Australian Government
Department of Transport and Regional Services
Bureau of Transport and Regional Economics

avline

issue 3 October 2003

from the director

Welcome to the third edition of *Avline*.

This issue opens with a feature article on aviation in regional Australia.

The Airport Charges section has now been incorporated into the State of Play in Australian Aviation section and the indicators in this section reordered.

The Bureau has been exploring reporting airline on-time performance with Rex, Qantas and Virgin Blue and hopes to be a position to introduce on-time performance indicators in the next issue of *Avline*.

Finally, a new team has taken over production of *Avline* – Peter Hoss and Desiree Campbell. Our thanks go to Tim Risbey, who was instrumental in the development of *Avline* and production of the first two issues.

Tony Slatyer
Executive Director

issue 3 October 2003

avline

AT A GLANCE

internet addresses

Download this issue of *Waterline* and back issues:
http://www.btre.gov.au/wline.htm

Bureau of Transport and Regional Economics home page:
http://www.btre.gov.au

internet

REGIONAL AVIATION IN AUSTRALIA[1]

Snapshot

At the beginning of 2003, Australia had a network of scheduled regular regional air routes operated by 31 commercial carriers, shown in figure 1. Table 1 shows the number of passengers, aircraft trips and passenger load factors between major regional centres and state capitals for the year ended 31 March 2003.

TABLE 1 DOMESTIC AND REGIONAL AIRLINE TRAFFIC ACTIVITY ON SELECTED REGIONAL AIR ROUTES, 12 MONTHS ENDED 31 MARCH 2003

Route[a]		Revenue passengers (thousands)	Aircraft trips (thousands)	Revenue passenger load factor (per cent)
Brisbane	Cairns	787.9	6.5	81.7
Brisbane	Townsville	546.5	4.9	79.3
Brisbane	Mackay	289.7	4.2	76.8
Brisbane	Rockhampton	216.3	3.9	66.2
Coffs Harbour	Sydney	186.4	6.1	61.1
Karratha	Perth	148.8	2.2	67.3
Kalgoorlie	Perth	147.1	2.9	59.5
Brisbane	Gladstone	139.5	5.0	64.7
Broome	Perth	133.0	1.8	78.4
Alice Springs	Darwin	117.2	1.5	77.1
Albury	Sydney	107.7	4.5	56.8
Dubbo	Sydney	105.0	5.6	53.8
Sydney	Wagga	96.0	4.9	55.6
Melbourne	Mildura	93.3	4.8	59.6
Adelaide	Port Lincoln	91.9	5.9	63.6
Port Macquarie	Sydney	84.7	3.4	67.8
Ballina	Sydney	81.2	3.3	66.7
Sydney	Tamworth	69.9	2.6	70.5
Geraldton	Perth	61.4	2.0	66.5
Armidale	Sydney	51.4	2.1	68.1

a. *Route data is the aggregate of traffic travelling in both directions.*
Notes: *Provisional, regional data component includes BTRE estimates.*
The load factor is the proportion of total aircraft seats that are filled by paying passengers.
All data is based on flight stages (the direct connection of two airports).
Source: *BTRE Statistics Section.*

As of 2000–01, over 99 percent of all Australians living outside the metropolitan areas in urban centres and localities of 200 persons or more were within 70–120 kilometres of an airport with three or more return air services per week. While the private car is the predominant non-urban mode of transport, accounting for 87 per cent of all trips, air travel's share is around 40 percent for distances of between 400 and 1 200 kilometres, and its share increases to more than 65% for trips of more than 1 200 kilometres.

Air travel began to grow reasonably strongly during the 1980s and then increased quite rapidly throughout much of the 1990s following domestic deregulation and the introduction of a variety of competitive fares. Growth in air travel slowed towards the end of the decade as fares stabilised, achieving a mode share of around 26% (figure 2). In 2001–02 and 2002–03, total domestic air travel fell back significantly following the cessation of Ansett services and the terrorist attacks in the US in September 2001 and the SARS outbreak in 2003, but is now recovering.

The majority of regional services operate intrastate, with routes radiating from the capital city. Of the airports currently served by scheduled commercial regular public transport regional air services, over 75 per cent averaged at least three services, each way, per week.

Passenger travel to and from regional airports has, at 2.1 per cent per annum, grown more slowly than passenger travel to major metropolitan and selected tourist centres, where growth averaged 6.5 per cent per annum. On the other hand, real air fares on regional airlines were broadly similar in July 2001 to fares prevailing in 1992.

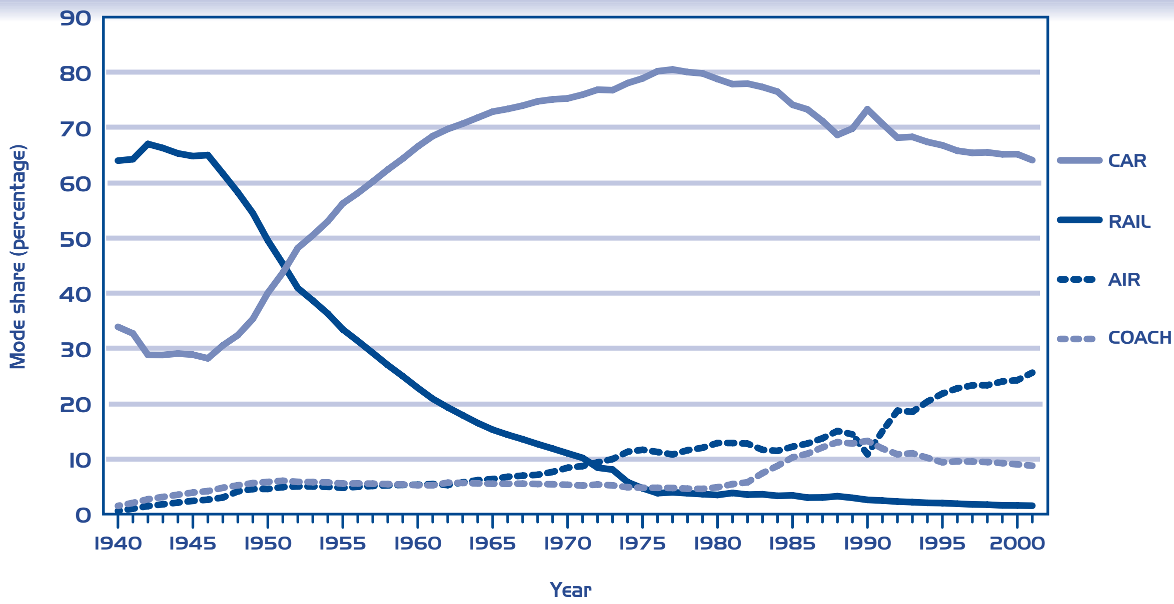
1 This article draws heavily on BTRE Working Papers 51: *Regional Public Transport in Australia: Long-Distance Services, Trends and Projections, March 2003*, and 54: *Regional Public Transport in Australia: Economic regulation and assistance measures, April 2003*

FIGURE 1 REGIONAL AIRLINE SERVICES IN AUSTRALIA, 12 MONTHS ENDED 31 MARCH 2003

Source: BTRE Statistics Section

The number of airports served by regional aviation operators has decreased over the last 15 years, from 251 airports in 1986–87 to 194 airports in 2000–01, and 156 airports in 2003. Many of the airports that have lost services in NSW are in regional areas that are within 200 kilometres of an existing air service, eg Condobolin, Cessnock and Tumut. In Queensland and South Australia, many of the airports now not served were in the remote areas close to the Queensland-South Australia border. In Western Australia, the airports no longer served appear to be a mix of short hop flights from Perth, such as Rottnest Island and Bunbury.

FIGURE 2 MODE SHARE TRENDS IN NON-URBAN PASSENGER TRAVEL, 1940–2001



Government Approach and Assistance Measures

Australian Government policy for Australian aviation is one of liberalisation and market based outcomes. Within this framework the Government focus is to facilitate the best possible level of sustainable regional aviation services.

- To achieve this end, Government efforts are focussed on:
- Reducing barriers to market entry;
- Removing barriers to industry adjustment;
- Encouraging fair competition;
- Avoiding interventions that favour one business over another; and
- Supporting industry and communities as they adjust to the new scale of operations.

Regional air transport is provided by private operators in all states and territories. Where demand is not sufficient to cover the costs of a service, governments may intervene to guarantee minimum service levels. Throughout the 1990s, airlines operated in what was essentially a deregulated market except for New South Wales, Western Australia (WA) and limited areas of Queensland, which continued with some form of economic regulation following deregulation of domestic aviation in 1990. In recent times, there has been a tendency to introduce economic regulation in other states, for example, service contracts giving operators exclusive rights to some routes (Queensland) or expansion of licensing systems (New South Wales).

