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In brief

The feature article examines increases in air passenger movements at Australia's capital city airports and nationwide over the past decade (1997–98 to 2007–08) and includes forecasts for future growth up to 2025–26. Total air passenger movements at all Australian airports is expected to increase at an average annual rate of 4.0 per cent and to nearly double by 2025–26.

The number of passengers on Australian international flights has reached a record 23.5 million in 2007–08, up 5.5 per cent on the previous financial year (page 11). Growth is driven mainly by Australian residents travelling overseas (up 11.0 per cent compared with 2006–07) rather than the arrival of international visitors (up 0.7 per cent for the same period). The number of international flights has also increased by 4.1 per cent to 124 176 (page 12).

Freight on Australian international flights has continued to grow, reaching a record 780 993 tonnes in 2007–08 (up 3.5 per cent on the previous year). Inbound freight accounts for 60.7 per cent of total freight and has been exceeding outbound freight since June 2003. The Sydney–Auckland route has the largest share (7.7 per cent) of total freight in and out of Australia between city pairs (page 15).

Australia's domestic airline industry continues to operate at high levels with a record 48.8 million passenger movements in 2007–08, 7.6 per cent higher than 2006–07 (page 17). The major domestic airlines carried 42.9 million passengers, an increase of 7.8 per cent over 2006–07. Regional airlines carried 5.9 million passengers, an increase of 6.6 per cent over the previous year.

The domestic aviation industry recorded 546 444 flights in 2007–08, 3.9 per cent higher than the previous year. Of these, 316 060 were operated by the major domestic airlines, an increase of 8.7 per cent on 2006–07. The remaining 230 384 flights were operated by regional airlines, down 2.0 per cent on 2006–07 (page 18). There was a marginal decrease in the average load factor to 79.3 per cent in 2007–08 compared with the previous year (page 20).

Overall airline on time performance in 2007–08 has declined compared to the previous financial year. On average there were 80.6 per cent departures on time, 78.8 per cent arrivals on time and 1.7 per cent cancellations in 2007–08. The equivalent figures for 2006–07 were 86.9 per cent on time departures, 85.6 per cent on time arrivals and 0.8 per cent cancellations (page 20).

Passenger movement numbers continued to increase at all five major Australian airports in 2007–08 with Perth Airport recording the highest annual growth rate of 12.2 per cent followed by Melbourne (8.9 per cent), Adelaide (7.1 per cent), Sydney (5.4 per cent) and Brisbane (5.3 per cent). Perth Airport also recorded the highest growth rate in passenger movements in the international (13.1 per cent), domestic (11.7 per cent) and regional (14.9 per cent) sectors (page 23).

In 2007–08 the average Singapore Jet Fuel Spot Price Index in Australian dollars was 27.1 per cent higher while the same index in US dollars was 46.5 per cent higher than the 2006–07 average (page 26).

The air and space industry continued to grow strongly in 2007–08, contributing a record \$6.43 billion to the Australian economy or 0.62 per cent of Australia's gross domestic product. This was 3.2 per cent higher than the contribution in the previous year (page 28).

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Historical and future air traffic growth at Australia's capital city airports

Introduction

This feature article examines increases in air passenger movements at Australia's capital city airports over the past decade (1997–98 to 2007–08) and includes forecasts for future growth up to 2025–26.

The past decade has seen major developments in Australia's aviation sector. A significant change in the early part of the decade was the privatisation of Commonwealth owned airports. Melbourne, Brisbane and Perth Airports were the first of the capital city airports to be privatised through long-term leases in July 1997. Adelaide, Canberra, Darwin and Hobart Airports followed suit in 1998, while Sydney Airport was finally sold in July 2002.

The domestic aviation industry suffered a major setback with the collapse of Ansett Australia in September 2001. The void left by Ansett provided an opportunity for Virgin Blue, which commenced operations in Australia in 2000, to rapidly expand its domestic network and increase its market share to become Australia's second largest domestic carrier behind Qantas.

More stringent airport security measures have been introduced, especially at the major airports, following international terrorist attacks in 2001 and 2002. The airports have passed on the increased costs of passenger and checked bag screening to airlines by introducing a security component in airport charges.

The second half of the decade saw a rapid rise in services offered by low cost carriers, such as Virgin Blue, Jetstar, Tiger Airways and AirAsia X, in Australia's domestic and international markets. Greater competition and lower airfares have helped boost the number of air travellers in the years following Ansett's collapse as demonstrated by consecutive record annual total passenger movements from 2003–04 onwards.

Despite rising fuel costs towards the end of the decade and subsequent reductions in some airline services, the number of passenger movements continues to rise and this increase is projected to continue into the future as described below.

Growth in airport passenger movements over the decade, 1997–98 to 2007–08

In this report, airport passenger movement numbers are the sum of passenger arrivals and departures at each airport for Regular Public Transport operations only. Each domestic passenger generates two passenger movements (a departure and an arrival). For example, a passenger flying from Melbourne to Sydney will be counted twice, as a passenger departure at Melbourne and a passenger arrival at Sydney. Each international passenger, however, generates only one passenger movement (either an arrival or a departure). In this feature article, domestic operations also include regional services.

Table 1 compares total passenger movements at Australia's capital city airports at the start and end of the past decade. Also shown are the totals for all Australian airports. In 1997–98, the eight capital city airports accounted for 76.8 per cent of domestic passenger movements, 94.7 per cent of international passenger movements and

80.4 per cent of total airport passenger movements in Australia. These shares have hardly changed over the decade with the corresponding components being 76.2, 96.0 and 80.0 per cent respectively in 2007–08.

In terms of domestic passenger movements, Hobart Airport recorded the largest percentage increase over the decade (106.8 per cent), followed closely by Perth Airport (102.2 per cent) and Brisbane Airport (91.7 per cent). Sydney Airport recorded the lowest percentage increase (56.2 per cent) compared to the other capital city airports. The corresponding percentage increase for all Australian airports was 72.4 per cent.

Alternatively, the average annual growth rate in domestic passenger movements was highest at Hobart Airport at 7.5 per cent, with Perth and Brisbane Airports following closely behind at 7.3 and 6.7 per cent respectively. Both Canberra and Sydney Airports recorded the lowest annual growth rate at 4.6 per cent per annum while the national average was 5.6 per cent.

