



4 February 2026

Committee Secretary
Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

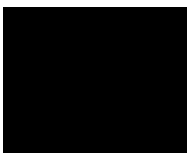
Please find enclosed a joint submission from the Eyre Peninsula Local Government Association (EPLGA) and Regional Development Australia Eyre Peninsula (RDAEP) to the Senate Inquiry into the State of Australia's Aviation Sector and its Ability to Deliver Reliable and Affordable Services to Rural, Regional and Remote Communities.

The Eyre Peninsula is a coastal South Australian region heavily reliant on aviation services for health care, employment, education, emergency response, tourism and investment. Three of the region's 11 councils own and operate airports, which are increasingly under pressure due to low economies of scale, monopoly airline services, high compliance costs, and ageing infrastructure.

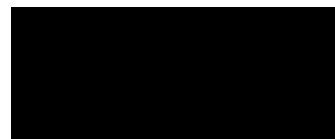
We thank the Committee for the opportunity to contribute to this important inquiry and would welcome the chance to expand on our submission through further discussions or participation in a public hearing.

Should you have any questions about this submission please contact the EPLGA's Executive Officer Darren Hunter at [REDACTED] or [REDACTED].

Yours sincerely,



Mayor Dean Johnson
President
Eyre Peninsula Local Government Association



Sue Chase AM
Chair
RDA Eyre Peninsula



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

About the Eyre Peninsula Local Government Association

The Eyre Peninsula Local Government Association (EPLGA) is a long-standing regional subsidiary under the *South Australian Local Government Act 1999*, which was established in 1938. It provides services to and advocates on behalf of its 11 member councils, which are:

- City of Port Lincoln
- City of Whyalla
- District Council of Ceduna
- District Council of Cleve
- District Council of Elliston
- District Council of Franklin Harbour
- District Council of Kimba
- District Council of Streaky Bay
- District Council of Tumby Bay
- Lower Eyre Council
- Wudinna District Council

The EPLGA works closely with RDA Eyre Peninsula on strategic projects that will benefit the region.

About Regional Development Australia Eyre Peninsula

Regional Development Australia (RDA) is an Australian Government initiative established to encourage partnership between all levels of government and industry to enhance the growth and development of Australia's regional communities.

RDAs have an active and facilitative role in their communities with a clear focus on growing strong and confident regional economies by facilitating economic opportunities and attracting investment.

In South Australia the eight RDAs have a unique tripartite funding agreement with the Australian Government, South Australian Government, and local governments providing core funding to support economic development activities at a regional level. The Board also leverages funding from a range of government and private sector sources to deliver programs/projects for the benefit of the region.

RDA Eyre Peninsula (RDAEP) is the peak body driving the expansion and growth of economic activity across the region, which includes:

- Facilitating sustainable industry growth and diversification;
- Supporting regional procurement and job creation;
- Encouraging regional tourism initiatives to grow the visitor economy;
- Advocating for the provision of economic enabling infrastructure;
- Assisting with regional workforce attraction, retention and development;
- Fostering partnerships for collaboration to deliver regional development;
- Promoting greater regional awareness of and engagement with Government policies, grants and programs; and
- Improving regional policy making by providing intelligence and evidence-based advice to governments on regional development issues.

Background

Collectively, the Eyre Peninsula's 11 councils represent diverse communities spread across a vast area.

The region has 50% of South Australia's coastline and 25% of its total land area and is home to 58,900 residents. The two biggest population centres are Whyalla (22,000 residents) and Port Lincoln (15,000 residents).

The region has three Regular Public Transport (RPT) airports: Port Lincoln, Whyalla, and Ceduna.

The City of Whyalla and District Council of Ceduna own and operate their local airports, while the Port Lincoln Airport is owned and operated by Lower Eyre Council.

All three airports rely on limited rate bases plus state and Commonwealth grants to meet their regulatory obligations and fund critical upgrades.

RDAEP's [Regional Airports Strategy \(August 2025\)](#) highlights that mandated passenger screening costs at Port Lincoln and Whyalla are a major pressure and warns that service continuity in smaller markets like Ceduna is sensitive to airline financial stress.

EPLGA and RDAEP welcome the opportunity to contribute to this inquiry and strongly support the Committee's focus on affordability, reliability, equity and competition in regional aviation.

Costs, fees, levies and charges affecting regional airfares

The Eyre Peninsula's airports are under substantial financial strain. Their inability to leverage large volumes of traffic to achieve economies of scale or generate significant non-aeronautical revenue streams means that their operation – including the upgrade and maintenance of ageing

infrastructure, and compliance with increased regulation – sometimes has to be subsidised by local ratepayers.

At small regional airports security screening costs can range from \$15-50 per passenger, compared to only cents per passenger at major airports due to vastly different passenger volumes.

Two of the Eyre Peninsula's three airports – Whyalla and Port Lincoln – are currently required to provide these additional passenger screening services which is putting additional pressure on prices on these routes.

The smallest of the Eyre Peninsula's three airports – Ceduna Airport – is exempt from these additional passenger screening requirements, due to the size of the aircraft it accommodates.

However, its reporting and compliance obligations are otherwise the same as many other RPT airports across Australia that handle significantly higher numbers and can spread these costs across more passengers.

As a result, this airport consistently delivers an annual loss of between \$100,000 and \$150,000, placing significant pressure on the council and local community.

High compliance costs are compounded by a growing infrastructure renewal deficit which is common across many regional councils.

