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Feature abstract

The feature article examines the operational changes in terms of passenger traffic and aircraft movements at Australia's five major airports (Sydney, Melbourne, Brisbane, Adelaide and Perth) over the decade 1997–2006. Total passengers passing through all five airports grew by 55% over the decade while total aircraft movements displayed a marginal decrease.

In brief

- The number of passengers on Australian international flights has increased to 21.6 million in 2006, up 2.1% on the previous year (page 10). Growth is driven mainly by Australian residents travelling overseas rather than the arrival of international visitors. The number of international flights, however, has marginally decreased compared with the previous year (page 11).
- Freight on Australian international flights has continued to grow, reaching 746 476 tonnes (up 5.3% on the previous year). The Sydney–Auckland route has the largest share (8.0%) of total freight between city pairs (page 13).
- Australia's domestic airline industry continues to operate at high levels with a record 43.7 million passengers carried in 2006, 7.2% higher than 2005 (page 14).
- The major domestic airlines carried 38.4 million passengers, an increase of 7.0% over 2005. Regional airlines carried 5.25 million passengers, an increase of 8.2% over the previous year (page 14).
- The domestic aviation industry recorded 526 385 flights in 2006. Of these, 287 958 were operated by the major domestic airlines, 0.8% lower than 2005. The remaining 238 427 flights were operated by regional airlines, a decrease of 3.6% over the previous year (page 15).
- Domestic airline on-time performance in 2006 averaged 87.3% for on-time departures, 86.1% for on-time arrivals and 0.9% for cancellations (page 17).
- Passenger numbers continued to increase at all five major Australian airports in 2006. Growth in international passenger movements was highest at Adelaide Airport (19.8%) while Perth and Brisbane Airports led in domestic (13.9%) and regional (25.8%) passenger growth respectively (page 18).

Feature

Industry snapshot

Activity at Australia's five major airports in the past decade

Introduction

This feature article investigates the changes in passenger and aircraft movement levels at Australia's top five capital city airports throughout the decade 1997–2006. This is the decade in which the airports became privately owned. Melbourne, Brisbane and Perth Airports were the first of the five airports to be privatised through long-term leases in July 1997. Adelaide Airport followed suit in May 1998 and Sydney Airport was later sold in July 2002.

Passenger volume

Table 1 summarises passenger movements at the five airports for the past ten calendar years. Totals for all airports in Australia are also shown. The data is for revenue passengers on scheduled flights only. The total number of passengers for the five airports for 1997 and 2006 are also compared in Figure 1.

The five major airports handled 70.4% of total domestic and regional passengers at all Australian airports in 1997. This share gradually increased to 74.6% in 2001, before steadily declining back to 70.3% in 2006.

For international passengers, the five airports alone comprised 93% of the total share in Australia in 1997. This share increased to 95% in 2006.

In terms of all passengers, the five airports constituted 75.0% of the total for all airports in 1997. This figure peaked at 78.8% in 2001 before dropping back to 75.1% in 2006.

Of the five airports, Sydney Airport has the highest share of domestic and regional passengers (23.0% of the total for all Australian airports in 2006). Melbourne Airport is second with a share of 19.8% of the Australian total, followed by Brisbane (14.8%), Adelaide (6.4%) and Perth (6.2%) for the same period.

For international passengers, the five airports in order of decreasing market share are Sydney (45.9% of the total for all airports in 2006), Melbourne (20.0%), Brisbane (17.5%), Perth (9.5%) and Adelaide (1.9%).

In terms of all passengers, Sydney Airport's share in 2006 was 27.6% of the Australian total, followed by Melbourne (19.8%), Brisbane (15.4%), Perth (6.9%) and Adelaide (5.5%).

Aircraft movements

Table 2 summarises aircraft movement levels at the five airports for the past ten calendar years. Totals for all airports in Australia are also provided for Regular Public Transport (RPT) operations. The totals shown at the bottom of Table 2 for all aircraft movements are the data recorded at the individual airports' control towers and include military, circuit and unscheduled flights. Total aircraft movements for the five airports at the beginning and end of the decade are also compared in Figure 2.

For domestic and regional RPT operations, the five capital city airports comprised 46.8% of the total for all airports in 1997. This share has gradually increased to 54.7% in 2006.

The bulk of international RPT operations are concentrated at the five airports with 86.8% of the Australian total in 1997. This share peaked at 91.3% in 2001 and has since dropped slightly to 89.9% in 2006.

In terms of all aircraft movements, the total for the five airports at the start of the decade was 0.82 million and peaked at 0.87 million in 2000. Following Ansett's collapse in September 2001, this total fell to 0.75 million in 2002. However, by the end of the decade, it had risen back to 0.82 million movements.

Of the five airports, Sydney Airport has the highest number of domestic and regional RPT operations (18.9% of the total for all Australian airports in 2006). Melbourne Airport is second with a share of 13.8% of the Australian total, followed by Brisbane (11.1%), Adelaide (6.4%) and Perth (4.6%) for the same period.

For international RPT operations, the five airports in order of decreasing market share are Sydney (44.3% of the total for all airports in 2006), Melbourne (18.2%), Brisbane (17.5%), Perth (7.8%) and Adelaide (2.2%).

In terms of the total for all aircraft movements (including unscheduled operations) for the five airports, Sydney Airport's share was 34.4% in 2006, followed by Melbourne (21.9%), Brisbane (20.4%), Perth (12.2%) and Adelaide (11.1%).

Table 1 Passenger levels at Australian airports (1997–2006)

Year	Sydney	Melbourne	Brisbane	Adelaide	Perth	All Australian Airports
			Domestic and Regional Passengers (thousand)			
1997	14 070	11 228	7 470	3 636	3 153	56 176
1998	14 276	11 429	7 438	3 790	3 236	56 853
1999	14 882	11 901	7 833	3 861	3 257	58 851
2000	16 241	12 934	8 811	3 963	3 463	63 084
2001	16 565	13 266	9 946	4 183	3 342	63 422
2002	15 195	12 883	9 164	3 994	3 371	60 325
2003	16 556	14 022	10 105	4 384	3 893	66 251
2004	18 256	15 813	11 519	4 840	4 437	75 695
2005	18 940	16 505	12 103	5 262	4 755	81 497
2006	20 119	17 277	12 943	5 592	5 430	87 349
			International Passengers (thousand)			
1997	6 841	2 373	2 295	209	1 400	14 075
1998	6 934	2 489	2 251	223	1 434	14 237
1999	7 388	2 655	2 376	241	1 475	14,987
2000	8 237	3 044	2 461	270	1 581	16,488
2001	8 229	3 316	2 548	242	1 587	16,800
2002	8 007	3 314	2 493	224	1 636	16 682
2003	7 930	3 200	2 549	207	1 587	16 451
2004	8 952	3 936	3 267	286	1 827	19 371
2005	9 516	4 225	3 607	334	2 007	20 878
2006	9 859	4 291	3 763	401	2 035	21 480
			Total Passengers (thousand)			
1997	20 911	13 601	9 765	3 845	4 553	70 251
1998	21 210	13 918	9 690	4 013	4 670	71 090
1999	22 270	14 556	10 209	4 102	4 732	73 838
2000	24 478	15 977	11 273	4 233	5 044	79 572
2001	24 794	16 581	12 494	4 424	4 929	80 222
2002	23 202	16 197	11 657	4 219	5 008	77 007
2003	24 486	17 221	12 655	4 591	5 479	82 702
2004	27 208	19 749	14 786	5 126	6 265	95 066
2005	28 456	20 730	15 709	5 596	6 762	102 376
2006	29 978	21 568	16 706	5 993	7 465	108 829

Notes: *Domestic and regional passengers are the total of inbound and outbound passengers on board by flight stage. International passengers are the total passengers uplifted and discharged within a flight and do not include transit passengers.*

Source: *BTRE Aviation Statistics Section.*

Table 2 Aircraft movements at Australian airports (1997–2006)

Year	Sydney	Melbourne	Brisbane	Adelaide	Perth	All Australian Airports
			Domestic and Regional RPT			
1997	201 434	119 984	106 138	68 655	48 008	1 163 446
1998	204 660	121 928	107 693	71 392	45 354	1 169 026
1999	204 104	125 573	114 007	70 192	44 970	1 175 224
2000	219 648	140 327	122 522	69 338	46 199	1 211 728
2001	214 017	143 081	126 213	70 196	41 750	1 127 854
2002	175 068	123 145	102 434	64 543	36 805	957 422
2003	180 482	126 427	99 234	63 435	40 763	956 174
2004	197 392	144 061	113 055	67 304	44 860	1 047 356
2005	197 598	147 204	118 011	67 906	46 285	1 075 178
2006	198 588	145 584	116 541	67 203	48 082	1 052 770
			International RPT			
1997	44 259	17 453	18 888	2 034	8 725	105 202
1998	46 444	17 732	18 420	2 043	9 164	106 138
1999	45 920	18 879	17 310	1 951	9 604	105 154
2000	49 808	21 598	17 592	1 921	10 103	111 854
2001	48 354	23 421	17 449	1 816	9 141	109 712
2002	46 458	21 498	17 400	1 703	8 335	105 285
2003	49 140	21 329	16 700	1 773	8 798	108 564
2004	56 116	26 681	21 038	1 990	9 524	127 966
2005	58 703	26 756	22 597	2 339	10 774	134 323
2006	58 220	23 949	22 965	2 845	10 300	131 548
			Total Aircraft Movements			
1997	279 694	154 086	164 134	114 852	109 414	
1998	281 841	156 102	160 983	115 113	104 820	
1999	284 626	159 582	160 344	112 766	102 996	
2000	308 342	174 462	169 198	112 554	103 198	
2001	296 642	177 588	172 104	111 186	96 396	
2002	252 504	155 546	145 870	103 526	91 878	
2003	258 206	158 584	139 812	101 420	93 950	
2004	276 800	175 000	155 632	103 170	96 538	
2005	281 738	180 278	164 538	106 840	101 648	
2006	281 668	179 252	166 708	91 188	99 966	

Notes: *Domestic, regional and international data represent Regular Public Transport operations only. Total aircraft movements are the data recorded during the hours in which Airservices Australia provides a tower service. Besides scheduled RPT services, it includes military, circuit and other non-scheduled aircraft movements.*

Sources: *BTRE Aviation Statistics Section; Airservices Australia, Australia Airport Movements, http://www.airservicesaustralia.com/reports/.*

Table 3 Growth in passenger and aircraft movements at Australian airports over the decade (1997–2006)

	Sydney	Melbourne	Brisbane	Adelaide	Perth	All Australian Airports
Domestic and Regional Passengers	43.0%	53.9%	73.3%	53.8%	72.2%	55.5%
International Passengers	44.1%	80.8%	64.0%	91.7%	45.4%	52.6%
Total Passengers	43.4%	58.6%	71.1%	55.8%	64.0%	54.9%
Domestic and Regional RPT operations	-1.4%	21.3%	9.8%	-2.1%	0.2%	-9.5%
International RPT operations	31.5%	37.2%	21.6%	39.9%	18.1%	25.0%
Total aircraft movements	0.7%	16.3%	1.6%	-20.6%	-8.6%	n/a

Figure 1 Total passengers at Australia's five major airports in 1997 and 2006

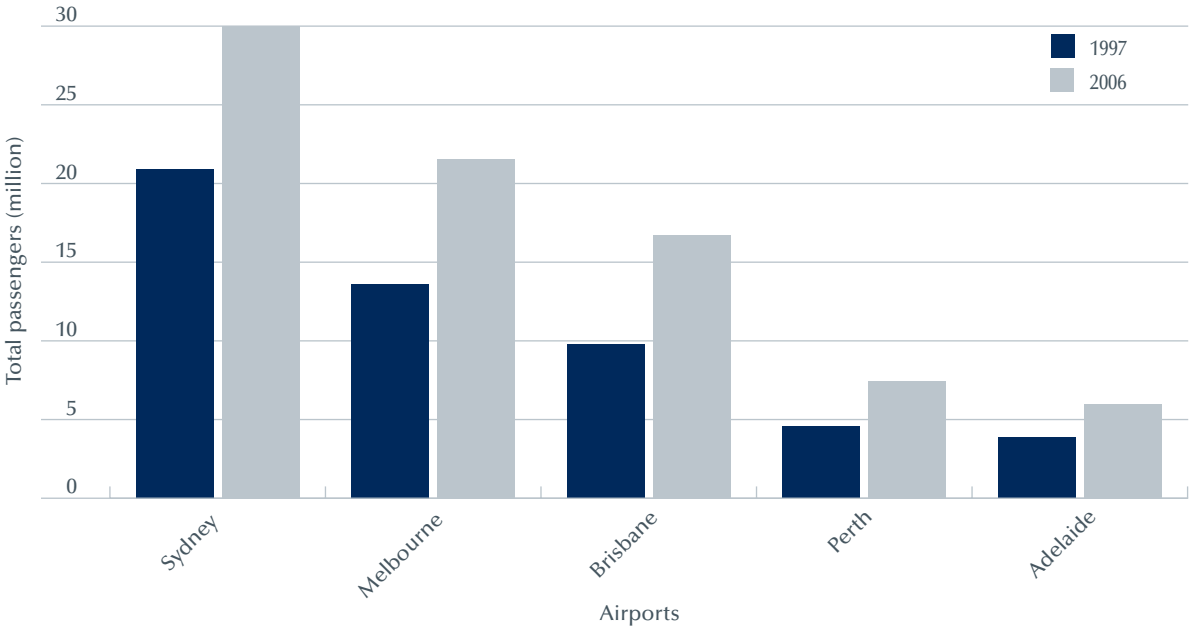
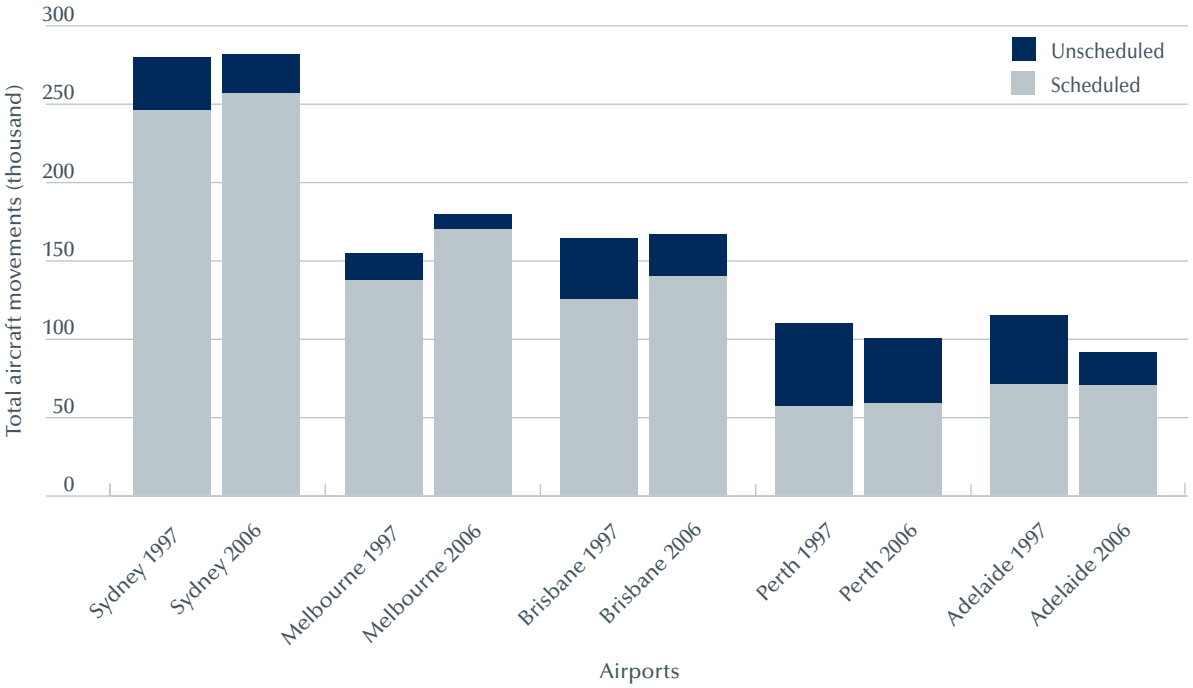


Figure 2 Total aircraft movements at Australia's five major airports in 1997 and 2006



Sydney Airport

The number of domestic and regional passengers passing through Sydney Airport has climbed from 14.1 million in 1997 to 20.1 million passengers in 2006, a growth of 43.0% (Table 3). The only deviation from this rising trend occurred when the total dropped from 16.6 million in 2001 to 15.2 million in 2002 at the time of Ansett's collapse.