The Australian Government's Remote Area Service Subsidy Scheme has been operating since 1957. The Scheme currently subsidises the operations of eight air operators who provide regular weekly air services to approximately 250 remote communities in Queensland, South Australia, Western Australia, the Northern Territory and Tasmania.

New South Wales maintains a ‘managed competition’ regime on intrastate air routes with less than 50 000 passengers per annum by licensing only one operator per route.

The Queensland intrastate aviation industry was deregulated in 1987, with the exception of ten routes in remote areas, which the Queensland Government subsidises through five-year service contracts. New contracts were awarded to Qantaslink and Macair in July 2002.

In Western Australia, around 80 airports are supported under the Regional Airports Development Scheme. Western Australia also requires all commercial airlines to be licensed and there is discretion to limit the number of licenses where it is considered the route cannot sustain competition. The WA Government has for many years subsidised air services on some routes in WA that are considered as not commercially viable but important from an economic and social perspective to the communities they serve.

STATE OF PLAY IN AUSTRALIAN AVIATION

Key dates impacting on data

Since June 2000 a number of significant events have impacted on Australia's aviation industry. They are listed on page 11 of this issue and should be taken into account when interpreting the tables and figures presented throughout the document.

Domestic and regional passengers

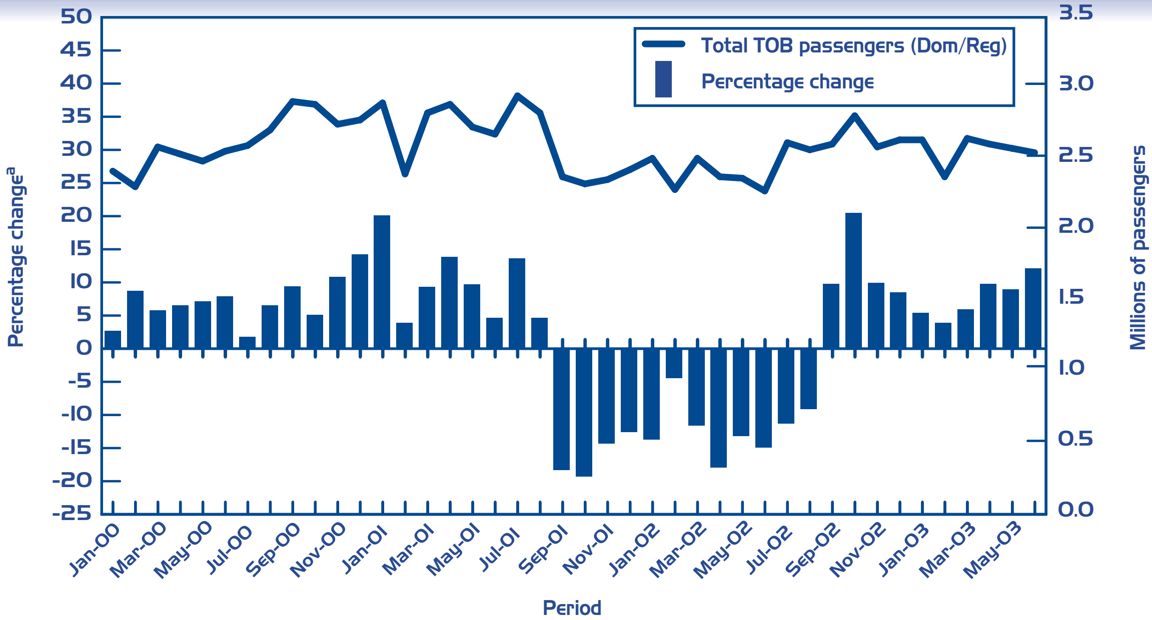
The total number of domestic and regional passengers continued to increase in the first half of 2003 (figure 3). June 2003 saw over 2.5 million passengers carried, a 12 per cent increase compared with June 2002 and only 4.6 per cent down on the pre-Ansett collapse activity levels in June 2001.

International passengers

The total number of international passengers decreased significantly in the first half of 2003 (down 7.2 per cent on the first half of 2002). However, the 1.45 million passengers carried in July 2003 was down only 3.7 per cent compared with July 2002 (figure 4) as activity levels recover from the impact of the SARS crisis. During the worst of SARS (May 2003), figure 4 shows passenger numbers were down almost 19 per cent from the year before.

Avline 3 October 2003

FIGURE 3 TOTAL DOMESTIC AND REGIONAL PASSENGERS

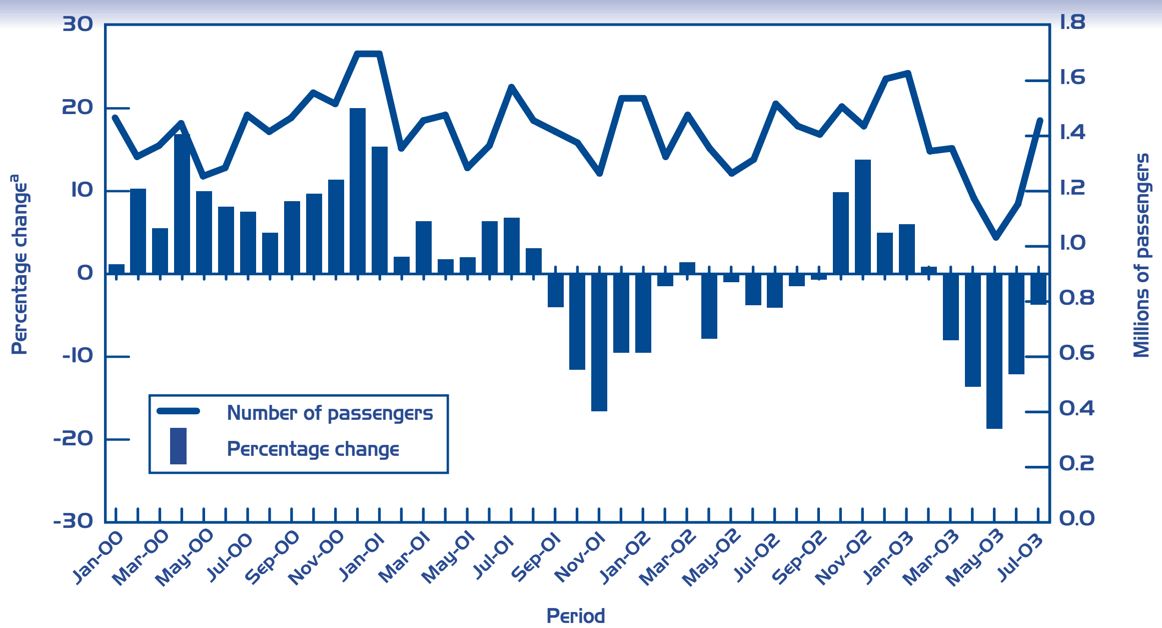


a. Growth rates are calculated over the same month in the previous year.
Note: Regional data component includes BTRE estimates.
Source: BTRE Statistics Section

Overall, the number of international passengers for July 2003 was about 55 000 below July 2002 and some 120 000 less than the number recorded in July 2001.

The war in Iraq and in particular the outbreak of Severe Acute Respiratory Syndrome (SARS) reduced the demand for travel in the 2003 first half, however international passenger numbers are expected to continue to recover in coming months.

FIGURE 4 INTERNATIONAL PASSENGERS



a. Growth rates are calculated over the same month in the previous year.
Source: ABS catalogue 3401.0, Overseas arrivals and departures, Australia

Airport activity levels

Total passenger and aircraft movements for the five major Australian airports are summarised in Table 2.

Total RPT passenger movements increased at all major airports in the first half of 2003, with Sydney up 1.2 per cent, 2.6 per cent at Melbourne, 0.5 per cent at Brisbane, 8.9 per cent at Perth and 4.2 per cent at Adelaide.

International passenger arrivals and departures declined at all five airports in the January–June 2003 half year compared to the preceeding two periods, due to the continued terrorism threat, war with Iraq and SARS outbreak.

The combined Domestic/Regional passenger market increased strongly at all major airports, particularly Perth (up 14.1 per cent over the January–June 2002 half year), passenger numbers increased 3.2 per cent at Sydney, 4.6 per cent at Melbourne, 1.1 per cent at Brisbane, and 5.0 per cent at Adelaide.