The Australian Local Government Association's 2024 National State of the Assets reported that 12% of local government airport assets are in poor condition and need attention.

The Commonwealth's Regional Airports Program provides valuable funding assistance to local government airport owners and should be continued and expanded.

Furthermore, a new federal program that provides non-competitive, formula-based funding to the owners of regional airports to assist with capital and operational expenses would be welcomed and be a worthwhile investment in the sustainability and viability of regional aviation in Australia.

Competitiveness of the aviation sector and service withdrawal risks

Due to its size and distance from Adelaide, aviation is not a discretionary service for Eyre Peninsula communities - it is essential economic and social infrastructure underpinning access to health care, employment, education, emergency response, tourism and investment.

In particular, any withdrawal or reduction of air services to the region has serious health implications, both for patients travelling to Adelaide and for health practitioners travelling to the region.

The unpredictability of air services to the region – where flights are often cancelled or return to Adelaide due to technical difficulties – means that many users are forced to allow 24 hours for any contingencies and travel the day before.

This has serious productivity implications for the region, as travellers have to take time away from their paid employment to ensure they don't miss critical appointments in Adelaide and further beyond.

Both Qantas and REX currently service Port Lincoln Airport. However, Whyalla and Ceduna are both single operator markets, which means fare and service reliability are sensitive to operator costs and network volatility.

Ceduna is one of just five regional airports in Australia that have REX as their sole RPT provider. When REX entered administration, the council initiated a process to find a replacement airline if REX was unable to continue to operate.

They were unable to find a replacement airline without investing \$10-12 million in upgrades to their airstrip that would accommodate larger craft.

Additionally, larger craft would trigger increased security screening requirements which under the current settings would significantly increase the cost of flights to Ceduna, putting additional pressure on their commercial viability.

The recent sale of REX - with government support - signals how fragile the regional market is and the importance of government subsidies to regional routes.

A review of regional airfares should be commissioned to identify targeted, pro-competition interventions and transparency measures.

Additionally, we strongly recommend the Federal Government invest in operators with smaller fleet types to diversify the regional air service market, so in the event that a regional airline fails in the future there are alternative operators in place to service affected routes. This would also create healthy competition offering choice and price stability for regional communities on the Eyre Peninsula.

Recovery of federally mandated security and regulatory costs

At the Australian Local Government Association's 2023 National General Assembly (NGA), Lower Eyre Council submitted the following motion, which was passed by delegates and endorsed as a resolution of the Assembly:

This National General Assembly calls on the Australian Government to:

1. Amend the Aviation Transport Security Amendment (Security Controlled Airports) Regulations 2019 to ensure any port that triggers screening should require all departing passengers be screened, regardless of the service they are using; and 2. Implement ongoing grant funding to

regional airports impacted by security screening legislation or revise the national screening funding model in recognition of the inequitable cost imposition on regional airports relating to the operational cost of providing security screening meeting the new federal regulations.

The current policy of industry being responsible for the cost of security screening, including operating costs, is understood but due to scale is not equitable for lower PAX airports, and adds to the disparity between regional communities and their urban counterparts.

These costs are passed on to travellers, and result in regional fares being 52% higher per kilometre compared to capital city routes, as outlined in the Aviation White Paper.

If the Federal Government administered security screening costs averaged nationally, modelling suggests an impact of approximately \$1 per ticket across the national network, compared with current regional impacts of \$15–\$50 per passenger.

The Aviation White Paper acknowledged cost pressures but failed to implement structural reform, representing a missed opportunity to address regional inequity.

The reform would remain based on a user pay model but require national administration, therefore the Federal Government would be best placed to achieve this. It would be meaningful reform that would have a direct financial benefit to regional communities.

EPLGA and RDAEP support a national approach to cost recovery for screening, and greater pricing transparency so communities can see how regulated costs feed into fares.

Specifically, we request a dedicated investigation into a uniform national levy applied to screened passengers with proceeds used to fund capital and operating costs of mandated screening and related security at regional airports.

This would provide the owners and operators of small regional airports with greater certainty and recognise that security is a national issue and should be funded as such.

Design features of this uniform national levy should include:

- **Equity:** Same rate at all screened airports; exemptions or offsets for the smallest markets,
- **Accountability:** Annual public reporting and airline passthrough obligations to ensure fare benefits on the routes that bear today's highest per-passenger costs, and
- **Stability:** Multiyear settings aligned with the budget cycle to support long- term airline scheduling and airport investment.

Recommendations

For Eyre Peninsula communities, aviation is essential public infrastructure, not a purely commercial service.

Current funding, regulatory and market structures are unsustainable and risk accelerating regional isolation and widening the gap between metropolitan and regional communities.

EPLGA and RDAEP urges the Committee to recommend:

1. Structural reform of aviation security cost recovery, including the introduction of a uniform national levy.
2. Permanent and sustainable funding for regional airports, either through the expansion of the Regional Airports Program or the creation of a new permanent, formula-based funding program for regional airports.
3. Diversification of the regional airline market to reduce single-operator risk, including support for smaller aircraft fleets capable of servicing remote airstrips to avoid the need for widespread runway upgrades.
4. Establishing a comprehensive national data collection – owned by the Department - on regional aviation costs, including disaggregated data on fees, levies, taxes and charges by airport type and location.

The EPLGA and RDAEP thank the Committee for the opportunity to provide this submission and would welcome the opportunity to provide further evidence or appear at a public hearing.