

What you need to know: Airline operations: Southwest Pacific

June 15, 2020

As demand declines and governments around the world restrict travel, airlines are adjusting their operations, and, in some cases, suspending all services.

This report summarizes what airlines in Southwest Pacific are doing and planning.

Australia

Airline	Action and plans
FlyPelican	90% of flights suspended until the end of May
Qantas	90% of Qantas' and Jetstar's international flights suspended from late March until the end of May. Domestic flying resuming during June
Regional Express	80% reduction in flights with most routes maintained. Revised schedule from April 1
Tigerair Australia	Grounded from March 25
Virgin Australia	All international services and most domestic suspended until mid-June. Airline has filed for administration. Building domestic schedule to 320 weekly flights by early July

FlyPelican grounds 90% of flights

Newcastle-based regional airline FlyPelican, has suspended 90% of its flying until the end of May.

Qantas suspends most international flying and 60% of domestic, with more to follow

Once Australia's federal government had recommended against all overseas travel, Qantas Group decided to suspend all Qantas and Jetstar international flights from late March until at least the end of May. The group also cut domestic capacity by 60%. Both airlines will further adjust their schedules after the Australian government's March 22 announcement of a tightening of restrictions on domestic travel.

As the national carrier, Qantas is talking with the Federal Government about continuing some strategic international air links. It has also committed to maintaining connectivity to all Australian domestic and regional destinations, albeit with reduced capacity and some route suspensions. This commitment may now change in light of the expected reduction in domestic travel.

As social distancing measures and travel restrictions ease, Qantas will increase domestic and regional flying in June and July, lifting capacity by 5-15% by the end of June. By the end of July, Qantas hopes to be operating 40% of its pre-COVID-19 capacity. There will be more flights between Melbourne and Sydney and from Canberra. Qantas also plans to restart eight other domestic routes and increase intra-state flights in Western Australia, Queensland, New South Wales and South Australia.

Regional Express maintains most of network

Thanks to a regional airline financial assistance package unveiled by the Australian government, Regional Express (Rex), the country's largest independent regional carrier, has pledged to maintain routes and jobs. It had been planning to shut down, but it will now continue operations in almost its entire network

of 59 destinations.¹ While it will maintain its network, the airline must still cut flights by around 80%. Rex will issue a revised schedule from April 1.

As it rebuilds its operation, Regional Express plans to expand its network to compete with QantasLink, launching five new domestic routes from Sydney, three from Adelaide and one from Melbourne from July 6.

Tigerair Australia grounded

Tigerair Australia suspended all operations from March 25, as part of deeper capacity cuts by parent company Virgin Australia. The low-cost carrier attributed the decision to expanded travel restrictions imposed by federal and state governments and territories. The grounding affects key trunk routes including Melbourne to Brisbane, Gold Coast and Sydney, and Sydney to Brisbane and Gold Coast.

Virgin Australia enters administration

The airline had planned to suspend all international flying and cut domestic capacity by 50%; both from March 30 until June 14. Following the escalation of state border controls within Australia, Virgin Australia was forced to suspend almost its entire domestic flying schedule from March 27. Timing for the resumption of both domestic and international services remains mid-June.

Virgin maintained service to 17 Australian destinations for essential services, critical freight and logistics.

The future of Virgin Australia is now uncertain after the carrier entered voluntary administration on April 21, having failed to secure a A\$1.4 billion (US\$890 million) bailout from the Australian government. The airline's biggest shareholder with a 25% stake, Etihad Airways, was unable to provide further funding while dealing with COVID-19's impact on its own business. Etihad, however, remains "open for constructive discussions on a potential relaunch of [Virgin Australia]."

As travel restrictions begin to ease, Virgin Australia will double its domestic capacity by early July, operating 320 flights per week.² There will be more connections and frequencies between Sydney, Brisbane, Melbourne and Perth. Virgin Australia will also resume services from Brisbane to Adelaide, Canberra and Perth, and from Perth to Sydney. It will also offer more flights on intrastate Queensland and Western Australia routes.

New Zealand

Airline	Action and plans
Air New Zealand	From March 30 to June 30, most long-haul and trans-Tasman capacity suspended. Domestic capacity reduced, with flights limited to essential travel. More than half of domestic schedule due to operate in July and August

Air New Zealand rebuilding domestic schedule

On March 16, Air New Zealand announced an 85% cut in its long-haul network from March 30 until June 30. Route suspensions include Auckland to Chicago, San Francisco, Houston, Buenos Aires, Vancouver, Tokyo Narita, Honolulu, Denpasar and Taipei, as well as London-Los Angeles. From Auckland, the airline

¹ Cirium, March 30, 2020

² [Virgin Australia](#), June 15, 2020

operates services to only two long-haul destinations: Hong Kong (2 per week) and Los Angeles (5 pw). Weekly services to Tokyo resume on June 25.

Because it believes demand will be slow to recover, Air New Zealand has decided to permanently end its Auckland-Buenos Aires and Los Angeles-London routes. It has also postponed the start of Auckland-New York services from October 29, 2020, until late 2021.

Air New Zealand has cut trans-Tasman capacity to Australia by 80% until the end of June. Through August 31, it is maintaining flights from Auckland to Sydney (4 return services pw), Brisbane (3 pw) and Melbourne (3 pw). The airline has also suspended Pacific Island routes to New Caledonia (Noumea) and French Polynesia. Until the end of October, it will maintain weekly flights from Auckland to Niue, and to Norfolk from Brisbane and Sydney. Air New Zealand plans to operate weekly flights to Fiji, Samoa and Tonga if these markets lift restrictions on international travel.³

Air New Zealand did not plan to suspend any domestic routes, which were safeguarded by the New Zealand government, but capacity was to be 30% lower in April and May. It continued service on just five domestic routes: Auckland-Christchurch, Auckland-Wellington, Wellington-Christchurch, Wellington-Nelson and Christchurch-Dunedin.⁴

By June, Air New Zealand had ramped up its domestic network, offering flights from Auckland to 14 destinations, from Wellington to nine and from Christchurch to nine.⁵ During July/August, it will serve 16 domestic destinations from Auckland, 12 from Wellington, and 12 from Christchurch.

Air New Zealand plans to operate 55% of scheduled domestic capacity in July and August, with more than 880 weekly return flights from Auckland, Christchurch and Wellington.

At present, the airline does not expect a return to long haul flying of any note until 2021.⁶

Note

The COVID-19 situation is rapidly evolving, and the situation is changing on almost an hourly basis. The information presented in this report represents the latest view as at June 15, 2020. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

Do you have questions or comments regarding this report? Please email mike.eggleton@bcdtravel.co.uk to share your thoughts.

³ [Air New Zealand](#), March 25, 2020

⁴ [Air New Zealand](#), April 2, 2020

⁵ [Air New Zealand](#), June 10, 2020

⁶ Cirium, June 8, 2020