

Submission to the Senate Standing Committees on Rural and Regional Affairs and Transport

Inquiry into the State of Australia's Aviation Sector
and its Ability to Deliver Reliable and Affordable
Services to Rural, Regional and Remote Communities



**QUEENSLAND
TOURISM INDUSTRY
COUNCIL**



Submission to the Senate Standing Committees on Rural and Regional Affairs and Transport

Queensland Tourism Industry Council (QTIC)

The Queensland Tourism Industry Council (QTIC) is the peak industry body and leading advocate for Queensland's visitor economy, committed to the growth, resilience and sustainability of the state's tourism, hospitality and events sectors.

As an independent not-for-profit, membership-based organisation, QTIC ensures the concerns and needs of tourism businesses across metropolitan, regional and remote Queensland inform government policy development, investment decisions and regulatory settings. We provide a unified industry voice and strong representation in decision-making processes affecting the visitor economy. Through delivery of workforce and skilling programs, and advocacy for attraction, access and enabling infrastructure investment, QTIC supports industry capability, productivity and long-term competitiveness. We also provide expert advice and practical support to members, including workforce and business development opportunities and access to vital industry insights that contribute directly to regional economic development and employment outcomes.

Executive summary

- Aviation is essential economic and social infrastructure in Queensland, particularly for regional and remote communities.
- Structural market constraints mean competition alone cannot resolve affordability challenges on thin regional routes.
- Federally mandated regulatory and security costs are disproportionately borne by council-owned regional airports and local ratepayers.
- Brisbane 2032 presents a nationally significant opportunity to address long-standing aviation sustainability issues.

QTIC recommendations

1. Permanent Commonwealth funding for federally mandated security and compliance costs at eligible regional airports.
2. Establishment of a dedicated regional airport sustainability program.
3. Expansion of airfare monitoring and transparency on thin routes.
4. A national aviation workforce strategy with regional training hubs.
5. Integration of regional aviation reform into Brisbane 2032 legacy planning.

Strong commitment required for a thriving visitor economy

Tourism is one of Queensland's most significant economic pillars and one of Queensland's largest export industries. It supports approximately one in every twelve Queensland jobs and plays a critical role in sustaining regional, remote and nature-based communities. Queensland's visitor economy generates \$34.1 billion in overnight visitor expenditure and supports more than 270,000 direct and indirect jobs.

The Brisbane 2032 Olympic and Paralympic Games present a once-in-a-generation opportunity to reposition Queensland (and Australia) globally, drive long-term visitation growth and deliver enduring economic and social legacy. Realising this opportunity requires continued investment in infrastructure, aviation access, major events, workforce capability and destination development.

This submission incorporates and responds to evidence provided by airlines, airports and aviation agencies to the Senate inquiry, with a specific focus on implications for Queensland's visitor economy, regional communities and workforce. It draws on submissions from QantasLink, Airlines for Australia & New Zealand, the Australian Airports Association, North Queensland Airports Group and Airservices Australia.

Queensland context

Queensland's aviation system is fundamentally different to other jurisdictions. The state's vast geography, dispersed population and reliance on aviation for tourism, workforce mobility, freight and disaster response mean aviation functions as essential economic and social infrastructure.

Across Queensland, aviation is not discretionary infrastructure. For many regional and remote communities, it is the only viable mode of transport, underpinning tourism, workforce mobility, health access, disaster response and supply chains. Any reduction in service reliability or affordability has immediate economic and social consequences. For the visitor economy, airfare affordability directly influences regional dispersal, length of stay and yield across nature-based and remote destinations.

As host of the Brisbane 2032 Olympic and Paralympic Games, Queensland will face unprecedented demand on its aviation network. Policy settings must therefore be assessed through a Queensland and regional equity lens.

Cost, fees, levies, taxes and charges affecting airfares

In Queensland's regional and remote markets, airfare pricing is heavily influenced by thin routes, high fixed costs, regulatory compliance, security screening, fuel and workforce constraints. Council-owned regional airports absorb nationally mandated costs which are ultimately reflected in airfares. Industry evidence consistently demonstrates that high regional airfares are driven by thin markets, high fixed costs, workforce shortages, fuel pricing, security and regulatory obligations.

