

TABLE 6D32 ELASTICITIES OF DEMAND FOR AIRLINE TRAVEL ON INDIRECT EAST-WEST AIRLINES SERVICES BETWEEN SYDNEY AND MELBOURNE

<i>Independent variable</i>	<i>Elasticity at variable mean</i>		
	<i>Truncation I</i>	<i>Truncation II</i>	<i>Truncation III</i>
East West excursion fare/ bus fare	-0.60	-0.60	-0.61
East West excursion fare / index of petrol price	1.04	1.04	0.90
East West excursion fare / Ansett or Australian full economy fare	-0.53	-0.54	-0.69
East West excursion fare / Airlines of NSW excursion fare	-0.18	-0.18	-0.18
East West excursion fare /bus and train standby fare	-0.08	-0.08	-0.09
East West Club 25 fare / index of petrol prices	-1.62	-1.63	-1.37
East West excursion fare / Sydney CPI	0.04	0.05	0.35
Index of industrial production	3.96	3.96	3.69
Ansett or Australian Airlines standby fare	0.02	0.02	0.02

Notes Demand truncation I assumes local traffic given priority, through traffic is constrained out when a plane is full.

Demand truncation II assumes Sydney-Albury traffic is constrained as well as through traffic, when a plane is full.

Demand truncation III assumes local traffic is given priority on Sydney-Albury leg, through traffic is given priority on Albury-Melbourne leg.

Source Hartley & Trengove (1990, table 3, p. 212).