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In brief

The number of passengers on Australian international flights reached a record 23.7 million in 2008–09, up 0.9 per cent on the previous financial year (p.2). Growth was driven mainly by Australian residents travelling overseas (up 2.3 per cent compared with 2007–08) whilst the arrival of overseas visitors was down 0.4 per cent for the same period. The number of international flights increased by 5.9 per cent to 131 560 (p.3).

Freight on Australian international flights declined to 709 374 tonnes in the financial year 2008–09 from 780 993 tonnes in 2007–08 (a decrease of 9.2 per cent). Inbound freight accounts for 56.2 per cent of total freight and except for January and Febryary 2009, has been exceeding outbound freight since June 2003. The Sydney–Auckland route had the largest share (7.5 per cent) of total freight carried in and out of Australia (p.7).

Australia's domestic airline industry continued to grow with a record 49.6 million passenger movements in 2008–09, 1.7 per cent higher than in the financial year 2007–08 (p.8). The major domestic airlines carried 44.1 million passengers, an increase of 2.7 per cent over 2007–08. Regional airlines carried 5.5 million passengers, a decline of 5.7 per cent over the previous financial year.

The domestic aviation industry recorded 547 666 flights in 2008–09, 0.2 per cent higher than in the previous financial year. Of these, 339 798 were operated by the major domestic airlines, an increase of 7.5 per cent on 2007–08. The remaining 207 868 flights were operated by regional airlines, down 9.8 per cent on 2007–08 (p.9). There was a marginal decrease in the average load factor to 78.8 per cent in 2008–09, down 0.5 percentage points, as compared with the previous year's value (p.12).

Overall airline on time performance improved in 2008–09 when compared to the previous financial year. On average 81.1 per cent of departures were on time, 79.1 per cent of arrivals were on time and 1.7 per cent of flights were cancelled. The equivalent figures for 2007–08 were 80.6 per cent for on time departures, 78.8 per cent for on time arrivals and 1.7 per cent for cancellations (p.12).

Sydney was Australia's busiest airport with 32.3 million passenger movements in 2008–09. It was the only one of the top 5 airports to record a decrease in passenger movements compared to 2007–08 (1.1 per cent decline). Perth Airport experienced the highest growth in total passenger numbers (4.5 per cent), followed by Adelaide (2.5 per cent), Brisbane (2.3 per cent) and Melbourne (2.1 per cent) (p.14).

The air and space industry contributed \$6.27 billion to the Australian economy, or 0.57 per cent of Australia's total GDP, in 2008–09. This is a decrease of 4.6 per cent on the previous financial year, when it accounted for 0.61 per cent of Australia's total GDP. (p.16).

The average index of jet fuel price in US dollars fell by 26.8 per cent, from 369.0 in the financial year 2007–08 to 270.0 in 2008–09. Similarly, the average index of jet fuel price in Australian dollars fell by 12.7 per cent, from 258.7 in the financial year 2007–08 to 225.8 in 2008–09 (p.18).

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CHAPTER I International airline operations

International passengers

There were 23.7 million passengers carried on international flights to and from Australia in 2008–09, an increase of 0.9 per cent over the previous financial year. This total comprised 11.79 million overseas visitors (49.7 per cent) and 11.92 million Australian residents (50.3 per cent). Monthly passenger traffic from June 2004 through to June 2009 is shown in Figure 1.

Traffic peaked in January 2009 with a monthly record of 2.27 million passengers, an increase of 1.7 per cent on January 2008. January is traditionally the peak month for total international passenger movements although both overseas visitor arrivals and Australian resident departures tend to peak in December. The month with the lowest number of passengers for the financial year 2008–09 was May 2009 with 1.78 million passengers. May is the low point for visitor arrivals which are highest in the Australian spring and summer.



FI International Passengers

Source:

Growth in international passenger traffic for 2008–09 was driven by the increase in the number of Australian residents travelling on international flights (up 2.3 per cent compared with 2007–08). Over the same period, the number of overseas visitors declined by 0.4 per cent.

International flights

There was a record annual total of 131 560 international flights in 2008–09, an increase of 5.9 per cent over the previous financial year. The monthly average for 2008–09 was 10 963 flights with a maximum of 11 811 flights in January 2009 (up 8.7 per cent on January 2008) and a minimum of 10 177 flights in February 2009 (up 1.5 per cent on February 2008).

The largest month on month increase in the number of flights occurred in December 2008 (8.8 per cent) and the lowest increase occurred in February 2009 (1.5 per cent).



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

International network utilisation

International airline capacity, measured in available seats, increased by 5.0 per cent in 2008–09, when compared with 2007–08, to reach 32.2 million seats (Figure 3). The monthly maximum was recorded in January 2009 at 2.92 million seats, while the minimum occurred in February 2009 at 2.5 million seats.