TABLE 2 ACTIVITY AT MAJOR AUSTRALIAN AIRPORTS

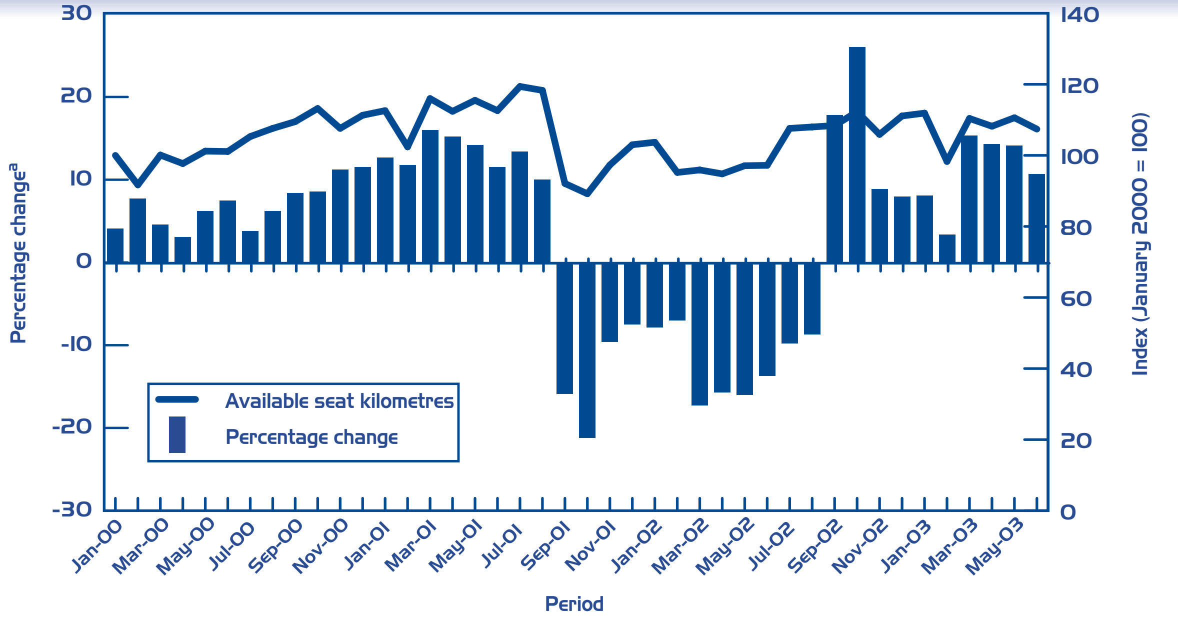
		International[1]		Domestic[2]		Regional[2P]		Total RPT[4]		All aircraft movements including military and unscheduled[3]
Airport	Half year	Passenger arrivals and departures (millions)	RPT aircraft movements (thousands)	Passenger arrivals and departures (millions)	RPT aircraft movements (thousands)	Passenger arrivals and departures (millions)	RPT aircraft movements (thousands)	Passenger arrivals and departures (millions)	RPT aircraft movements (thousands)	(thousands)
Sydney	Jul—Dec 2001	4.1	23.7	7.1	54.8	0.9	43.3	12.0	121.8	138.6
	Jan—Jun 2002	3.9	22.8	6.5	45.9	0.8	37.2	11.1	105.8	121.7
	Jul—Dec 2002	4.1	23.7	7.2	54.8	0.8	37.3	12.1	115.7	130.8
	Jan—Jun 2003	3.7	23.4	7.0	51.4	0.7	33.3	11.4	108.1	123.7
Melbourne	Jul—Dec 2001	1.7	11.6	6.0	48.8	0.5	17.0	8.1	77.4	82.4
	Jan—Jun 2002	1.6	10.7	6.0	45.7	0.3	13.3	7.9	69.7	75.1
	Jul—Dec 2002	1.7	10.8	6.4	50.2	0.3	13.9	8.3	74.9	80.5
	Jan—Jun 2003	1.5	10.2	6.4	49.2	0.3	12.5	8.1	71.9	77.3
Brisbane	Jul—Dec 2001	1.3	8.7	4.6	40.1	0.3	17.5	6.2	66.3	81.2
	Jan—Jun 2002	1.2	8.3	4.0	35.1	0.4	15.7	5.6	59.2	71.5
	Jul—Dec 2002	1.3	9.1	4.4	38.0	0.4	13.6	6.1	60.7	74.3
	Jan—Jun 2003	1.1	8.1	4.4	37.4	0.3	10.4	5.7	55.9	67.5
Perth	Jul—Dec 2001	0.8	4.4	1.5	14.9	0.1	4.1	2.4	23.5	46.5
	Jan—Jun 2002	0.8	4.1	1.5	13.7	0.1	3.8	2.4	21.6	44.5
	Jul—Dec 2002	0.9	4.3	1.7	15.1	0.1	4.2	2.6	23.6	47.4
	Jan—Jun 2003	0.7	4.2	1.7	15.9	0.1	4.2	2.6	24.3	46.3
Adelaide	Jul—Dec 2001	0.1	0.9	1.9	18.1	0.2	15.7	2.2	34.7	53.8
	Jan—Jun 2002	0.1	0.8	1.8	16.4	0.1	14.6	2.0	31.8	51.3
	Jul—Dec 2002	0.1	0.9	1.9	18.8	0.2	14.8	2.2	34.4	52.2
	Jan—Jun 2003	0.1	0.8	1.9	17.2	0.2	13.8	2.2	31.8	49.3

P Provisional, regional data component includes BTRE estimates.
1. International passenger data are the total passengers uplifted and discharged within a flight.
2. Domestic and regional passenger data are the total passengers on board by flight stage.
3. Arrival data recorded during the hours in which Airservices Australia provides a tower service.
4. RPT - Regular Public Transport.
Sources: BTRE Statistics Section; Airservices Australia monthly aircraft movements at Australian reports (http://www.airservicesaustralia.com).

Capacity and flight frequency

Preliminary data for June 2003 indicate that total domestic and regional capacity, measured in available seat kilometres, was 4.6 per cent below the (pre-Ansett collapse) availability in June 2001 (figure 5). This compares to the 10.6 per cent increase recorded when comparing June 2003 with June 2002.

FIGURE 5 TOTAL DOMESTIC AND REGIONAL CAPACITY (AVAILABLE SEAT KILOMETRES), MONTHLY INDEX

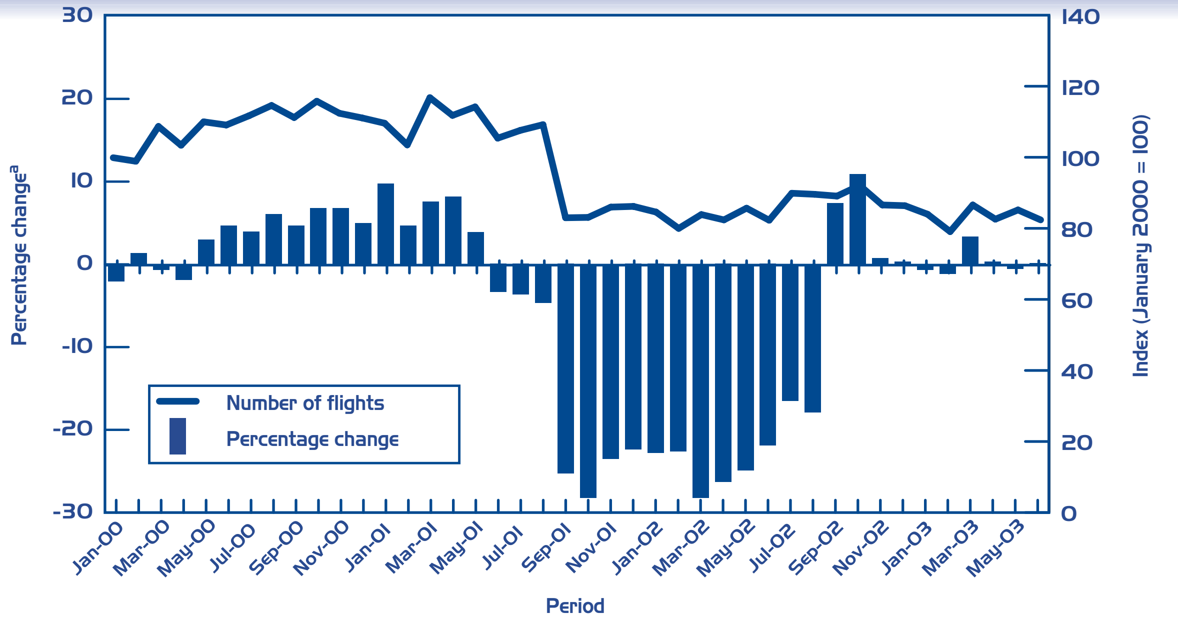


a. Growth rates are calculated over the same month in the previous year.
Note: Regional data component includes BTRE estimates.
Source: BTRE Statistics Section

Preliminary frequency data for June 2003 indicates that the number of domestic and regional flights was marginally above June 2002 at 0.1 per cent greater (figure 6).