The annual growth rate for domestic and regional passengers (calculated relative to the previous year) started at 1.2% in 1997, reached its lowest of -8.3% in 2002, peaked at 10.3% in 2004 before dropping to 6.2% in 2006.

International passenger traffic at Sydney Airport has also increased during the decade from 6.8 million in 1997 to 9.9 million in 2006, a growth of 44.1%. International passenger numbers appeared not to be significantly affected by the

terrorists' attacks in the United States or the Ansett collapse in 2001 with the total only dropping slightly from 8.2 million in 2001 to 8.0 million in 2002. Annual growth in international passenger movements peaked at 12.9% in 2004 but has since declined to 3.6% in 2006.

The total number of passengers passing through the airport has increased from 20.9 million at the start of the decade to 30.0 million at the end of it, a change of 43.4% (Table 3 and Figure 1). Annual growth in total passengers has been positive throughout the decade except for the year following Ansett's collapse when it dipped to -6.4% in 2002 (Figure 3).

Domestic and regional RPT operations rose from 201 434 in 1997 to a maximum of 219 648 in 2000 before plunging to 175 068 in 2002 following Ansett's collapse (Table 2). It has since returned to a volume comparable with the start of the decade with 198 588 movements in 2006.

International RPT operations have grown by 31.5% from 44 259 movements in 1997 to 58 220 movements in 2006. The highest annual growth rate was recorded in 2004 at 14.2% while the lowest annual growth rate was -3.9% in 2002.

Total aircraft movements as recorded at the control tower has only increased by 0.7% over the decade (Table 3 and Figure 2). It reached a maximum of 308 342 movements in 2000 and a minimum of 252 504 in 2002. The annual growth rate was highest at 8.3% in 2000 and reached its lowest of -14.9% in 2002 (Figure 4).

Melbourne Airport

The number of domestic and regional passengers passing through Melbourne Airport has increased from 11.2 million in 1997 to 17.3 million passengers in 2006, a growth of 53.9% (Table 3). The only decline occurred in 2002 when the total dropped to 12.9 million and the annual growth rate for that year fell to -2.9%. The maximum annual growth rate was recorded in 2004 at 12.8%.

International passenger traffic at the airport has significantly increased over the decade with a growth of 80.8% from 2.37 million in 1997 to 4.29 million in 2006 (Table 1). The annual growth rate peaked at 23.0% in 2004.

The total number of passengers passing through the airport has surged from 13.6 million at the start of the decade to 21.6 million at the end of it, a change of 58.6%. Annual growth in total passengers was highest in 2004 at 14.7% and lowest in 2002 at -2.3% (Figure 3).

Domestic and regional RPT operations rose by 21.3% over the decade from 119 984 in 1997 to 145 584 in 2006.

International RPT operations grew by 37.2% from 17 453 in 1997 to 23 949 in 2006.

Total aircraft movements recorded at the control tower increased from 154 086 at the start of the decade to 179 252 at the end of it, a growth of 16.3%. This is the largest percentage increase of all the five major airports (Table 3 and Figure 2). The annual growth rate was lowest at -12.4% in 2002 and reached its highest of 10.4% in 2004 (Figure 4).

Brisbane Airport

Of the five airports, Brisbane Airport had the highest percentage increase of domestic and regional passengers for the decade, from 7.47 million in 1997 to 12.9 million in 2006, a growth of 73.3% (Table 3). The annual growth rate was lowest in 2002 at -7.9% and reached its maximum of 14.0% in 2004.

The number of international passengers at the airport has also risen significantly over the decade, from 2.29 million in 1997 to 3.76 million in 2006, a change of 64.0%. The annual growth rate dropped to a minimum of -2.1% in 2002 but peaked at 28.1% in 2004.

The total number of passengers passing through Brisbane Airport increased by 71.1% over the decade from 9.76 million in 1997 to 16.7 million in 2006. This is the largest percentage increase of all the five airports. The annual growth for total passengers was at its lowest (-6.7%) in 2002 and at its highest (16.8%) in 2004 (Figure 3).

Domestic and regional RPT operations have increased by 9.8% over the decade from 106 138 movements in 1997 to 116 541 movements in 2006. International RPT operations have also grown by 21.6% throughout the decade from 18 888 in 1997 to 22 965 in 2006.

Total aircraft movements recorded at the control tower, however, have only increased by 1.6% over the decade from 164 134 movements in 1997 to 166 708 movements in 2006. The annual growth in total aircraft movements fell to -15.2% in 2002 but peaked at 11.3% in 2004 (Figure 4).

Adelaide Airport

Adelaide Airport had an increase of 53.8% in domestic and regional passengers over the decade with the total rising from 3.64 million in 1997 to 5.59 million in 2006. The minimum annual growth rate was -4.5% in 2002 and the maximum was 10.4% in 2004.

Adelaide Airport has the lowest number of international passengers of the five airports but it recorded the highest percentage increase (91.7%) over the decade with international passenger numbers increasing from 208 890 in 1997 to 400 489 in 2006. The lowest annual growth occurred in 2001 at -10.5% while the highest annual growth was 38.3% in 2004.

Total passengers rose by 55.8% during the decade from 3.85 million in 1997 to 5.99 million in 2006. The only negative annual growth occurred in 2002 at -4.7%. The maximum annual growth was 11.7% in 2004.

Domestic and regional RPT operations have dropped slightly by 2.1% over the decade from 68 655 movements in 1997 to 67 203 movements in 2006. Annual growth was lowest at -8.1% in 2002 and highest at 6.1% in 2004.

Unlike the domestic and regional component, international RPT operations recorded an increase of 39.9% from 2 034 movements in 1997 to 2 845 movements in 2006. The minimum and maximum annual growth rates were -6.2% in 2002 and 21.6% in 2006 respectively.

Unlike Sydney, Melbourne and Brisbane Airports, Adelaide Airport registered a drop in the total number of aircraft movements recorded at the control tower over the decade, from 114 852 movements in 1997 to 91 188 in 2006, a drop of 20.6% (Table 3 and Figure 2). Negative annual growth rates were recorded for 1999–2003 and 2006 with the lowest annual growth rate occurring in 2006 at -14.7% (Figure 4).

Perth Airport

Domestic and regional passengers at Perth Airport have increased by 72.2% over the decade from 3.15 million in 1997 to 5.43 million in 2006. The minimum annual growth rate was recorded in 2001 at -3.5% while the maximum annual growth was 15.5% in 2003.

International passenger numbers have risen by 45.4% from 1.40 million in 1997 to 2.03 million in 2006. The lowest annual growth rate was -3.0% in 2003 and the highest was 15.2% in 2004.

Total passengers have increased by 64.0% over the decade from 4.55 million in 1997 to 7.46 million in 2006, the second largest percentage change for the five airports after Brisbane Airport (Table 3). The minimum annual growth rate was -2.3% in 2001 and the maximum was 14.3% in 2004.

Domestic and regional RPT operations have only marginally increased over the decade from 48 008 in 1997 to 48 082 in 2006. The annual growth rate dropped to -11.8% in 2002 but recovered to 10.8% in 2003. Growth has since slowed to 3.9% in 2006.

International RPT operations have increased by 18.1% from 8 725 movements in 1997 to 10 300 movements in 2006. This is the smallest percentage increase for the decade amongst the five airports (Table 3).

Perth Airport had a reduction of 8.6% in the total number of aircraft movements recorded at the control tower during the decade. Movement numbers dropped from 109 414 in 1997 to 99 966 in 2006. The only other airport of the five airports to register a decrease in total aircraft movements over the decade was Adelaide Airport. The lowest annual growth rate was recorded in 2001 at -6.6% and the highest in 2005 at 5.3%.

Summary

All five airports recorded a significant increase in domestic and regional passengers throughout the decade. At the start of the decade the total volume of domestic and regional passengers passing through all five airports was 39.6 million. This total increased to 61.4 million at the end of the decade, a boost of 21.8 million passengers or a growth of 55.1%. Sydney and Melbourne Airports both recorded an increase of 6.05 million passengers, Brisbane Airport 5.47 million, Perth Airport 2.28 million and Adelaide Airport 1.96 million passengers.

International passenger numbers for the five airports grew from 13.1 million in 1997 to 20.3 million in 2006, a change of 55.0%. Sydney Airport recorded the highest increase of 3.02 million passengers, followed by Melbourne (1.92 million), Brisbane (1.47 million), Perth (0.64 million) and Adelaide (0.19 million).

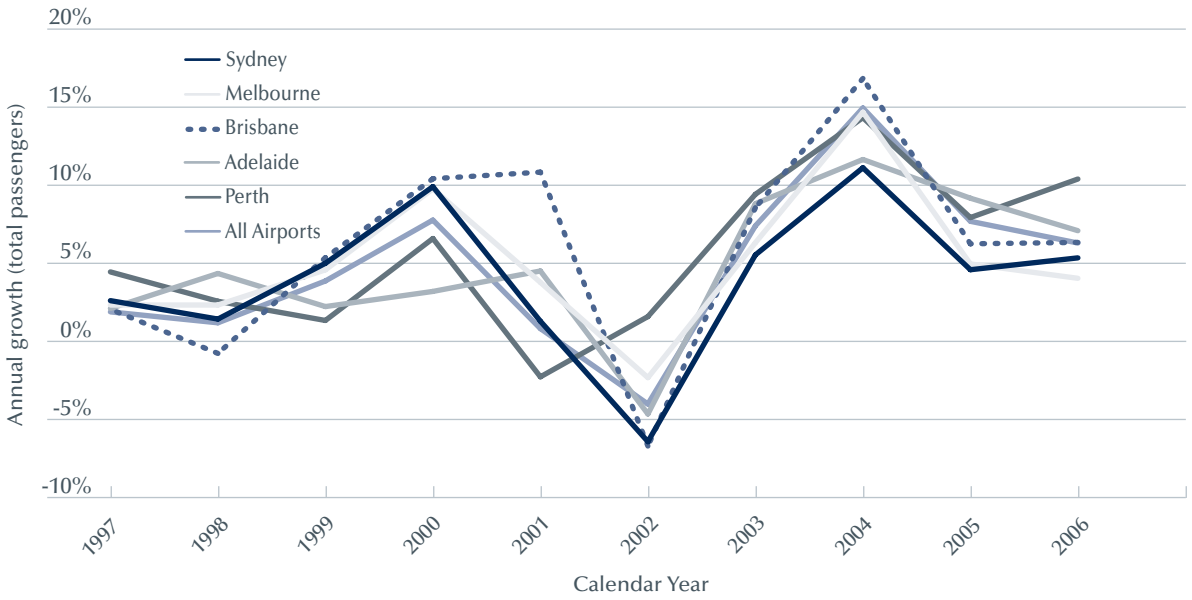
Total passengers passing through all five airports jumped from 52.7 million in 1997 to 81.7 million in 2006, a growth of 55.0%. Sydney Airport registered an increase of 9.07 million passengers over the decade, followed by Melbourne (7.97 million), Brisbane (6.94 million), Perth (2.91 million) and Adelaide (2.15 million) (Figure 1).

The total number of domestic and regional RPT operations for all five airports have increased by only 5.8% over the decade, from 544 219 movements in 1997 to 575 998 movements in 2006. Domestic and regional passenger levels, on the other hand, have risen by 55.1% over the same period as mentioned previously. This difference is mainly due to an increase in the average aircraft size on the domestic and regional networks, with capacity in terms of available seats expanding by 45.9% over the decade for the five airports. The load factor for the entire domestic and regional industry has also steadily increased from 73.5% in 1997 to 78.4% in 2006.

International RPT operations for the five airports have risen by 29.5% over the decade from 91 359 movements in 1997 to 118 279 movements in 2006.