In terms of international passenger movements, Adelaide Airport recorded the highest percentage increase over the decade (121.8 per cent), followed by Melbourne Airport (93.6 per cent) and Brisbane Airport (75.5 per cent). Darwin Airport recorded a decrease of 2.0 per cent over the decade, while the national increase was 65.2 per cent over the same period.

The average annual growth rates for international passenger movements were 8.3 per cent at Adelaide Airport, 6.8 per cent at Melbourne Airport and 5.8 per cent at Brisbane Airport. Darwin Airport recorded a decrease of 0.2 per cent per annum on average while the Australian average annual growth rate was 5.1 per cent.

In terms of total passenger movements, Hobart Airport recorded the highest percentage increase (105.9 per cent), followed by Perth Airport (93.6 per cent) and Brisbane Airport (87.9 per cent) over the decade. Darwin Airport recorded the lowest percentage increase of 54.5 per cent, while the national increase was 71.0 per cent.

The average annual growth rate for total passenger movements during that period was 7.5 per cent at Hobart Airport, 6.8 per cent at Perth Airport and 6.5 per cent at Brisbane Airport. Darwin Airport had the lowest annual growth rate at 4.4 per cent while the national average was 5.5 per cent.

			Passenger mover	nents (millions)		
	Dor	nestic	Interna	tional	То	tal
Airport	1997–98	2007–08	1997–98	2007–08	1997–98	2007–08
Adelaide	3.74	6.15	0.21	0.47	3.95	6.62
Brisbane	7.47	14.31	2.27	3.98	9.74	18.30
Canberra	1.82	2.85	_	_	1.82	2.85
Darwin	0.83	1.39	0.18	0.17	1.01	1.56
Hobart	0.85	1.76	0.004	_	0.85	1.76
Melbourne	11.38	19.28	2.41	4.66	13.79	23.94
Perth	3.20	6.47	1.42	2.48	4.62	8.95
Sydney	14.17	22.14	6.84	10.56	21.01	32.70
Total Australia	56.60	97.58	14.08	23.26	70.68	120.85

Table 1Growth in passenger movements at Australian airports,
1997–98 to 2007–08

Passenger movements between 1997–98 and 2007–08

	Percento	age change over the	period	Annual average growth rate (per cent)				
Airport	Domestic	International	Total	Domestic	International	Total		
Adelaide	64.5	121.8	67.6	5.1	8.3	5.3		
Brisbane	91.7	75.5	87.9	6.7	5.8	6.5		
Canberra	56.4	-	56.4	4.6	-	4.6		
Darwin	66.4	-2.0	54.5	5.2	-0.2	4.4		
Hobart	106.8	-	105.9	7.5	-	7.5		
Melbourne	69.4	93.6	73.6	5.4	6.8	5.7		
Perth	102.2	74.2	93.6	7.3	5.7	6.8		
Sydney	56.2	54.4	55.6	4.6	4.4	4.5		
Total Australia	72.4	65.2	71.0	5.6	5.1	5.5		

Notes: There were international passengers at Hobart Airport in 1997–98 and none in subsequent years. That is why the percentage change in total passengers over the decade for Hobart Airport is less than the corresponding change for the domestic sector.

Source: BITRE Aviation Statistics Section.

Future growth in airport passenger movements

BITRE recently released the results of a study on future air traffic growth in its report *Air passenger movements through capital city airports to 2025–26* (BITRE Working Paper 72). The forecasts were derived from econometric demand models which included key drivers of air passenger movements such as population, income, exchange rates, domestic airfares and the prices of domestic and overseas travel and accommodation. The projected growth rates were consistent with forecasts by other organisations. A summary of the results are presented in Table 2 and Figures 1 to 8.

Table 2 shows that total passenger movements at all Australian airports is expected to increase at an average annual rate of 4.0 per cent, reaching 227.9 million in 2025–26 or 88.6 per cent higher than the current total. International passenger movements are projected to increase at a higher average annual rate (4.4 per cent) compared to domestic passenger movements (3.8 per cent). By 2025–26, international and domestic passenger movements are expected to reach 50.2 million (115.8 per cent higher than the 2007–08 total) and 177.7 million (82.1 per cent higher than the 2007–08 total) respectively.

Of the eight capital city airports, Perth Airport is projected to have the highest average annual growth rate for domestic passenger movements over the next two decades (4.7 per cent), followed by Brisbane (4.5 per cent) and Darwin (4.3 per cent).

On the other hand, international passenger movements are expected to grow at a faster rate at Adelaide Airport (5.0 per cent per year), followed by Perth (4.7 per cent) and Darwin (4.6 per cent). Overall, total passenger movements at Perth, Brisbane and Darwin Airports are expected to grow at higher average annual rates compared to the other capital city airports.

In terms of percentage increases in total passenger movements by 2025–26 compared to current figures, Brisbane Airport is projected to have the largest change (113.0 per cent), followed by Perth Airport (97.9 per cent) and Melbourne Airport (93.6 per cent).

The results presented in Table 2 do not take into account the effects of rising fuel costs on air passenger movements. A sensitivity analysis carried out by BITRE in the same study suggests that a notional 50 per cent increase in fuel prices would reduce the average annual growth rate of total passenger movements at all Australian airports from 4.0 to 3.4 per cent. This is equivalent to a reduction of approximately 16.7 million passenger movements per year up to 2025–26.

Table 2Projected growth in passenger movements at Australian airports by
2025–26

	Proje	ected average annual grow	th rates (per cent)
Airport	Domestic	International	Total
Adelaide	3.5	5.0	3.6
Brisbane	4.5	4.5	4.5
Canberra	3.5	-	3.5
Darwin	4.3	4.6	4.3
Hobart	3.2	-	3.2
Melbourne	3.9	4.3	4.0
Perth	4.7	4.7	4.7
Sydney	3.8	4.3	4.0
Total Australia	3.8	4.4	4.0
	I	Passenger movements by 2	2025–26 (millions)
Airport	Domestic	International	Total
Adelaide	10.77	0.94	11.71
Brisbane	29.95	9.04	38.98
Canberra	5.11	-	5.11
Darwin	2.57	0.35	2.92
Hobart	3.04	-	3.04
Melbourne	36.25	10.11	46.35
Perth	12.60	5.11	17.71
Sydney	40.92	22.11	63.03
Total Australia	177.69	50.21	227.90
		Percentage change o	ver 2007–08
Airport	Domestic	International	Total
Adelaide	75.1	100.1	76.9
Brisbane	109.2	126.7	113.0
Canberra	79.0	-	79.0
Darwin	84.8	104.3	87.0
Hobart	72.7	-	72.7
Melbourne	88.0	116.8	93.6
Perth	94.7	106.2	97.9
Sydney	84.8	109.4	92.8
Total Australia	82. I	115.8	88.6

Source: BITRE Working paper 72, Air passenger movements through capital city airports to 2025–26, and BITRE Aviation Statistics Section.