These increases from the second half of 2002 are due to Virgin Blue and Qantas adding new aircraft to their domestic fleets. Virgin Blue's fleet has grown from 22 aircraft in June 2002 to 33 in June 2003, a further 6 aircraft were added in the September quarter 2003.

FIGURE 6 TOTAL DOMESTIC AND REGIONAL FLIGHTS, MONTHLY INDEX

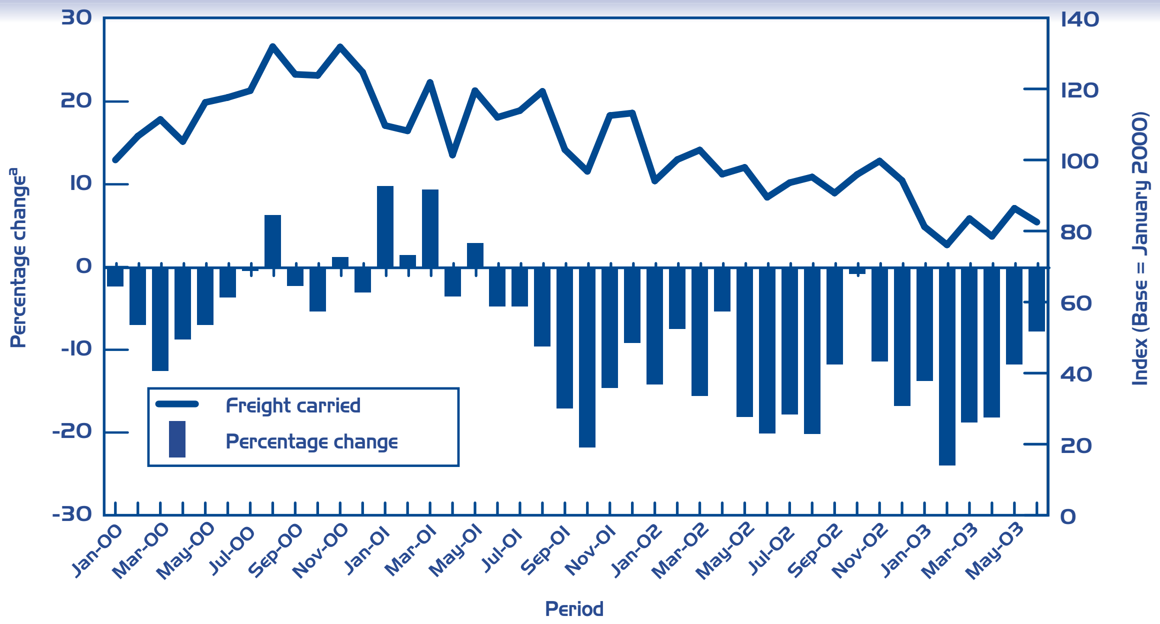


a. Growth rates are calculated over the same month in the previous year.
Note: Regional data component includes BTRE estimates.
Source: BTRE Statistics Section

Air freight

Domestic air freight carried on scheduled passenger services was 8 631 tonnes in June 2003, a fall of 7.8 per cent compared with June 2002 levels (figure 7). This data should be viewed with caution as it excludes domestic freight carried on dedicated freight services, also, Virgin Blue do not currently report freight activity.

FIGURE 7 DOMESTIC AIR FREIGHT CARRIED ON SCHEDULED PASSENGER SERVICES, MONTHLY INDEX

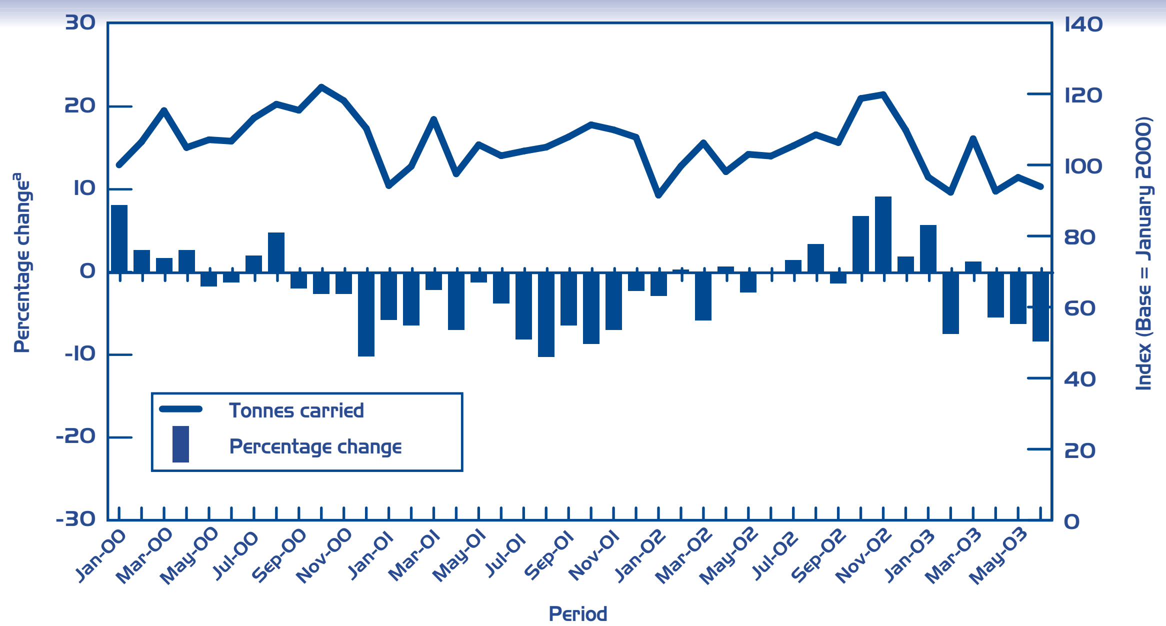


a. *Growth rates are calculated over the same month in the previous year.*
Source: BTRE Statistics Section

International air freight tonnes carried to/from Australia on scheduled services for June 2003 was 47 775 tonnes (25 383 inbound and 22 392 outbound). This was 8.4 per cent down on the June month 2002 activity (figure 8).

Total international air freight for the year to June 2003 was 634.9 kilotonnes, up less than 0.1 per cent on the year to June 2002 (634.3 kilotonnes).

FIGURE 8 INTERNATIONAL AIR FREIGHT TONNAGES CARRIED ON SCHEDULED SERVICES, MONTHLY INDEX



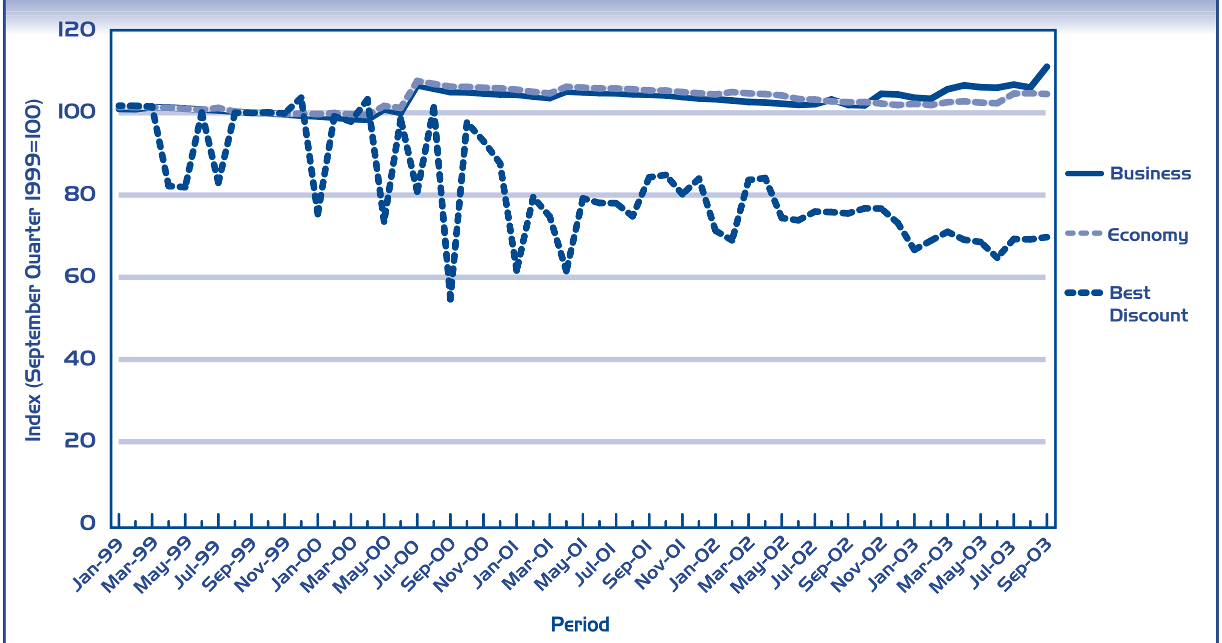
a. *Growth rates are calculated over the same month in the previous year.*
Source: BTRE Statistics Section

Avline 3 October 2003

Domestic air fares

Real discount domestic air fares in September 2003 were 8 per cent below September 2002 (figure 9). The index indicates that discount air fares held steady at 69 per cent of the base period data (September quarter 1999), over the months of July, August and September 2003.

