

# Media Release

## QANTAS REWARDS FREQUENT FLYERS IN PROGRAM OVERHAUL

**Hong Kong, 20 June 2019:** Qantas Frequent Flyers will soon pay significantly less fees for international reward flights<sup>1</sup>, have access to more seats and enjoy more rewards for earning points on the ground as part of the biggest overhaul to the airline's loyalty program in its 32 year history.

Representing a A\$25 million investment, the changes will improve how members are recognised and rewarded as well as how they earn and redeem points.

The major initiatives, to be rolled out to members over the next 12 months, include:

- Adding more than 1 million extra reward seats available annually on Qantas and new partner airlines.
- Slashing carrier charges – the additional costs associated with flights booked with Points – by up to 50 per cent on international bookings<sup>1</sup>, saving members on average A\$200 per return journey.
- Changing the points required for reward seats on domestic and international flights including an up to 10 per cent reduction in the number of points required for international economy Classic Reward seats.
- Increasing the points required for upgrades and Classic Reward seats in premium cabins to better reflect the value of this premium experience.
- Creating a new tiered Points Club program to better reward members who earn most of their points through on-the-ground transactions.
- Introducing Lifetime Platinum status, the ultimate recognition for the airline's most loyal flyers.

Qantas Group CEO Alan Joyce said the changes are about strengthening Qantas Frequent Flyer to keep delivering for its almost 13 million members.

“The Qantas Frequent Flyer program has always been about rewarding customers for their loyalty. These changes are about making it easier for members to access those rewards and help to keep them highly engaged, which in turn is good news for our business as a whole.

“We know the majority of our members want to use their points to take a dream trip overseas, so we are adding more reward seats including First, Business and Premium Economy, to places like London, Los Angeles, Tokyo and Singapore as well as slashing carrier charges.

“While the points required for business class seats on international and domestic flights will increase slightly, it is the first increase in 15 years and the product has improved a lot in that time.”

The A\$25 million investment is comprised of making more seats available for frequent flyers as well as the reduction in carrier charges. Increased engagement in the program is expected to offset this within the first year.

Mr Joyce said the program overhaul would ensure the national carrier's loyalty program remained one of the most attractive and successful in the world.

“Australians love earning Qantas Points and that momentum has seen us expand our number of retail partners and extend into new areas like financial services and insurance. The result is that people have lots of opportunities to earn points, so this overhaul is about making sure they have more opportunities to use them.”

Since its inception in 1987, the frequent flyer program has grown from 50,000 members who could only earn points on travel to almost 13 million members who can earn points with more than 300 partners. The majority of the points earned across the program are used on travel. Four flight redemptions are made every minute and sixty upgrades are confirmed every hour.

Qantas Loyalty CEO Olivia Wirth said they conducted extensive research into the habits and behaviours of frequent flyers to create a program that brings value to all types of members.

“There’s a lot about the Qantas Frequent Flyer program that our members tell us they love but there are also areas of the program that have increasingly come under pressure as a result of rapid expansion. What we’re announcing today is all about investing more into the heart of our program, the member experience,” Ms Wirth said.

“While frequent travellers have always been at the centre of what we do, the growth of our program and its hundreds of partners has provided opportunities for many members to now earn most of their points on the ground.

“Our members are all unique in how they choose to earn and use their Qantas Points. The combination of the new Points Club, the introduction of our most elite tier in Lifetime Platinum, and the increase in seats across our network means the revamped program should offer something for everyone.”

A full breakdown of the program changes, including interactive tables showing the before-and-after pricing and new reward seat options on partner airlines is available at [frequentflyer.qantas.com](http://frequentflyer.qantas.com)

## **BREAKDOWN OF KEY CHANGES**

### **More reward seats to more destinations when members want them:**

Frequent Flyers will have access to more than a million extra reward seats annually on Qantas and a growing list of premium partner airlines including during peak leisure travel periods to our most popular destinations such as London, Los Angeles, Tokyo and Singapore. As a result, members will enjoy an up to 30 per cent increase in our highest demand reward seats in Qantas International premium cabins over the next 12 months.

Additionally, we will be giving members more choice when travelling to destinations across Europe, New Zealand and South East Asia through new frequent flyer agreements with Air New Zealand, China Airlines, Bangkok Airways, Air France and KLM Royal Dutch Airlines.

### **Points Club**

Qantas Frequent Flyer will specifically recognise its high-buyers: members who earn lots of points through non-flying related transactions.

Called ‘Points Club’, the initiative will include two tiers with entry gained based on a member passing an annual points-earned criteria. The club will unlock, for the first time, flight and travel benefits for non-flying members including lounge access and bonus status credits – as well as member-exclusive offers and discounts across Qantas Frequent Flyer and partners. The entry-level Points Club tier will be accessed through earning 150,000 points on the ground while the exclusive ‘Points Club Plus’ tier, with richer member benefits, will have a higher annual threshold. Points Club will be launched in late 2019.

## Changes to fees and number of points required

The number of points required for international economy Classic Reward seats will decrease by up to 10 per cent effective immediately. For the first time in almost 15 years the number of points required for domestic and international premium cabins will increase by up to 15 per cent. Points required for upgrades will also increase by up to 9 per cent. The increases in premium cabins will take effect from 18 September 2019.

Carrier charges will be slashed by up to 50 per cent on international redemption bookings<sup>1</sup>, saving members on average A\$200 per return journey, halving the out of pocket expenses associated with reward travel. A return Classic Reward flight from Sydney or Melbourne to London will see carrier charges reduced from \$1080 to A\$700 in business class while a return economy flight from Sydney to New York will see carrier charges reduced from A\$360 to A\$180. Carrier charges on international economy flights will be reduced from today with carrier charges on premium cabin bookings reduced from 18 September 2019.

## Lifetime Platinum

Qantas Frequent Flyer will be the first Australian loyalty program to offer Lifetime Platinum status. Entry to Lifetime Platinum will be reached by a member accruing 75,000 status credits, and adds to the existing Lifetime Gold and Lifetime Silver frequent flyer tiers. The new Lifetime tier will be introduced in September.

## Improved Member Experience

The digital member experience will be more intuitive and seamless for members. Changes to the search functionality will make finding reward seats quicker and easier – displaying 12 months of reward seats in under five seconds and letting you see the next available redemption flight for popular destinations every time you log into your account.

Further details on each of these changes will be provided to members as they are introduced.

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## About Qantas Airways

Founded in regional Queensland in 1920 – as Queensland and Northern Territory Aerial Services – Qantas is one of the world's oldest airline and Australia's most iconic brands, with a central role in the development of the Australian and international aviation industry.

For the fourth year in a row, Qantas has been ranked the world's safest airline by AirlineRatings.com. Qantas also holds many major awards for service, food and wine, technology and innovation, including the world's best lounges by airlineratings.com in 2019.

Qantas Airways is part of the Qantas Group, a diverse global aviation business comprising Qantas Domestic, Qantas International, low-cost carrier group Jetstar, and Qantas Loyalty. Operating more than 7,300 flights each week, Qantas Group carries over 50 million passengers each year to more than 1000 destinations around the world together with its codeshare and **oneworld** partners.

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<sup>i</sup> On Qantas and Jetstar Classic Flight Rewards excluding direct flights to and from New Zealand and select South Pacific locations that are classified as domestic zones due to proximity to Australia.