Regional airports in Queensland frequently operate at structural deficits due to low passenger volumes and high fixed compliance costs. Evidence from council-owned airports indicates that federally mandated security screening and regulatory compliance can represent a material proportion of operating expenditure despite limited revenue bases. In many cases, local governments and ratepayers are effectively subsidising essential national aviation infrastructure.



There is a clear role for government to examine mechanisms to limit or cap airport charges in regional and remote settings, particularly where airports are delivering nationally mandated functions. Greater transparency and moderation of charges would help ensure that public investment in aviation affordability is not offset by upstream cost increases beyond the control of communities and travellers.

QTIC supports the position that competition alone cannot resolve affordability challenges on structurally marginal routes.

Qantas regional staff base decisions

QTIC recognises that airline network efficiency decisions are commercial matters. However, consolidation of regional staff bases reduces locally embedded aviation capability in regions already experiencing workforce shortages and operational vulnerability during peak tourism seasons and natural disasters.

Airlines and airports are experiencing acute shortages in pilots, engineers, airport operations and security staff. While airline base consolidation may improve network efficiency, it reduces regional workforce resilience and exacerbates tourism labour shortages in already constrained markets.

Disparities across Queensland airports

Queensland comprises diverse aviation markets ranging from major gateways to remote lifeline airstrips. Disparities in costs are structural, driven by passenger volumes, remoteness, climate exposure and limited commercial revenue. These disparities require policy intervention, not market correction.

Queensland's aviation affordability challenges are systemic, not marginal. Addressing them requires a material increase in government funding aligned to the state's size, diversity and reliance on aviation as essential infrastructure. Incremental funding focused on a small number of routes will not deliver equitable access or support long-term tourism and regional development objectives.

Increased funding should support the expansion of the Residents Fare Network with enforceable fare caps and seat allocation requirements; underwriting marginal and tourism-critical routes in regions without low-cost carrier access; and interventions to moderate airport taxes and charges that drive fare inflation. Without a step-change in funding and policy ambition, Queensland will continue to face rising airfares, constrained tourism dispersal and weakened regional connectivity, outcomes inconsistent with the state's economic, social and Brisbane 2032 legacy objectives.

Recovery of federally mandated costs

Federally mandated security and regulatory requirements serve national objectives but are funded locally. QTIC supports permanent Commonwealth funding mechanisms scaled to airport size, risk and remoteness. Any national levy must avoid regressive impacts on regional Queensland travellers.

Competitiveness and service continuity

Regional aviation markets in Queensland are structurally thin with limited competition. Withdrawal or reduction of services has immediate impacts on tourism, health access, education and disaster response. Service continuity safeguards are essential.

Adequacy of government fees and levies

Current fee and levy settings do not equitably address the costs imposed by federal legislation. Queensland's regional communities disproportionately bear the burden of national aviation policy.

Identification of regulatory costs

Regulatory impact assessment processes often fail to capture cumulative and place-based impacts on small and remote Queensland airports. More granular, region-specific assessment is required.

Policy measures to support Queensland regions

QTIC recommends the following policy measures:

1. Permanent Commonwealth funding for federally mandated security and compliance costs at eligible regional airports, scaled by size and remoteness.
2. Establishment of a dedicated Regional Airport Sustainability Fund to support mid-sized and structurally thin markets.
3. Expansion of ACCC airfare monitoring to include route-level transparency on designated thin regional routes.
4. Development of a national aviation workforce strategy with regional training hubs and targeted migration pathways.
5. Service continuity safeguards for essential regional routes where sole operators withdraw or where service reductions materially impact community access
6. Integration of regional aviation reform into Brisbane 2032 infrastructure and legacy planning.

Brisbane 2032 – A catalyst for reform

Brisbane 2032 is a national event with global visibility. Aviation capacity, reliability and affordability in Queensland will directly affect Australia's international reputation, export performance and post-Games tourism dispersal. Regional aviation reform in Queensland therefore carries national economic significance.

The Brisbane 2032 Olympic and Paralympic Games present a once-in-a-generation opportunity to resolve long-standing regional aviation challenges and deliver a lasting legacy for Queensland regions.



QTIC closing position

QTIC urges the Committee to adopt a regionally informed, nationally coordinated approach to aviation reform, recognising aviation as essential economic infrastructure for Queensland's communities, Australia's export performance and the long-term legacy of Brisbane 2032. We stand ready to work collaboratively with the Commonwealth, airlines and airport operators to deliver sustainable solutions.