FIGURE 9 REAL DOMESTIC AIRFARES EXCLUDING TAXES AND CHARGES, MONTHLY INDEX

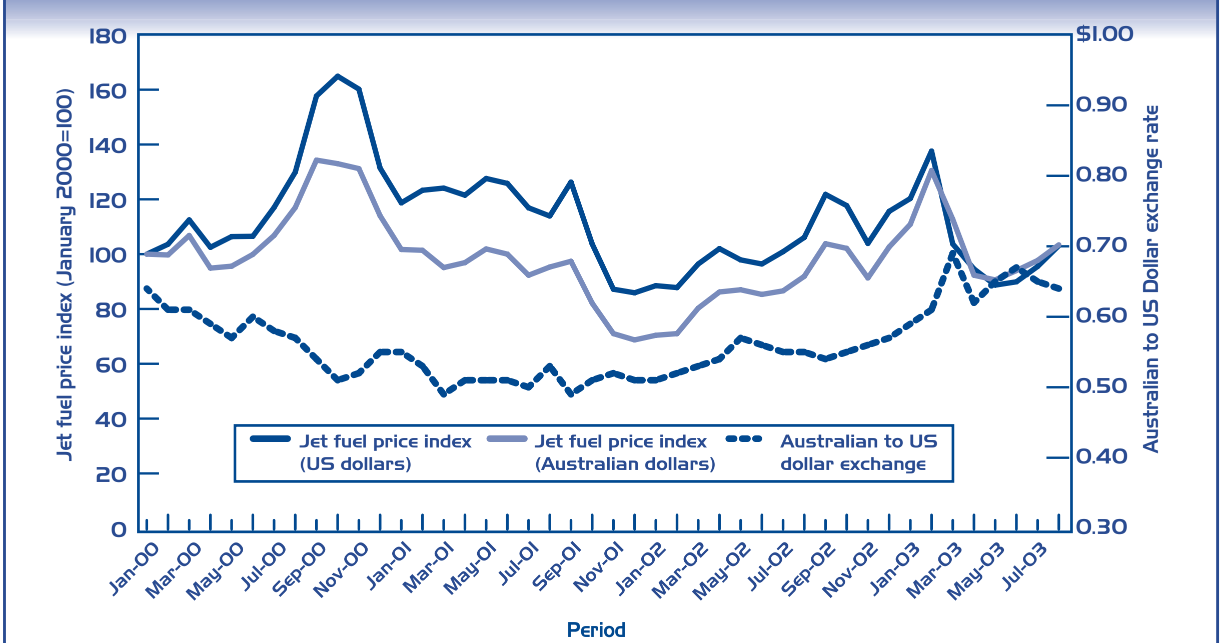


Sources: BTRE Statistics Section; SABRE Computer Reservation System (disclaimer applies).

The BTRE's real discount fare series in June 2003 was at its lowest level since April 2001, just prior to the Impulse Airlines-Qantas merger. The economy and business fare indices have diverged since November 2002, with real economy fares 2 per cent above September 2002 levels while real business fares were 9 per cent above September 2002 levels. Prior to November 2002 the business fare index was consistently marginally below the economy fare index.

The fare indices in figure 9 include GST but exclude other taxes and charges, such as the Ansett levy (when applicable), security and certain airport charges. However, the series may include some airport charges where these cannot be disaggregated.

FIGURE 10 WORLD AVERAGE JET FUEL PRICE, MONTHLY INDEX AND AUSTRALIAN TO US DOLLAR EXCHANGE RATE



Sources: BTRE analysis using ICIS-LOR fuel prices (cited in Airline Business); Reserve Bank of Australia Bulletin, Statistical Table F11

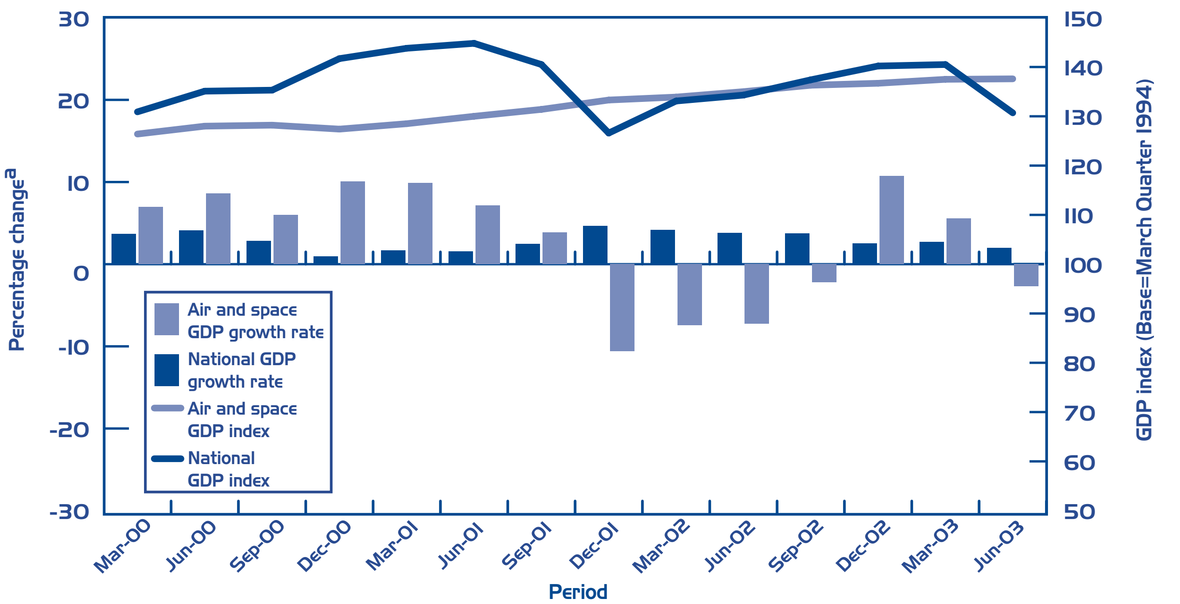
Jet fuel price index

Aviation jet fuel costs in Australian dollar terms were 2.8 per cent lower in August 2003 than in August 2002 (figure 10) due in large part to the improved performance of the Australian dollar against the US dollar over this period. In US dollar terms, the aviation fuel price index was 12.5 per cent higher than August 2002.

Economic activity

GDP for the air and space industries for the June quarter 2003 was 6.8 per cent lower than the December quarter 2002, and 2.7 per cent lower than the June quarter 2002. This compares with a 0.7 per cent increase in all industry GDP between the December quarter 2002 and the June quarter 2003 and a 2 per cent increase for the twelve months to the June quarter 2003. (figure 11).

FIGURE 11 REAL GDP CHANGES FOR AIR AND SPACE INDUSTRY AND NATIONAL GDP, SEASONALLY ADJUSTED, AUSTRALIA

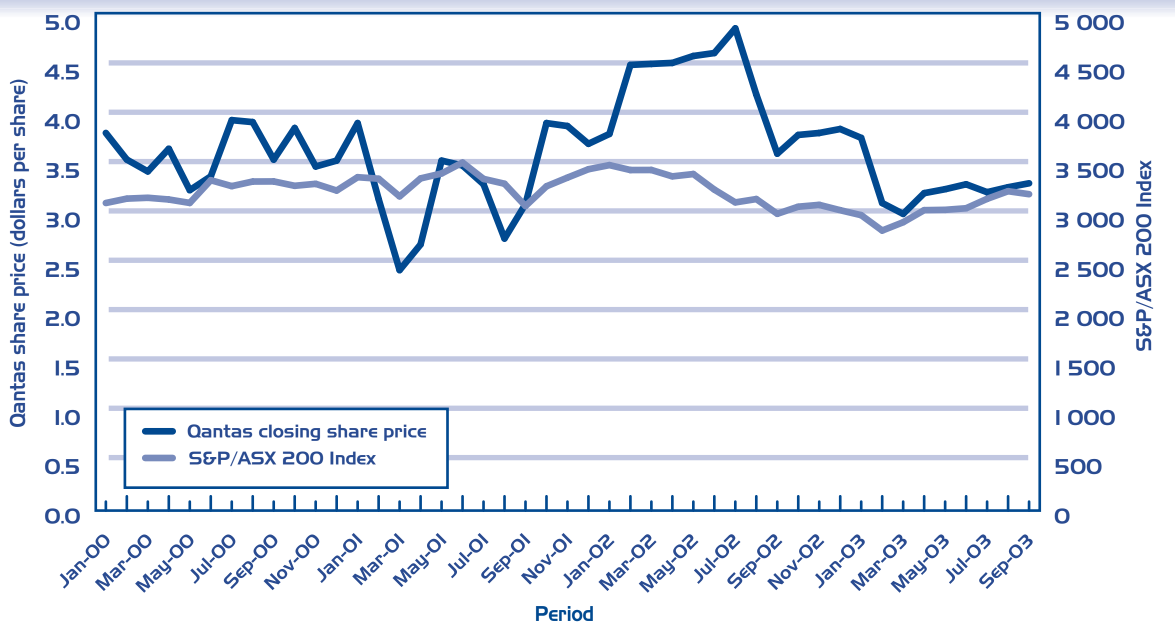


a. Growth rates are calculated over the same quarter in the previous year.

