

REPORT: AIRLINES: SOUTHWEST PACIFIC

What you need to know

September 2021

This report presents a roundup of what's been happening to airlines in the Southwest Pacific region over the last month.

Market developments

Trans-Tasman bubble suspension extended

The suspension of quarantine-free travel between Australia and New Zealand has been extended by a further [eight weeks](#) as a result of COVID-19 delta variant outbreaks in both countries. The suspension will be reviewed in mid-to-late [November](#) to allow more time for vaccination rates to rise.

Australia

Qantas

JAL joint venture blocked

The Australian Competition and Consumer Commission (ACCC) has denied authorization for Qantas and Japan Airlines (JAL) to coordinate flights between Australia and Japan for three years. The two airlines had planned to start the joint venture in [July 2022](#).

In [2019](#), JAL and Qantas carried [85%](#) of the passengers flying between Australia and Japan. The ACCC concluded that allowing the joint venture would remove competition between the two airlines and make it more difficult to other airlines to enter the market.

Domestic schedule updated

Qantas and Jetstar have brought forward plans to resume services between Victoria and New South Wales (including Melbourne-Sydney flights) from [December 1](#) to [November 5](#). From [October 25](#), the airlines plan to increase flying within New South Wales to around [40%](#) of pre-pandemic levels.

However, service resumption between Western Australia and both Victoria and New South Wales has been delayed by two months to [February 1, 2022](#). In the interim, Qantas will maintain a limited schedule to Perth from both Melbourne and Sydney.

New domestic services

QantasLink launched non-stop flights to Townsville from Adelaide on [September 13](#). The regional jet service is operated [thrice-weekly](#). The Adelaide expansion continues with new [four-times](#) weekly services to Cairns and [seven weekly](#) flights to Hobart. Qantas now connects Adelaide directly to every state capital.

International resumption confirmed

Subject to government and regulatory approval, Qantas has confirmed that it remains on course to gradually restart international services from [December 18](#). This is when Australia expects to reach an [80%](#) vaccination level.

Regional Express

Full-year losses reduced

Regional Express (Rex) reported a 20% decline in group revenue to **A\$256 million** (\$186 million) in its financial year ended **June 30, 2021**. Passenger revenue fell 41% to A\$125 million. However, Rex managed to reduce underlying operating losses from A\$27.4 million to **A\$18.4 million** (\$13.4 million).

Suspension extension, extension

During **September**, Rex extended temporary schedule reductions until **October 10**, blaming lockdowns and border closures in New South Wales and Victoria. As a result, the furlough of **500** frontline workers was extended beyond its original **September 12** end date.

The airline subsequently extended the schedule reductions again; this time until the **end of October**, reflecting the current rate of COVID-19 infections. Staff furloughs have also been extended for a second time within the same month.

Staff vaccination mandated

All frontline customer-facing staff at Rex must be fully-vaccinated by **November 1**. This includes employees working at check-in, all pilots and cabin crew. Unvaccinated staff will be offered non-customer-facing roles wherever possible.

Virgin Australia

Staff to be vaccinated

Virgin Australia requires all frontline and airport-based staff to be fully-vaccinated by **November 15**. Other office-based employees have until **March 31, 2022**. The requirement applies to all contractors performing duties in a Virgin Australia workplace. Requests for exemptions will be considered on a case-by-case basis.

New Tasmania services

In late **October**, Virgin Australia will launch a new seasonal **thrice-weekly** service from Perth to Hobart, Tasmania. On **November 5**, it will also launch a seasonal **thrice-weekly** service linking Perth with Launceston, operating until **January 30, 2020**.

New Zealand

Air New Zealand

Losses from trans-Tasman travel ban estimated

Air New Zealand has estimated that the suspension of trans-Tasman travel is costing it **NZ\$2–25 million** (US\$14-18 million) per month. The airline is also being negatively impacted by domestic travel restrictions.

Passenger numbers rise 55%

Air New Zealand carried **1.07 million** passengers in **July**, up **55%** year-over-year. The airline increased available seat kilometer (ASK) capacity by **41%**. With revenue passenger kilometers rising by **75%**, the airline recorded an impressive **14** percentage point improvement in its **load factor** to **71%**.

The number of passengers carried on **domestic** routes increased by **46%** to 978,000. Traffic on **Tasman/Pacific** routes soared from 15,000 to 93,000 passengers.

Other

Fiji Airways

Domestic flights resume

Fiji Link, the domestic arm of Fijian flag carrier Fiji Airways, has resumed domestic flights. In accordance with national policies, all passengers must provide proof that they are fully-vaccinated. Fiji Link now operates [twice-daily](#) between Suva and Nadi.

Note

The information presented in this report represents the latest view as at September 27, 2021. 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.eggleson@bcdtravel.co.uk to share your thoughts.