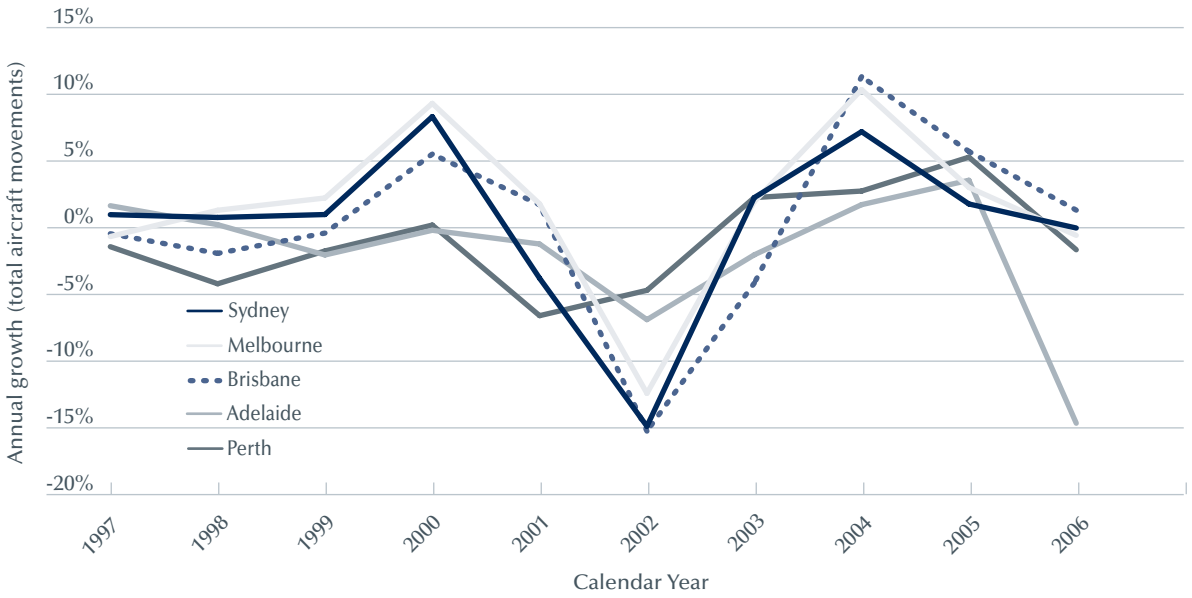
The total number of aircraft movements recorded at the airport control tower for all five airports, however, has marginally decreased from 822 180 movements in 1997 to 818 782 movements in 2006, a decrease of 0.4%. Only Melbourne Airport recorded a significant increase in total aircraft movements over the decade (16.3%), while both Adelaide and Perth Airports registered a decline (Figure 2).

Figure 3 Annual growth in total passengers at Australian airports (1997–2006)



Note: Growth is over the preceding calendar year.

Figure 4 Annual growth in total aircraft movements at Australia's top five airports (1997–2006)



Note: Growth is over the preceding calendar year.

Industry Snapshot

International Industry

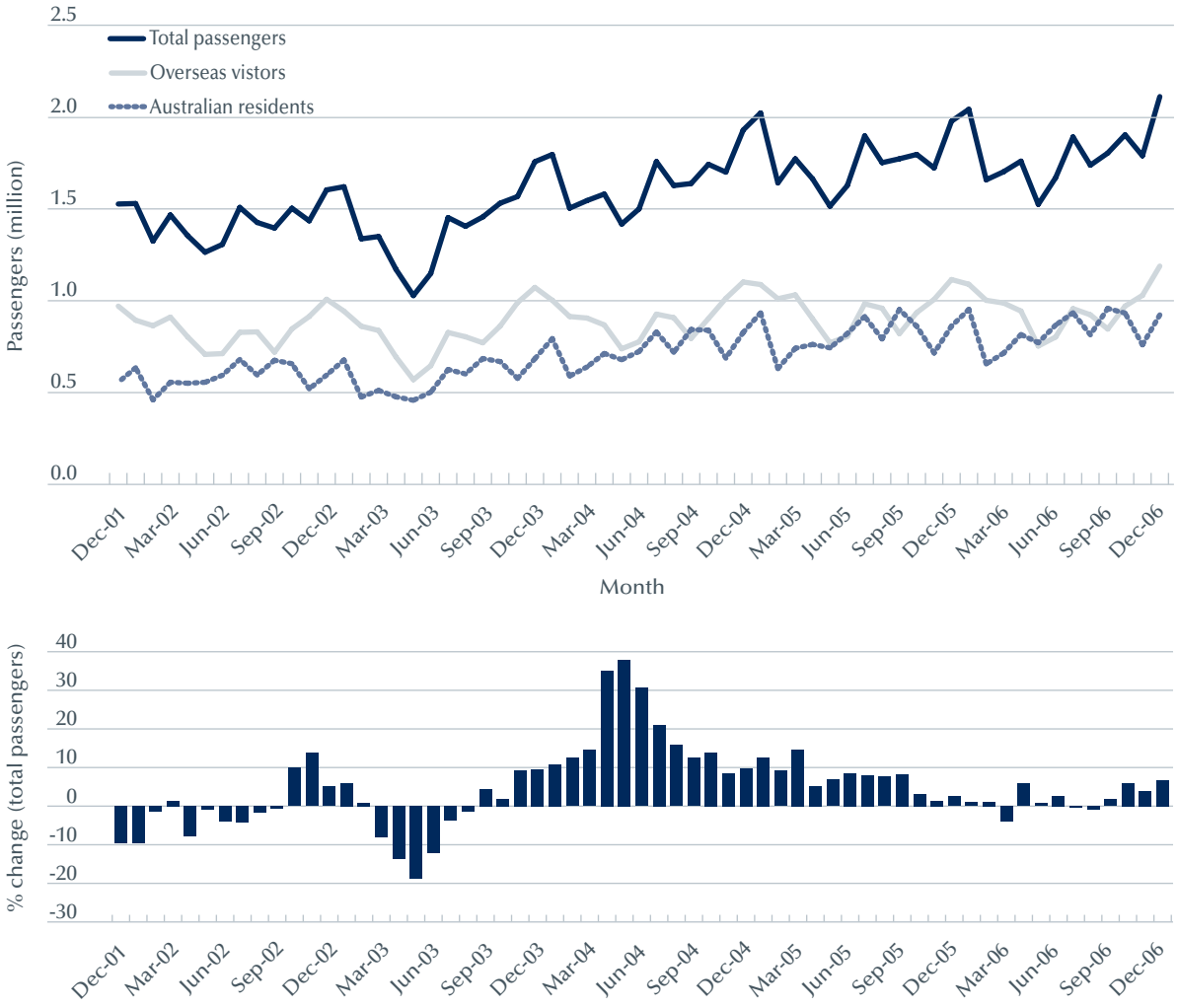
International passengers

Passenger traffic on Australian international flights has remained at high levels over the past twelve months (Figure 5). There were 21.6 million international passengers carried throughout 2006, representing an increase of 2.1% over the previous year. This total comprised 11.5 million overseas visitors (53.2%) and 10.10 million Australian residents (46.8%).

Traffic peaked in December 2006, with a monthly record of 2.11 million passengers, an increase of 6.8% on December 2005. The month with the lowest number of passengers for 2006 was May with 1.52 million passengers. This was due mainly to a drop in the number of overseas visitors during that month (Figure 5).

Growth in international passenger traffic for the calendar year 2006 was driven mainly by the increase in the number of Australian residents travelling on international flights (up 3.8% compared with 2005) rather than overseas visitors (up 0.6% for the same period).

Figure 5 International passengers



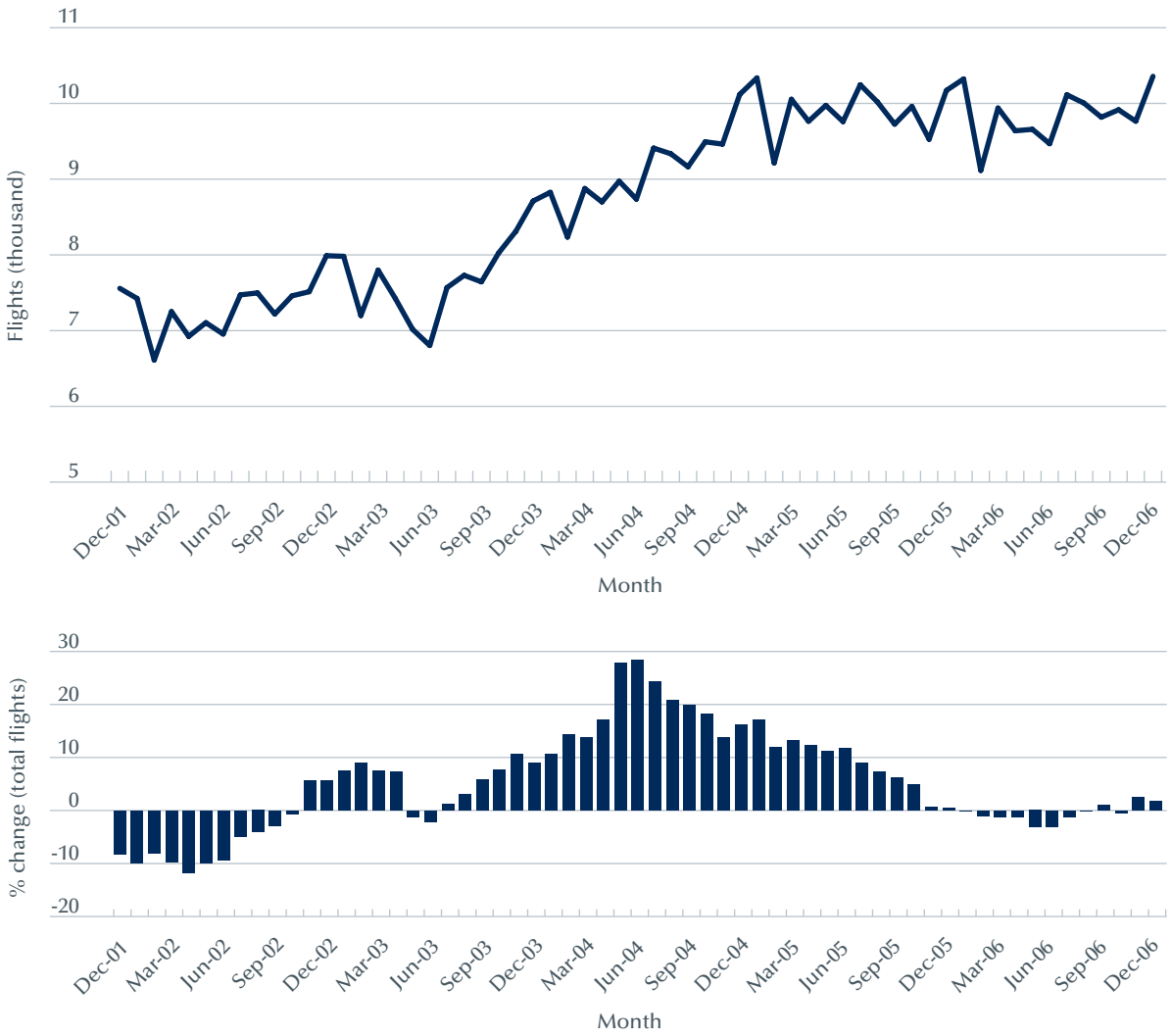
Notes: *Growth rates are calculated over the same month in the previous year.*
Source: *ABS catalogue 3401.0, Overseas Arrivals and Departures, Australia.*

International flights

There was an annual total of 118 116 international flights in 2006, only a marginal decrease of -0.5% from the total for 2005. The monthly average for 2006 was 9 843 flights with a maximum of 10 358 flights occurring in December (up 1.8% on December 2005).

The number of international flights appears to have reached a plateau over the past year with the average monthly growth rate for 2006 being -0.5% compared with 8.8% for the previous year (Figure 6).

Figure 6 International flights



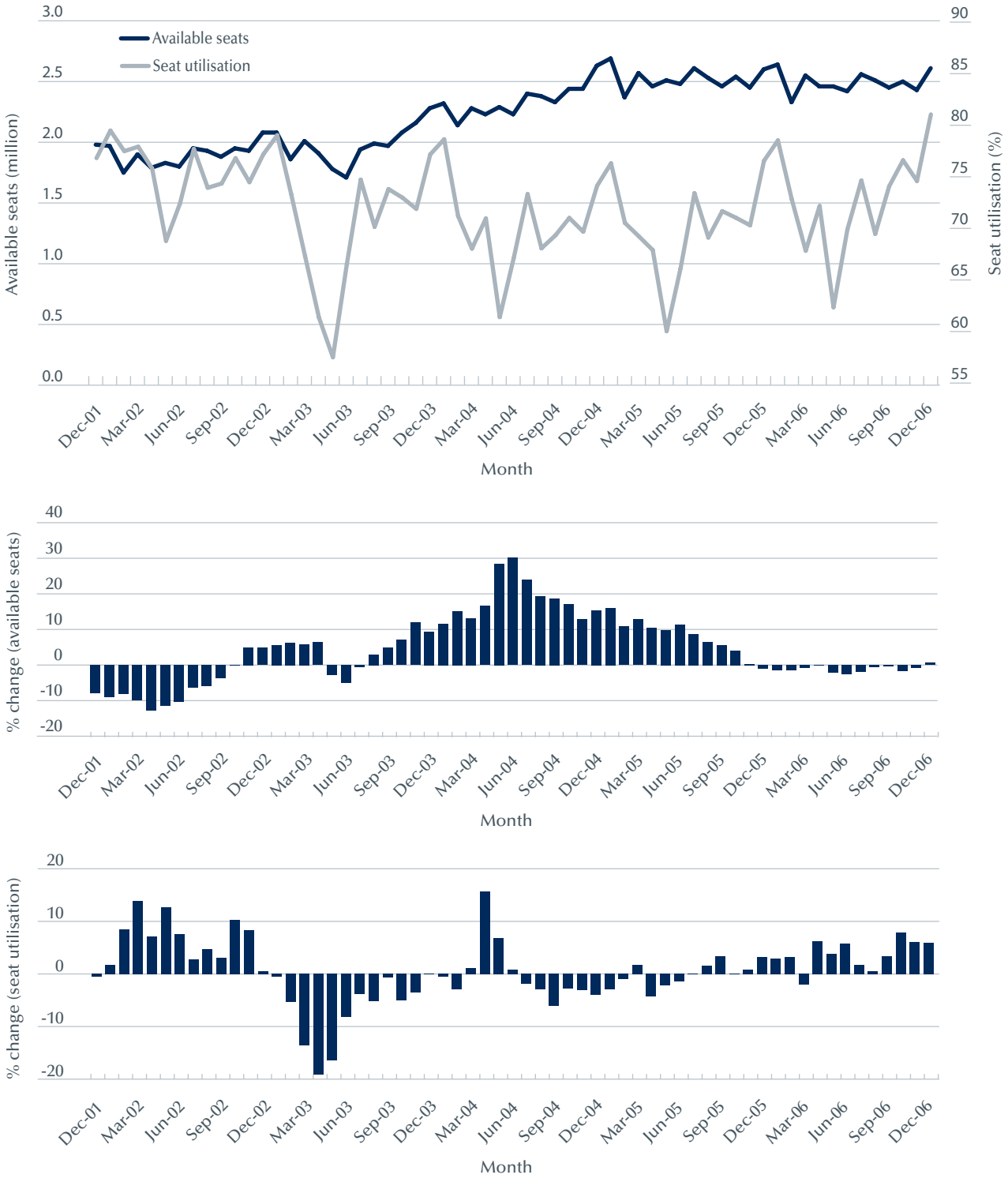
Note: Growth rates are calculated over the same month in the previous year.
Source: BTRE Aviation Statistics Section.