Note: Chain volume measures reference year is 2001–02. Seasonally adjusted.

Source: ABS Catalogue No. 5206.0

FIGURE 12 QANTAS SHARE PRICE AND S&P/ASX 200 INDEX, MONTHLY CLOSES



Sources: Qantas share price (JB Were); ASX/S&P ASX 200.

Avline 3 October 2003

Qantas share price

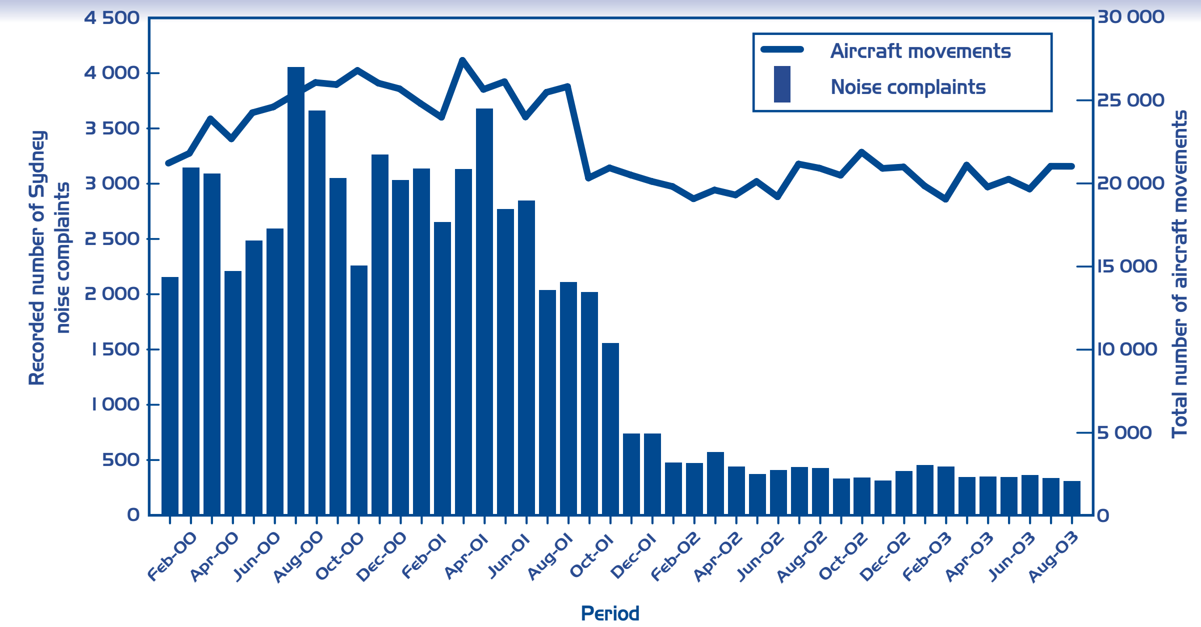
The Qantas share price closed at $3.28 at the end of September 2003, virtually unchanged from the 30 June 2003 closing price of $3.27, and up over 10 per cent on the $2.97 closing price at the end of March 2003 (figure 12). Since March 2003, the share price has experienced minor fluctuations around an average of $3.23.

Qantas made a before tax profit of $502.3 million for the year ended 30 June 2003, ($343.5 million after tax). A final dividend of 9 cents per share fully franked was declared, bringing total fully franked dividends for the year to 17 cents per share. Earnings per share were 20 cents. The main factors influencing 2002–03 performance, especially in the second half of the year, included continued security alerts, the war in Iraq and the outbreak of Severe Acute Respiratory Syndrome (SARS).

Sydney aircraft noise

Total Sydney aircraft noise complaints for August 2003 were 27.5 per cent below the level recorded for August 2002, while total Sydney aircraft movements increased 0.5 per cent compared with August 2002 (figure 13).

FIGURE 13 TOTAL AIRCRAFT MOVEMENTS AND THE RECORDED NUMBER OF NOISE COMPLAINTS FOR SYDNEY AIRPORT



Source: Airservices Australia, monthly Sydney Airport operational statistics (preliminary).

KEY DATES IMPACTING ON DATA

5 June 2000	Impulse Airlines commenced B717 operations
31 August 2000	Virgin Blue commenced operations in Australia
15 September – 1 October 2000	Olympic Games, Sydney 2000
22 May 2001	Impulse Airlines merged with Qantas
11 September 2001	terrorist attacks on US
14 September 2001	Ansett Airlines placed in hands of administrator and reduced operations
5 March 2002	Ansett Airlines ceased all operations
2 August 2002	Regional Express (REX) commenced operations (merger of Kendell and Hazelton Airlines)
27 October 2002	Australian Airlines commenced low cost international operations
10 February 2003	SARS outbreak first reported in China, international airline activity to/from Asia is severely affected, particularly during May 2003
20 March 2003	war with Iraq commenced

Avline 3 October 2003

Definitions

Domestic Airline - an airline performing regular public transport services and whose fleet contains exclusively high capacity aircraft, defined as aircraft with more than 38 seats or with a payload of more than 4 200 kg.

Regional Airline - an airline performing regular public transport services and whose fleet contains exclusively low capacity aircraft, defined as aircraft with 38 seats or less or with a payload of 4 200 kg or less.

Note: a number of airlines still classified as 'regional' currently operate aircraft of 50 seats or more, blurring the clear line of demarkation that once existed between the domestic and regional airline sectors. This has meant that in some cases 'domestic' and 'regional' airlines service the same route. As a consequence a number of data sets in this publication represent the combined domestic and regional airline sectors.

In practise, the definition of regional airline (and the one used in this publication) has become "an airline performing regular public transport services and primarily servicing regional centres".

So as to provide a meaningful indication of the 'state of play' a number of data sets in this publication represent the combined domestic and regional airline sectors.

Airport Charges Data – estimates what an airline may expect to pay based on publicly available airport charges data that:

- Includes GST
- Excludes confidential agreements between airports and airlines
- Excludes terminal charges for domestic and regional services, which are often confidential and may differ by terminal and airline.

Airport charges

Table 3 provides the parameters used by BTRE in its airport charges calculations in table 4. The load factors are Australia-wide averages derived by the BTRE. Calculated airport charges may, therefore, differ from actual charges incurred by operators at an airport.

International transit and transfer passengers at Sydney and Brisbane airports do not incur the international terminal charge. In order to exclude these passengers from the international terminal charge calculation at these airports, the BTRE has assumed that transit and transfer passengers comprise 10 per cent of international passengers.

Table 4 presents the estimated charges incurred by aircraft operators at Australia's major capital city airports of Sydney, Melbourne, Brisbane, Perth and Adelaide, per return passenger, for all categories of aircraft type.

All five airports set security charges on a cost-recovery basis. If significant over (under) recovery occurs in a period, security charges are reduced (increased) in the subsequent period, which may cause period to period variation in total charges.

Figures 14, 15 and 16 provide airport charges data for indicative aircraft types used in the international (B747-400), domestic (B737-800) and regional (SAAB 340B) airline sectors.

