



28 November 2025

Senate Standing Committee 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,

**Submission: Inquiry into Australia's Aviation Sector**

Thank you for the opportunity to provide a submission and appear before the Senate Standing Committee (the Committee) on Rural and Regional Affairs and Transport to examine reliable and affordable air services for rural, regional and remote communities.

**Challenges in Regional Aviation Affordability**

As highlighted in previous Committee inquiries and submissions to the Australian Government's Aviation White Paper, the affordability of regional air services is shaped by market dynamics that arise from servicing small passenger volumes in areas with high input costs.

Airlines often struggle to generate sufficient revenue to cover operating costs on regional routes due to lower population densities and irregular demand. Servicing smaller centres means fixed costs are spread across fewer passengers, limiting economies of scale.

Major cost drivers, including labour, airport charges and fuel, are frequently higher in regional areas than in major population centres. Airport charges, in particular, represent a significant and growing proportion of airfare prices. For some airlines, these charges rank second only to labour and are comparable to fuel costs. Evidence from submissions to the Aviation Green Paper (available on the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts website) confirms that Australia's most expensive domestic airport charges are levied by regional airports.

One domestic airline outlines in its Green Paper submission that fourteen of its fifteen most expensive domestic airports to service are in regional Australia. These high and escalating charges, combined with increased security costs and higher regional fuel prices, flow directly into airfares and threaten the commercial viability of 'thin' regional routes.

Recruitment and retention of skilled labour in rural, regional and remote areas also remain challenging. Ensuring airlines and industry partners, including airports, can access a sustainable workforce is critical to maintaining efficient, affordable and reliable services.

### **Committee Focus and Industry Engagement**

We note that the Committee's current investigation centres on regional pilot and cabin crew bases in Canberra, Mildura and Hobart. Airlines for Australia and New Zealand would welcome the opportunity to attend a future hearing when the Committee addresses broader factors impacting reliable and affordable air services to rural, regional and remote communities.

### **Qantas Base Review – Alignment with Global Practice and Consumer Benefits**

Airlines worldwide routinely review the location of aircraft and crew bases. This is standard industry practice, adopted by major carriers globally to improve operational efficiency and customer service. The Australian Government similarly reviews the location of its personnel and assets, as seen in recent Defence relocations. Qantas' decision is therefore consistent with global trends and best practice.

### **Benefits of Base Consolidation for Consumers**

The primary objective of consolidating crew bases is to ensure aircraft and crew are positioned to deliver reliable schedules and meet passenger needs. Key benefits include:

- **Optimised Schedules and On-Time Performance:** Centralising resources reduces crew positioning delays and improves aircraft turnaround times, enhancing punctuality and reducing cancellations.
- **Faster Response to Disruptions:** Strategic crew placement enables quicker recovery from unplanned events such as adverse weather or engineering issues, minimising inconvenience for impacted travellers.
- **Operational Resilience:** Consolidation strengthens the airline's ability to maintain continuity during irregular operations.

### **Commitment to Regional Services**

Importantly, Qantas' decision does not reduce flights to Canberra, Hobart or Mildura. The airline remains committed to regional connectivity, with continued investment in regional operations, including new aircraft on key routes such as Canberra.



---

### **Support for Affected Employees**

It is acknowledged the decision to consolidate bases does present genuine challenges for approximately 70 employees. Qantas has however guaranteed ongoing employment and provided comprehensive support packages, including commuting allowances, confirmed flights and relocation assistance. Staff and their families are supported to remain in their local communities if they choose.

### **Conclusion**

In summary, Qantas' review and consolidation of crew bases aligns with global airline practice and is designed to deliver tangible benefits for consumers through improved reliability, responsiveness and sustained regional connectivity. Addressing broader affordability challenges, particularly airport charges and input costs, remains essential to ensuring the long-term viability of regional aviation.

Thank you for considering this submission.

Yours sincerely

**Professor Graeme Samuel AC**  
Chairman  
Airlines for Australia & New Zealand

**Stephen Beckett**  
Chief Executive Officer  
Airlines for Australia & New Zealand