Figure 1 Air passenger movements at Adelaide Airport, 1997–98 to 2025–26







Figure 3 Domestic air passenger movements at Canberra and Hobart Airports, 1997–98 to 2025–26













Figure 7Air passenger movements at Sydney Airport, 1997–98 to 2025–26





Conclusion

Total air passenger movements in Australia are projected to nearly double by 2025–26. This forecast level of growth calls for a significant increase in airline capacity and infrastructure at capital city airports. The major airports are already planning ahead and are in the process of implementing measures to cope with increased future capacity.

For example, Adelaide Airport introduced a new Multi-User Integrated Terminal in late 2005 which increases the airport's capacity to facilitate the movements of aircraft and to service international, domestic and regional passengers. There is potential to further expand the terminal to meet future demand. Brisbane Airport will commence construction of a second parallel runway in 2009 and have plans to expand terminals, build new roads and increase car parking and commercial facilities. Canberra Airport has extended the existing main runway to facilitate the take-off of larger jet aircraft, upgraded taxiways and are in the process of expanding the passenger terminal. Darwin Airport has completed construction of a fourth aerobridge, refurbished the existing three aerobridges and is planning to expand the existing terminal.

Hobart Airport has completed a major redevelopment of its terminals which includes a central check-in hall which connects the international and domestic terminals. It has plans to develop a cross runway and a parallel taxiway to increase existing runway and taxiway facilities. Melbourne Airport commenced a major upgrade to its international terminal in early 2008 which includes a new concourse that will be able to accommodate an A380 aircraft. Perth Airport has commenced initial stages of a \$1 billion redevelopment project to build a new intrastate terminal that will boost capacity for domestic services to remote resource areas. The initial stage involves building an aircraft parking apron capable of holding up to 36 aircraft to service the future terminal. Sydney Airport has also commenced a \$500 million project to upgrade and expand its international terminal and there are plans to progressively upgrade other airport facilities such as hangars, aprons, freight facilities, car parking and airport roads over the next 20 years.

The forecast growth in air traffic also calls for a coordinated response to improve landside transport links between airports and city centres in order to facilitate future increases in passenger movements to and from airports.

Chapter 1 International industry

International passengers

Passenger traffic on Australian international flights continued to increase over the past 12 months (Figure 9). There were 23.5 million international passengers carried throughout 2007–08, an increase of 5.5 per cent over the previous financial year. This total comprised 11.8 million overseas visitors (50.4 per cent) and 11.7 million Australian residents (49.6 per cent).

Traffic peaked in January 2008, with a monthly record of 2.23 million passengers, an increase of 4.2 per cent on January 2007. The month with the lowest number of passengers for 2007–08 was May 2008 with 1.76 million passengers. For the past five years, May has consistently been the month with the lowest total of international passengers. This is due mainly to a drop in the number of overseas visitors during this month. The number of overseas visitors tends to drop off during the winter season in Australia. Figure 9 shows a pattern of overseas visitors exceeding Australian residents travelling abroad during the spring and summer seasons in Australia.



Note: Growth rates are calculated over the same month in the previous year. Source: ABS, Overseas Arrivals and Departures, Australia (ABS cat. No. 3401.0).

Growth in international passenger traffic for 2007–08 was driven mainly by the increase in the number of Australian residents travelling on international flights (up 11.0 per cent compared with 2006–07) rather than the growth in overseas visitors (up 0.7 per cent for the same period).

International flights

There was a record annual total of 124 176 international flights in 2007–08, an increase of 4.1 per cent over the previous financial year. The monthly average for 2007–08 was 10 348 flights with a maximum of 10 864 flights in January (up 4.6 per cent on January 2008) and a minimum of 9889 flights in September 2007 (up 0.7 per cent on September 2006).

The average monthly growth rate for international flights in 2007–08 was 4.1 per cent with a maximum of 7.7 per cent in February and a minimum of 0.7 per cent in September (Figure 10).



Figure 10 International flights

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

International network utilisation

International airline capacity measured in available seats for 2007–08 increased by 2.9 per cent compared with 2006–07 to 30.6 million seats (Figure 11). The monthly maximum was recorded in January 2008 at 2.72 million seats, while the minimum occurred in September 2007 at 2.43 million seats.



Figure 11 International network utilisation



Source: BITRE Aviation Statistics Section.

Seat utilisation (load factors) over all routes shows greater variability. For 2007–08, load factors ranged from a maximum of 82.6 per cent in January to a minimum of 68.2 per cent in May with an annual average of 77.1 per cent (1.5 percentage points higher than the average for 2006–07). For the past five years, seat utilisation has consistently peaked in January and been at its lowest in May for each consecutive financial year as shown in Figure 11.

International air freight

Air freight carried on Australian international flights has continued to grow steadily as shown in Figure 12. The annual total for 2007–08 was a record 780 993 tonnes (up 3.5 per cent on 2006–07). This consisted of 474 050 tonnes or 60.7 per cent of inbound freight (up 6.5 per cent on 2006–07) and 306 943 tonnes or 39.3 per cent of outbound freight (down 0.8 per cent on 2006–07). Inbound freight has been exceeding outbound freight since June 2003.

Total freight peaked at 71 902 tonnes in November 2007, the highest monthly figure over the past five years. This was due to inbound air freight reaching a record 43 985 tonnes (61.2 per cent of the total freight for November 2007).



Figure 12 International air freight

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

As shown in Table 3, Qantas carried the greatest share (23.2 per cent) of freight in 2007–08, followed by Singapore Airlines (15.0 per cent)) and Emirates (8.7 per cent). The Sydney–Auckland route had the largest share (7.7 per cent) of all air freight in and out of Australia, followed by Melbourne–Singapore (6.7 per cent) and Sydney–Hong Kong (5.9 per cent) (Table 4).