Source: BITRE Aviation Statistics Section.

In 2008–09, seat utilisation (load factors) over all routes ranged from a maximum of 79.6 per cent in July 2008 to a minimum of 66.8 per cent in May 2009, with an annual average of 74.2 per cent (3.8 percentage points lower than the average for 2007–08). For the past five years, seat utilisation has consistently peaked in January and been at its lowest in May for each consecutive year as shown in Figure 3.

International air freight

Air freight carried on international flights to and from Australia is shown in Figure 4. The annual total for 2008–09 was 709 374 tonnes, down 9.2 per cent on 2007–08. This consisted of 398 362 tonnes (or 56.2 per cent) of inbound freight (down 16.0 per cent on 2007–08) and 311 013 tonnes (or 43.8 per cent) of outbound freight (up 1.3 per cent on 2007–08). Except for January and February 2009, inbound freight has been exceeding outbound freight since June 2003.

In 2008–09, total monthly freight peaked at 64 204 tonnes in October 2008, a 5.6 per cent decline on October 2007. January 2009 was the month of lowest total freight volume at 52 577 tonnes, a reduction of 13.2 per cent on January 2008. Total international air freight has recorded month-on-month decreases from August 2008 to June 2009. Inbound freight recorded month-on-month decreases of more than 20 per cent for December 2008 to May 2009.



As shown in Table 1, Qantas carried the greatest single share (21.8 per cent) of freight in 2008–09, followed by Singapore Airlines (16.2 per cent) and Cathay Pacific Airways (10.2 per cent). The Sydney–Auckland route had the single largest share (7.5 per cent) of all air freight in and out of Australia, followed by Melbourne–Singapore (7.2 per cent) and Sydney–Hong Kong (6.2 per cent) (Table 2).

TI	Freight carried by top five
	airlines, 2008–09

T2 Freight carried on top five city pairs, 2008–09

Airline	Tonnes carried (thousands)	Share (per cent)	Australian po	rt Foreign port	Tonnes carried (thousands)	Share (per cent)
Qantas Airways	154.3	21.8	Sydney	Auckland	52.9	7.5
Singapore Airlines	4.9	16.2	Melbourne	Singapore	50.8	7.2
Cathay Pacific Airways	72.1	10.2	Sydney	Hong Kong	44.3	6.2
Emirates	66.6	9.4	Sydney	Singapore	40.2	5.7
Malaysia Airlines	47.6	6.7	Melbourne	Hong Kong	36.5	5.1
Others	253.9	35.8	Others		484.8	68.3
Total	709.4	100.0	Total		709.4	100.0

Source: BITRE Aviation Statistics Section.

CHAPTER 2 Domestic airline operations

Domestic passengers

There were 49.6 million passengers carried on Australia's domestic airline network in 2008–09. This was 1.7 per cent higher than the total for the previous financial year.

The major domestic airlines (Qantas, Jetstar, Virgin Blue and Tiger Airways) carried most of these passengers, accounting for 44.1 million or 88.8 per cent of the total in 2008–09. This represented an increase of 2.7 per cent in passenger numbers and an increase of 0.9 percentage point in share compared to 2007–08. The remaining 5.5 million passengers or 11.2 per cent of the total were carried on flights operated by regional airlines. This was a decrease of 5.7 per cent in passenger numbers compared to 2007–08.



F5 Domestic passengers

Monthly passenger numbers peaked in October 2008 at 4.5 million, 5.6 per cent up on October 2007. This is the highest monthly total on record (Figure 5). For the past five years, October has consistently been the busiest month of the year. Similarly, the month with the lowest number of passengers in the past five years is February with the total for February 2009 being 3.6 million (5.7 per cent down on February 2008)

Monthly passenger growth rates declined over the course of 2008–09. During the first half of the year, growth rates remained positive but turned negative in the second half. The biggest decline occurred in February 2009, with passenger numbers falling by 5.7 per cent. Passenger numbers on regional airlines declined more sharply than those on the major carriers. Regional airline passenger numbers declined in each month of 2008–09 (compared with the same month in the previous year) while major airlines recorded reduced passenger numbers in four months of the financial year but increases in the remaining eight months.

Domestic flights

Figure 6 illustrates the number of domestic flight departures over the past five years. A total of 547 666 flights was recorded for 2008–09, 0.2 per cent higher than 2007–08. Of these, 339 798 flights (62.0 per cent) were operated by the major domestic airlines, an increase of 7.5 per cent on the previous financial year. The remaining 207 868 flights (38.0 per cent) were operated by regional airlines, down 9.8 per cent on 2007–08.

