

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

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

Submitted by: Arnhem Land Progress Aboriginal Corporation (ALPA)

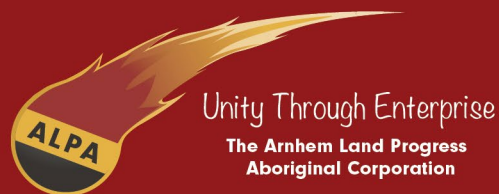
Communities represented: East Arnhem Land (including Nhulunbuy, Yirrkala, Gunyangara, Galiwin'ku/Elcho Island, Milingimbi, Ramingining, Gapuwiyak and surrounding homelands)

1. Executive Summary

The Arnhem Land Progress Aboriginal Corporation (ALPA) welcomes the opportunity to make a submission to the Senate inquiry examining the affordability and reliability of aviation services for rural, regional and remote communities. For East Arnhem Land, air travel is not discretionary; it is essential social and economic infrastructure & services that underpins access to health care, education, employment, governance, family connection and cultural continuity.

For the predominantly Aboriginal communities in East Arnhem Land, the affordability of air travel is directly linked to the Commonwealth's obligations under the National Agreement on Closing the Gap, particularly Priority Reforms relating to equitable access to services, shared decision-making, and socio-economic outcomes for Aboriginal and Torres Strait Islander peoples. When airfares are unaffordable, access to essential services is effectively denied, reinforcing structural inequities rather than reducing them.

Residents of East Arnhem Land face disproportionately high airfares, limited competition, and inflexible services that exacerbate cost-of-living pressures and entrench disadvantage. ALPA submits that targeted, place-based airfare subsidies—modelled on successful Western Australian schemes such as the Regional Airfare Zone Cap (RAZC) & the Queensland Government **Local Fare Scheme**, offering residents in remote Cape York, Torres Strait, and Gulf communities up to \$200 off one-way flights until June 30, 2028. —are urgently required in the Northern Territory to meet equity objectives and discharge Commonwealth responsibilities to remote Aboriginal communities.



2. About ALPA and East Arnhem Land

ALPA is Australia's largest Aboriginal corporation, operating community stores, fuel outlets, logistics and support services across very remote Aboriginal communities in Arnhem Land and the Northern Territory. The majority of the population in East Arnhem Land are Yolŋu people, with many residents living on homelands or in island communities where road access is limited, seasonal or non-existent.

Air travel is therefore the primary and often the only viable mode of transport for residents, essential workers and service providers. Unlike metropolitan or regional centres with alternative transport options, unaffordable or unreliable air services in East Arnhem Land directly restrict access to essential services, economic participation and cultural obligations.

3. The Problem: High Airfares and Structural Disadvantage

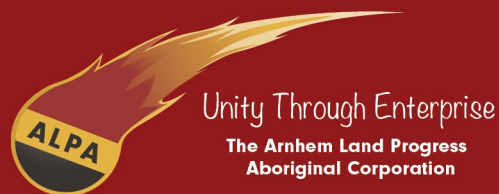
Commonwealth Risk Exposure if Inequity Persists

If affordability barriers to essential air travel continue unaddressed, there is a clear and escalating risk for the Commonwealth that commitments under the National Agreement on Closing the Gap will not be met in remote regions such as East Arnhem Land. Persistently unaffordable aviation services increase the likelihood of missed targets in health, education and employment, while shifting avoidable costs onto other Commonwealth portfolios including health, welfare, justice and service delivery. Over time, this creates compounding fiscal exposure, heightened scrutiny through Closing the Gap reporting, and increased reputational risk associated with systemic barriers that are well understood, measurable and capable of practical mitigation.

3.1 Cost Burden on Remote Aboriginal Residents

Airfares from East Arnhem Land to Darwin and onward connections are frequently unaffordable for local residents, particularly for families, Elders and people on low or fixed incomes. Travel for funerals, cultural obligations, medical treatment, education and community governance typically occurs at short notice, when fares are at their highest. These journeys are not optional; they are integral to Yolŋu cultural, social and economic life.

From a policy perspective, the practical effect of unaffordable airfares is service exclusion. Essential services may exist in theory, but in reality they remain inaccessible without affordable transport. This outcome is inconsistent with Closing the Gap commitments to equitable access and improved outcomes in health, education and employment.



3.2 Impacts on Health, Education and Workforce

High airfares create persistent barriers to:

- Health access, including specialist appointments, renal dialysis travel, outreach services and patient transport from island and homeland communities;
- Education, limiting student travel for secondary schooling, training, boarding transitions and tertiary study;
- Workforce attraction and retention, significantly increasing costs for Aboriginal organisations, service providers and government agencies operating in remote areas;
- Community governance and cultural life, where participation in funerals, ceremony and regional decision-making is constrained by cost.

In remote Arnhem Land, scheduled air services are routinely described as a *lifeline* rather than a convenience. Treating these routes as purely commercial markets fails to recognise their public good function and disproportionately penalises Aboriginal communities.

