

Mount Isa and Cloncurry, we are listening

There's been a lot of discussion lately about regional air travel. And frustration that the fares you pay are often higher than fares between capital cities.

We are listening.

We know how important air transport is to regional Australia and we want to explain what we're doing.

Here are the factors behind the price you pay:

- Regional fares can be higher than flights between big population centres and that has a lot to do with the scale and economics of larger operations. The costs of operating a large jet between Melbourne and Sydney are spread across up to 300 seats while the costs of operating a small aircraft between Mount Isa and Brisbane are divided among around 100 seats, so the cost per passenger carried is significantly higher.
- The first seats sold on a flight are typically the cheapest while the last few are the most expensive. If you travel at short notice, you'll pay more than someone who booked three months earlier. Less than 2 per cent of people buy these higher fares but they are the ones people talk about most.
- Some of our regional routes actually run at a loss. Others are close to break even. Busy flights and higher last minute fares do not equal super profits.
- There is a global shortage of pilots that is impacting how many regional flights we can operate, and that has impacted prices.

All airlines face these factors. But we're taking action to make regional transport more accessible while also keeping it commercially viable.

- We're suspending from sale our most expensive fares in key regional markets to reduce the cost of last minute travel while we look at options to add more flights.
- We've introduced discounts of up to 30 per cent for residents in markets where locals are competing with the resources industry for seats.
- Our current entry level fares are \$378 one-way from Mount Isa to Brisbane and we'll continue offering sale fares.
- We're establishing the Qantas Group Pilot Academy in regional Australia, training up to 500 pilots a year to make sure the industry has access to the skills it needs to keep flying.
- We're working with the government to temporarily bring in simulator instructors and experienced pilots from overseas so we can fly more, sooner.

Qantas was born in the outback. And we're a big part of the communities we serve — providing jobs, supporting tourism, and buying goods and services.

There are some fundamental realities about regional services that we can't change but we are working to make sure travel options are both accessible and sustainable.



John Gissing
QantasLink CEO