



20 November 2025

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO BOX 6100
Parliament House
CANBERRA ACT 2600

via email: rrat.sen@aph.gov.au

Dear Committee Secretary,

RE: QANTAS HOBART, CANBERRA AND MILDURA BASE REVIEW AND DECISION

Thank you for your invitation to contribute to the Senate Standing Committee on Rural and Regional Affairs and Transport's 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 inquiry).

Qantas looks forward to assisting the Committee in its understanding of our regional business and the challenges facing regional aviation in Australia. As requested, we are pleased to share the below ahead of joining you on Friday 28 November and look forward to expanding on this material during the hearing. Qantas will also provide an extensive submission on the broader Inquiry terms of reference in December.

As the national carrier and the country's largest regional airline, Qantas has a deep-rooted and enduring commitment to regional Australia and today operates 102 routes to 62 towns and regional centres across our country.

This footprint sees Qantas play a significant economic and social role in regional Australia – one that we take very seriously.

On any given day, Qantas has over 100 aircraft dedicated to our regional operations and more than nine million customers fly with us to and from rural, regional and remote ports every year.

Last year, we announced a major investment in our regional turboprop fleet with the acquisition of up to 14 mid-life Dash 8-400 aircraft (Q400) and the retirement of our Q200 and Q300 aircraft. We are also investing in mid-life Airbus A319s to replace Fokker F100s, as well as 29 brand new state-of-the-art Airbus A220 aircraft which offer improved customer experience on the routes they fly and operate more efficiently. Together, this represents hundreds of millions of dollars of investment in our regional fleet.

The Group's direct investment in regional Australia goes further, spending another \$1 billion every year with regional suppliers including winemakers, farmers and food producers.

We have also invested in pioneering projects that support regional aviation such as the Qantas Group Pilot Academy in Toowoomba and supported more than 120 not-for-profit groups and projects with over \$7 million in grants through the Qantas Regional Grants Program.

While our regional footprint is vast and our investment pipeline is strong, regional services continue to be commercially challenging and there are fundamental realities about the costs of operating regional air services.

The cost of regional operations, on a per seat basis, is significantly higher than mainline domestic and international operations. This is due to higher airport charges and security, more expensive fuel and greater maintenance expenses – with these costs having to be spread across a smaller number of passengers compared to higher density markets. These costs are rising above inflation, with increased labour and supply chain costs across our operations.

The challenges facing regional airlines in recent years are well-publicised but not unique to Australia. In the past month, Air New Zealand has flagged significant challenges in their regional business (citing many of their regional routes as sub economic) and two regional airlines in the United Kingdom have ceased operations. These contemporary examples, together with those in Australia, highlight the importance of constantly reviewing our business to ensure it is set up for success to serve regional Australia. This includes the recent base changes.

On 1 October 2025, QantasLink announced its decision to move pilot and cabin crew bases from Hobart, Canberra and Mildura and consolidate these roles in Sydney, Melbourne and Brisbane from April 2026.

The decision followed an extensive review which determined that consolidating crew from these smaller bases into major bases will strengthen the resilience of QantasLink's network, improve reliability for customers and better position the airline to grow services and frequencies across regional Australia.

This decision is not about cost savings or profitability; it's about improving reliability and setting us up for success as we embark on a significant period of fleet renewal. This decision will not result in any reduction in air services. In fact, since this decision was announced, the Group has increased services on two Hobart routes, adding tens of thousands of extra seats per year.

Following consultation, and to reduce the impact of what is a significant decision for our people, we have put in place a comprehensive package to support our pilots and cabin crew to continue residing in Hobart, Canberra or Mildura, with provisions for flights and other allowances so they can commute to work – like many of our people already do. Our aim is to retain all pilots and cabin crew, and we are working with them on their own individual circumstances.

This month marks 105 years since Qantas was founded in outback Australia and, while we at times need to make tough decisions, we are as committed as ever to investing in the future of regional Australia.

I look forward to joining the Committee in person on Friday 28 November to discuss this further.

Yours sincerely,

Rachel Yangoyan
CEO QantasLink