International network utilisation

On the whole, international airline capacity measured in available seats for 2006 showed little variation from the previous year (Figure 7). The total for 2006 was 29.9 million seats, 1.1% less than the figure for 2005. The monthly maximum was recorded in January 2006 at 2.64 million seats, while the minimum occurred in February 2006 at 2.33 million seats.

Seat utilisation (load factors) over all routes displays greater volatility. For 2006 load factors ranged from a minimum of 62.4% in May to a maximum of 81.1% in December with an annual average of 72.9% (3.8% higher than the average for 2005). Seat utilisation for December 2006 was 5.9% higher than December 2005 and was the highest monthly figure recorded over the past five years.

Figure 7 International network utilisation



Notes: *Available seats are a total of inbound and outbound seats. Seat utilisation is calculated by dividing the total number of international passengers with the number of available seats. Growth rates are calculated over the same month in the previous year.*

Source: *BTRE Aviation Statistics Section.*

International air freight

Air freight carried on Australian international flights has continued to grow steadily as shown in Figure 8. The annual total for 2006 was 746 476 tonnes (up 5.3% on the previous year). This consisted of 440 426 tonnes of inbound freight (up 6.3% on 2005) and 306 050 tonnes of outbound freight (up 4.0% on 2005). Inbound freight has been exceeding outbound freight since June 2003.

Total freight peaked at 68 754 tonnes in November 2006, the highest monthly figure for the past five years. This was due to inbound air freight reaching a record 41 509 tonnes (60.4% of the total for November 2006).

As shown in Table 4, Qantas carried the greatest share (26.6%) of freight during 2006, followed by Singapore Airlines (15.4%) and Emirates (8.8%).

The Sydney–Auckland route has the largest share (8.0%) of all air freight in and out of Australia, followed closely by Melbourne–Singapore (7.6%) and Sydney–Hong Kong (5.9%) (Table 5).

Table 4 Freight carried by top five airlines for 2006

Airline	Tonnes carried (thousand)	Share
Qantas Airways	198.4	26.6%
Singapore Airlines	115.0	15.4%
Emirates	65.7	8.8%
Cathay Pacific Airways	61.1	8.2%
Malaysia Airlines	52.6	7.1%
Others	253.7	34.0%
Total	746.5	100.0%

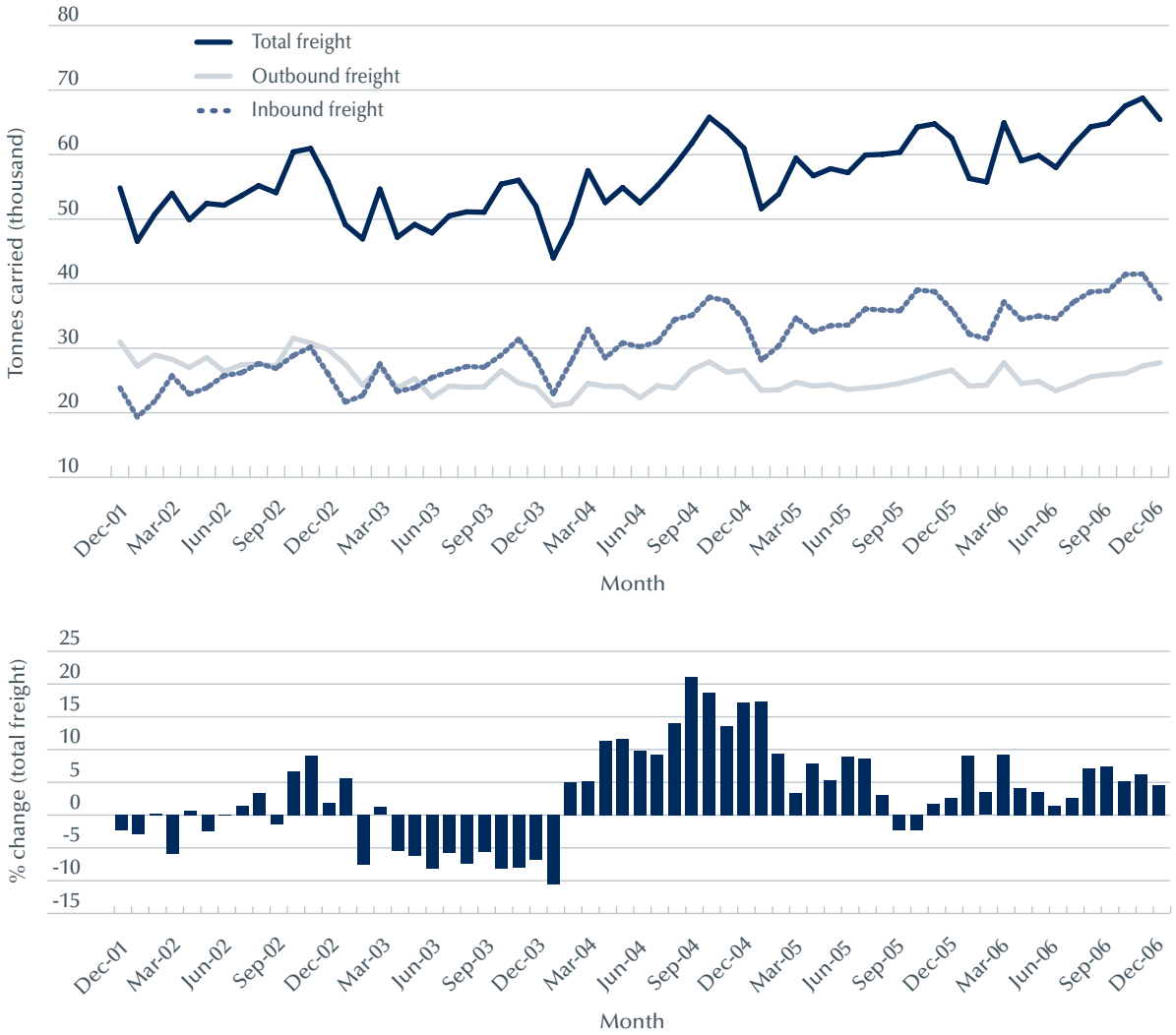
Source: BTRE Aviation Statistics Section

Table 5 Freight carried on top five city pairs for 2006

Australian port	Foreign port	Tonnes carried (thousand)	Share
Sydney	Auckland	59.8	8.0%
Melbourne	Singapore	56.6	7.6%
Sydney	Hong Kong	43.7	5.9%
Sydney	Singapore	36.3	4.9%
Melbourne	Auckland	33.0	4.4%
Others		517.0	69.3%
Total		746.5	100.0%

Source: BTRE Aviation Statistics Section

Figure 8 International air freight



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

Domestic industry

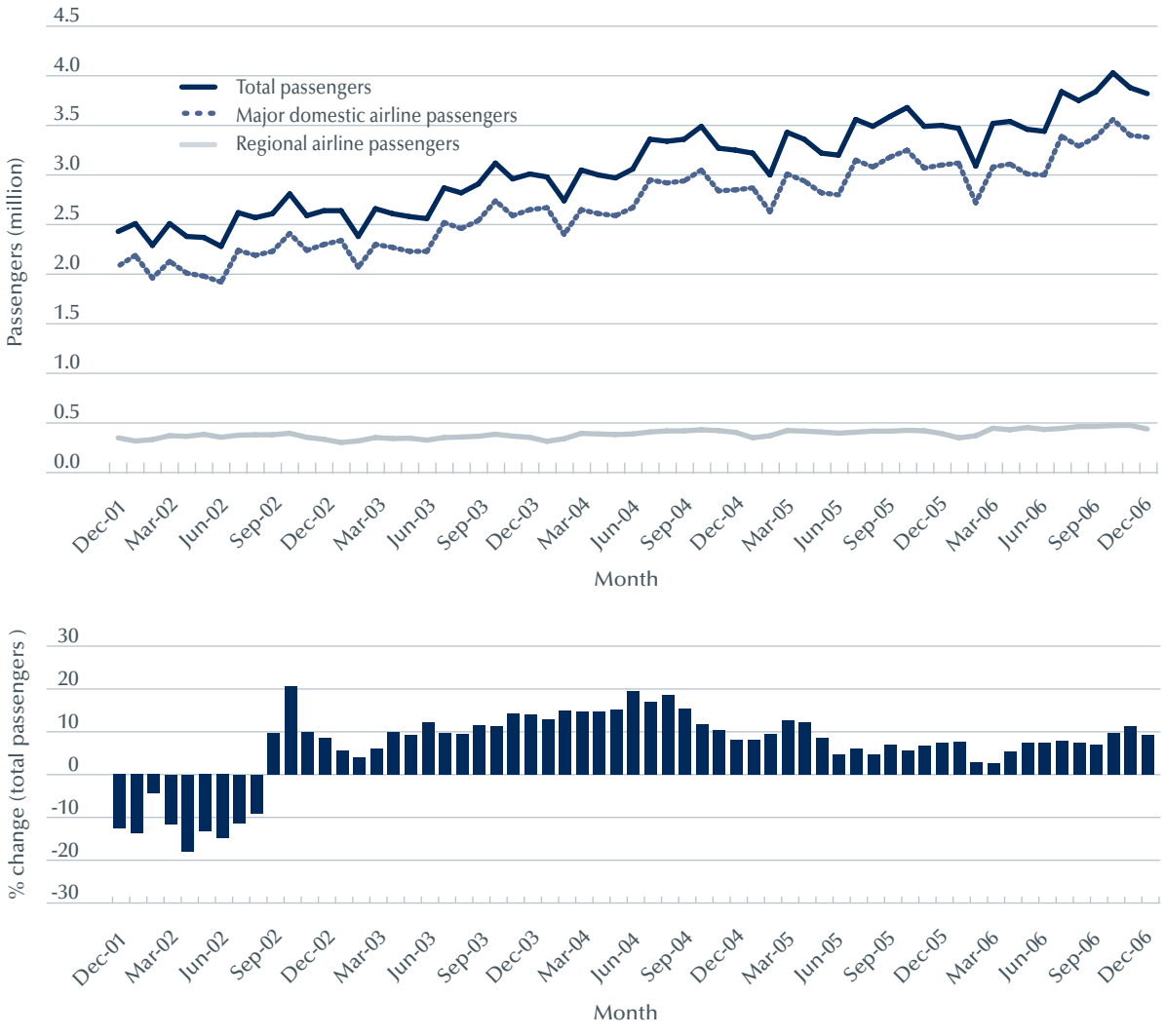
Domestic passengers

Australia's domestic airline industry is continuing to operate at high levels with a record 43.7 million revenue passengers carried in 2006. This was 7.2% higher than the total for 2005 and the highest annual total on record (Figure 9).

Monthly passenger numbers peaked in October 2006 at 4.03 million, 9.6% up on October 2005. This was the highest monthly total recorded over the past five years (Figure 9). Positive monthly passenger growth rates have been recorded since September 2002. The highest growth rate for 2006 occurred in November at 11.2%.

The major domestic airlines carried 38.4 million passengers (88.0% of the total) for 2006. This represented an increase of 7.0% over 2005. Regional airlines carried 5.25 million passengers over the same period (constituting 12.0% of the total). This represented an increase of 8.2% over the previous year.

Figure 9 Domestic passengers



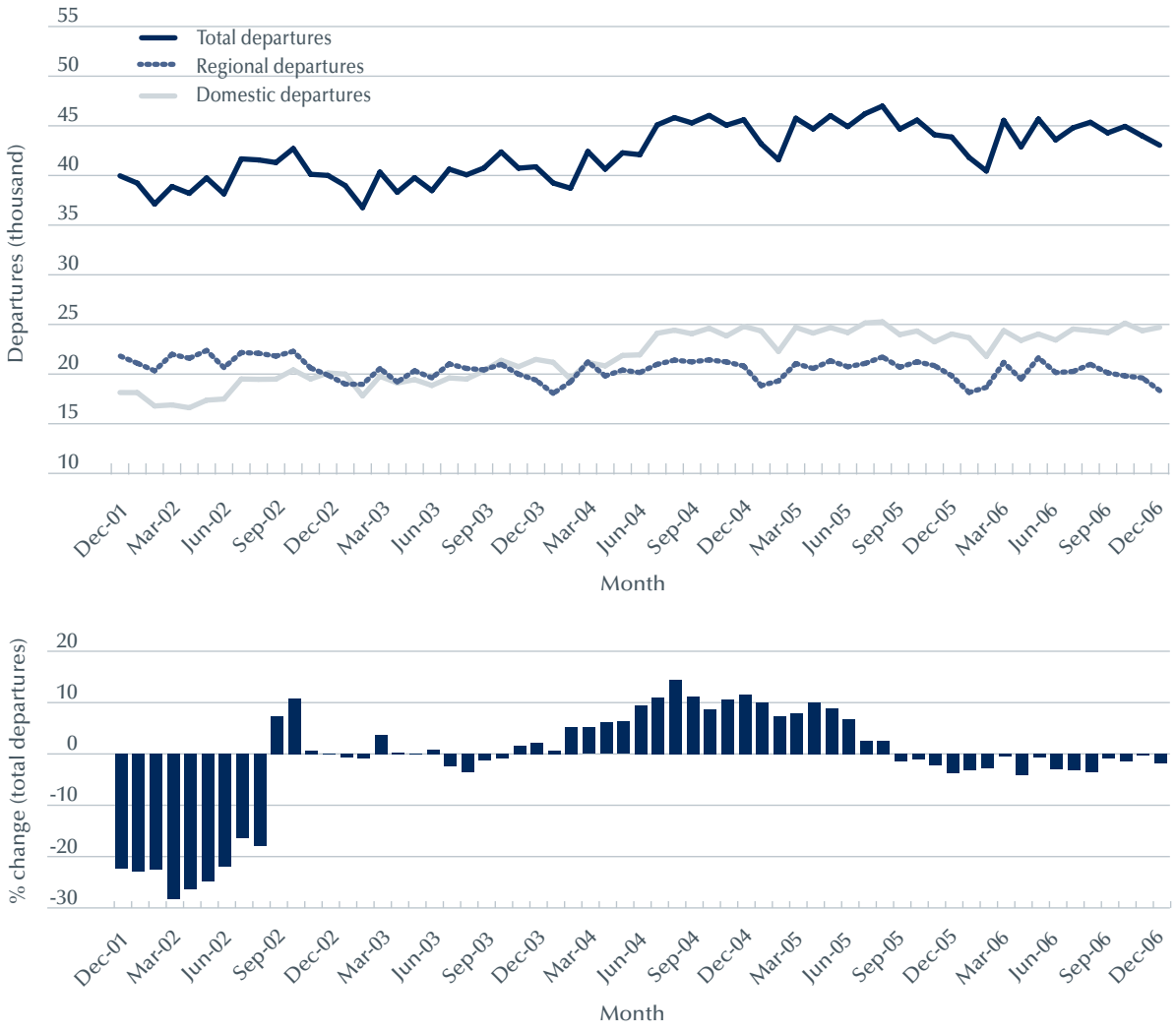
Note: *Growth rates are calculated over the same month in the previous year.*
Source: *BTRE Aviation Statistics Section.*

Domestic flights

Figure 10 shows the number of flights measured in departures over the past five years within the domestic aviation industry. A total of 526 385 flights was recorded for 2006, 1.9% lower than 2005. Of these, 287 958 flights (54.7%) were operated by the major domestic airlines, a decrease of 0.8% on the previous year. The remaining 238 427 flights (45.3%) were operated by regional airlines, down 3.6% on 2005.

