



avline

from the director

WELCOME TO AVLINE

The Bureau of Transport and Regional Economics is very pleased to inaugurate this new information product. Avline is intended to reveal key statistical information about aviation sector performance, and be useful to people in Government and industry who are working with public policy issues in aviation. Beyond this issue, Avline will be issued each April and October.

Avline will provide a concise analysis of current and emerging aviation policy issues by:

- highlighting facts which indicate key events
- providing commentary
- discussing emerging issues in feature articles.

This first edition is based on readily available data. The Bureau would welcome readers' feedback on the usefulness of this content. Priority areas for future editions are likely to be indicators of consumer-orientated service performance and of congestion.

Tony Slatyer
Executive Director

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AIRPORT CHARGES

Overview

- The BTRE's first analysis of airport charges covers a period of transition from a CPI-X price cap regulation (except Sydney which was subject to prices surveillance) to a price monitoring regime from 1 July 2002.
- There were real reductions in airport operator charges between 1997 and 2001. BTRE has derived airports' return on assets from ACCC airport regulatory reports and these indicate that airport return on assets¹ in 2000–2001 ranged from 2.4 per cent at Adelaide to 7.5 per cent at Melbourne.
- With the change to a price monitoring regime on 1 July 2002, Adelaide, Brisbane, Perth and Melbourne increased charges while Sydney domestic and regional charges were virtually unchanged (domestic terminal charges have been excluded from this analysis).
- There are major differences between airports in the level of charge increases by aircraft type and the ranking of airports varies by the type of aircraft.
- Security charges decreased at some airports in some categories and increased at others between January and July 2002.
- Temporary increases in Airservices Australia (ASA) terminal navigation and rescue and firefighting charges were approved from 28 July 2002. Charges are to revert to their previous levels from 1 July 2003.

Background

The BTRE's first analysis of airport charges covers a period of transition in regulatory regimes.

In June 1997 the Commonwealth Government privatised Brisbane, Melbourne and Perth airports (Phase I airports) under 99 year leases. Adelaide was privatised along with seven other Phase II airports on 1 July 1998. The Government instituted CPI-X price cap regulation and price monitoring oversight by the Australian Competition and Consumer Commission (ACCC) for Brisbane, Melbourne, Perth and Adelaide airports for initial five year periods. Over these periods, prices for a basket of designated 'aeronautical' services fell in real terms by a pre-determined amount (X) each year.

The Commonwealth decided not to privatise Sydney airport in 1997 and it was subject to prices surveillance rather than a price cap regime. In May 2001 the ACCC's final decision on the Sydney Airport Corporation Ltd (SACL) pricing proposal² allowed an increase in Sydney airport charges that it estimated would increase aeronautical revenue by 97 per cent. The ACCC stated that "the increases are required to give SACL a reasonable return on its investments and to compensate SACL for major new investments undertaken in the lead up to the Olympics." Sydney airport was privatised on 30 June 2002.

On 5 October 2001 the Commonwealth announced changes to temporarily assist airports following the suspension of Ansett operations and reduced global demand for aviation services. Key changes included removing the price cap at Adelaide and a number of other Phase II airports, and directing the ACCC to allow a one-off price increase for Melbourne (6.2 per cent), Brisbane (6.7 per cent) and Perth (7.2 per cent).

The Productivity Commission reviewed the airport regulatory regime, and the Commonwealth announced on 13 May 2002 that it had accepted the Productivity Commission's recommendation that Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra and Darwin airports be subject to price monitoring only for five years from 1 July 2002. However, the Commonwealth reserved the right to re-introduce price controls in the event of unjustifiable price increases.

1 The BTRE has calculated an airport's return on assets by dividing earnings before interest and taxation by the airport's regulated asset base. These values have been sourced from the regulatory accounts for the 2000–2001 period (ACCC airport regulatory reports 2000–01).

2 ACCC 2001, Sydney Airports Corporation Ltd Aeronautical Pricing Proposal: Decision, May.



How significant are airport charges?


Airport-controlled charges can be a significant cost to airlines and, by extension, to passengers. Table 1 gives a number of major domestic and international routes. Total airport charges as a proportion of the indicative air fare range from 2.5 per cent to over 9 per cent on these major routes (Table 1).