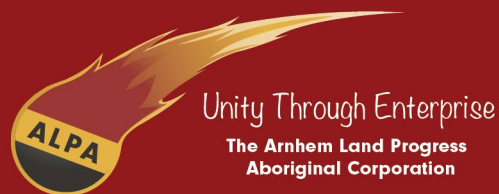
4. Case Study Vignettes: The Human and Economic Cost of Unaffordable Airfares

4.1 Funeral and Cultural Obligations

A Yolŋu family from an island community in East Arnhem Land may be required to travel urgently to Darwin or another regional centre following the death of a close relative. Flights are often booked within days—or hours—resulting in fares that can exceed a week or more of household income per person. Families frequently face impossible choices between cultural obligation and basic living expenses, or are forced to travel without key family members, causing distress and cultural harm.

4.2 Renal Care and Health Travel

Residents requiring renal dialysis or specialist care must travel regularly between remote communities and Darwin. High airfares increase reliance on government-funded patient transport schemes, drive up health system costs and contribute to patient fatigue and disengagement. Affordable resident airfares would support continuity of care while reducing downstream public expenditure.



4.3 Workforce Fly-In Costs for Aboriginal Organisations

For Aboriginal corporations like ALPA and local health, education and community organisations, high airfares significantly inflate the cost of recruiting, training and retaining staff. A single return flight to East Arnhem Land can cost substantially more than equivalent distances elsewhere in Australia, diverting funding away from frontline service delivery and community outcomes.

5. Learning from Western Australia: Proven Equity-Based Subsidy Models

5.1 Regional Airfare Zone Cap (RAZC)

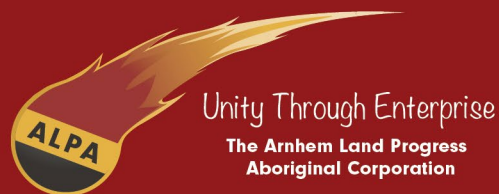
Western Australia's Regional Airfare Zone Cap (RAZC) provides a compelling, evidence-based model for the Northern Territory. Introduced in 2022 and funded through to 2031, the scheme caps resident airfares on regional routes, explicitly recognising air travel as essential access infrastructure rather than discretionary consumption.

The scheme has delivered:

- Guaranteed maximum resident fares differentiated by distance and demand;
- Participation by multiple airlines, preserving competition and service reliability;
- Significant uptake by regional residents, demonstrating latent demand when prices are fair;
- Improved access to health, education and essential services, aligning with equity and social policy objectives.

5.2 Relevance to Closing the Gap

Western Australia's approach demonstrates how state and Commonwealth governments can actively mitigate geographic disadvantage. Replicating a similar scheme in the Northern Territory would represent a practical, measurable contribution to Closing the Gap targets, particularly those relating to health outcomes, education participation and economic inclusion.



6. The Case for NT and East Arnhem Land Airfare Subsidies

East Arnhem Land clearly meets—and exceeds—the justification thresholds for targeted airfare intervention:

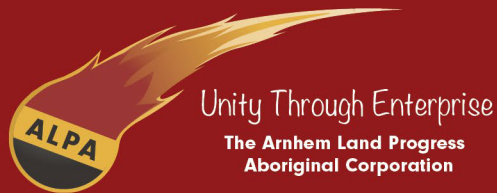
- Extreme remoteness and lack of alternatives: Many communities are accessible only by air or sea, particularly during the wet season;
- Predominantly Aboriginal population: Ensuring affordability is a matter of equity and Aboriginal policy, not transport alone;
- Essential travel demand: Health, education, governance and cultural travel dominate demand, not discretionary tourism;
- Clear market failure: Thin routes, limited competition and high fixed costs prevent affordability through market mechanisms alone.

Failure to intervene perpetuates structural disadvantage and shifts costs onto other public systems, including health, justice and welfare.

7. ALPA Recommendations

ALPA recommends that the Commonwealth Government, in partnership with the Northern Territory Government:

1. Establish a Northern Territory Remote Airfare Subsidy Scheme, modelled on Western Australia's Regional Airfare Zone Cap, providing capped resident fares for remote communities including East Arnhem Land.
 2. Explicitly align the scheme with Closing the Gap commitments, recognising affordable air travel as essential to equitable service access.
 3. Prioritise Aboriginal and remote communities in eligibility settings, reflecting essential travel needs and income constraints.
 4. Ensure multi-airline participation, preserving competition, reliability and consumer choice.
 5. Integrate monitoring and evaluation, measuring social, health and economic outcomes alongside aviation metrics.
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8. Conclusion

Affordable air travel is not a luxury for East Arnhem Land; it is foundational infrastructure necessary to realise the Commonwealth's commitments under the National Agreement on Closing the Gap. Western Australia has shown that targeted airfare subsidies can deliver fairness, fiscal efficiency and improved wellbeing for remote residents.

ALPA urges the Committee to recommend similar measures for the Northern Territory so that remote Aboriginal communities are no longer penalised for their geography, and so that national equity commitments are translated into tangible, everyday outcomes.

ALPA would welcome the opportunity to provide further evidence or appear before the Committee.

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