During the past year, total monthly flights peaked at 45 687 in May 2006 (0.7% lower than for May 2005). Monthly growth rates (over the same month in the previous year) were negative throughout 2006 with the lowest growth rate being recorded in April at -4.1%.

Figure 10 Domestic and regional flights



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

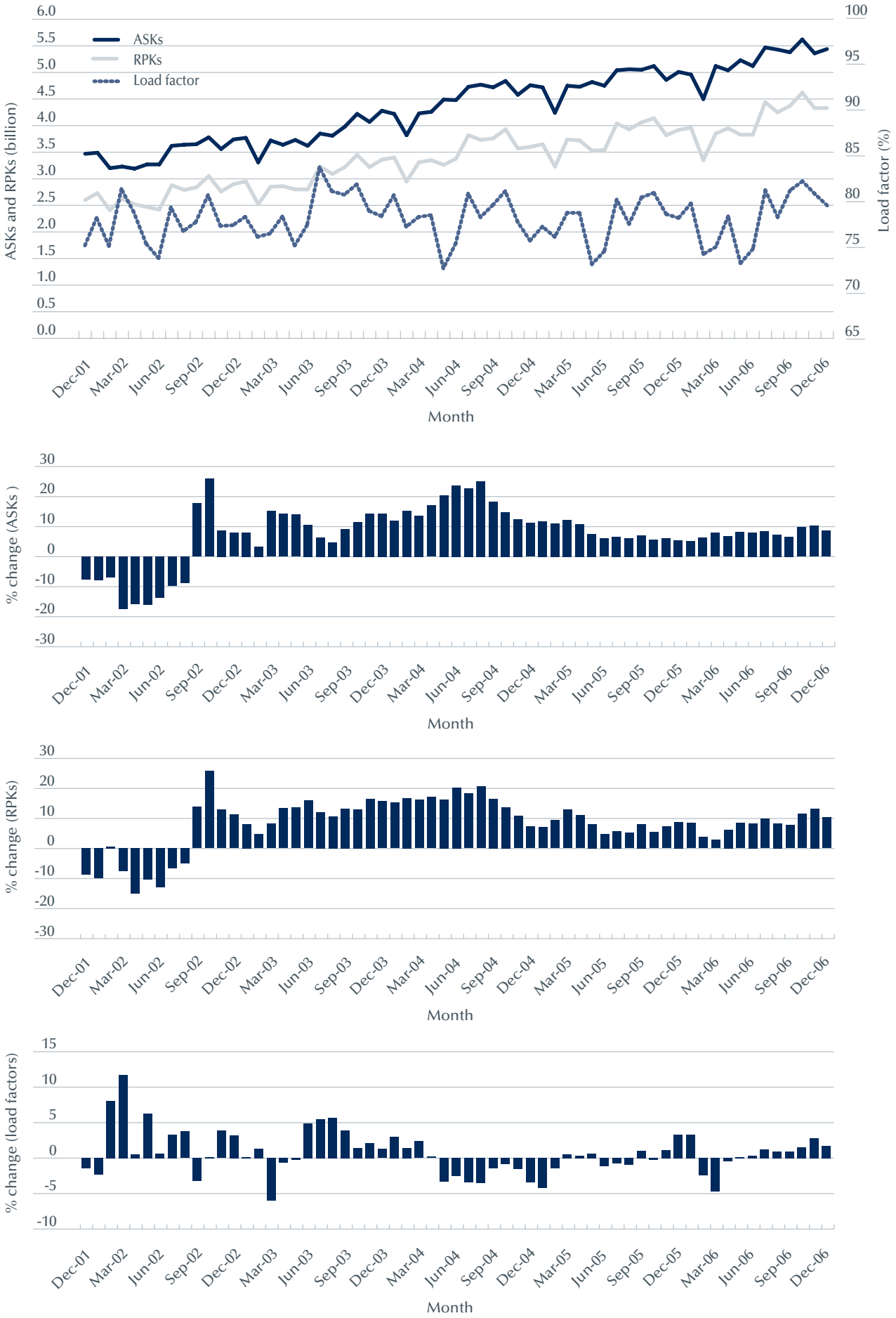
Domestic network utilisation

Domestic industry capacity, measured in Available Seat Kilometres (ASKs), achieved an all time high of 62.7 billion for the year 2006, 7.8% higher than the total for 2005 (Figure 11). Similarly Revenue Passenger Kilometres (RPKs) for 2006 reached a record 49.1 billion (up 8.4% on the total for 2005).

October 2006 recorded the highest ever monthly totals for ASKs and RPKs with 5.62 billion ASKs (up 9.8% on October 2005) and 4.62 billion RPKs (up 11.5% on October 2005).

The average load factor for 2006 was 78.4% which was slightly higher than the 78.0% annual average for 2005 and 78.2% five year average for 2002–2006. October had the highest load factor for 2006 (82.2% compared with 81.0% for October 2005).

Figure 11 Domestic network utilisation



Notes: *Includes all regional operations. ASKs refers to Available Seat Kilometres. RPKs refers to Revenue Passenger Kilometres. Growth rates are calculated over the same month in the previous year.*

Source: *BTRE Aviation Statistics Section.*

Domestic airline on-time performance

The reporting of on-time performance data to the BTRE commenced in November 2003. The data covers all services operated by Australia's major airlines: Jetstar; Qantas; QantasLink; Regional Express; Skywest Airlines; Virgin Blue; and Macair (from July 2005). Ozjet provided data from January to March 2006 only. These operators collectively carry over 95 per cent of Australia's airline traffic.

There were 457 809 flights reported for the calendar year 2006, of which 399 865 (87.3%) departed on time and 394 128 (86.1%) arrived on time (Table 6). Cancellations totalled 3,989 flights or 0.9% of all scheduled flights.

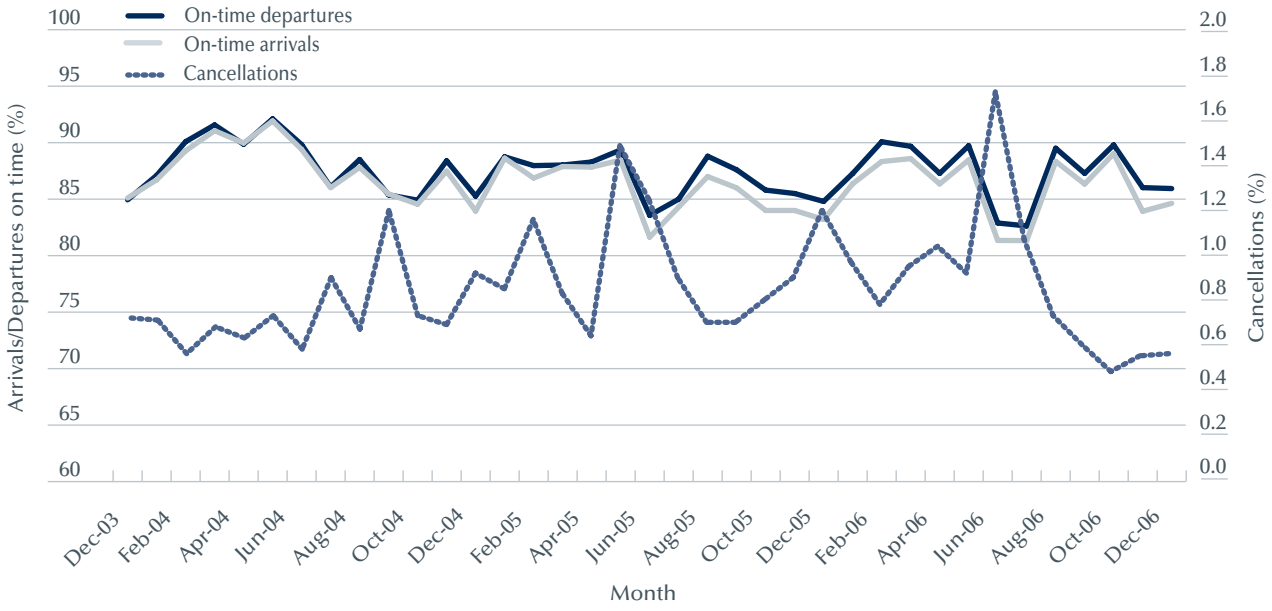
The best on-time performance was recorded in February (90.1%) for departures and October (89.0%) for arrivals. The lowest percentage of cancellations was recorded in October with 0.5% of scheduled flights cancelled (Figure 12).

The lowest level of on-time performance was recorded during winter in July when 82.6% of departures and 81.3% of arrivals were on time. The highest percentage of cancellations was recorded in June at 1.7%.

Virgin Blue achieved the highest level of on-time departures (89.3%) for 2006, followed by Regional Express (88.5%) and Qantas (87.1%) (Table 6). Virgin Blue also had the best on-time arrival performance (88.9%) ahead of Qantas (87.6%) and Regional Express (84.9%). Skywest was the least performing airline for 2006 with 84.7% departures and 79.9% arrivals being on time.

With regards to cancellations, Macair and Skywest recorded the highest levels for the year at 2.3%, whereas Regional Express outperformed the rest with 0.3%.

Figure 12 Domestic airline on-time performance



Source: BTRE Aviation Statistics Section.

Table 6 Australian airline on-time performance for 2006

	Jetstar	Macair	Qantas	Qantas Link	Regional Express	Skywest	Virgin Blue	All Airlines
Sectors Scheduled	48 863	15 366	118 782	97 497	61 823	11 799	107 279	461 798
Sectors Flown	48 599	15 012	117 543	96 649	61 656	11 522	106 449	457 809
On-Time Departures	41 246	12 720	102 403	83 838	54 571	9 760	95 030	399 865
On-Time Arrivals	40 749	12 556	102 960	81 393	52 328	9 202	94 678	394 128
Cancellations	264	354	1 239	848	167	277	830	3 989
On-Time Departures (%)	84.9	84.7	87.1	86.7	88.5	84.7	89.3	87.3
On-Time Arrivals (%)	83.8	83.6	87.6	84.2	84.9	79.9	88.9	86.1
Cancellations (%)	0.5	2.3	1.0	0.9	0.3	2.3	0.8	0.9

Notes: On-time departures refer to flights that depart within 15 minutes of the scheduled departure time. On-time arrivals refer to flights that arrive within 15 minutes of the scheduled arrival time. Cancellations refer to flights cancelled or rescheduled within 7 days of the scheduled departure time.
Source: BTRE Aviation Statistics Section

Airport activity

Airport activity levels

Table 7 summarises passenger and aircraft movements at the five major capital city airports for the past three calendar years.

All five airports recorded an increase in passenger movements across all sectors for 2006 compared with 2005. Annual growth in international passenger movements was strongest at Adelaide Airport (19.8%) in 2006, followed by Brisbane (4.3%) and Sydney (3.6%). Growth in domestic passenger numbers was greatest at Perth Airport (13.9% in 2006) while Brisbane Airport recorded the strongest growth in regional passenger numbers (25.8% in 2006). With regards to total passenger movements, Perth Airport registered the largest percentage increase of 10.4% in 2006.

In terms of RPT operations for 2006, Adelaide Airport recorded a significant annual growth in international aircraft movements at 21.6%. Perth Airport led the growth in domestic and regional aircraft movements at 2.8% and 7.1% respectively. On the other hand, Melbourne Airport recorded the greatest decline of -10.5% in international aircraft movements and -2.0% in domestic movements. The largest drop in the growth rate of regional aircraft movements occurred at Adelaide Airport (-5.0%).

With regards to total aircraft movements (including unscheduled operations), only Brisbane Airport grew by 1.3% in 2006 while the other four airports all registered a drop, with the greatest decline of 14.6% occurring at Adelaide Airport.

