

REPORT: AIRLINES: SOUTHWEST PACIFIC

What you need to know

March 2024

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

Australia

Jetstar Airways

New Whitsunday Coast route announced

Qantas-owned low-cost carrier Jetstar plans to launch new flights from Adelaide to Whitsunday Coast (Prosperine) from [September 1](#). It will serve its 99th domestic route with [three](#) weekly flights.

Qantas

Early wet-leases resolve some fleet issues

Qantas has brought forward the wet-lease of four Embraer 190-E1s operated by Alliance Airlines, increasing its fleet of the type to 26 by the end of June. The earlier arrival may be related to the retirement of Boeing 717s and delays in the delivery of Airbus A220s due to replace them. The Embraer aircraft largely operate QantasLink regional services.

Rex Airlines

Early wet-leases resolve some fleet issues

Group revenue at Australian regional airline Rex Airlines increased by [4.6%](#) in the second half of 2023 to A\$353 million. The company managed to reduce its pre-tax loss for the period by [87%](#) to just A\$2.1 million (US\$1.37 million). It has sharply cut its net loss from A\$16.5 million to A\$3.2 million.

Etihad interline agreed

Rex Airlines has signed an interline agreement with Etihad Airways. Passengers flying to Melbourne or Sydney with Rex can connect onto Etihad flights to 72 destinations around the world via Abu Dhabi. In return, Etihad passengers can connect onto Rex services to destinations in Australia, including Adelaide, Brisbane, Canberra, Gold Coast and Hobart.

This marks Rex's second interline arrangement, joining an existing deal with Delta Air Lines.

Virgin Australia

Good performance in second half of 2023, but caution about 2024

A robust recovery in travel demand helped Virgin Australia record revenue of A\$2.8 billion in the second half of 2023. It reported a profit of A\$236 million (US\$153 million), increasing its profit margin to [8.5%](#) from [5%](#) a year earlier. The airline's owners, Bain Capital, have cautioned about mounting challenges during the first half of 2024, with the market facing aggressive pricing and strong capacity growth.

[New interline agreed with T'way Air](#)

Virgin Australia has signed a new interline agreement with South Korean low-cost carrier T'way Air, which flies from Seoul to Sydney. From [April 1](#), T'way passengers will be able to connect onto Virgin Australia's flights from Sydney to Brisbane, Cairns, Gold Coast, Melbourne and Perth, to Queenstown in New Zealand, and to Fiji.

New Zealand

[Air New Zealand](#)

[Auckland-Chicago services paused](#)

Air New Zealand will temporarily suspend its non-stop services between Auckland and Chicago from [March 31](#) until [October 25](#). The airline blames the decision on ongoing challenges with the availability of serviceable Rolls-Royce Trent 1000 engines used on its Boeing 787s. This has resulted in up to three aircraft being unavailable for an extended period.

[Pandemic financial support closes](#)

Air New Zealand has concluded its period of pandemic-related financial support provided by the government, cancelling a NZ4400 million (US\$240 million) standby facility. But the airline remains 51% state-owned and is working with banks to set up a new unsecured standby facility.

The information presented in this report represents the latest view as at March 25, 2024. 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.

If you have any questions or comments regarding this report, please email mike.eggleton@bcdtravel.co.uk to share your thoughts.