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Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
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CANBERRA ACT 2600

24 February 2026

To the Committee Secretary

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

Albury City Council ("AlburyCity") welcomes the opportunity to provide input to the Senate Standing Committees on Rural and Regional Affairs and Transport Inquiry into the state of Australia's aviation sector and its capacity to deliver reliable and affordable services to rural, regional and remote communities.

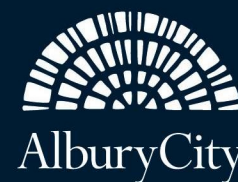
The Inquiry's focus on cost structures, equity of access, competitiveness and the implications of route withdrawals align directly with the challenges facing Albury Airport and comparable regional facilities across Australia.

As the largest regional centre between Sydney and Melbourne, Albury Wodonga relies heavily on aviation to maintain essential connectivity for healthcare access, social mobility, emergency response capability and economic development across the broader border region.

Importance of Aviation to Regional Connectivity

Healthcare Access

Residents of Albury Wodonga and surrounding rural communities depend on reliable aviation connections to metropolitan specialist health services in Melbourne and Sydney. For urgent, chronic and complex medical needs, timely travel is critical. Delays or increased travel costs directly affect patient wellbeing, treatment continuity and health outcomes. The Senate's Terms



of Reference recognise the importance of reliable and affordable air services in supporting access to essential services for rural and regional communities.

Emergency Response and Regional Resilience

Albury Airport is a critical operational hub supporting aeromedical evacuations, organ transport, emergency service deployments and disaster response operations, including aerial firefighting. Regional airports underpin emergency response capability and contribute to broader regional resilience. The viability of scheduled aviation services supports the infrastructure, workforce and operational ecosystem necessary for these time-critical functions.

Economic Development

Regional aviation facilitates business travel, investment attraction, tourism growth and economic integration with major cities. It supports key industries in the Albury Wodonga region including advanced manufacturing, logistics, education and health. For a cross-border regional economy, efficient aviation links are fundamental to competitiveness, productivity and sustained economic growth.

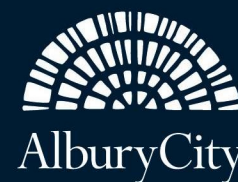
Social Connectivity and Inclusion

Air services support families separated by distance, enable participation in cultural and community life and reduce social isolation experienced in many rural areas. Aviation remains the fastest and most efficient mode of transport for residents who would otherwise undertake extended road travel. For many regional households, air connectivity is essential for maintaining family relationships, accessing education and participating in employment opportunities.

High Cost of Regional Airport Operations and Capital Infrastructure

Most regional airports across Australia operate under significant financial strain, with many running at a loss due to ageing infrastructure, high security compliance costs and disproportionate regulatory requirements applied irrespective of passenger volume.

For Albury Airport, key financial pressures include Federally mandated aviation security screening costs, increasing regulatory and compliance obligations, ageing airfield and terminal infrastructure requiring renewal and the need to provision for future renewal of newly created infrastructure such as parallel taxiways. These pressures are compounded by limited capacity to recover costs without increasing passenger charges and exposure to airline route decisions that are outside local control.



Regional airports must meet national safety and security standards comparable to those of major airports while operating with comparatively low passenger throughput. This creates structural cost pressures that cannot be resolved through local efficiencies alone. The Senate Inquiry's Terms of Reference highlight disparities in regulatory costs and cost recovery mechanisms across the aviation sector, issues that directly affect the sustainability of regional airports such as Albury.

Impact of QantasLink's Withdrawal from the Albury to Melbourne Route

On 30 January 2026, Qantas announced that it would cease its Albury to Melbourne service effective 1 March 2026, citing persistently low demand and load factors below 40 per cent. This decision forms part of a broader rationalisation of underperforming regional routes from Melbourne.

The Albury Melbourne route provided direct access to Victoria based healthcare referrals, cross-border business travel, Melbourne's domestic and international aviation network and tourism markets linked to Victoria. Its removal significantly reduces connectivity between the border region and one of Australia's largest capital cities.

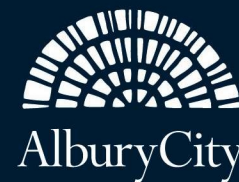
With no direct alternative, passengers must now travel via Sydney or Brisbane, increasing travel time, cost and complexity. Reduced choice undermines affordability and convenience for regional passengers and further weakens competitive dynamics.

The economic implications are substantial. Reduced business travel efficiency, increased operating costs for local employers, lower attractiveness for investment, fewer inbound tourism visitors and greater difficulty connecting with national and international markets collectively diminish regional competitiveness. In addition, reduced airport revenue places further pressure on passenger charges and financial sustainability.

The removal of a mainline route also reduces redundancy in the regional aviation network. Greater reliance on fewer hubs increases vulnerability to further disruptions and limits flexibility for passengers. The Albury to Melbourne case demonstrates how quickly regional connectivity can erode in thin aviation markets.

Need for Government Support and Policy Reform

AlburyCity supports targeted national reforms to ensure sustainable and equitable regional aviation outcomes. Structural challenges in regional markets require coordinated and durable policy responses.



Minimum revenue guarantees or service continuity mechanisms should be considered to maintain essential regional routes where commercial viability fluctuates. Such measures would provide greater certainty for communities and reduce the likelihood of abrupt service withdrawals.

Dedicated and predictable national funding streams for regional airport capital works and security compliance are also required. Small regional airports carry regulatory and security obligations comparable to major airports but without equivalent passenger volumes. Addressing this structural inequity is critical to long-term sustainability.

Measures to strengthen network resilience, including incentives for airlines to operate multi-capital and inter-regional routes, would reduce over reliance on single hub pathways and enhance service stability.

Finally, a coordinated national regional aviation strategy should align infrastructure investment, regulatory settings, service planning and community needs. Long-term, integrated planning is essential to ensure aviation policy supports broader regional development objectives.

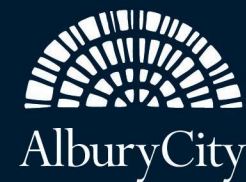
Conclusion

The withdrawal of the Albury to Melbourne route illustrates the fragility of regional aviation networks and the vulnerability of rural and regional communities to commercial service decisions.

For Albury Wodonga, aviation is not discretionary. It is essential infrastructure supporting health outcomes, economic development, emergency capability and social cohesion.

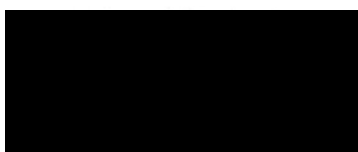
Sustainable regional aviation requires policy settings that recognise structural cost pressures, thin-market dynamics and the public interest in reliable connectivity.

AlburyCity stands ready to work constructively with the Federal Government, airlines, and regional partners to strengthen the resilience, equity and long-term sustainability of Australia's regional aviation sector.



If you require any further information, or would like to discuss AlburyCity's submission further, please do not hesitate to contact Ambrose Glass, Service Leader Business and Lifestyle, on (02) 6023 8111 or via email on Ambrose.Glass@alburycity.nsw.gov.au

Regards,



Kevin Mack
Mayor



Steve McGrath
Interim Chief Executive Officer