During the year, total monthly flights peaked at 48 720 in October 2008 (4.6 per cent higher than for October 2007) and were lowest at 40 658 in February 2009. The highest monthly growth rate for 2008–09 occurred in September 2008 at 5.4 per cent, as compared with September 2007.



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

Domestic network utilisation

Domestic industry capacity, measured in Available Seat Kilometres (ASKs), reached 71.5 billion in 2008–09, 2.3 per cent higher than the total for 2007–08. Similarly Revenue Passenger Kilometres (RPKs) for 2008–09 reached a record 56.3 billion (up 1.7 per cent on the total for 2007–08).

The highest ever monthly total for ASKs was recorded in October 2008 at 6.3 billion (up 8.8 per cent on October 2007) while RPKs also peaked in October 2008 with a monthly record of 5.2 billion (up 5.3 per cent on October 2007).

The average load factor for 2008–09 was 78.8 per cent, a reduction of 0.5 percentage points compared with 2007–08. The highest monthly load factor for 2008–09 was recorded in October 2008 at 81.8 per cent, compared with 84.5 per cent for October 2007. As mentioned 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 Australian domestic routes for which the passenger load averaged 8000 or more passengers per month over the previous six months and where two or more airlines operated in competition on those routes. There were 46 routes which met this criteria for all twelve months in 2008–09, plus another 5 routes that did so for a shorter period of the year.

Airlines participating in on time performance reporting are: Jetstar (from May 2004), MacAir (from July 2005 until November 2008), 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 2008–09. Ozjet provided data from January to March 2006 only.

There was a total of 502 291 scheduled flights in on time performance reporting for the financial year 2008–09, out of which 8581 operations (1.7 per cent) were cancelled. Of the 493 710 flights that were flown, 400 551 (81.1 per cent) departed on time and 393 581 (79.7 per cent) arrived on time (Table 3).

The equivalent figures for 2007–08 were 80.6 per cent for on time departures, 78.8 per cent for on time arrivals and 1.7 per cent for cancellations. Overall airline on time performance has improved over the past 12 months as shown in Figure 8.

The long-term average performance for all routes from November 2003 is 84.9 per cent for departures and 83.7 per cent for arrivals. Cancellations averaged 1.2 per cent of all scheduled flights.

The highest level of on time departures in 2008–09 was recorded in May 2009 at 87.2 per cent. The highest level of on time arrivals was also recorded in May 2009 at 86.9 per cent. The lowest percentage of cancellations was 1.0 per cent in January 2009.

The lowest level of on time performance was recorded in July 2008 with 72.7 per cent of departures and 70.2 per cent of arrivals being on time. Cancellations also peaked in July 2008 at 3.0 per cent of scheduled flights.

Of the major domestic airlines, Virgin Blue achieved the highest level of on time departures for 2008–09 (81.5 per cent), followed by Qantas (80.8 per cent), Tiger Airways (79.8 per cent) and Jetstar (76.8 per cent). The regional airlines were led by QantasLink (83.7 per cent), Skywest (83.6 per cent), Regional Express (81.3 per cent) and MacAir (79.9 per cent).

Qantas achieved the highest on time arrivals among the major domestic airlines (81.0 per cent), trailed by Tiger Airways (80.4 per cent), Virgin Blue (79.7 per cent) and Jetstar (78.2 per cent). Skywest was the best performing regional airline for on time arrivals (82.1 per cent), followed by QantasLink (80.9 per cent), MacAir (80.6 per cent) and Regional Express (76.3 per cent).

MacAir, which ceased operations in early 2009, had the highest percentage of cancellations for 2008–09 (6.7 per cent), while Tiger Airways had the lowest (0.4 per cent).

Of the 46 routes which met the criteria for on time performance reporting for all twelve months in 2008–09, the Sydney–Townsville route had the highest percentage of on time

departures (90.6 per cent), while the Ballina–Sydney route had the lowest (66.3 per cent). On time arrivals were highest on the Sydney–Townsville route (89.8 per cent) and lowest on the Ballina–Sydney route (60.0 per cent).

Cancellations were highest on the Melbourne–Sydney route at 5.4 per cent, followed by Sydney–Melbourne also at 5.4 per cent, Canberra–Sydney at 4.7 per cent, Sydney–Canberra at 4.4 per cent and Brisbane–Sydney at 4.0 per cent.

Townsville Airport recorded the highest percentage of on time departures (87.9 per cent), while Ballina recorded the lowest (66.3 per cent). Hamilton Island Airport recorded the highest percentage of on time arrivals (87.8 per cent), while Wagga Wagga Airport recorded the lowest (66.2 per cent).



