BRIEFINGS//

QANTAS Pilot Council

TO // **Qantas Short Haul and Long Haul Pilots**

FROM // **AFAP Qantas Pilot Council**

DATE // **27 August 2026**

RE // **QPC Briefing No 45**

QPC Briefing No. 45 2026
Qantas Group Financial Results

Qantas today released its FY2026 full-year results together with a number of significant fleet announcements that will have implications for pilot career movement over the coming years.

The Qantas Group reported today an underlying profit before tax of $2.06 billion (down 14%) for the financial year. The result included Qantas International earnings before interest and tax (EBIT) of $371m (down 38%), and Qantas Domestic (which includes Short Haul and Qantas Link) EBIT of $907m (down 14%).

The Qantas International operating margin declined to 4**%**, compared with 7% in FY2024–25. The Domestic operating margin was 13%, largely in line with the 14% from FY2024-2025.

As Qantas has acknowledged in its communications to employees, the result was delivered against a difficult operating backdrop. The conflict in the Middle East disrupted global aviation through the final four months of the financial year, with record fuel prices, disruption to major regional hubs and some reduction in corporate and government travel. Qantas responded by adjusting fares and capacity and redeploying aircraft, including additional capacity to Europe.

While Qantas International's performance has weakened materially, the broader Qantas Group remains profitable and continues to invest heavily in fleet renewal. 17 new aircraft joined the Group during FY26 and that up to 31 further aircraft are expected over the next 12 months, with the first A350-1000ULR due in April 2027 and further A350 and B787 aircraft to follow.

Key fleet Announcements

Alongside the financial results, Qantas has now publicly confirmed changes to its fleet plan which the Company briefed the AFAP on earlier this week under strict confidentiality because of the market-sensitive nature of the information.

Importantly, the accelerated retirement of the A380 was **not unexpected by the AFAP.** The future of both the A380 and A330 fleets, and the protections that may be required as those fleets progressively retire, were matters we specifically considered during the Long Haul EA11 negotiations. The announcement now provides greater certainty around the timing of that transition for the A380.

The following are the key fleet announcements:

- the retirement timeline for the remaining 10 A380 aircraft will be brought forward to 2028-2030, with the first airframe earmarked for retirement in March 2028. The previous planning assumption had been around 2032.

- Qantas is in discussions with Airbus and Boeing to convert around 20 existing aircraft options into firm orders on top of the A350s and 787s already on order, to replace A380 capacity.

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- No changes have been made to the A330 retirement program. The current expectation remains a progressive retirement commencing with one aircraft in October this year, and the remaining fleet over approximately seven to eight years, with the fleet fully retired around 2034.

- Due primarily to the confirmation of the delivery timing of the next 7 A321s starting in December this year, and the progressive retirement of the 737 fleet with approximately four 737s planned to exit in FY27, Qantas is forecasting a short-term temporary surplus of B737 pilots in the first quarter of 2027.

A380 Announcement

The immediate effect of the announcement is naturally greatest for pilots currently on the A380, although there will also be flow-on effects across Long Haul as pilots move between fleets and categories.

The retirement announcement affects primarily A380 pilots, and other long haul pilots in a secondary flow-on effect. An earlier retirement timeline of the A380 was anticipated by the AFAP in the LH EA negotiations, although contingencies for all eventualities were planned for.

Qantas has advised the AFAP that the majority of current A380 pilots are expected to move from the fleet through a combination of age-based retirement and ordinary training-allocation movements before the fleet is fully retired. A residual number of pilots will ultimately need to be managed through the Reduction in Numbers (RIN) provisions of the Enterprise Agreement.

It is important not to treat the announcement of the A380 retirement as an indication that all current A380 pilots will be subject to a RIN. The retirement will occur progressively and there will be over 18 months of normal fleet movement before the first aircraft is planned to leave service.

The Company also indicated that this timeline was based on a worst-case projection of the global geopolitical and economic outlook. There remains scope to retain individual aircraft for longer if replacement aircraft are delayed or additional international capacity is required. Further as noted above, Qantas are in discussions with Airbus and Boeing to convert 20 existing aircraft options into firm orders to replace capacity

There will understandably be considerable interest in how the existing EA10 RIN provisions compare with the protections negotiated in the proposed EA11 and what those provisions may mean for pilots in different categories.

