these services, meaning high-risk pregnancies often require air travel to regional centres or Perth, impacting not only patients but also their families.

Where market forces alone fail to deliver essential air services, there is a role for the Federal Government to support provision. Reliable aviation connectivity supports regional economies directly through business, trade, and tourism, and indirectly, by enhancing liveability, workforce attraction, and retention. It is also critical for emergency response and resilience in regional communities.

Challenges in Regional Aviation

Airline Pricing Practices, Equity, and Regulation

Regional communities are disproportionately affected by airline pricing structures that are complex, opaque, and highly variable. Limited availability of lower-fare seats and rapid price escalation reduce affordability for residents who rely on air travel for essential purposes, including health, family, and work-related travel.

In many regional markets, including those with more than one airline operating, competition has not necessarily resulted in lower or more equitable pricing outcomes. Local Governments also note that

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[1] Australian Bureau of Statistics 2021 Census data accessed 21 January 2026
[2] Aviation White Paper, Towards 2050 p38
[3] AWU-November-2024_June-2025-COMPLETE_WEB_EMAIL.pdf

airport charges represent only a very small proportion of total ticket prices and do not adequately explain the fares experienced in regional communities.

Aviation Security

Regional airports are required to meet security standards often designed for larger airports, despite serving low passenger volumes. Compliance imposes significant financial and operational burdens on councils. For example, some airports operate with outdated or inefficient screening equipment, which increase costs and complicate meeting regulatory requirements. Ambiguities regulations and high upgrade costs further challenge councils operating these facilities.

Funding and Resource Constraints for Local Governments

Many councils operate regional airports with limited staff, technology, and operational resources. While some airports cover operating costs, most lack capital for major maintenance or infrastructure upgrades. Funding gaps can restrict safe and compliant operations and affect the viability of essential air services, including airports with both community and FIFO functions.

Affordability, Transparency, and Consumer Choice

High airfares, limited consumer choice, and unclear fare structures reduce accessibility for residents, families, and businesses. These challenges are most acute in markets with low competition, affecting intra-state and interstate travel, tourism, workforce mobility, and regional economic activity.

Airline Viability and Service Continuity

Regional air services are fragile. Sudden reductions or route withdrawals can disrupt essential travel, isolate communities, and impact local economies. Existing market or route arrangements do not always ensure reliable or high-quality services, highlighting the need for policy settings that support long-term continuity. The recent Federal Government support for a regional airline in administration, and Western Australian Government regulation of routes that are not commercially strong is acknowledged and valued.

Coordination Across Governments and Industry

Fragmented policy, regulatory, and funding arrangements can impede service delivery. Local Governments often face constraints in responding quickly to changing regulations or operational requirements. Strong coordination between Federal and State Governments, regulators, airlines, and Local Governments will support sustainable, reliable, and cost-effective regional aviation.

Regional Aviation as an Essential Service

Airports and air services provide more than transport, they enable health provision, emergency response, tourism, economic development, and social cohesion. Without reliable air services, intra-state, interstate, and international travel is constrained, limiting tourism and broader economic opportunities. Recognising the broader value of regional air services is critical for Federal planning, policy, and investment decisions

Government's Role and Policy Recommendations

Strengthen oversight of airline pricing and market conduct on regional routes

Ensure fare structures are transparent, equitable, and proportionate, and intervene where limited competition or market power results in persistently high airfares that restrict access to and development of regional communities.

Adopt a risk-based and proportionate approach to regional aviation security

Ensure aviation security requirements, regulatory triggers and compliance timelines reflect passenger volumes, operational risk and airport scale, with clear guidance and appropriate Commonwealth support for regional and low-volume airports.

Provide targeted and equitable Commonwealth funding for regional airport compliance and asset renewal

Align funding programs with the cost impacts of security, regulatory and infrastructure requirements at council-owned airports, including those serving mixed community and FIFO functions that remain critical to regional access.

Strengthen oversight of regional aviation market settings to improve affordability and service reliability

Promote transparency, competition and service continuity on regional routes, and consider intervention where market failure undermines access to essential air services for regional communities.

Improve coordination across governments, regulators and industry to support sustainable regional aviation

Enhance cross-jurisdictional coordination to reduce regulatory burden, improve policy alignment and support long-term planning for regional air services as essential community infrastructure.

Conclusion

Reliable regional air services are essential to the prosperity, liveability, and resilience of Western Australia's communities. They provide equitable access to health, education, and economic opportunities, supporting Commonwealth priorities, including Closing the Gap. The Local Government sector stands ready to work with State and Federal Governments to ensure that aviation policy and investment deliver equitable, affordable, and reliable air services for all regional, rural, and remote communities. The recommendations in this submission reflect the sector's commitment to supporting regional aviation as a driver of economic growth, social inclusion, and improved outcomes for all Western Australians.

We would welcome further engagement with the Committee. Should you wish to discuss any of the points identified further, please contact Ian Duncan, Executive Manager, Infrastructure at iduncan@walga.asn.au or on 0439 947 716.

Yours faithfully

Nick Sloan
Chief Executive Officer