

Virgin Australia Senate Inquiry response

Virgin Australia response to questions taken on
notice

in response to
Senate Inquiry into the Future of Australia's Aviation
sector, in the context of COVID-19 and conditions
post pandemic

Rural and Regional Affairs Transport Committee

C o m m e r c i a l - i n - C o n f i d e n c e

Virgin Australia Senate Inquiry response

Question One: How would you compare Virgin Australia's regional services versus Rex's regional services in terms of passenger numbers?

In CY19 Virgin Australia Group serviced ~540 regional¹ routes across Virgin Australia's domestic network (to and from regional airports) operating a mix of ATR, B737, F100 and A320 aircraft. These routes include Virgin Australia Regional Airlines' (VARA) extensive network in Western Australia which largely services the resources sector. On average, this means Virgin Australia Group scheduled more than 25,000 seats daily to/from regional ports. Rex averaged just over 6,700 daily seats.

Virgin Australia's current domestic network is pictured below and includes 25 regional airports.



Rex currently serve 53 regional airports. More information relating to the network Rex operates can be accessed [here](#).

¹ Regional ports are defined by BITRE as 'Airports which are, according to the Australian Bureau of Statistics "The Australian Statistical Geography Standard (ASGS)", not based in Major Urban areas.'

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Question Two: What was the proportionate size of the Rex business versus the Virgin Australia business at the time of the regional aviation rescue initiative?

In FY19, Virgin Australia Group's reported revenue was \$5,827.1m. The portion attributable to the domestic business (including VA's mainline operations, regional operations and VARA) was \$3,914.9m. In FY19 Rex's reported revenue was \$317.6m.

From July – December 2019 Virgin Australia carried 9, 571 854 passengers on all Virgin Australia domestic routes. From the same period Rex carried 659, 053 passengers on the Rex domestic network.

Question Three: What is the cost differential between sustainable aviation fuels and traditional fuels?

Due to the lack of a developed supply chain coupled with limited production and availability, the cost of sustainable aviation fuels is approximately 2-4 times fossil based jet fuel.

Virgin Australia and the Queensland Government along with Gevo. Inc. worked together during 2018 and 2019 to complete a sustainable fuel trial at Brisbane Airport. The trial highlighted the constraints within the supply chain and production leading to significant higher costs of alternative fuels at this time.

Policy frameworks in the United States, United Kingdom and Europe have progressed the development of sustainable aviation fuels in those markets.

Question Four: What benefit did Virgin Australia receive from the RANs program?

\$4.9m received to date with an additional \$3.04m accrued.

For any further queries please contact