Rather than attempt to deal with those relatively complex provisions in this initial fleet update, the AFAP will issue a separate RIN brief. That brief will explain how a RIN operates under EA10, the changes negotiated in the proposed EA11, the protections available to affected pilots and the practical implications for A380 pilots if a RIN is ultimately required.

A330 Fleet

The A330 retirement program has not been accelerated. The current plan remains a progressive retirement over approximately seven to eight years, with the fleet fully retired around 2034.

Qantas emphasised that its significant financial investment in the A330 fleet reinforces its intention to operate through to 2034. Its retirement timetable has not been accelerated, and Qantas continues to invest in the fleet, including cabin upgrades to eight international A330-200s and conversion of two domestic A330-200s to international configuration.

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Forecast B737 Temporary Pilot Surplus – First Quarter of 2027

Separately, Qantas has advised the AFAP that it is currently forecasting a temporary B737 pilot surplus during the first quarter of 2027.

This reflects the timing of the Short Haul fleet transition as additional A321XLR aircraft enter service and B737 flying progressively reduces.

The combination of an increased A321 fleet and reduced flying for the B737, and the expected constrained long haul opportunities as a result of the A380 retirement being brought forward, is driving the forecast temporary surplus on the B737 for the first half of 2027.

It is important to emphasise that these remain forecast workforce circumstances rather than a concluded outcome. Fleet delivery schedules, flying requirements and available movement opportunities can all change, and Qantas is considering alternatives that may reduce or avoid the currently projected surplus.

Qantas has indicated that this may include reserving vacancies (under clause 16.6 in the SHEA9) to provide additional opportunities for 737 pilots to transition to the A321XLR. This is only a potential option available to Qantas, and can only occur once Qantas has confirmed it has a forecast surplus in specific categories.

The AFAP will meet with Qantas to review in further detail the anticipated surplus and mitigations being explored and provided further updates to members following those discussions including on the A320 reserved vacancies process if this will be required.

The broader outlook

The accelerated A380 retirement reduces some of the net growth originally contemplated as part of Project Sunrise, but it does not presently translate into a long-term reduction in Long Haul pilot numbers.

Equally, the Short Haul announcement on delivery timings for additional A321s does not in Qantas' forecast create a permanent surplus in that operation.

Qantas expects approximately 300 pilots to retire across the broader pilot workforce over the next five years. That level of natural attrition is expected to preserve significant movement and promotional opportunities and assist in absorbing pilots displaced from retiring fleets.

Qantas has also indicated that the incoming B787 and A350 fleets will require comparatively high pilot numbers because of aircraft utilisation, the nature of the flying replacing existing A330 operations and the increasing proportion of sectors requiring augmented or four-pilot crews.

The principal challenge is therefore expected to be matching pilot movement to aircraft deliveries and retirements at the right time, rather than managing a sustained overall surplus.

The total airframe numbers in 2030 are projected to be similar to today, and given the significant retirements in the same period recruitment is expected to remain robust over the coming years.

Next Steps

The AFAP's role as your industrial representative is to ensure that the consequences of those decisions are fully understood, that the relevant provisions of the Enterprise Agreement are applied correctly, and that pilots are given clear information about whether, and how, they may be personally affected.

Today's announcements provide greater certainty around the direction of Qantas' fleet renewal, but there remains considerable detail to work through regarding the timing and industrial consequences of the transition.

The AFAP will continue discussions with Qantas regarding both the A380 retirement and the forecast temporary B737 surplus.

For A380 and other Long Haul pilots in particular, our next communication will provide a dedicated explanation of the RIN provisions, including the differences between EA10 and proposed EA11 and the protections negotiated in anticipation of the fleet changes that have now been announced.

Questions and Feedback

If you have any questions or further feedback, please contact your AFAP Qantas Pilot Council representatives at qpc@afap.org.au, or the AFAP Legal and Industrial team:

- Executive Director Simon Lutton – simon@afap.org.au
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Regards,

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