Table 7 Activity at major Australian airports

		Passenger movements (million)				Aircraft movements (thousand)					
Airport	Year	International	Domestic	Regional	Total	International	Domestic	Regional	Total Scheduled	Non-scheduled*	Total
Sydney	2006	9.86	18.24	1.88	29.98	58.22	126.94	71.65	256.81	24.86	281.67
	2005	9.52	17.12	1.82	28.46	58.70	124.27	73.33	256.30	25.44	281.74
	2004	8.95	16.45	1.81	27.21	56.12	122.38	75.01	253.51	23.29	276.80
Melbourne	2006	4.29	16.64	0.64	21.57	23.95	118.22	27.36	169.53	9.72	179.25
	2005	4.22	15.91	0.59	20.73	26.76	120.69	26.52	173.96	6.32	180.28
	2004	3.94	15.23	0.58	19.75	26.68	118.63	25.43	170.74	4.26	175.00
Brisbane	2006	3.76	12.01	0.84	16.71	22.96	90.81	25.73	139.51	27.20	166.71
	2005	3.61	11.43	0.67	15.71	22.60	92.50	25.51	140.61	23.93	164.54
	2004	3.27	10.89	0.63	14.79	21.04	89.36	23.69	134.09	21.54	155.63
Perth	2006	2.03	5.03	0.40	7.46	10.30	35.23	12.85	58.38	41.58	99.97
	2005	2.01	4.42	0.34	6.76	10.77	34.29	12.00	57.06	44.59	101.65
	2004	1.83	4.15	0.29	6.26	9.52	34.79	10.07	54.38	42.15	96.54
Adelaide	2006	0.40	5.14	0.45	5.99	2.85	42.31	24.89	70.05	21.14	91.19
	2005	0.33	4.86	0.40	5.60	2.34	41.71	26.19	70.25	36.59	106.84
	2004	0.29	4.48	0.36	5.13	1.99	38.69	28.62	69.29	33.88	103.17

Notes: *International passenger data are the total passengers uplifted and discharged within a flight. Domestic and regional passenger data are the total passengers on board by flight stage. International, domestic and regional data represent Regular Public Transport operations. *Aircraft movements recorded during the hours in which Airservices Australia provides a tower service and includes circuit and military aircraft.*

Sources: *BTRE Aviation Statistics Section and Airservices Australia monthly aircraft movement reports (http://www.airservicesaustralia.com/reports).*

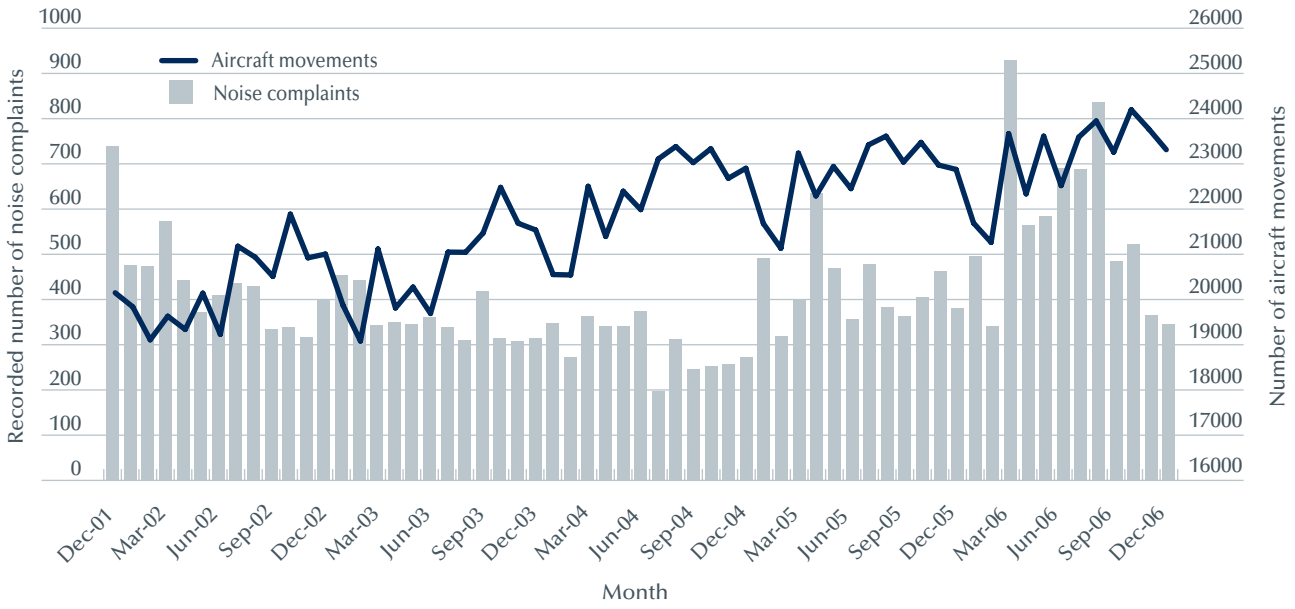
Sydney aircraft noise

October was the busiest month for Sydney Airport in 2006 with 24 211 aircraft movements, an increase of 3.1% on October 2005 (Figure 13). There were 522 noise complaints from 94 complainants in that month. The lowest number of aircraft movements for the year was recorded in February (21 251 movements) and the number of noise complaints then was 341 (the lowest for the year) from 143 complainants.

The number of noise complaints peaked in March 2006 with 929 complaints from 484 complainants. This is the greatest number of complaints recorded since October 2001 (the month following Ansett's collapse). This increase occurred immediately after the quietest month (February 2006) when the number of aircraft movements jumped by 11.4% to 23 678 in March 2006. The percentage change in total aircraft movements between these two months and the number of complainants are also the highest since October 2001.

The total number of noise complaints for the calendar year 2006 was 6 852, an increase of 33.2% over the previous year.

Figure 13 Sydney airport noise complaints



Source: Airservices Australia, Sydney Airport Operational Statistics, http://www.airservicesaustralia.com/reports/

Economic Indicators

Real domestic air fares

Figure 14 presents the real domestic air fares indexes for Business Class, Full Economy, Restricted Economy and Best Discount air fares as 13 month moving averages. The real domestic air fares indexes include those taxes and charges that are collected as part of the air fare (fuel levies, security, certain airport charges and GST). The indexes provide a measure of changes to air fares over time.

Prior to July 2003, the indexes were constructed using SABRE Pacific's Computer Reservations System. Indexes for July 2003 onwards are based on air fares collected from the BTRE Internet air fare survey. All indexes are Consumer Price Index (CPI) adjusted and set at a base value of 100 for July 2003.

From *Avline 7* onwards, the calculation methodology used is the Fisher Ideal Index. Prior to issue 7, the Laspeyres Index was used. For more information on price indexes see ABS Catalogue 1351.0 Working Paper no. 96/1 *Choosing a Price Index Formula*.

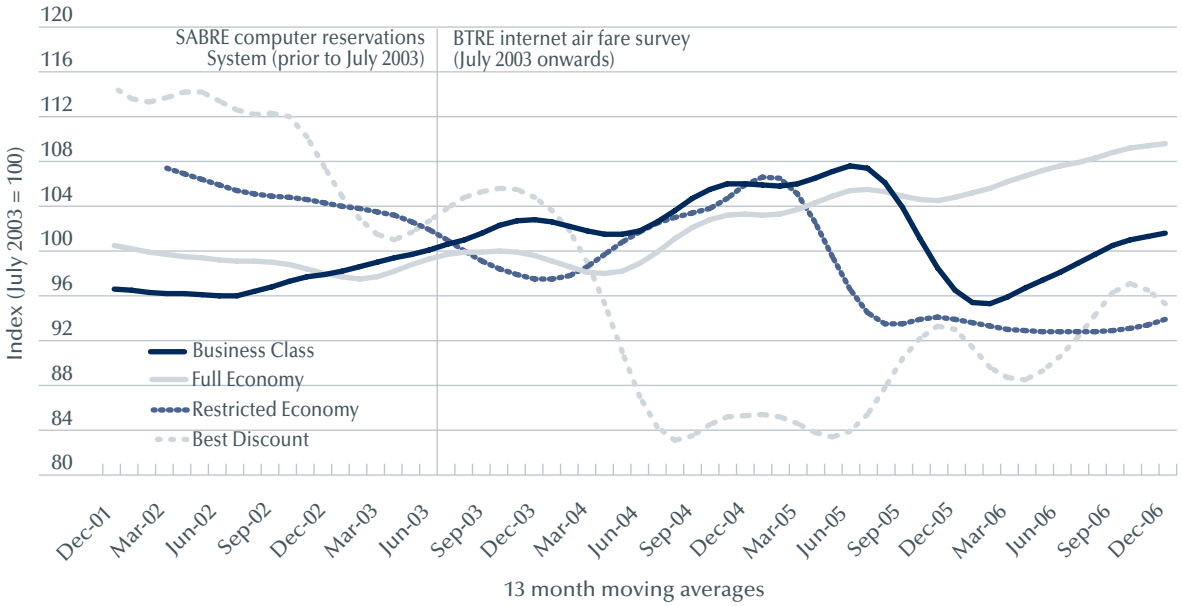
Since July 2003, Business Class fares reached a peak in June 2005 with an index of 107.6. It then dropped rapidly by 11.5% to a minimum of 95.3 in February 2006, before climbing steadily and reaching an index of 101.6 at the end of 2006.

Full Economy fares have been gradually rising over the past year with the fare for December 2006 being 4.6% higher than the fare in December 2005. It is also 9.9% higher than the fare in July 2003.

Restricted Economy fares were highest in January 2005 with an index of 106.6. These fares are now at their lowest since collection of this type of fare began in March 2002. A record low of 92.8 was achieved between May 2006 and August 2006, 13.0% lower than the peak in January 2005. There was only a slight rise towards the end of the year with an index of 93.9 for December 2006.

Best Discount fares are the most erratic of the four types of air fares collected. Since July 2003, the index peaked at 105.6 in October 2003 before plunging 21.3% to 83.1 in August 2004. Since then it has fluctuated through a series of highs and lows. Over the past year, the index rose by 2.4% from 93.0 in December 2005 to 95.3 in December 2006.

Figure 14 Real domestic airfares



Notes: *Airfares are CPI adjusted. SABRE Pacific does not warrant the accuracy of any of the data provided by its system. Under no circumstances will SABRE Pacific be liable for the loss of profits, loss of use of contracts, or for any economic or consequential loss whatsoever, whether arising from errors in data, negligence, breach of contract or otherwise.*

Sources: *BTRE Aviation Statistics Section; SABRE Computer Reservation System (prior to July 2003); BTRE internet air fare survey (July 2003 onwards) and Australian Bureau of Statistics (CPI data).*

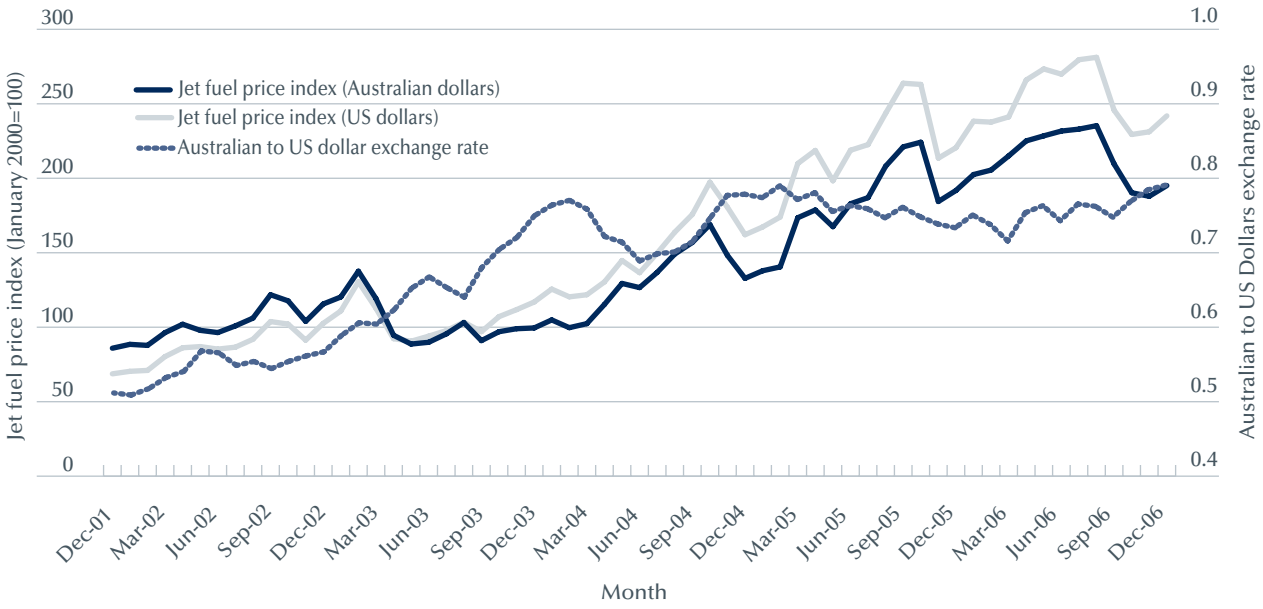
Jet fuel prices

Figure 15 shows the Jet Fuel Price Index in Australian and US dollars where January 2000 has been assigned a base value of 100. Aviation jet fuel costs have been at a record high for the calendar year 2006. The average Jet Fuel Price Index in Australian dollars averaged 213.3 for that year which was 16.5% higher than the average for 2005 and 62.9% higher than the average for 2004.

For the year 2006, the index in Australian dollars peaked at 235.3 in August and was at a minimum of 187.9 in November.

The Jet Fuel Price Index in US dollars averaged 252.9 for 2006. This was 16.1% higher than the average for 2005 and 67.8% higher than the average for 2004. For the year 2006, the index peaked at 281.2 in August and was at its lowest of 229.4 in October.

Figure 15 World average jet fuel prices



Sources: *BTRE analysis using ICIS-LOR fuel prices as cited in Airline Business magazine and Reserve Bank of Australia, Bulletin Statistical Table 11, Exchange Rates.*

Airline share prices

Figure 16 shows the end of month closing prices for Qantas Airways Limited, Virgin Blue Holdings Limited and the S&P/ASX 200 Index up to December 2006.

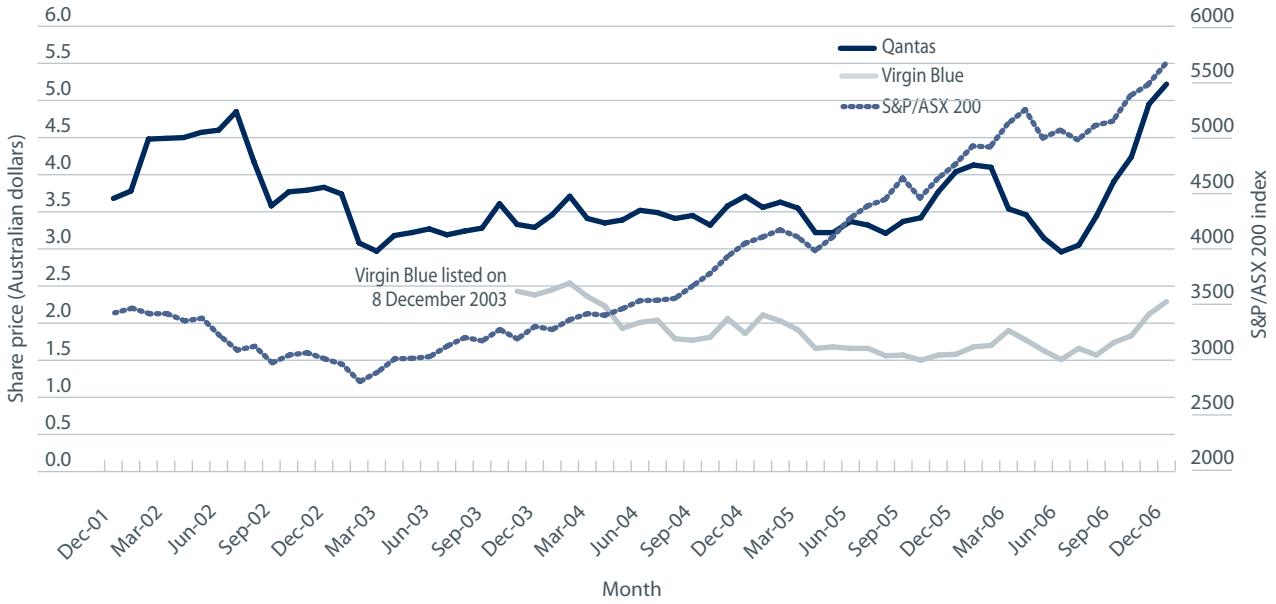
For the calendar year 2006, Virgin Blue's share price peaked at $2.29 at the end of December, 45.4% higher than price for December 2005. For the same period, Qantas' share price also peaked in December at $5.22 which was 29.2% above its price for December 2005.