Table 3	Freigl five a	ht carried k irlines, 200	oy top 97–08	Table 4	Freight c city pairs	arried on top 5, 2007–08	five
Airline	-	Tonnes carried (thousands)	Share (per cent)	Australian port	Foreign port	Tonnes carried (thousands)	Share (per cent)
Qantas Airways		181.3	23.2	Sydney	Auckland	59.8	7.7
Singapore Airlines		117.3	15.0	Melbourne	Singapore	52.5	6.7
Emirates		68.3	8.7	Sydney	Hong Kong	45.8	5.9
Cathay Pacific Air	ways	68. I	8.7	Sydney	Singapore	38.8	5.0
Malaysia Airlines		57.5	7.4	Melbourne	Hong Kong	34.8	4.5
Others		288.5	36.9	Others		549.3	70.3
Total		781.0	100.0	Total		781.0	100.0

Source: BITRE Aviation Statistics Section.

Domestic industry Chapter 2

Domestic passengers

Australia's domestic airline industry is continuing to operate at high levels with a record 48.8 million passenger movements recorded in 2007–08. This was 7.6 per cent higher than the total for the previous financial year.

The major domestic airlines (Qantas, Jetstar, Virgin Blue and Tiger Airways) had the bulk share of passenger movements, 42.9 million or 87.9 per cent of the total in 2007–08. This represented an increase of 7.8 per cent over 2006–07. The remaining 5.9 million passenger movements or 12.1 per cent of the total were on flights operated by regional airlines. This was an increase of 6.6 per cent over the previous financial year.

Monthly passenger movement numbers peaked in October 2007 at 4.3 million, 6.4 per cent up on October 2006. This is the highest monthly total on record (Figure 13). For the past five years, October has consistently been the busiest month of the year. Similarly, the month with the lowest number of passenger movements in the past five years is February with the total for February 2008 being 3.9 million (14.3 per cent up on February 2007).



Figure 13 Domestic passenger movements

Note: The domestic passenger numbers shown here do not include passengers on domestic legs of international flights. Growth rates are calculated over the same month in the previous year. BITRE Aviation Statistics Section. Source:

Positive monthly passenger movement growth rates (as compared to the same month in the previous year) have been recorded since September 2002. The highest growth rate for 2007–08 occurred in February 2008 at 14.3 per cent.

Domestic flights

Figure 14 shows the number of domestic flight departures over the past five years. A total of 546 444 flights was recorded for 2007–08, 3.9 per cent higher than 2006–07. Of these, 316 060 flights (57.8 per cent) were operated by the major domestic airlines, an increase of 8.7 per cent on the previous financial year. The remaining 230 384 flights (42.2 per cent) were operated by regional airlines, down 2.0 per cent on 2006–07.

During the past year, total monthly flights peaked at 47 408 in May 2008 (3.9 per cent higher than for May 2007) and were lowest at 43 675 in February 2008. The highest monthly growth rate for 2007–08 occurred in February 2008 at 8.9 per cent.



Figure 14 Domestic and regional flights

 Note:
 Growth rates are calculated over the same month in the previous year.

 Source:
 BITRE Aviation Statistics Section.



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:BITRE Aviation Statistics Section.

Domestic industry capacity, measured in Available Seat Kilometres (ASKs), achieved an all time high of 69.9 billion in 2007–08, 8.3 per cent higher than the total for 2006–07. Similarly Revenue Passenger Kilometres (RPKs) for 2007–08 reached a record 55.4 billion (up 8.2 per cent on the total for 2006–07).

The highest ever monthly total for ASKs was recorded in May 2008 at 6.2 billion (up 12.5 per cent on May 2007) while RPKs peaked in October 2007 with a monthly record of 4.9 billion (up 5.9 per cent on October 2006).

The average load factor for 2007–08 at 79.3 per cent had hardly changed compared to the figure for the previous financial year. The highest monthly load factor for 2007–08 was recorded in October 2007 at 84.5 per cent (compared with 82.2 per cent for October 2006). As described earlier, October is also the busiest month of the year in terms of revenue passengers carried.

Domestic airline on time performance

Reporting of domestic airline on time performance data to BITRE commenced in November 2003. The data covers all routes where the passenger load averages over 8000 passengers per month and where two or more airlines operate in competition. There were 49 routes which met this definition in 2007–08.

Airlines participating in on time performance reporting are: Jetstar (from May 2004); MacAir (from July 2005); Qantas; QantasLink; Regional Express; Skywest Airlines; Tiger Airways (from April 2008); and Virgin Blue. These operators collectively carried over 95 per cent of Australia's domestic airline traffic in 2007–08. Ozjet provided data from January to March 2006 only.

There was a total of 496 564 scheduled flights in on time performance reporting for 2007–08, out of which 5554 operations (1.7 per cent) were cancelled. Of the 488 112 flights that were not cancelled, 393 661 (80.6 per cent) departed on time and 384 685 (78.8 per cent) arrived on time (Table 5).

The equivalent figures for 2006–07 were 86.9 per cent for on time departures, 85.6 per cent for on time arrivals and 0.8 per cent for cancellations. Overall airline on time performance in 2007–08 had declined compared to the previous financial year as shown in Figure 16. BITRE does not collect information on the reasons for delays or cancellations but media reports have identified bad weather, air traffic control problems, crew shortages, maintenance problems and Qantas' industrial dispute with its engineering workforce as contributing factors to the poor performance.

The long-term average performance for all routes since reporting commenced in November 2003 is 85.8 per cent for departures and 84.6 per cent for arrivals. Cancellations averaged 1.1 per cent of all scheduled flights.

The highest level of on time departures in 2007–08 was recorded in May 2008 at 84.1 per cent, while the highest level of on time arrivals was recorded in August 2007 at 82.9 per cent. The lowest percentage of cancellations was 1.1 per cent in March 2008.

The lowest level of on time performance was recorded in June 2008 with 75.8 per cent of departures and 73.0 per cent of arrivals being on time, while 3.3 per cent of scheduled flights were cancelled.

Of the major domestic carriers, Tiger Airways achieved the highest level of on time departures (81.1 per cent) in 2007–08, followed by Virgin Blue (80.3 per cent), Qantas (79.1 per cent) and Jetstar (78.4 per cent). Regional Express was the best performing regional airline with 83.1 per cent departures on time, followed by QantasLink (82.8 per cent), MacAir (79.8 per cent) and Skywest (79.7 per cent).