F8 Domestic airline on time performance

Source: BITRE Aviation Statistics Section.

T3 On time performance for the year ended June 2009—Total Industry

	Secto	ors	Departures	on time	Arrivals o	n time	Cancella	tions
	Scheduled	Flown	Number	Per cent	Number	Per cent	Number	Per cent
Jetstar	59 538	58 982	45 275	76.8	46 095	78.2	556	0.9
MacAir	5 617	5 241	4 87	79.9	4 222	80.6	376	6.7
Qantas	123 826	120 557	97 369	80.8	97 677	81.0	3 269	2.6
QantasLink	90 588	89 632	74 986	83.7	72 485	80.9	956	1.1
Regional Express	61 865	61 383	49 908	81.3	46 855	76.3	482	0.8
Skywest	12 434	12 265	10 25 1	83.6	10 067	82. I	169	1.4
Tiger Airways	10 339	10 293	8217	79.8	8 279	80.4	46	0.4
Virgin Blue	138 084	135 357	110 358	81.5	107 901	79.7	2 727	2.0
All Airlines	502 291	493 710	400 551	81.1	393 581	79.7	8 581	1.7

1. Total airline network data (including routes not shown in this report).

2. No data received from MacAir after November 2008. Operations ceased in February 2009.

CHAPTER 3 Airport activity

Airport activity levels

Table 4 illustrates summarised passenger and aircraft movements at the five major capital city airports for the past three financial years.

Melbourne, Brisbane, Perth and Adelaide airports recorded an increase in total passenger movements for 2008–09 compared with 2007–08. Perth Airport experienced the largest annual growth rate in total passenger numbers (4.5 per cent), followed by Adelaide (2.5 per cent), Brisbane (2.3 per cent) and Melbourne (2.1 per cent). Sydney Airport registered a 1.1 per cent decline in total passenger movements.

Annual growth in international passenger movements in 2008–09 was strongest at Perth Airport (4.9 per cent), followed by Melbourne (3.6 per cent) and Brisbane (2.0 per cent). All five airports registered growth in major domestic airline passenger movements. Growth in domestic passenger movements was also highest at Perth Airport (5.6 per cent), followed by Adelaide (3.2 per cent) and Melbourne (2.4 per cent). These growth rates were lower than those experienced in 2007–08.

		Passer	nger move	ements (mil	lions)		Aircr	aft moven	nents (thous	ands)	
Airport	Year	Intl E	Oomestic	Regional	Total	Intl	Domestic	Regional	Total scheduled s	Non- scheduled*	Total
Sydney	2008-09	10.34	20.10	1.91	32.35	59.31	144.69	63.42	267.42	24.05	291.47
	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
Melbourne	2008–09	4.83	19.03	0.59	24.45	27.22	135.65	21.11	183.99	.03	195.02
	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	7.89	28.04	169.83	10.98	80.81
Brisbane	2008–09	4.07	13.66	0.99	18.72	26.38	104.37	23.32	154.08	29.67	183.75
	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
Perth	2008–09	2.60	6.31	0.45	9.36	14.52	48.66	14.67	77.84	41.21	119.05
	2007–08	2.48	5.98	0.50	8.95	12.55	39.87	15.78	68.20	46.29	4.49
	2006–07	2.19	5.35	0.43	7.98	11.16	36.09	13,49	60.74	43.24	103.98
Adelaide	2008–09	0.48	5.81	0.49	6.78	3.40	46.77	23.23	73.40	29.88	103.28
	2007–08	0.47	5.63	0.5	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

T4 Activity at major Australian airports

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: BITRE Aviation Statistics Section and Airservices Australia monthly aircraft movement reports (http://www.airservicesaustralia.com/projectsservices/reports/default.asp).

Brisbane Airport registered the only annual growth (4.2 per cent) in regional airline passenger movements. All four remaining airports experienced a significant decline in regional airline passenger movements in 2008–09. The strongest decline in regional airline passenger movements was recorded at Melbourne Airport (16.2 per cent decline), followed by Perth (10.4 per cent decline) and Sydney Airport (8.4 per cent decline).

In 2008–09, Perth recorded the largest increase in total scheduled aircraft movements (14.1 per cent) with significant increases in the domestic (22.1 per cent) and international (15.7 per cent) sectors but a decline of 7.1 per cent in the regional sector. Total scheduled aircraft movements grew by 4.8 per cent at Brisbane and by 1.9 per cent at Melbourne but declined by 1.7 per cent at Sydney and by 0.4 per cent at Adelaide.

Perth Airport also had the largest growth in total aircraft movements (including non-scheduled operations) with an increase of 4.0 per cent compared with 2007–08. This was followed by Brisbane with 3.8 per cent and by Melbourne with 0.6 per cent. Sydney and Adelaide airports recorded a decline in total aircraft movements.