The S&P/ASX 200 Price Index has continued its upward trend, increasing by 19.0% from 4763.4 in December 2005 to 5669.9 in December 2006.

Qantas reported a net profit after tax of $385.5 million for the half year ended December 2006. This was 1.7% higher than the equivalent figure for December 2005.

For the same period, Virgin Blue reported a net profit after tax of $124.3 million, 80.9% up on the corresponding figure for December 2005.

Figure 16 Airline share prices



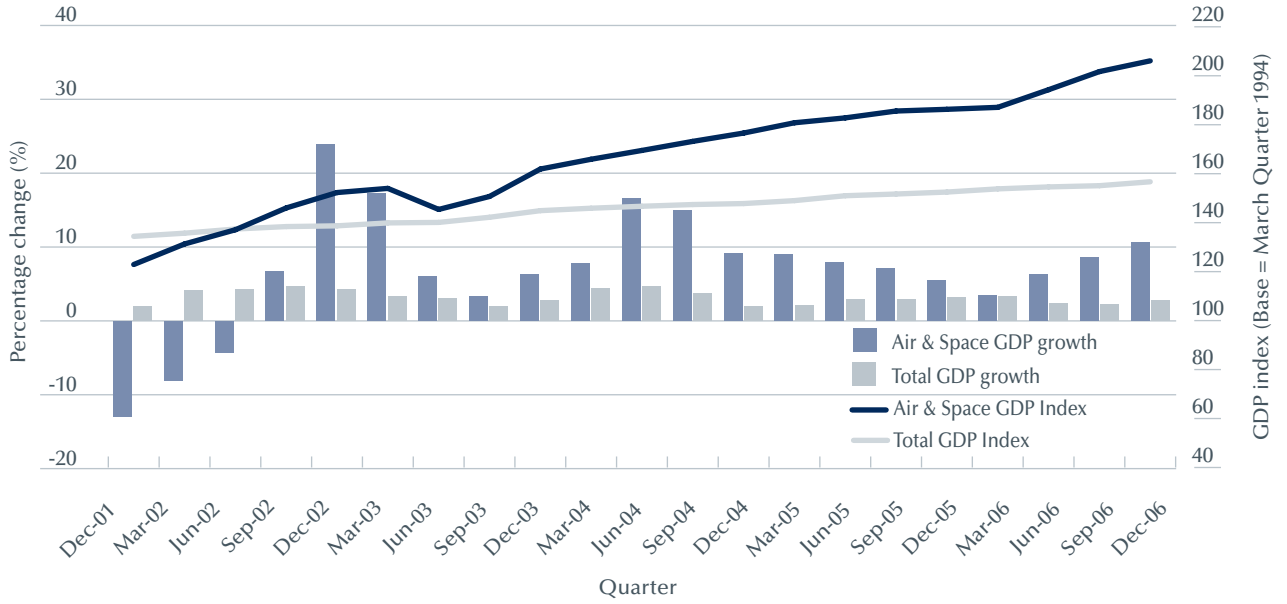
Note: *Share prices are monthly closes.*
Sources: *http://au.biz.yahoo.com/finance/investing/historical/; Australian Securities Exchange (http://www.asx.com.au/research/market_info/historical_equity_data.htm#End_of_month_values).*

Gross Domestic Product

Figure 17 compares Australia's Gross Domestic Product (GDP) index for all industries with the index for the air and space industry component up to December 2006. A base index of 100 has been assigned to the March quarter 1994. The air and space industry comprised 0.72% of Australia's total GDP for the December quarter 2006.

The air and space industry has continued to grow strongly in 2006, reaching a maximum index of 206.1 in the December quarter 2006. This was up 10.6 per cent over the previous December quarter. The Total GDP Index also peaked in the December quarter 2006 at 156.7, but grew at a lower rate of 2.8%.

Figure 17 Gross Domestic Product



Notes: *Data is seasonally adjusted. Growth rates are calculated over the same quarter in the previous year.*
Source: *ABS Catalogue No. 5206.0, Australian National Accounts: National Income, Expenditure and Product, Table 16.*

Airport charges

Airport charges data estimates what an airline may expect to pay based on publicly available information published by airport authorities and Airservices Australia. The data shown includes GST, but excludes confidential agreements between airports and airlines, and terminal charges for domestic and regional services, which are often confidential and may differ by terminal and airline.

The data should be interpreted with caution as actual rates may vary for individual aircraft operators based on negotiated contracts.

Charges for five state capital city airports and ten regional airports are presented below. The parameters used by the BTRE in its airport charges calculations are summarised in Table 8. The aircraft types shown are representative of international, trunk route domestic, and large, medium and smaller regional routes.

State capital city airports

Table 9 shows the real charges incurred by aircraft operators per return passenger (assuming one arrival and one departure) at Australia's major capital city airports as at 31 January 2006, 31 July 2006 and 31 January 2007 (in March quarter 2007 dollars). The charges are presented by category of aircraft and are broken down into Airservices Australia charges and aeronautical and security components levied by the airport operators.

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% of international passengers.

All five airports set security charges on a cost-recovery basis. If significant over or under recovery occurs in a period, security charges are reduced or increased respectively in the subsequent period, which may result in period to period variations in total charges.

Over the six months between July 2006 and January 2007, total international airport charges varied from a decrease of 1.6% at Melbourne Airport to an increase of 3.2% at Perth Airport. Security charges for international passengers have dropped by 8.0% at Sydney Airport and 19.3% at Melbourne Airport, while they have increased

by 6.8% at Perth Airport. Brisbane and Adelaide Airports showed no variations in the international security charge.

Over the same period, Sydney Airport recorded the highest increase of 17.3% in domestic airport charges followed by Perth Airport at 3.1%. The other three airports had only a marginal increase or decrease in the domestic charge. Security charges for domestic travel increased by 63.0% for Sydney Airport and 17.9% for Perth Airport, while Adelaide and Brisbane Airports retained the same security charges during that period. Melbourne Airport stopped collecting a security charge for domestic and regional passengers in January 2007.

Of the five airports, Adelaide Airport currently has the highest international and domestic airport charges due to the imposition of Passenger Facilitation Charges to recover the cost of a new common user terminal.

Real airport charges for the international, domestic and regional sectors are also shown in Figures 18, 19 and 20 respectively. These are based on aircraft considered representative of each sector and show data by airport from January 2002 to January 2007.

Table 8 Parameters used in airport charge calculations

Aircraft type	Operational sector (typical)	Aircraft maximum take-off weight (tonnes)	Number of aircraft seats (nominal)	Average passenger load factor (%)
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

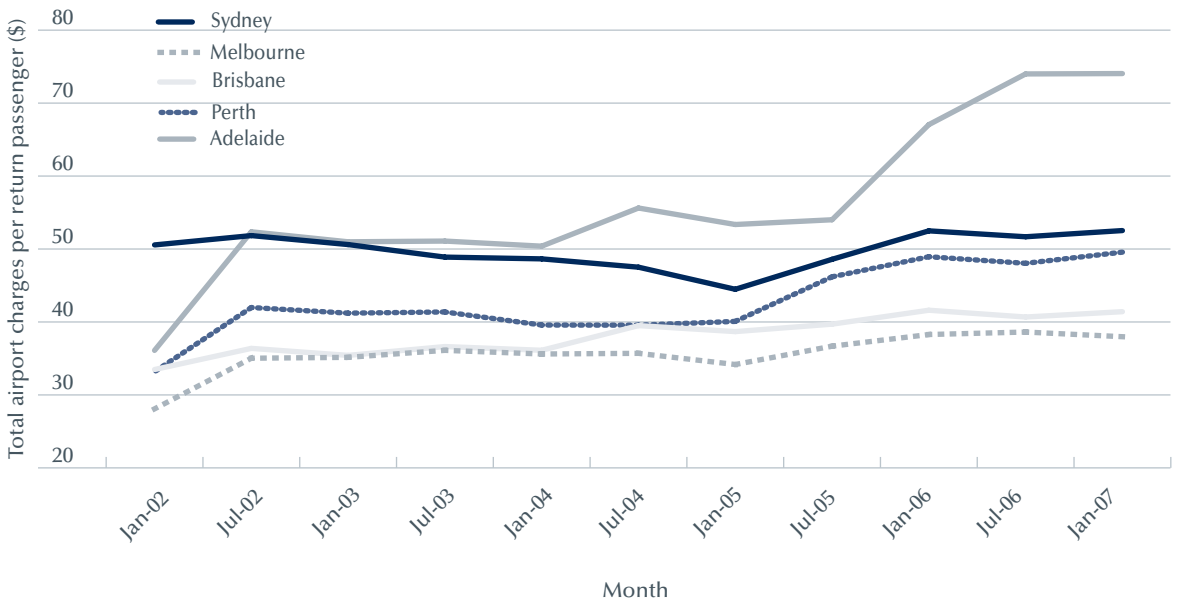
Notes: *The load factor is the proportion of total aircraft seats that are filled by paying passengers. Aircraft load factors are derived from BTRE Aviation Statistics Section data collections for the relevant operational sector and may not reflect actual load factors at specific airports.*
Sources: *Civil Aviation Safety Authority (CASA) aircraft register and BTRE aviation databases and assumptions.*

Table 9 Real airport charges (per return passenger) by aircraft type

	Sydney			Melbourne			Brisbane			Perth			Adelaide		
Aircraft	**Jan-06**	**Jul-06**	**Jan-07**	**Jan-06**	**Jul-06**	**Jan-07**	**Jan-06**	**Jul-06**	**Jan-07**	**Jan-06**	**Jul-06**	**Jan-07**	**Jan-06**	**Jul-06**	**Jan-07**
747-438															
Aeronautical	31.77	32.24	33.76	24.38	24.44	24.46	20.71	21.12	21.83	22.87	23.23	24.34	25.20	41.87	41.90
Airservices	11.18	11.02	11.03	10.24	10.76	10.77	13.28	13.08	13.09	19.17	18.91	18.92	29.37	28.78	28.80
Security	9.55	8.41	7.74	3.66	3.41	2.75	7.62	6.49	6.49	6.90	5.91	6.31	12.49	3.35	3.35
Total	52.49	51.68	52.53	38.28	38.62	37.98	41.61	40.68	41.41	48.94	48.04	49.57	67.05	74.00	74.05
737-800															
Aeronautical	6.72	6.00	6.66	7.42	7.44	7.44	6.82	6.99	6.99	8.47	8.26	8.27	8.71	20.72	20.73
Airservices	4.89	4.80	4.80	4.15	4.37	4.37	5.11	5.03	5.03	7.05	6.92	6.92	9.15	8.95	8.96
Security	3.09	2.64	4.30	0.51	0.11	0.00	0.60	0.01	0.01	5.23	3.14	3.70	0.74	3.35	3.35
Total	14.70	13.43	15.76	12.08	11.91	11.81	12.54	12.02	12.03	20.75	18.32	18.89	18.59	33.02	33.04
Dash 8-300															
Aeronautical	6.72	6.00	6.66	7.42	7.44	7.44	6.47	6.63	6.63	8.47	8.26	8.27	3.72	6.53	6.53
Airservices	4.61	4.53	4.53	3.88	4.09	4.09	4.77	4.69	4.69	6.55	6.42	6.42	8.33	8.15	8.16
Security	3.09	2.64	2.40	0.51	0.11	0.00	0.57	0.01	0.01	5.23	3.14	3.70	0.00	3.35	3.35
Total	14.42	13.16	13.59	11.81	11.63	11.53	11.82	11.32	11.33	20.25	17.82	18.39	12.05	18.03	18.04
SAAB340B															
Aeronautical	6.72	6.00	6.66	7.42	7.44	7.44	6.73	6.89	6.89	8.47	8.26	8.27	3.86	6.68	6.68
Airservices	4.79	4.71	4.71	4.04	4.26	4.26	4.96	4.88	4.88	6.81	6.68	6.68	8.66	8.48	8.49
Security	3.09	2.64	2.40	0.51	0.11	0.00	0.60	0.01	0.01	5.23	3.14	3.70	0.00	3.35	3.35
Total	14.61	13.34	13.77	11.96	11.80	11.70	12.29	11.77	11.78	20.52	18.08	18.65	12.52	18.51	18.52
Metro 23															
Aeronautical	8.15	7.95	7.96	7.42	7.44	7.44	6.86	7.03	7.03	8.47	8.26	8.27	3.94	6.76	6.76
Airservices	4.89	4.80	4.80	4.12	4.34	4.34	5.06	4.97	4.97	6.95	6.82	6.82	8.84	8.65	8.66
Security	2.70	2.64	2.40	0.51	0.11	0.00	0.61	0.01	0.01	5.23	3.14	3.70	0.00	3.35	3.35
Total	**15.74**	**15.39**	**15.16**	**12.05**	**11.88**	**11.78**	**12.54**	**12.00**	**12.01**	**20.65**	**18.22**	**18.79**	**12.78**	**18.76**	**18.77**

Notes: *Presented in March quarter 2007 dollars. Calculated on a return passenger basis (one arrival and one departure) for price schedules as at 31 January and 31 July each year. Sydney and Brisbane international charges (aeronautical and security components) have been adjusted to exclude transit and transfer passengers*
Sources: *BTRE estimates based on airport public price schedules supplied by airport operators, Airservices Australia published price schedule and ABS Catalogue 6401.0, Consumer Price Index, Australia, March 2007.*