MacAir recorded the highest percentage of cancellations for the year at 5.2 per cent, while Tiger Airways recorded the lowest level of cancellations at 0.1 per cent.

Of the routes which met the criteria for on time performance reporting for all 12 months in 2007–08, the Canberra–Adelaide route had the highest percentage of on time departures (90.9 per cent), while the Perth–Brisbane route had the lowest (62.1 per cent). On time arrivals were also highest on the Canberra–Adelaide route (90.4 per cent), and lowest on the Ballina–Sydney route (65.8 per cent).

Cancellations were highest on the Melbourne–Sydney route (11.5 per cent), followed by Sydney–Melbourne (11.3 per cent), Brisbane–Sydney (10.4 per cent) and Sydney–Brisbane (10.3 per cent).

Townsville Airport recorded the highest percentage of on time departures (85.8 per cent), while Maroochydore Airport recorded the lowest (71.1 per cent). On time arrivals were highest at Alice Springs Airport (87.7 per cent) and lowest at Wagga Wagga Airport (66.7 per cent).



Figure 16 Domestic airline on time performance

Source: BITRE Aviation Statistics Section.

BITRE Aviation Statistics Section.

Table 5Australian domestic airline on time performance 2007–08

	Secto	rs	Departures	on time	Arrivals o	n time	Cancellations	
	Scheduled	Flown	Number	Per cent	Number	Per cent	Number	Per cent
Jetstar	55 427	54 918	43 050	78.4	41 895	76.3	509	0.9
MacAir	13 902	13 173	10512	79.8	10 647	80.8	729	5.2
Qantas	124 064	121 242	95 952	79.1	96 546	79.6	2 822	2.3
QantasLink	97 564	96 437	79 876	82.8	77 819	80.7	27	1.2
Regional Express	67 970	67 55	55 803	83.I	52 450	78.I	815	1.2
Skywest	13 265	13 151	10 484	79.7	10 5 1 8	80.0	114	0.9
Tiger Airways	2 366	2 364	9 7	81.1	92	81.3	2	0.1
Virgin Blue	122 006	119 672	96 067	80.3	92 889	77.6	2 334	1.9
All Airlines	496 564	488 2	393 661	80.6	384 685	78.8	8 452	1.7

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 seven days of the scheduled departure time.

Source:

Chapter 3 Airport activity

Airport activity levels

Table 5 summarises passenger and aircraft movements at the five major capital city airports for the past three financial years.

All five airports recorded an increase in passenger movements across all sectors for 2007–08 compared with 2006–07. Perth Airport registered the largest annual growth rate in total passenger movements (12.2 per cent), followed by Melbourne (8.1 per cent), Adelaide (7.1 per cent), Sydney (5.4 per cent) and Brisbane (5.3 per cent).

Annual growth in international passenger movements in 2007–08 was strongest at Perth Airport (13.1 per cent), followed by Adelaide (6.8 per cent) and Melbourne (5.5 per cent). Growth in domestic passenger movements was also highest at Perth Airport (11.7 per cent), followed by Melbourne (8.9 per cent) and Adelaide (6.8 per cent). Perth Airport also registered the strongest annual growth (14.9 per cent) in regional passenger movements, followed by Adelaide (10.3 per cent) and Sydney (5.2 per cent).

		Pass	enger move	ements (mil	lions)		Air	craft mover	nents (thouse	ands)	
Airport	Year	Intl	Domestic	Regional	Total	Intl	Domestic	Regional	Total scheduled	Non- scheduled*	Total
Sydney	2007–08	10.56	20.05	2.09	32.70	59.78	139.52	71.74	271.04	27.29	298.32
	2006–07	10.12	18.91	1.98	31.02	57.90	130.06	72.37	260.33	26.01	286.34
	2005–06	9.67	17.51	1.82	29.00	58.64	124.21	72.55	255.40	26.63	282.03
Melbourne	2007–08	4.66	18.58	0.70	23.94	24.89	128.91	26.72	180.52	3.3	193.83
	2006–07	4.42	17.07	0.67	22.16	23.91	117.89	28.04	169.83	10.98	180.81
	2005–06	4.25	16.18	0.60	21.04	25.21	118.57	26.84	170.62	9.19	179.81
Brisbane	2007–08	3.98	13.36	0.95	18.30	24.81	98.63	23.53	146.97	30.05	177.03
	2006–07	3.89	12.56	0.93	17.38	23.74	92.33	24.81	140.88	28.42	169.30
	2005–06	3.65	11.64	0.73	16.02	22.34	90.71	25.80	138.84	26.71	165.56
Perth	2007–08	2.48	5.98	0.50	8.95	12.55	39.87	15.78	68.20	46.29	114.49
	2006–07	2.19	5.35	0.43	7.98	11.16	36.09	13.49	60.74	43.23	103.98
	2005–06	1.98	4.66	0.37	7.01	10.22	34.52	12.55	57.29	42.35	99.64
Adelaide	2007–08	0.47	5.63	0.51	6.62	3.21	44.45	26.06	73.72	32.16	105.88
	2006–07	0.44	5.27	0.47	6.18	3.04	42.25	25.99	71.28	31.75	103.03
	2005–06	0.35	5.00	0.42	5.77	2.46	41.94	25.30	69.71	32.55	102.25
NL /	1.7	1/1.4	D.	1.7			1.6	1.12.1	1. 51.5	0.1	

Table 6Activity at major Australian airports

Notes: International (Intl) 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: BITRE Aviation Statistics Section and Airservices Australia monthly aircraft movement reports (http://www.airservicesaustralia.com/reports).

In terms of regular public transport (RPT) operations for 2007–08, Perth Airport led the annual growth in aircraft movements across all sectors with total RPT traffic increasing by 12.3 per cent compared with 2006–07 and with significant increases in the international (12.4 per cent), domestic (10.5 per cent) and regional (17.0 per cent) sectors. All the other four major airports also recorded an increase in total RPT operations but a decrease or only marginal increase in regional aircraft movements.

With regards to total aircraft movements (including unscheduled operations), all airports recorded an increase with Perth Airport having the highest annual growth rate of 10.1 per cent, followed by Melbourne (7.2 per cent) and Brisbane (4.6 per cent).