Non-scheduled aircraft movements declined at all airports with Melbourne Airport having the highest annual decline in 2008–09 of 17.1 per cent, followed by Sydney (11.9 per cent decline) and Perth (11.0 per cent decline).

Sydney aircraft noise

For noise monitoring purposes, Airservices Australia recorded 285 737 aircraft movements at Sydney Airport in 2008–09 (including non-scheduled operations but excluding helicopter operations). This is a decrease of 2.4 per cent compared to 2007–08. During 2008–09, there were 9440 noise complaints (up 20.2 per cent on 2007–08).

October 2008 was the busiest month for Sydney Airport in 2008–09 with 25 635 aircraft movements, an increase of 3.5 per cent on October 2007. There were 773 noise complaints in that month. The lowest number of aircraft movements for the 2008–09 financial year was recorded in February 2009 (21 686 movements) and the number of noise complaints then was 580.

The recorded number of noise complaints was lowest in August 2008 at 497 complaints. Complaints peaked in March 2009 at 1227 and this was the highest number of noise complaints lodged in the last seven years. However, aircraft movements in March 2009 (24 134) were only the seventh highest recorded in 2008–09.



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CHAPTER 4 Economic indicators

Gross Domestic Product

In figure 10, Australia's Gross Domestic Product (GDP) index for all industries is overlayed with the index for the air and space industry component up to the June quarter 2009. Bases for both indices have been assigned to the March quarter of 1994 (index = 100). The air and space industry contributed \$6.27 billion to the Australian economy or 0.57 per cent of Australia's total GDP in 2008–09. This is a decrease of 4.6 per cent on the previous financial year, when it accounted for 0.61 per cent of Australia's total GDP.

The air and space industry peaked in the March quarter of 2008, with a maximum index of 210.7 (up 5.4 per cent over the same quarter the previous year) before dropping throughout all remaining quarters to an index value of 193.5 in the June quarter of 2009.

The total GDP index plateaued in 2008, peaking at 166.1 in the September quarter 2008 (2.4 per cent higher than the same quarter the previous year). In 2008–09, the total GDP continued growing but at a reduced annual rate of 1.0 per cent compared to 3.7 per cent in 2007–08. The index reached the value of 166.6 in June quarter 2009.



FI0 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 6.

Real domestic airfares

Figure 11 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 2008–09, Business Class fares reached a maximum index of 109.7 in September 2008 (3.2 per cent higher than the index for September 2007). September also ranked as the highest fare month for Business Class fares in 2007–08.



FII Real domestic air fares

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

Full Economy fares recovered from its lowest point in the last five years recorded in in May 2008 (index value of 86.0) to reach a maximum index value for 2008–09 of 90.5 in June 2009. The Full Economy index value was 4.4 per cent higher in June 2009 compared to June 2008. The drop in the Full Economy index is partially 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.

Indexes for Restricted Economy and Business Class fares both followed a similar trend in the financial year 2008–09, increasing markedly in June–August to peak in September 2008 and then falling to their minimum of 95.1 and 100.1 respectively in June 2009.

There was a strong downward trend in Best Discount fares throughout 2008–09 with the index falling to 70.6 in June 2009, the lowest value recorded since this series began.

Jet fuel prices

Figure 12 tracks the Singapore jet fuel spot price from June 2004 to June 2009. Both Australian and US dollar indexes were constructed using a base value of 100 for the January 2000 spot price.

Aviation jet fuel price fell sharply from its peak in July 2008, when the Australian and US dollar indexes reached a record maximum of 360.0 and 532.1 respectively. Jet fuel prices reached their lowest level in March 2009 when the Australian dollar price index fell to 158.0 but rose again to 192.4 in June 2009.

The average index of jet fuel price in US dollars fell by 26.8 per cent, from 369.0 in the financial year 2007–08 to 270.0 in 2008–09. The average index of jet fuel price in Australian dollars fell by 12.7 per cent, from 258.7 in the financial year 2007–08 to 225.8 in 2008–09.

During 2008–09, the Australian to US dollar exchange rate declined from a maximum of 0.943 in July 2008 to a minimum of 0.644 in January 2009 before recovering to 0.811 in June 2009. The exchange rate averaged 0.744 in 2008–09 which was 17.7 per cent lower than the average for 2007–08.



F12 Singapore jet fuel spot price index

Airline share prices

The end of month closing share prices for Qantas Airways Limited and Virgin Blue Holdings Limited over five years up to June 2009 is shown in Figure 13. The figure also includes the S&P/ASX 200 Price Index for the same period.

