



BUDGET AIRFARES LOWER IN DECEMBER

News / Airlines



Budget-conscious air travellers may have a little more to spend on Christmas presents this **December** with domestic ticket prices well down from where they were a year ago.

However, those looking for seats at the pointy end of the aircraft may have to fork out a little more cash to enjoy all the luxuries of business class this holiday season.

The Bureau of Infrastructure, Transport and Regional Economics (BITRE) monthly report on domestic ticket prices showed the index measuring the best discount economy fare was at 62.9 index points in December 2015.

The figure was the lowest ever December result in the BITRE report, which has data stretching back 1992, and well down from 71.8 points in December 2014.

The restricted economy index was at 79.1 index points in December 2015, up slightly from 77.3 points in the prior corresponding period.

Meanwhile, the business class index rose to 92.1 points, compared with 89.7 points in December 2014.

Qantas said in its most recent traffic and capacity statistics published on December 15 its low-cost unit Jetstar grew domestic capacity, measured by available seat kilometres 2.4 per cent in November amid “strong demand on leisure routes including Queensland coast, Tasmania and

South Australia”.

Meanwhile, Qantas's capacity growth along Australia's east coast was offset by capacity reductions on east-west and intra-Western Australia routes.

Virgin Australia chief executive John Borghetti said there were recent signs of optimism among domestic travellers and an improvement in market conditions.

“In the past two or three weeks we've seen things just a little bit better, nothing to ring bells about, but we're seeing a bit of an improvement,” Borghetti told reporters after Virgin's annual general meeting in Brisbane on November 18.

“If sentiment improves, people are going to spend more.”

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