Sydney aircraft noise

There were 298 322 aircraft movements (including non-RPT operations) at Sydney Airport in 2007–08 (4.2 per cent higher than the total for 2006–07). During that period, there were 7852 noise complaints (up 3.4 per cent on 2006–07) from 1888 members of the public (4.9 per cent higher than the previous financial year).

May 2008 was the busiest month for Sydney Airport in 2007–08 with 25 388 aircraft movements, an increase of 4.6 per cent on May 2008. There were 653 noise complaints from 155 complainants in that month. The lowest number of aircraft movements for the year was recorded in September 2007 (23 762 movements) and the number of noise complaints then was also 653 from 119 complainants.

The recorded number of noise complaints was lowest in December 2007 at 549 complaints from 183 complainants. It peaked in March 2008 at 927 complaints from 197 complainants.



Figure 17 Sydney Airport noise complaints

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

Chapter 4 Economic indicators

Real domestic airfares

Figure 18 presents real domestic airfare indexes for Business Class, Full Economy, Restricted Economy and Best Discount airfares. The series is a price index of the lowest available fare in each fare category, weighted over selected routes. It does not measure real airline yields, or average fares paid by passengers. The real domestic airfare indexes include those taxes and charges that are collected as part of the airfare (fuel levies, security, certain airport charges and GST). The indexes are presented as smoothed 13 month moving averages to give a measure of the trends in airfares 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 airfares collected from BITRE's internet airfare 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.

For the financial year 2007–08, Business Class fares reached a maximum index of 105.6 in September 2007 (5.0 per cent higher than the index for September 2006) before decreasing to an approximately constant index of 101 in the second half of the year.

Full Economy fares reached a maximum index of 110.3 in September 2007 (1.4 per cent higher than the index for September 2006) before dropping to a minimum index of 84.2 in June 2008 (22.9 per cent below the index for June 2007). This drop is mainly due to the inclusion of Virgin Blue's Corporate Plus Fare in this category from February 2008 onwards. Previously the Full Economy fare category consisted solely of Qantas' Fully Flexible Fare. Virgin Blue's Corporate Plus Fare has been consistently lower than Qantas' Fully Flexible Fare for routes in the collection survey where both airlines compete.

Restricted Economy fares followed a similar trend to the Business Class fares, reaching a maximum index of 100.4 in October 2007 (8.0 per cent higher than the index for October 2006) before dropping to a fairly constant index of 97 between February and June 2008.

Best Discount fares followed a similar trend to the Full Economy fares, rising to a maximum index of 98.1 in October 2007 (0.8 per cent higher than the index for October 2006) before decreasing to a minimum index of 77.9 in June 2008 (12.6 per cent lower than the corresponding index for June 2007).

Real domestic air fares



Notes: Airfares are CPI adjusted.

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

let fuel prices

Figure 19 tracks the Singapore jet fuel spot price from June 2003 to June 2008. Both Australian and US dollar indexes were constructed using a base value of 100 for the January 2000 spot price.

Aviation jet fuel costs rose sharply in the second half of the financial year 2007-08, with the Australian and US dollar indexes reaching a record maximum of 349.3 and 526.9 respectively in June 2008. The Australian dollar index averaged 258.7 for 2007–08, 27.1 per cent higher than the average for 2006–07. The US dollar index averaged 369.0 for 2007–08, 46.5 per cent higher than the average for 2006–07.

During 2007–08, the Australian to US dollar exchange rate recorded a minimum of 0.821 in August 2007 and a maximum of 0.963 in June 2008. The exchange rate averaged 0.905 which was 14.4 per cent higher than the average for 2006–07.



Sources: US Energy Information Administration (http://tonto.eia.doe.gov/dnav/pet/hist/rjetsin5M.htm) and Reserve Bank of Australia, Bulletin Statistical Table F11, Exchange Rates.

Airline share prices

Figure 20 shows the end of month closing share prices for Qantas Airways Limited and Virgin Blue Holdings Limited over five years up to June 2008. It also includes the S&P/ASX 200 Price Index for the same period.

For the financial year 2007–08, Qantas' share price peaked at \$5.91 in October 2007 (39.4 per cent higher than its price for October 2006) before dropping to \$3.04 in June 2008 (45.7 per cent lower than the price for June 2007). Qantas' share price averaged \$4.74 in 2007–08 which was 0.7 per cent lower than the average for 2006–07.

Virgin Blue's share price peaked at \$2.33 in July 2007 (40.4 per cent higher than the price for July 2006) before dropping to an all time low of \$0.47 in June 2008 (80.9 per cent lower than the price for June 2007). Its average share price was \$1.61 for 2007–08 (28 per cent lower than the previous financial year).

The S&P/ASX 200 Price Index peaked at 6754.1 in October 2007 (an increase of 25.4 per cent from 5384.4 in October 2006) before steadily declining to 5215.3 in June 2008 (16.9 per cent lower than June 2007). It averaged 5969.1 in 2007–08 or 5.1 per cent higher than the average for 2006–07.

Qantas reported a net profit after tax of \$969.7 million for the financial year 2007–08 (44.1 per cent higher than the net profit for 2006–07).

For the same period, Virgin Blue's profitability declined 54.7 percent (when compared to the previous financial year) to a net profit after tax of \$97.7 million.

Figure 20 Airline share prices



Note: Share prices are monthly closes.

Sources: The Age, Business Quotes (http://markets.theage.com.au/apps/qt/quote.ac?code=VBA§ion=pricehist; code=QAN for Qantas); Australian Securities Exchange (http://www.asx.com.au/research/market_info/ historical_equity_data.htm#End_of_month_values)

Gross Domestic Product

Figure 21 compares Australia's Gross Domestic Product (GDP) index for all industries with the index for the air and space industry component up to the June quarter 2008. A base index of 100 has been assigned to the March quarter 1994. The air and space industry contributed \$6.43 billion to the Australian economy or 0.62 per cent of Australia's total GDP in 2007–08 (up 3.2 per cent on the previous financial year).

The air and space industry has continued to grow in 2007–08, reaching a maximum index of 210.7 in the March quarter 2008 (up 5.4 per cent over the same quarter the previous year) before dropping slightly to an index of 206.7 in the June quarter 2008 (2.3 per cent higher than the corresponding quarter the previous year).