The Australian stock market continued to decline during the 2008–09 financial year and reached its lowest level in February 2009, when the S&P/ASX 200 Price Index bottomed at 3344.5. During this period, Qantas Airways and Virgin Blue stocks performed slightly worse than the S&P/ASX 200 Price Index. While in June 2009 the S&P/ASX 200 Price Index lost about 24.2 per cent, as compared with June 2008, Qantas Airways and Virgin Blue stocks lost 33.9 and 34.0 per cent respectively in the same period.

For the financial year 2008–09, Qantas' share prices declined from their highest level of \$3.38 in August 2009 to \$1.57 for February 2009 before rising again to \$2.01 in June 2009. Qantas' share price averaged \$4.74 in 2007–08 which was nearly double of the average of \$2.41 for 2008–09.

Virgin Blue's share price declined from \$0.79 in July 2008 to \$0.24 in February 2009 before recovering again to \$0.31 in June 2009. Its average share price dropped from \$1.61 for 2007–08 to \$0.36 in 2008–09, which was only 22.3 per cent of the previous year's average price.

The S&P/ASX 200 Price Index declined from 5135.6 in August 2008 to 3344.5 in February 2009 before recovering to 3954.9 points in June 2009. It averaged 4018.1 in 2008–09 or 32.7 per cent lower than the average of 5969.1 points for 2007–08.



FI3 Airline share prices

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).

CHAPTER 5 Airport charges

Airport charges are estimates of what an airline may expect to pay based on available information published by airport authorities and Airservices Australia. Airport charges are intended to show the differences between airports and also the change over time.

The information shown in tables and figures includes GST, but excludes discounts resulting from confidential agreements between airports and airlines and also excludes any volume based discounts.

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

Charges for five state capital city airports and ten regional airports are presented below. The 747 aircraft type is shown as representative of international operations, the 737 aircraft type is shown as representative of domestic trunk route operations and the Dash 8-300, SAAB 340B and Metro 23 aircraft types are shown as representative of large, medium and smaller regional route operations.

State capital city airports

The level of charges incurred by aircraft operators per return passenger (assuming one arrival and one departure) at Australia's major capital city airports is shown in Table 5. Charges are shown in September quarter 2009 dollars as at 31 July 2008, 31 January 2009 and 31 July 2009. The charges are presented by category of aircraft and are broken down into aeronautical (airport-levied charges), Airservices Australia and security components.

This issue of Avline introduces a significant change in the way the charges for domestic and regional aircraft types have been calculated. Previously terminal charges, when separately identified, were excluded from the published charges for these aircraft types. The data for domestic and regional aircraft types now includes terminal charges, based on the use of the common user terminals at each airport. This change has been introduced due to the increased use of common user terminals and to provide more comparable data.

There has also been a slight change to the way the charges for international aircraft have been calculated for Sydney and Brisbane airports. These two airports specifically mention that transfer and transit passengers are excluded from a Passenger Service Charge. Previously, BITRE assumed that transit and transfer passengers comprised 10 per cent of international passengers and used this to adjust the charges at these two airports. In this issue, this adjustment has not been done and it is assumed instead that all passengers who use the airports are chargeable passengers. All previous figures have been recalculated to be comparable with the latest figures.

Real airport charges for international, domestic and regional sectors are also shown in Figures 14, 15 and 16 respectively. Data is shown by airport from January 2003 to July 2009, however domestic and regional charges for Perth Airport do not cover the full period as terminal charges prior to 2006 are not available.

In July 2009, Adelaide Airport levied the highest charges for international and domestic operations among the five major airports while Melbourne Airport had the lowest airport charges for these two sectors. Perth Airport levied the highest charges for regional operations while they were lowest at Adelaide Airport.

Sydney Airport recorded the highest percentage increase in international charges (10.6 per cent) compared to July 2008. Brisbane Airport recorded the highest percentage increase in domestic charges (30.7 per cent) and regional charges (more than 32 percent).

Security charges were highest at Brisbane Airport for all three sectors in July 2009. Security charges for domestic and regional increased by 72.7 per cent compared to July 2008. The largest percentage increase in international security charges was recorded by Perth Airport (35.8 per cent) over the same period.

Airport levied charges are highest at Brisbane Airport for international operations, increasing 4.7 per cent compared to July 2008. For domestic operations, these charges are highest at Sydney Airport and for regional operations, these charges are highest at Melbourne Airport. Brisbane Airport recorded the highest increase in airport levied charges compared to July 2008 for domestic operations (31.8 per cent) and regional operations (35.0 per cent).

Airservices charges have remained stable in nominal terms compared to July 2008 at each of the airports and for each sector with small decreases in real terms due to the CPI adjustment. Airservices charges are highest at Adelaide airport for all three sectors.