TABLE 3 PARAMETERS USED IN AIRPORT CHARGE CALCULATIONS (TABLE 4)

Aircraft type	Operational sector (typical)	Aircraft maximum take-off weight (tonnes)	Number of aircraft seats (nominal)	Average passenger load factor (per cent)
747-438	International	394.6	394	72.0
737-800	Domestic	79.0	158	76.5
Dash 8-300	Regional	18.6	50	60.0
SAAB 340B	Regional	13.2	34	60.0
Metro 23	Regional	7.5	19	60.0

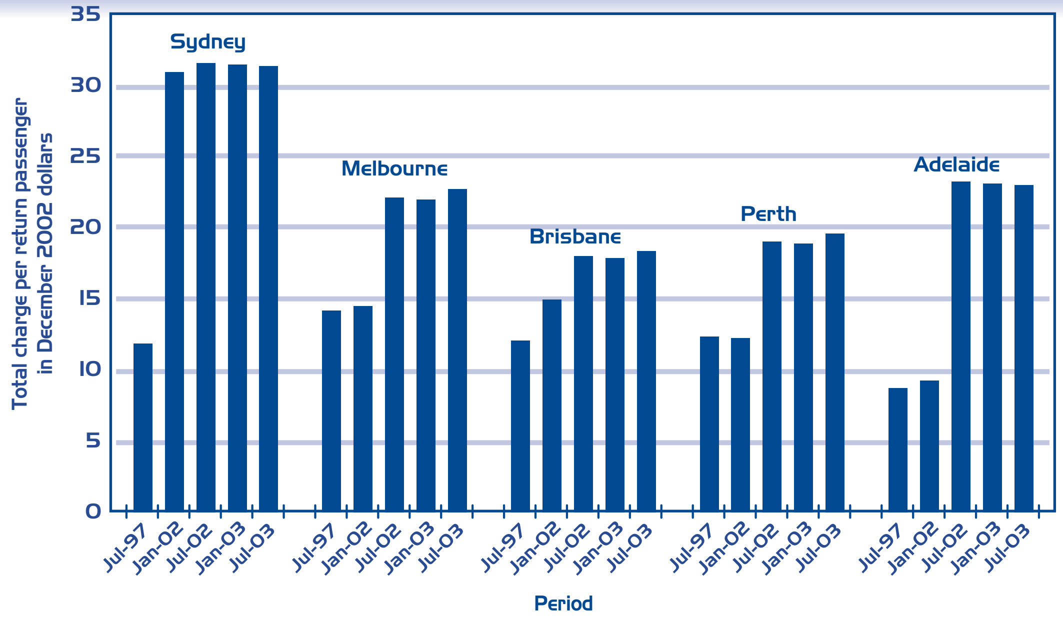
Notes *The load factor is the proportion of total aircraft seats that are filled by paying passengers.*

Aircraft load factors are derived from BTRE Statistics Section data collections for the relevant operational sector and may not reflect the actual load factors achieved at specific airports.

Sources: Airline websites; CASA aircraft register; BTRE aviation databases and assumptions.

Avline 3 October 2003

FIGURE 14 REAL INTERNATIONAL CHARGES FOR A B747-400 LANDING AND TAKEOFF BY AIRPORT, TOTAL PER RETURN PASSENGER



Note: Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. International charge estimates include terminal charges. Data for periods from July 2000 are GST inclusive. Sydney charges exclude the noise charge. An indicative international load factor of 72 per cent is assumed.

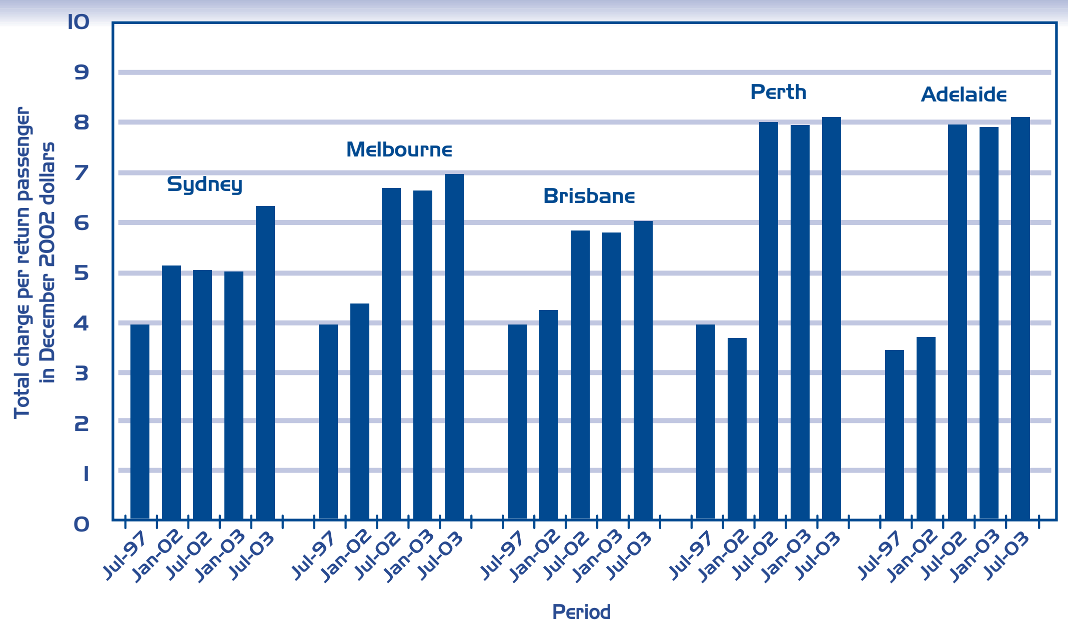
Sources: Published airport charge data, ABS 8 capital city CPI (6401.0); BTRE assumptions.

In summary:

- Airport charges increased marginally at all five airports
- Airservices charges have remained unchanged since July 2002
- Security charges for international operations have generally declined since January 2002.

Total airport charges increased at all five airports in July 2003 compared to January 2003, due to increases in airport charges and changes to security charges effective 1 July 2003. Airservices charges have not changed for all airports and aircraft types since July 2002.

FIGURE 15 REAL DOMESTIC CHARGES FOR A B737-800 LANDING AND TAKEOFF BY AIRPORT, TOTAL PER RETURN PASSENGER



Note: Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. Domestic charge estimates exclude terminal charges. Data for periods from July 2000 are GST inclusive. Sydney charges exclude the noise charge. An indicative domestic load factor of 76.5 per cent is assumed.

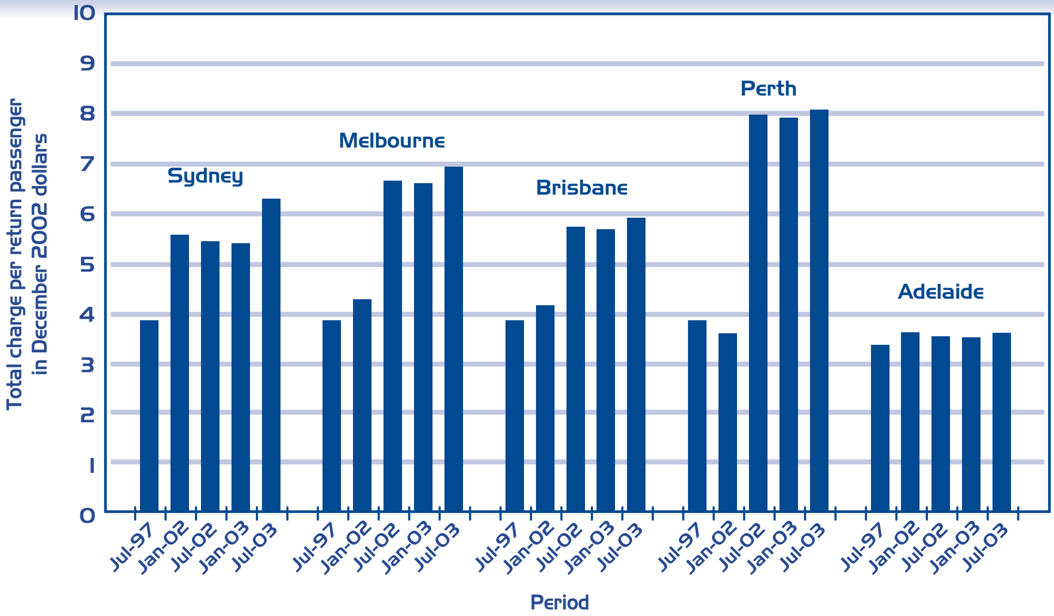
Sources: Published airport charge data, ABS 8 capital city CPI (6401.0); BTRE assumptions.

At Sydney, airport charges for international 747 services increased by 0.5 per cent from July 2003, domestic 737-800 services by 27.6 per cent, Dash 8 services by 34.6 per cent and SAAB 340B services by 17.6 per cent. Airport charges for metro 23 services remain unchanged. Security charges declined by 2.6 per cent for international 747 services, increased over 300 per cent for domestic 737-800 services and were introduced for the first time for Dash 8 and SAAB 340B services.

At Melbourne, airport charges for international 747 services increased by 4.3 per cent from July 2003, and by 5.8 per cent for all domestic aircraft services. Security charges at Melbourne increased by 3.3 per cent for international 747 services, but declined by 20 per cent for all domestic aircraft services.

