



Pelican Airlines Pty Ltd
Po Box 257
New Lambton, NSW 2305

PH: 02 49 650 111
F: 02 49 650 529
admin@flypelican.com.au
www.flypelican.com.au

14th November 2025

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

Submitted by: FlyPelican Airlines

1. Introduction

FlyPelican Airlines welcomes the opportunity to provide this submission to the Senate Inquiry into the State of Australia's Aviation Sector. As a proudly Australian-owned and operated regional airline headquartered in Newcastle, New South Wales, FlyPelican has been connecting regional and remote communities since 2015. Our operations focus on linking underserved regional centres with major metropolitan hubs, supporting economic growth, tourism, medical access, and business connectivity across eastern Australia.

2. The Importance of Regional Aviation

Regional aviation is not merely a transport service — it is an essential public utility. Reliable and affordable air services underpin regional development, ensure equitable access to healthcare and education, and facilitate the mobility of skilled workers. For many communities, airlines like FlyPelican are the only viable link to capital cities and essential services. Sustaining these connections is therefore a matter of regional equity, not simply commercial opportunity.

3. Key Challenges Facing Regional Airlines

a. Cost Pressures and Infrastructure Charges

Regional airlines operate on thin margins and are disproportionately affected by rising airport landing, passenger, and security charges at airports, escalating maintenance and compliance costs driven by regulatory requirements, and fuel price volatility without corresponding policy or financial support mechanisms. While larger carriers can absorb or distribute these costs, smaller regional operators face increasing financial strain that threatens service continuity.

b. Workforce Shortages

The national shortage of qualified pilots and Licensed Aircraft Maintenance Engineers continues to impact regional carriers disproportionately. Recruitment and retention challenges are compounded by a limited workforce due to professionals leaving the industry and limited training during the COVID pandemic. Targeted incentives — such as regional training subsidies, housing support, and retention programs — are urgently needed to ensure sustainable workforce capacity.

c. Aging Aircraft and Lack of Fleet Renewal Pathways

A major structural challenge facing regional airlines is the aging nature of the current fleet. Many of Australia's regional aircraft are now getting close to the end of their original design life, with maintenance and parts availability becoming increasingly difficult and costly. At the same time, there are few viable

replacement aircraft on the market that match the capacity, performance, and capability required for regional operations in Australia. Even where suitable models exist, the capital cost of procurement is prohibitive for smaller operators. Unlike larger airlines, small regional carriers generally lack access to low-interest financing or government-backed capital support for fleet renewal. Without targeted funding assistance, regional operators face the prospect of shrinking capacity, higher maintenance costs, and reduced service reliability — all of which ultimately disadvantage regional communities.

d. Route Viability and Community Access

FlyPelican services a network of regional routes that are essential but often marginally profitable. Current policy and funding frameworks do not adequately recognise the public value of these services. The absence of consistent regional connectivity funding mechanisms places smaller carriers at risk and limits community access when routes are withdrawn.

4. Opportunities for Reform

To ensure a sustainable future for regional aviation, FlyPelican recommends the following policy priorities:

1. Establishment of a Regional Air Services Sustainability Fund – to offset infrastructure and compliance costs for routes connecting designated regional and remote communities.
2. Creation of a Regional Fleet Renewal and Modernisation Program – to provide low-interest loans, grants, or government-backed guarantees to enable regional airlines to acquire new, efficient, and reliable aircraft suited to regional conditions.
3. Investment in Regional Workforce Development – including funding for aviation training and support for apprenticeships and cadetships in regional airlines.
4. Review of Airport Pricing and Regulation – to promote transparent, equitable, and cost-reflective charging structures for regional carriers.
5. Enhanced Connectivity Partnerships – encouraging collaboration between federal and state governments, local councils, and airlines to sustain critical routes and ensure long-term access.

5. Conclusion

FlyPelican Airlines remains committed to serving regional Australia and supporting the communities that depend on reliable air links. We urge the Committee to recognise the unique challenges faced by smaller regional carriers — particularly the urgent need for fleet renewal and sustainable funding models — and to pursue aviation policy settings that secure equitable access and long-term regional connectivity. We thank the Committee for the opportunity to contribute to this important inquiry and would welcome the chance to provide further evidence or participate in public hearings.

Regards



Martin Hawley
CEO