T5 R	keal airport c	charges	(per retu	ırn passe	anger) b	y aircraft	type:								
		Sydney		Σ	elbourne		Δ	risbane			Perth		A	delaide	
Aircraft	Jul-08	Jan-09	Jul-09	Jul-08	Jan-09	Jul-09	Jul-08	Jan-09	Jul-09	Jul-08	Jan-09	90-lul	Jul-08	Jan-09	Jul-09
747-438															
Airport	39.28	39.35	42.97	29.08	29.13	29.31	46.08	46.16	48.26	24.65	24.69	24.34	41.82	41.90	42.78
Airservices	11.30	11.32	11.16	11.39	11.42	11.25	13.43	13.45	13.26	19.31	19.35	19.07	28.95	29.00	28.59
Security	7.53	7.54	10.16	5.01	5.02	4.81	10.27	10.29	10.80	6.39	8.80	8.67	3.39	3.40	3.80
Total	58.11	58.21	64.29	45.48	45.57	45.36	69.78	69.90	72.32	50.35	52.84	52.09	74.16	74.29	75.17
737-800															
Airport	24.44	24.49	24.58	17.89	17.92	17.88	12.63	12.65	16.65	16.68	17.06	16.82	22.87	22.91	22.80
Airservices	4.92	4.93	4.86	4.60	4.61	4.54	5.13	5.15	5.07	7.05	7.06	6.96	9.11	9.13	9.00
Security	3.48	3.49	4.20	2.49	2.50	2.46	3.54	3.55	6.12	3.74	4.42	4.36	3.39	3.40	3.85
Total	32.85	32.91	33.64	24.98	25.03	24.88	21.31	21.35	27.84	27.47	28.54	28.13	35.38	35.44	35.65
Dash 8-300															
Airport	15.03	15.06	14.84	17.89	17.92	17.88	11.52	11.54	15.55	16.68	17.06	16.82	7.14	7.16	8.01
Airservices	4.64	4.64	4.58	4.31	4.32	4.26	4.80	4.81	4.74	6.55	6.57	6.47	8.31	8.33	8.21
Security	1.94	1.95	1.92	2.49	2.50	2.46	3.54	3.55	6.12	3.74	4.42	4.36	3.39	3.40	3.85
Total	21.61	21.65	21.34	24.70	24.74	24.60	19.86	19.89	26.41	26.97	28.05	27.65	18.85	18.88	20.07
SAAB340B															
Airport	14.77	14.80	14.59	17.89	17.92	17.88	11.52	11.54	15.55	16.68	17.06	16.82	7.31	7.32	8.21
Airservices	4.82	4.83	4.76	4.49	4.49	4.43	4.99	5.00	4.93	6.81	6.83	6.73	8.65	8.66	8.54
Security	1.94	1.95	1.92	2.49	2.50	2.46	3.54	3.55	6.12	3.74	4.42	4.36	3.39	3.40	3.85
Total	21.54	21.57	21.27	24.87	24.91	24.77	20.05	20.08	26.60	27.24	28.31	27.91	19.35	19.38	20.60
Metro 23															
Airport	18.09	18.12	17.86	17.89	17.92	17.88	11.52	11.54	15.55	16.68	17.06	16.82	7.39	7.41	8.31
Airservices	4.92	4.93	4.86	4.58	4.59	4.52	5.09	5.10	5.03	6.96	6.97	6.87	8.82	8.84	8.71
Security	1.94	1.95	1.92	2.49	2.50	2.46	3.54	3.55	6.12	3.74	4.42	4.36	3.39	3.40	3.85
Total	24.95	24.99	24.64	24.96	25.00	24.86	20.15	20.19	26.70	27.38	28.45	28.05	19.61	19.64	20.87
Notes: Pre Sources: BIT Indi	esented in Septerr .RE estimates base ex Australia Sentr	ber quarté ed on airpo ember 200	er 2009 dolla ort public pri 19	irs. Calculate ice schedule	ed on a retu s supplied	um passenge by airport o	er basis (on€ perators, Ai	e arrival and rservices A	l one depar ustralia pub	ture) for pr lished price	ice schedul schedule a	es as at 31 j nd ABS Cat	anuary and alogue 640	3.1 July each 1.0, Consum	n year. Ner Price
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Notes: 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.

Where charges for regional operations are not separately identified, the charges applicable to domestic operations have been applied to the regional aircraft types. Only Adelaide and Sydney separately identify charges for regional operations.

Where charges are based on Maximum Take Off Weight (MTOW), the parameters used by BITRE in order to convert the charges to a "per return passenger" basis are shown in Table 6.