At Brisbane, airport charges for international 747 services increased by 3.5 per cent from July 2003, and by 5 per cent for all domestic aircraft services. Security charges at Brisbane increased by 12.2 per cent for international 747 services, but declined by 33 per cent for all domestic aircraft services.

FIGURE 16 REAL DOMESTIC CHARGES FOR A SAAB 340B LANDING AND TAKEOFF BY AIRPORT, TOTAL PER RETURN PASSENGER



Note: Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. Regional charge estimates exclude terminal charges.
Data for periods from July 2000 are GST inclusive. Sydney charges exclude the noise charge.
An indicative regional load factor of 60.0 per cent is assumed.

Sources: Published airport charge data, ABS 8 capital city CPI (6401.0); BTRE assumptions.

At Perth, airport charges for international 747 services increased by 4.4 per cent from July 2003, and by 2.8 per cent for all domestic aircraft services. Security charges at Perth decreased by 10.3 per cent for international 747 services, and increased by 7.5 per cent for all domestic aircraft services.

At Adelaide, airport charges for international 747 services increased by 0.3 per cent from July 2003, and by 3.4 per cent for all domestic aircraft services. Security charges at Adelaide increased by 4.8 per cent for international 747 services, but declined by 41 per cent for domestic 737-800 aircraft. Security charges do not apply to Dash 8, SAAB 340B and Metro 23 aircraft.

TABLE 4 NOMINAL ESTIMATED CHARGES INCURRED BY AIRCRAFT OPERATORS, ALL CHARGE CATEGORIES BY AIRCRAFT, PER RETURN PASSENGER, 5 MAJOR AIRPORTS, 2002–2003

	Sydney				Melbourne				Brisbane				Perth				Adelaide				Five port average			
Aircraft type	Jan 2002	Jul 2002	Jan 2003	Jul 2003	Jan 2002	Jul 2002	Jan 2003	Jul 2003	Jan 2002	Jul 2002	Jan 2003	Jul 2003	Jan 2002	Jul 2002	Jan 2003	Jul 2003	Jan 2002	Jul 2002	Jan 2003	Jul 2003	Jan 2002	Jul 2002	Jan 2003	Jul 2003
747-438																								
Airport	30.08	31.38	31.50	31.64	14.11	22.00	22.00	22.94	14.52	17.90	17.90	18.53	11.89	18.92	18.92	19.76	8.99	23.12	23.12	23.20	15.92	22.66	22.69	23.21
Airservices	7.12	7.66	7.66	7.66	6.22	6.32	6.32	6.32	8.68	8.93	8.93	8.93	12.53	13.76	13.76	13.76	15.90	17.29	17.29	17.29	10.09	10.79	10.79	10.79
Security	6.79	6.80	6.80	6.62	4.11	2.66	3.60	3.72	5.94	5.34	5.34	5.99	4.44	4.44	4.75	4.26	6.52	5.89	5.89	6.17	5.56	5.03	5.28	5.35
Total 747-438	43.99	45.84	45.96	45.92	24.44	30.98	31.92	32.98	29.14	32.17	32.17	33.45	28.87	37.12	37.42	37.78	31.42	46.30	46.30	46.66	31.57	38.48	38.75	39.36
737-800																								
Airport	4.94	4.97	4.97	6.34	4.20	6.60	6.60	6.98	4.08	5.75	5.75	6.04	3.52	7.92	7.92	8.14	3.54	7.87	7.87	8.14	4.06	6.62	6.62	7.13
Airservices	3.35	3.60	3.60	3.60	2.92	2.97	2.97	2.97	4.08	4.20	4.20	4.20	5.89	6.47	6.47	6.47	7.47	8.13	8.13	8.13	4.74	5.07	5.07	5.07
Security	0.43	0.60	0.60	2.63	1.22	0.60	0.50	0.40	0.70	0.76	0.76	0.50	1.00	1.00	2.79	3.00	1.76	1.32	1.32	0.78	1.02	0.86	1.19	1.46
Total 737-800	8.72	9.17	9.17	12.57	8.35	10.17	10.07	10.35	8.86	10.71	10.71	10.74	10.41	15.38	17.18	17.60	12.77	17.32	17.32	17.05	9.82	12.55	12.89	13.66
Dash 8-300																								
Airport	4.69	4.71	4.71	6.34	3.99	6.60	6.60	6.98	3.87	5.46	5.46	5.73	3.34	7.92	7.92	8.14	3.36	3.36	3.36	3.48	3.85	5.61	5.61	6.13
Airservices	3.17	3.42	3.42	3.42	2.77	2.81	2.81	2.81	3.87	3.98	3.98	3.98	5.59	6.13	6.13	6.13	7.09	7.71	7.71	7.71	4.50	4.81	4.81	4.81
Security	0.00	0.00	0.00	2.63	0.75	0.60	0.50	0.40	0.08	0.72	0.72	0.48	0.00	0.00	2.79	3.00	0.00	0.00	0.00	0.00	0.17	0.26	0.80	1.30
Total Dash 8-300	7.86	8.13	8.13	12.39	7.51	10.01	9.91	10.19	7.82	10.16	10.16	10.19	8.93	14.05	16.85	17.27	10.45	11.07	11.07	11.18	8.51	10.68	11.22	12.24
SAAB 340B																								
Airport	5.39	5.39	5.39	6.34	4.15	6.60	6.60	6.98	4.02	5.67	5.67	5.96	3.48	7.92	7.92	8.14	3.50	3.50	3.50	3.62	4.11	5.82	5.82	6.21
Airservices	3.30	3.55	3.55	3.55	2.88	2.93	2.93	2.93	4.02	4.14	4.14	4.14	5.81	6.38	6.38	6.38	7.37	8.02	8.02	8.02	4.68	5.00	5.00	5.00
Security	0.00	0.00	0.00	2.63	0.75	0.60	0.50	0.40	0.08	0.75	0.75	0.50	0.00	0.00	2.79	3.00	0.00	0.00	0.00	0.00	0.17	0.27	0.81	1.30
Total SAAB 340B	8.69	8.95	8.95	12.52	7.78	10.13	10.03	10.31	8.13	10.56	10.56	10.59	9.29	14.30	17.09	17.51	10.87	11.51	11.51	11.63	8.95	11.09	11.63	12.51
Metro 23																								
Airport	7.96	7.96	7.96	7.96	4.23	6.60	6.60	6.98	4.11	5.79	5.79	6.08	3.55	7.92	7.92	8.14	3.57	3.57	3.57	3.69	4.68	6.37	6.37	6.57
Airservices	3.37	3.63	3.63	3.63	2.94	2.99	2.99	2.99	4.11	4.22	4.22	4.22	5.93	6.51	6.51	6.51	7.52	8.18	8.18	8.18	4.77	5.10	5.10	5.10
Security	0.00	0.00	0.00	1.97	0.75	0.60	0.50	0.40	0.09	0.76	0.76	0.51	0.00	0.00	2.79	3.00	0.00	0.00	0.00	0.00	0.17	0.27	0.81	1.17
Total Metro 23	11.33	11.59	11.59	13.56	7.92	10.19	10.09	10.37	8.30	10.78	10.78	10.81	9.47	14.43	17.22	17.64	11.09	11.74	11.74	11.87	9.62	11.74	12.28	12.85

Note Calculated on a return passenger basis in December 2002 dollars, that is, assuming one arrival and one departure, for price schedules as at 31 January and 31 July in 2002 and 2003.

Sources BTRE estimates based on airport public price schedules supplied by airport operators; Airservices Australia published price schedule.

Australian Government
Department of Transport and Regional Services
Bureau of Transport and Regional Economics

avline

issue 3 October 2003

acknowledgements

This issue of *Avline* was compiled by Peter Hoss, Desiree Campbell and Dr Michael Simpson with the assistance of the BTRE Statistics Section (aviation data). Desktop publishing by Jodi Hood and Thomas Smith.

The BTRE is particularly grateful for the assistance of Adelaide, Brisbane, Melbourne, Perth and Sydney airports and the Regulation Group of the Department of Transport and Regional Services.

contact

e-mail / telephone / fax / post

For further information on this publication please contact:

Peter Hoss at avline@dotars.gov.au
Tel (02) 6274 6840 Fax (02) 6274 6816.

This publication is available free of charge from the Bureau of Transport and Regional Economics:

GPO Box 501, Canberra ACT 2601, Australia
email: avline@dotars.gov.au or Tel (02) 6274 7210.

internet

addresses

Download this issue of *Avline* and back issues:
http://www.btre.gov.au/avline.htm

Bureau of Transport and Regional Economics home page:
http://www.btre.gov.au/

The Bureau of Transport and Regional Economics operates within the Australian Government Department of Transport and Regional Services

ISSN 1447-8668

PRINTED BY CPP INSTANT PRINTING, CANBERRA