TABLE 1 INDICATIVE AIR FARES INCLUDING TAXES AND CHARGES, NOVEMBER 2002

Route	Aircraft type	Total airport operator charges ^a (\$ a return passenger)	Discount return ^b air fare (dollars)	Charges as a per cent of best discount air fare (per cent)	Economy return air fare (dollars)	Charges as a per cent of economy return air fare (per cent)
Melbourne–Sydney	737-800	11.97	191	6.3	398	3.0
Adelaide–Melbourne	737-800	16.22	178	9.1	398	4.1
Sydney–Perth	737-800	12.89	508	2.5	1178	1.1
Sydney–Los Angeles	747-400	52.55 ^c	1770	3.0	6348	0.8

a. Total combined charge for both airports. Domestic charges exclude terminal charges while international charges include terminal charges. The BTRE is assuming that airlines pass all airport operator charges onto passengers.
 b. Domestic discount fares are the lowest generally available return airfare valid for the period of travel.
 c. International charges includes terminal charges but exclude the Australia departure tax and Sydney noise levy. Total charge comprises A\$31.38 per return passenger for Sydney and A\$21.17 per return passenger for Los Angeles.

Source BTRE airport charges analysis; IATA Airport and Enroute Charges Manual; BTRE Domestic airfare survey; airline internet sites.



The BTRE's approach

The BTRE's approach is to analyse charges in terms of what an airline may expect to pay based on public charge data. Specifically this:

- Excludes confidential agreements between airports and airlines (eg. reduced charges for new services).
- Excludes domestic terminal charges. Domestic terminal charges are often confidential and may differ by terminal and airline. Their exclusion may distort the picture if airports cross-subsidise landing and terminal charges.
- Assumes a return flight. Some airports calculate charges only on arrival, whereas others levy charges on both an arrival and departure basis.
- Reports a total dollar charge on a per return passenger basis.


Table 2 lists the key parameters used by BTRE in its calculations.

TABLE 2 PARAMETERS USED IN AIRPORT CHARGE CALCULATIONS

Aircraft type	Operational sector	Aircraft maximum take-off weight (tonnes)	Number of aircraft seats	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
SAAB340B	Regional	13.2	34	60.0
Metro 23	Regional	7.5	19	60.0

Note The load factor is the proportion of total aircraft seats that are filled by paying passengers. Aircraft load factors are averages derived from BTRE Statistics Section data collections for the relevant operational sector and may not reflect actual load factors at specific airports.

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





A key parameter is the average aircraft load factor, which is the percentage of available seats that are filled on average by paying passengers. A higher load factor favours aircraft weight-based charges and a lower load factor favours passenger-based charges. The load factors in Table 2 are Australia-wide averages derived from BTRE Statistics Section aviation data collections. Calculated charges may therefore differ from actual charges incurred by operators at an airport.

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

Results

Table 3 presents the results in nominal terms for July 2002 compared with January 2002. Adelaide, Brisbane, Perth and Melbourne substantially increased their charges between 31 January 2002 and 31 July 2002 (excluding domestic terminal leases).

TABLE 3 RESULTS: ESTIMATED AIRPORT OPERATOR CHARGES—31 JANUARY 2002 AND 31 JULY 2002 a, b (DOLLARS PER RETURN PASSENGER)

<i>Airport</i>	<i>Period</i>	<i>747-438</i>	<i>737-800</i>	<i>SAAB340B</i>
Sydney	Jan. 2002	30.08	4.94	5.39
	Jul. 2002	31.38	4.97	5.39
Melbourne	Jan. 2002	14.11	4.20	4.15
	Jul. 2002	22.00	6.60	6.60
Brisbane	Jan. 2002	14.52	4.08	4.02
	Jul. 2002	17.90	5.75	5.67
Perth	Jan. 2002	11.63	3.52	3.48
	Jul. 2002	19.15	7.92	7.92
Adelaide	Jan. 2002	8.50	3.26	3.22
	Jul. 2002	21.01	9.62	3.50

- a. Airport operator charges exclude Government-mandated security charges, the Airservices Australia terminal navaid, Rescue and Firefighting and parking charges.
- b. There are major differences in the level of charge increases between airports and the ranking of airports varies by aircraft category. Caution needs to be taken in comparing rates of increase between airports, as each has a different base figure.

