

Submission to the Senate Rural and Regional Affairs and Transport References Committee

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

Submitted by: Heli-Muster (NT) Pty Ltd t/a HM Air

Date: November 2025

1 Introduction

HM Air operates both helicopter and fixed-wing aircraft across the Northern Territory from Darwin, Katherine and Alice Springs. Our work supports mustering, firefighting, emergency response, environmental management, remote freight and charter operations—often in places without road access or alternative transport. As one of the few mixed rotary- and fixed-wing operators in northern Australia, we see daily how national policy and market settings favour major airlines while placing unsustainable pressure on regional and remote aviation. The cost, compliance and workforce settings designed for large carriers now threaten the viability of operators that actually connect regional Australia.

2 Key challenges and proposed responses

2.1 Airport pricing and market power (ToR a, b)

Airports with monopoly power can increase fees well beyond inflation. In Darwin, landing and facility charges have more than doubled since 2020. Regional and general-aviation tenants have no genuine bargaining power or timely appeals process.

Impact: Escalating fixed costs, reduced ability to base aircraft near critical infrastructure, and higher prices for government and community users.

Proposed action: Place regional airports under ACCC oversight with transparent pricing disclosure and a binding, independent appeals mechanism.

2.2 Airservices charges and cost recovery (ToR a, c, e)

Airservices charges are structured for high-volume airline traffic. Small rotary and light fixed-wing operations pay far more per seat or per movement, despite limited or no use of controlled airspace.

Impact: Essential firefighting, medical and survey flights are increasingly unviable.

Proposed action: Introduce a small national levy on all regular-public-transport passengers and use the proceeds to offset Airservices and CASA fees for regional and general-aviation operators.

2.3 Exchange-rate exposure and maintenance inflation (ToR a, f)

Most components and overhauls are priced in US dollars. A weaker Australian dollar and OEM price rises have increased maintenance costs by up to 40 per cent. Helicopters face frequent time-life overhauls; turbine fixed-wing aircraft face similar cost escalation and freight delays.

Impact: Longer downtime, capital tied up in inventory, and ageing fleets retained past optimal life.

Proposed action: Provide low- or zero-interest fleet-renewal and overhaul finance, and support domestic MRO capability and training for Licensed Aircraft Maintenance Engineers (LAMEs).

2.4 Insurance and compliance burden (ToR a, d, g)

Insurance premiums and excesses have doubled in five years even for operators with clean safety records. CASA fees, audits and manual approvals consume time and cashflow.

Impact: Rising fixed costs regardless of performance; reduced investment and fleet growth.

Proposed action: Create a government-backed insurance pool for regional and GA operators meeting SMS standards, and exempt small operators below defined revenue or fleet thresholds from certain CASA and Airservices levies.

2.5 Operating costs in remote regions (ToR b, d, g)

Running a base in Katherine or Alice Springs means higher freight, housing and fuel costs and limited access to engineers. A failed starter-generator can ground a helicopter for weeks; fixed-wing aircraft may need to ferry hundreds of kilometres for maintenance.

Impact: Lost productivity and service interruptions for fire, ranger and community programs.

Proposed action: Expand the Zone Tax Offset and introduce Remote Aviation Operating Credits for logistics and housing. Enable CASA-approved remote digital inspections to reduce ferrying and delays.

2.6 Workforce shortages—pilots and LAMEs (ToR d, g)

There is a national shortage of qualified helicopter pilots and Licensed Aircraft Maintenance Engineers, and the same pressure now affects fixed-wing crews. Training costs are high, and airline recruitment draws talent away from the regions.

Impact: Under-staffed rosters, lost capability for emergency response, and ongoing turnover.

Proposed action: Fund fee-free CPL(H), CPL(A) and AME training linked to regional service commitments; fast-track skilled-visa approvals; and expand housing, relocation and Zone Tax Offset benefits for aviation personnel in remote areas.

2.7 Public expectations and commercial reality (ToR d, g)

Remote communities expect airline-level pricing and reliability, yet small aircraft—rotary and fixed-wing—operate at vastly higher unit cost. Essential services are being priced out of reach.

Impact: Thin-route charters and public-benefit missions are cancelled or under-funded.

Proposed action: Establish a Regional Aviation Support Program to fund essential helicopter and light-aircraft services at full economic cost where market returns are limited but public value is high.

3 Policy measures that would make a difference

- 1 Regulated airport pricing under ACCC oversight with a clear appeals path.
- 2 National passenger levy to fund regional and GA support and replace inequitable Airservices/CASA charges.
- 3 Low-interest fleet-renewal finance and domestic MRO incentives to reduce USD exposure and downtime.
- 4 Insurance-risk-sharing pool for regional operators tied to verified safety performance.
- 5 Remote-workforce strategy—training incentives, visa priority and enhanced Zone Tax Offset.
- 6 Digital CASA processes enabling remote inspections and faster approvals.
- 7 CSO-style funding for essential helicopter and light fixed-wing missions.

4 Expected outcomes

- Lower, more stable costs for regional communities and government programs.
- Retention of emergency and essential-service capacity within the NT.
- More balanced commercial relationships with monopoly airports and service providers.
- Sustainable training and retention pipeline for pilots and LAMEs.
- Reduced downtime through domestic maintenance and remote-approval pathways.
- Transparent and equitable funding through a modest national levy.

5 Conclusion

Regional aviation—rotary and fixed-wing—is the infrastructure that connects remote Australia. Costs are compounding, compliance is disproportionate, and skilled labour is scarce. Without targeted reform, essential capacity will continue to centralise in major cities. The measures proposed here are practical and proportionate. They would strengthen safety, affordability and reliability for the people who depend most on aviation.

Contact

Sam Chisholm Chief Executive Officer
Heli-Muster (NT) Pty Ltd t/a HM Air

[REDACTED]
[REDACTED]

hmair.com.au