The total GDP Index rose steadily in 2007–08 peaking at 165.5 in the June quarter 2008 (2.7 per cent higher than the same quarter the previous year).

In 2007–08, the quarterly growth rate of Australia's total GDP dropped steadily from 4.5 per cent in the September quarter 2007 to 2.7 per cent in the June quarter 2008. The quarterly growth rate for the air and space industry remained approximately constant at around 2.5 per cent except for a spike to 5.4 per cent in the March quarter 2008 as shown in Figure 21.



 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 6.

Chapter 5 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 BITRE in its airport charges calculations are summarised in Table 7. The aircraft types shown are representative of international, trunk route domestic, and large, medium and smaller regional routes.

Aircraft type	Operational sector	Aircraft maximum	Number of aircraft	Average passenger load
747 420	International			
/4/-438	International	374.6	374	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

Table 7Parameters used in airport charge calculations

Notes: The load factor is the proportion of total aircraft seats that are filled by paying passengers. Aircraft load factors are derived from BITRE Aviation Statistics Section data collections for the relevant operational sector and may not reflect actual load factors at specific airports. While load factors may have increased over time, the relative proportion for the operational sectors have remained similar. The load factors used in the analysis have been fixed at the values shown above so as to remove an additional variability in the calculations.

Sources: Civil Aviation Safety Authority (CASA) aircraft register and BITRE aviation databases and assumptions.

State capital city airports

Table 8 shows 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 July 2007, 31 January 2008 and 31 July 2008 (in September quarter 2008 dollars). The charges are presented by category of aircraft and are broken down into aeronautical (airport-levied charges), Airservices Australia and security components.

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

All the major 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.

Real airport charges for international, domestic and regional sectors are also shown in Figures 22, 23 and 24 respectively. These are based on aircraft considered representative of each sector and show data by airport from January 2002 to July 2008.

Adelaide Airport currently levies the highest charges across all three sectors among the five major airports. Charges for each sector increased substantially in mid-2006 when a revised charging scheme associated with a new common user terminal was introduced at the airport. Melbourne Airport has the lowest airport charges compared to the other capital city airports.

Table 8	Real air	rport ch	narges b	y aircraf	t type (\$ per ret	turn pas	senger)							
		Sydney		W	elbourne		B	risbane			Perth		A	delaide	
Aircraft	Jan-07	Jul-07	Jan-08	Jan-07	Jul-07	Jan-08	Jan-07	Jul-07	Jan-08	Jan-07	Jul-07	Jan-08	Jan-07	Jul-07	Jan-08
747-438															
Aeronautical	36.14	35.01	34.90	28.87	28.23	28.72	31.18	30.49	40.50	25.55	24.99	24.34	44.55	41.86	41.30
Airservices	11.65	11.39	11.16	11.76	11.50	11.25	13.83	13.52	13.26	20.02	19.58	6.31	29.84	29.17	28.59
Security	10.39	10.16	6.70	5.25	5.13	4.95	8.57	8.38	10.14	6.62	6.48	19.07	3.52	3.44	3.35
Total	58.19	56.57	52.76	45.88	44.86	44.92	53.57	52.38	63.90	52.20	51.04	49.72	77.91	74.47	73.24
737-800															
Aeronautical	7.03	6.98	6.96	8.00	7.82	7.61	7.32	7.16	6.97	8.68	8.49	8.27	22.18	21.91	22.59
Airservices	5.08	4.97	4.86	4.77	4.66	4.54	5.32	5.20	5.07	7.32	7.15	6.96	9.52	9.31	9.00
Security	4.33	4.23	3.44	0.00	0.00	0.20	0.48	0.47	09.0	3.88	3.80	3.70	3.52	3.44	3.35
Total	16.44	16.18	15.26	12.77	12.48	12.35	13.13	12.84	12.64	19.88	19.44	18.93	35.22	34.65	34.94
Dash 8-300															
Aeronautical	7.03	6.98	6.96	8.00	7.82	7.61	7.32	7.16	6.97	8.68	8.49	8.27	6.96	7.15	7.05
Airservices	4.79	4.68	4.58	4.45	4.35	4.26	4.96	4.85	4.74	6.77	6.62	6.47	8.60	8.41	8.21
Security	2.41	2.36	2.16	0.00	0.00	0.20	4.81	4.70	4.54	3.88	3.80	3.70	3.52	3.44	3.35
Total	14.24	14.02	13.70	12.45	12.17	12.07	17.08	16.71	16.25	19.34	18.91	18.44	19.08	19.00	18.61
SAAB340B															
Aeronautical	7.03	6.98	6.96	8.00	7.82	7.61	7.32	7.16	6.97	8.68	8.49	8.27	7.12	7.33	7.22
Airservices	4.98	4.87	4.76	4.63	4.53	4.43	5.15	5.04	4.93	7.04	6.89	6.73	8.94	8.75	8.54
Security	2.41	2.36	2.16	0.00	0.00	0.20	4.81	4.70	4.54	3.88	3.80	3.70	3.52	3.44	3.35
Total	14.42	14.21	13.88	12.63	12.35	12.24	17.28	16.90	16.44	19.61	19.18	18.70	19.58	19.51	19.11
Metro 23															
Aeronautical	8.36	8.17	7.96	8.00	7.82	7.61	7.32	7.16	6.97	8.68	8.49	8.27	7.20	7.41	7.30
Airservices	5.08	4.97	4.86	4.72	4.62	4.52	5.26	5.14	5.03	7.19	7.03	6.87	9.12	8.92	8.71
Security	2.41	2.36	2.16	0.00	0.00	0.20	4.81	4.70	4.54	3.88	3.80	3.70	3.52	3.44	3.35
Total	15.85	15.50	14.98	12.72	12.44	12.33	17.39	17.00	16.54	19.76	19.32	18.84	19.84	19.77	19.36
Notes: Pres	ented in Sep	tember qui	arter 2008 d	ollars.											
Calc	ulated on a 1	return pass	enger basis	one arrival	and one de	eparture) for	· price sched	dules as at	31 January a	and 31 July e	ach year.				
Sydn	ey and Brisb	ane interna	ational charg	es (aeronau	itical and se	scurity comp	onents) hav	'e been adj	usted to ex	clude transit	and transf	er passengei	-S.		

BITRE 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, September 2008.