Source Public airport charge data and BTRE assumptions.



However, there are major differences in the level of charge increases between airports and the ranking of airports varies by aircraft category. Caution needs to be taken in comparing rates of increase between airports, as each has a different base figure.

The July 2002 increases in airport operator controlled charges at Melbourne, Brisbane, Perth and Adelaide also need to be taken in the context of the transition from CPI-X price control regulatory regime, under which prices fell over a five year period in real terms, to a price monitoring regime from 1 July 2002. The BTRE has derived airports' return on assets from ACCC airport regulatory reports and these indicate that airports' return on assets³ in 2000–2001 ranged from 2.4 per cent at Adelaide to 7.5 per cent at Melbourne.

Figures 1 and 2 present indicative charges in September 2002 dollars for B737-800 and SAAB340B aircraft. Figures 1 and 2 show a real decline in airport charges under the CPI-X price cap regime at Brisbane, Melbourne, Adelaide and Perth between July 1997 and January 2002.

Since January 2002 a number of these airports have changed the way they calculate charges (for example, from aircraft weight-based charges to passenger charges) and re-balanced charges between industry sectors. However, most Sydney charges were virtually unchanged from January 2002.

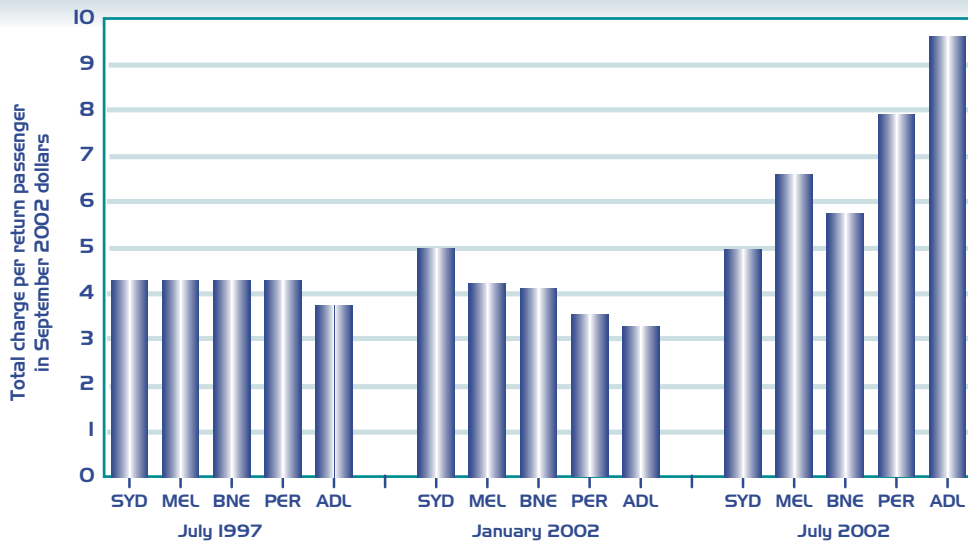
In July 2002:

- For a regional SAAB340B return flight, Adelaide had the lowest equivalent charge per return passenger of \$3.50 and Perth the highest at \$7.92.
- For a domestic 737-800 return flight, charges per return passenger ranged from \$4.97 at Sydney to \$9.62 at Adelaide.

3 The BTRE has calculated an airport's return on assets by dividing earnings before interest and taxation by the airport's regulated asset base. These values have been sourced from the ACCC's airport regulatory reports for 2000–2001.