The load factor is the proportion of total aircraft seats that are filled by paying passengers. Aircraft load factors may not reflect actual load factors at specific airports. The load factors used in the analysis have been fixed at the values shown in Table 6 in order to maintain comparability over time and between airports.

T6 Parameters used in airport charge calculations

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

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





Notes: This graph shows total airport charges (GST inclusive) in September quarter 2009 dollars for a 744-738 aircraft as representative of international flights. Charge calculations are based on BITRE assumptions and may differ from actual charges incurred by specific operators.

Sources: BITRE estimates based on airport public price schedules supplied by airport operators, Airservices Australia published priced schedule and ABS Catalogue 6401.0, *Consumer Price Index, Australia, September 2009.*



FI5 Real airport charges for indicative domestic aircraft

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*.

FI6 Real airport charges for indicative regional aircraft





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.*

Regional airports

Data on regional airport charges was first included in Issue 9 of Avline, 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 of 31 July 2008, 31 January 2009 and 31 July 2009 for the top 10 regional airports which satisfied this criteria are listed in Table 7 and the charges for 31 July 2009 are compared in Figure 17.

There is no security component in the total charge for the regional airports except at Port Macquarie where they are charged at cost. Airservices Australia charges only apply at Albury and Tamworth Airports. Landing charges are currently only incurred at Armidale and Gladstone. In previous periods, landing charges were also levied at Mildura, Port Lincoln and Tamworth but have been dropped in the current period.

Figure 17 shows that Gladstone Airport had the highest airport charges of the 10 regional airports for July 2009, followed closely by, Albury, Tamworth and Port Macquarie airports. Port Lincoln and Wagga Wagga Airports continue to have the lowest charges. In terms of passenger charges levied by the airport operator alone, Gladstone Airport again had the highest charges followed by Port Macquarie Airport.

In terms of CPI-adjusted charges, Gladstone recorded the largest increase compared to July 2008 (50.5 per cent). Charges at Mildura, Port Lincoln and Tamworth have declined over the same period due to landing charges not being levied in the current period. There was a small increase in charges at Dubbo and Wagga Wgga. Nominal charges have remained unchanged compared to July 2008 at Albury, Armidale, Burnie and Port Macquarie.

		Jul-08			Jan-09			Jul-09	
I	Airport Operator	Airservices Australia	Total	Airport Operator	Airservices Australia	Total	Airport Operator	Airservices Australia	Total
Albury	28.76	8.28	37.04	28.81	8.30	37.11	28.40	8.18	36.58
Armidale a	24.87	00.0	24.87	24.91	00.0	24.91	24.56	0.00	24.56
Burnie	24.51	0.00	24.51	24.55	0.00	24.55	24.20	0.00	24.20
Dubbo	24.30	00.0	24.30	24.35	0.00	24.35	25.00	0.00	25.00
Gladstone	24.76	0.00	24.76	24.80	00.0	24.80	37.26	0.00	37.26
Mildura	31.80	00.0	31.80	31.85	0.00	31.85	22.44	0.00	22.44
Port Lincoln	20.09	0.00	20.09	20.13	00.0	20.13	14.52	0.00	14.52
Port Macquarie	36.76	0.00	36.76	36.82	00.0	36.82	36.30	0.00	36.30
Tamworth	35.03	8.28	43.31	35.09	8.30	43.39	28.40	8.18	36.58
Wagga Wagga b	20.56	00.0	20.56	20.59	0.00	20.59	20.90	0.00	20.90

Terminal charges are excluded.

Where a landing fee applied (Armidale and Gladstone only in the current period but also at Mildura, Port Lincoln and Tarwworth in prior periods), 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 except at Port Macquarie where they are charged at cost.

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.

- 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 passenger for full ticket costs below and above \$180 respectively. Prior to July 2008, the maximum fee was used in the calculations above but for 2008–09 onwards. For Armidale Airport, there is a minimum passenger fee of \$9.70 (GST incl) and a maximum passenger fee of \$14.90 (GST incl) per arriving and per departing in 2007–08 and 2008-09. R
- For Wagga Wagga Airport the passenger component was calculated by using the maximum charge of \$10.45 (GST incl.) per arriving and per departing passenger. This charge applied to passenger numbers below 80 001. Reduced rates consisting of a \$2.62 (GST incl.) charge for passenger totals between 80 001 and 100 000 and \$1.05 (GST incl.charge for over 100 000 passengers were not included in the calculations.

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FI7 Airport charges for ten non-jet airports for January 2009

Notes: This graph shows total airport charges (GST inclusive) in September quarter 2009 dollars for ten regional airports serviced by predominantly non-jet aircraft. Where a landing fee applied (Armidale and Gladstone), 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 charge 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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