Sources:

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CPI-adjusted charges at all five airports have dropped in July 2008 compared with the previous year except for international charges at Brisbane Airport which have increased by 19.3 per cent. Sydney Airport recorded the highest percentage decrease in international and domestic charges, a drop of 9.3 and 7.2 per cent respectively.

Sydney Airport also recorded the highest percentage drop in security charges across all three sectors compared with the other major airports. International, domestic and regional security charges at Sydney dropped by 35.5, 20.5 and 10.5 per cent respectively in July 2008 compared with the previous year. Perth and Adelaide airports also recorded a decrease in security charges while Brisbane Airport recorded an increase of 18.4 and 24.2 per cent for the international and domestic sectors respectively. Melbourne reintroduced a security charge for domestic and regional passengers in July 2008 after ceasing collection in January 2007.

Figure 22 Real airport charges for indicative international aircraft



Notes: This graph shows total airport charges (GST inclusive) in September quarter 2008 dollars for a 747-438 aircraft as representative of international flights. Charge calculations are based on BITRE 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 per cent is assumed. Sydney and Brisbane international charges (aeronautical and security components) have been adjusted to exclude transit and transfer passengers.

Sources: BITRE 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, September 2008.*



Figure 23 Real airport charges for indicative domestic aircraft

Notes: This graph shows total airport charges (GST inclusive) in September quarter 2008 dollars for a 737-800 aircraft as representative of domestic flights. Charge calculations are based on BITRE 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 per cent is assumed.

Sources: BITRE 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 2008*.

Figure 24 Real airport charges for indicative regional aircraft



aircraft as representative of regional flights. Charge calculations are based on BITRE 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 per cent is assumed.



Regional airports

In issue 9 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 predominantly by 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 2007, 31 January 2008 and 31 July 2008 for the top 10 regional airports which satisfied this criteria are listed in Table 9 and the charges for 31 July 2008 are compared in Figure 25.

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

Figure 25 shows that Port Lincoln and Wagga Wagga Airports continue to have the lowest charges of the 10 regional airports for July 2008 whereas Tamworth Airport exceeds the rest. In terms of passenger charges levied by the airport operator alone, Port Macquarie has the highest charge compared with the other nine airports, followed closely by Tamworth Airport.

In terms of CPI-adjusted charges, all the selected airports, except Gladstone, recorded a decrease in total airport charges between July 2007 and July 2008 as shown in Table 9. Gladstone Airport recorded an increase of 8.1 per cent over the same period. In nominal terms, however, airport charges at Burnie, Dubbo and Wagga Wagga have remained the same while charges at Albury, Mildura, Port Lincoln, Port Macquarie and Tamworth have increased by 2–3 per cent. Nominal charges have also increased by 13.5 per cent at Gladstone but decreased by 23.6 per cent at Armidale over the same period.

For Armidale Airport, the total airport charge has dropped significantly because the minimum of two possible passenger fees was employed in the calculations for July 2008 as described in the footnote of Table 9. Previously the maximum fee per arriving and per departing passenger was used in the calculations but for 2008–09, Armidale Council has stipulated that all passenger fees are to be charged at the lower rate if total passenger numbers exceed 70 000. In 2007–08, there were 95 387 passenger movements at Armidale 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 9. 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 10 regional airports.

		Jul–07			Jan–08			Jul–08	
	Airport operator	Airservices Australia	Total	Airport operator	Airservices Australia	Total	Airport operator	Airservices Australia	Total
Albury	29.81	7.81	37.63	29.15	7.64	36.79	28.40	8.18	36.58
Armidale ^a	33.75	0.00	33.75	33.00	0.00	33.00	24.56	0.00	24.56
Burnie	25.41	0.00	25.41	24.84	0.00	24.84	24.20	0.00	24.20
Dubbo	25.20	0.00	25.20	24.64	0.00	24.64	24.00	0.00	24.00
Gladstone	22.61	0.00	22.61	22.11	0.00	22.11	24.45	0.00	24.45
Mildura	32.38	0.00	32.38	31.66	0.00	31.66	31.40	0.00	31.40
Port Lincoln	20.83	0.00	20.83	20.37	0.00	20.37	19.84	0.00	19.84
Port Macquarie	36.95	0.00	36.95	36.13	0.00	36.13	36.30	0.00	36.30
Tamworth	36.11	7.81	43.92	35.31	7.64	42.95	34.59	8.18	42.77
Wagga Wagga ^b	21.31	0.00	21.31	20.84	0.00	20.84	20.30	0.00	20.30

Table 9Real airport charges for ten non-jet airports (\$ per return passenger)

Notes: All charges are GST inclusive and presented in September quarter 2008 dollars.

Terminal charges were excluded and where a landing fee applied (Armidale, Gladstone, Mildura, Port Lincoln and Tamworth), the component towards the total charge was calculated by assuming a SAAB 340B aircraft with an indicative regional load factor of 60.0 per cent 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 BITRE assumptions and may differ from actual charges incurred by specific operators.

a. For Armidale Airport, there is a minimum passenger fee of \$9.70 (GST inclusive) and a maximum passenger fee of \$14.90 (GST inclusive) per arriving and per departing passenger for full ticket costs below and above \$180 respectively. Previously the maximum fee was used in the calculations above but for 2008–09, Armidale Council has stipulated that all passenger fees are to be charged at the lower rate if total passenger numbers exceed 70 000 which is the case for the airport in 2007–08.

b. For Wagga Wagga Airport the passenger component was calculated by using the maximum charge of \$10.15 (GST inclusive) per arriving and per departing passenger. This charge applied to passenger numbers below 80 001. Reduced rates consisting of a \$2.54 (GST inclusive) charge for passenger totals between 80 001 and 100 000 and \$1.01 (GST inclusive) charge for over 100 000 passengers were not included in the calculations.



Figure 25 Airport charges for ten non-jet airports for July 2008

- Notes: This graph shows total airport charges (GST inclusive) in September quarter 2008 dollars for ten regional airports serviced by predominantly non-jet aircraft. Where a landing fee applied (Armidale, Gladstone, Mildura, Port Lincoln and Tamworth), 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 per cent 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 BITRE assumptions and may differ from actual charges incurred by specific operators.
- Sources: BITRE estimates are based on airport public price schedules supplied by airport operators and Airservices Australia published price schedule.

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.
BITRE	Bureau of Infrastructure, 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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