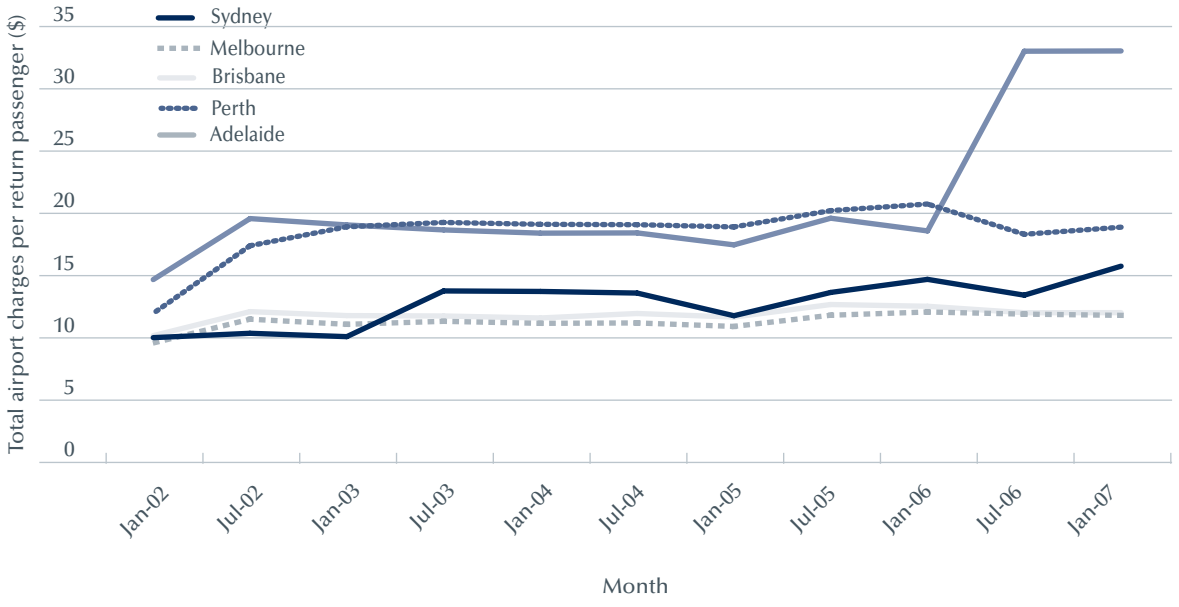
Figure 18 Real airport charges for indicative international aircraft



Notes: *This graph shows total airport charges (GST inclusive) in March quarter 2007 dollars for a 747-438 aircraft as representative of international flights. Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. International charge estimates include terminal charges. An indicative international load factor of 72.0% is assumed. Sydney and Brisbane international charges (airport and security components) have been adjusted to exclude transit and transfer passengers.*

Sources: *BTRE estimates based on airport public price schedules supplied by airport operators, Airservices Australia published price schedule and ABS Catalogue 6401.0, Consumer Price Index, Australia, March 2007.*

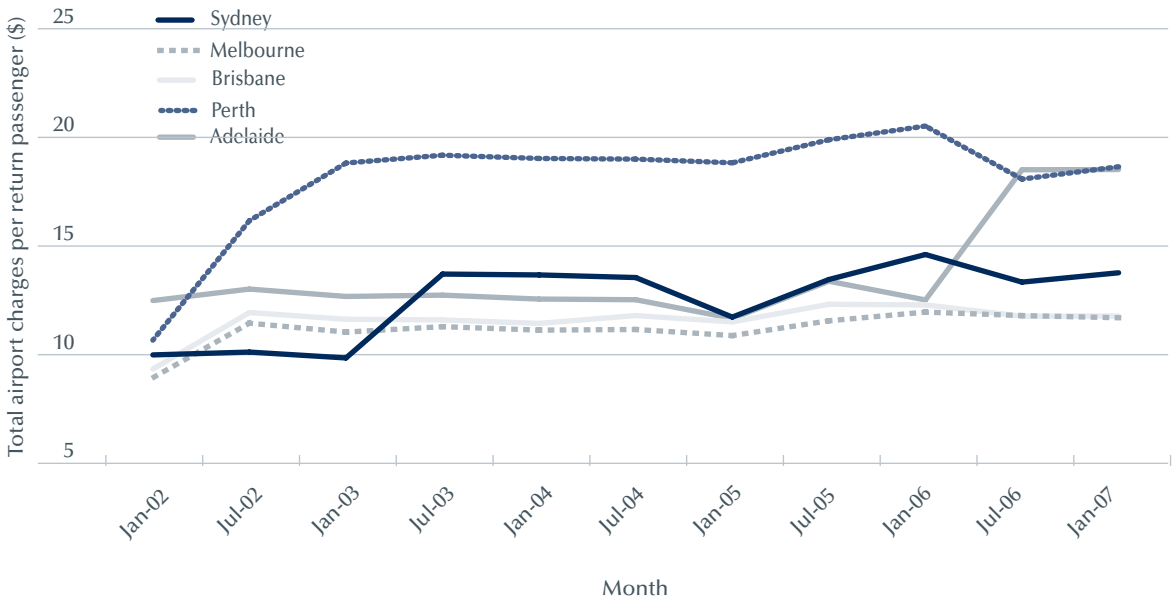
Figure 19 Real airport charges for indicative domestic aircraft



Notes: *This graph shows total airport charges (GST inclusive) in March quarter 2007 dollars for a 737-800 aircraft as representative of domestic flights. Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. Domestic charge estimates exclude terminal charges. An indicative domestic load factor of 76.5% is assumed.*

Sources: *BTRE estimates based on airport public price schedules supplied by airport operators, Airservices Australia published price schedule and ABS Catalogue 6401.0, Consumer Price Index, Australia, March 2007.*

Figure 20 Real airport charges for indicative regional aircraft



Notes: *This graph shows total airport charges (GST inclusive) in March quarter 2007 dollars for a SAAB 340B aircraft as representative of regional flights. Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators. Regional charge estimates exclude terminal charges. An indicative regional load factor of 60.0% is assumed.*

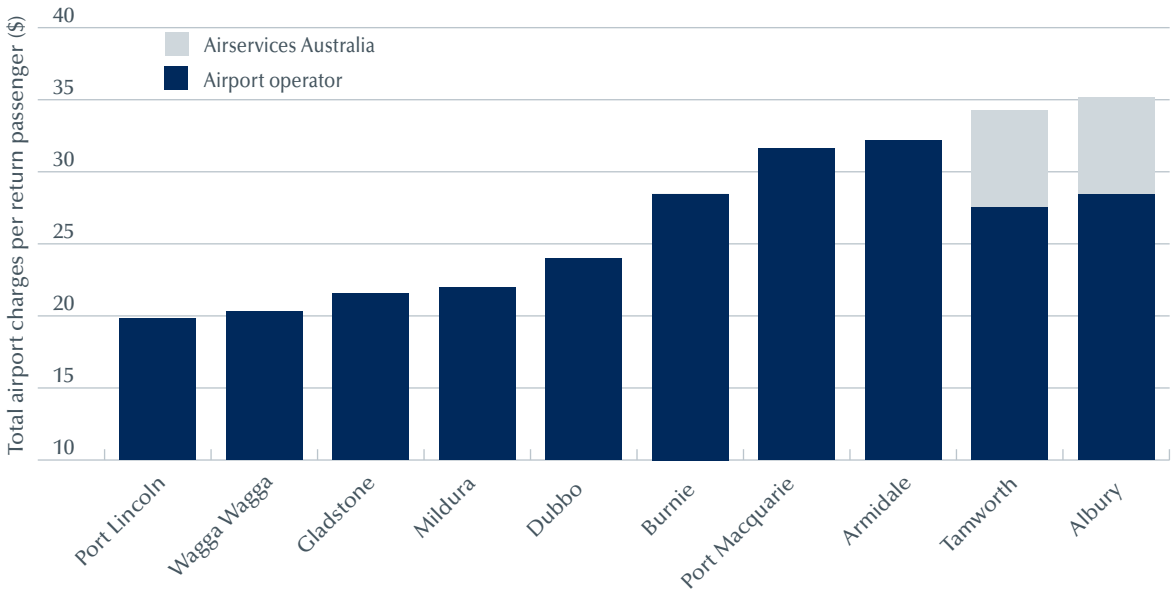
Sources: *BTRE estimates based on airport public price schedules supplied by airport operators, Airservices Australia published price schedule and ABS Catalogue 6401.0, Consumer Price Index, Australia, March 2007.*

Regional airports

In the previous issue of *Avline* information on airport charges at selected regional airports was included for the first time in order to provide a wider picture of airport charges across Australian airports. The regional airports chosen were those serviced by predominantly non-jet aircraft and were selected in order of the highest number of passengers for the financial year 2005–06. The airport charges as at 31 July 2006 and 31 January 2007 for the top ten regional airports which satisfied this criteria are listed in Table 10 and shown in Figure 21.

There is no security component in the total charge for the regional airports. Landing charges are only incurred at Armidale, Burnie, Gladstone, Mildura, Port Lincoln and Port Macquarie, while Airservices Australia charges only apply at Albury and Tamworth Airports.

Figure 21 Airport charges for ten non-jet airports for January 2007



Notes: *This graph shows total airport charges (GST inclusive) for ten regional airports serviced by predominantly non-jet aircraft. Where a landing fee applied (Armidale, Burnie, Gladstone, Mildura, Port Lincoln and Port Macquarie), the component towards the total airport charge per return passenger was calculated by assuming a SAAB 340B aircraft with an indicative regional load factor of 60.0% as representative of regional flights. There are no security charges and Airservices charges apply only at Albury and Tamworth Airports. Terminal charges are excluded. Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators.*

Sources: *BTRE estimates are based on airport public price schedules supplied by airport operators and Airservices Australia published price schedule.*

With the exception of Burnie Airport, all the regional airports update their price schedule at the end of each financial year. Hence the nominal charges over the six month period between July 2006 and January 2007 have remained the same for nine of the airports. The small variations shown in Table 10 are due to the change in the Consumer Price Index. The airport charge at Burnie Airport has increased over the same period due to the introduction of a landing charge.

Figure 21 shows that Port Lincoln and Wagga Wagga Airports have the lowest charges, whereas Tamworth and Albury Airports are at the high end of the scale, the latter two boosted primarily by the inclusion of an Airservices Australia charge.

For Armidale Airport the total airport charge is relatively high as shown in Figure 21 because the maximum fee per arriving and per departing passenger was employed in the calculations as described in the footnote of Table 10. Here the fees vary according to whether the passenger fare is above or below a set amount. If the minimum passenger fee was used instead, the total airport charge for Armidale would drop significantly and be comparable to that of Mildura Airport.

Similarly at Wagga Wagga Airport there is a sliding scale of passenger charges as an incentive to attract more visitors to the city. The varying charges are listed in the footnote of Table 10. For the purpose of this analysis the maximum passenger fee was used. Even so the total airport charge at Wagga Wagga remains one of the lowest of the top ten regional airports

Table 10 Real airport charges for ten non-jet airports (per return passenger)

	Albury		Armidale(a)		Burnie		Dubbo		Gladstone	
	Jul-06	**Jan-07**	**Jul-06**	**Jan-07**	**Jul-06**	**Jan-07**	**Jul-06**	**Jan-07**	**Jul-06**	**Jan-07**
Airport operator	28.38	28.40	32.13	32.15	24.18	28.46	23.98	24.00	21.53	21.54
Airservices Australia	6.76	6.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**35.14**	**35.16**	**32.13**	**32.15**	**24.18**	**28.46**	**23.98**	**24.00**	**21.53**	**21.54**
	Mildura		**Port Lincoln**		**Port Macquarie**		**Tamworth**		**Wagga Wagga(b)**	
	Jul-06	Jan-07	Jul-06	Jan-07	Jul-06	Jan-07	Jul-06	Jan-07	Jul-06	Jan-07
Airport operator	21.95	21.96	19.83	19.84	31.57	31.59	27.48	27.50	20.29	20.30
Airservices Australia	0.00	0.00	0.00	0.00	0.00	0.00	6.76	6.76	0.00	0.00
Total	**21.95**	**21.96**	**19.83**	**19.84**	**31.57**	**31.59**	**34.24**	**34.26**	**20.29**	**20.30**

Notes: *All charges are GST inclusive and presented in March quarter 2007 dollars. Terminal charges were excluded and where a landing fee applied (Armidale, Burnie, Gladstone, Mildura, Port Lincoln and Port Macquarie), the component towards the total charge was calculated by assuming a SAAB 340B aircraft with an indicative regional load factor of 60.0% as representative of regional flights. There are no security charges and Airservices charges apply only at Albury and Tamworth Airports. Charge calculations are based on BTRE assumptions and may differ from actual charges incurred by specific operators.*

(a) *For Armidale Airport the passenger component was calculated by using the maximum charge of $14.30 (GST incl.) per arriving and per departing passenger. This charge applied for full ticket costs at or above $150. A lesser charge of $9.35 (GST incl.) for tickets below $150 was not used in the calculations.*

(b) *For Wagga Wagga Airport the passenger component was calculated by using the maximum charge of $10.15 (GST incl.) per arriving and per departing passenger. This charge applied to passenger numbers below 70562. Reduced rates consisting of a $2.54 (GST incl.) charge for passenger totals between 70562 and 80640 and $1.01 (GST incl.) for over 80640 passengers were not included in the calculations.*

Definitions

ABS	Australian Bureau of Statistics.
Available seats	The number of aircraft seats available for passenger use.
Available Seat Kilometres (ASKs)	Calculated by multiplying the number of seats available on each flight stage by the distance in kilometres between the ports. The distances used are Great Circle Distances.
BTRE	Bureau of Transport and Regional Economics.
Cancellation	A flight that is cancelled or rescheduled within seven days of its scheduled departure time.
CASA	Civil Aviation Safety Authority.
City pair	The ports shown make up the city pair route. Passenger movements shown for a city pair reflect total traffic in both directions.
Domestic airline	An airline performing regular public transport services primarily between capital cities and major tourist centres.
Flight stage	The operation of an aircraft from take-off to landing.
Great circle distance	The shortest distance between any two points on the globe as measured over the earth's surface.
Load factor	The proportion of total aircraft seats that are filled by paying passengers.
On time arrival	A flight arrival that arrives at the gate within 15 minutes of the scheduled arrival time shown in the carrier's schedule.
On time departure	A flight departure that departs the gate within 15 minutes of the scheduled departure time shown in the carrier's schedule.
On time performance	Measured as the number of flights operating on time as a percentage of the number of flights operated on any particular sector.
Regional airline	An airline performing regular public transport services primarily to regional centres.
Revenue Passengers	All passengers paying any fare. Frequent flyer redemption travellers are regarded as revenue passengers.
Revenue Passenger Kilometres (RPKs)	Calculated by multiplying the number of revenue passengers travelling on each flight stage by the distance in kilometres between the ports. The distances used are Great Circle Distances.
Regular Public Transport (RPT)	Aircraft transport available to the public and operated to fixed schedules and between specified fixed terminals.
Short-term resident arrivals	Overseas visitors arriving in Australia for stays of up to 12 months.
Short-term visitor departures	Australian residents departing for periods of up to 12 months.

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