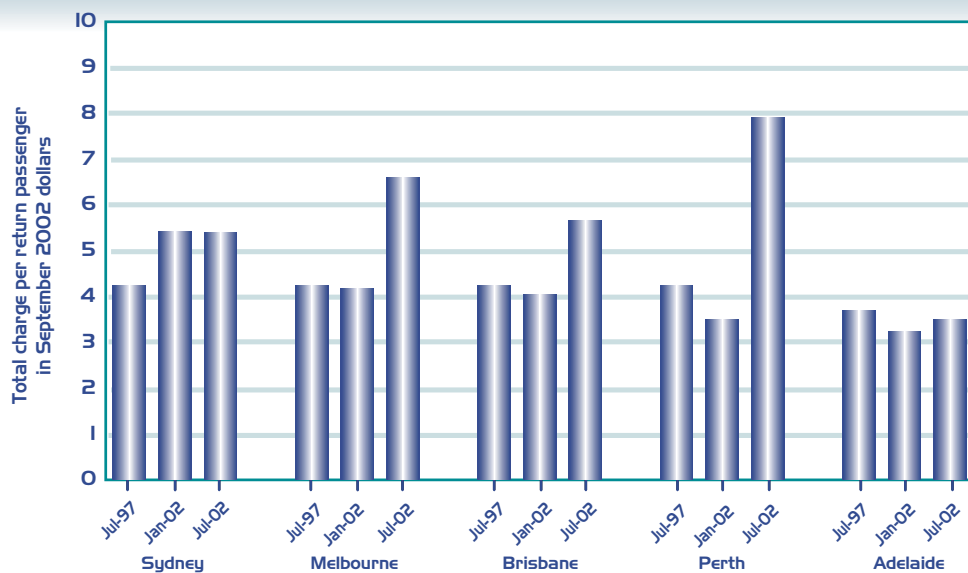
FIGURE 1 REAL AIRPORT OPERATOR CHARGES FOR A BOEING 737-800 DOMESTIC LANDING AND TAKEOFF, TOTAL PER RETURN PASSENGER, SEPTEMBER 2002 DOLLARS



Note Excludes government mandated security charges, noise levies and Airservices Australia charges. Calculations are based on BTRÉ assumptions and may differ from charges incurred by operators. January 2002 and July 2002 estimates are GST inclusive and exclude domestic terminal charges. BTRÉ has assumed a domestic load factor of 76.5 per cent.

Source Published airport charge data sourced from operators; ABS (Catalogue No. 6401.0); BTRÉ assumptions.

FIGURE 2 REAL AIRPORT OPERATOR CHARGES FOR A SAAB340B LANDING AND TAKEOFF BY AIRPORT, TOTAL PER RETURN PASSENGER, SEPTEMBER 2002 DOLLARS



Note Excludes government mandated security charges, noise levies and Airservices Australia charges. Calculations are based on BTRÉ assumptions and may differ from charges incurred by operators. January 2002 and July 2002 estimates are GST inclusive and exclude domestic terminal charges. BTRÉ has assumed an indicative regional load factor of 60 per cent.

Source Published airport charge data sourced from operators; ABS (Catalogue No. 6401.0); BTRÉ assumptions.



- For an international 747-400 return flight, Brisbane had the lowest equivalent charges per return passenger at \$17.90 and Sydney the highest at \$31.38, *including* terminal charges.

A detailed breakdown as at 31 July 2002, including Government-mandated security and Airservices Australia (ASA) charges (excluding en-route charges) is presented in Table 4.

Security charges decreased at some airports in some categories and increased at others between January and July 2002. In a few cases regional aircraft operators did not pay a security charge.

The ACCC approved temporary increases in ASA charges from 28 July 2002 to 30 June 2003. Terminal navigation charges and rescue and firefighting charges are to revert to pre-28 July 2002 levels from 1 July 2003.⁴ Table 4 indicates that the increase in the ASA airport charges component (terminal navigation charges and rescue and firefighting charges) ranged from 1.6 per cent at Melbourne Airport to 9.8 per cent at Perth Airport.



STATE OF PLAY IN AUSTRALIAN AVIATION

Definitions

The definitions of regional and domestic used by BTRE to report passenger and traffic statistics are based on the characteristics of the airline operator. The formal definition of a regional airline is:

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

The formal definition of a domestic airline is:

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

A number of airlines still classified as ‘regional’ now operate aircraft of 50 seats or more. This has meant that in some cases ‘regional’ and ‘domestic’ airlines service the same route. It is apparent that this group of regional airlines should either be re-classified as major domestic airlines or that the definition of a regional airline should be changed.

In practice, the definition of regional airline (and the one used in this article) has become “an airline performing regular public transport services and primarily servicing regional centres”.

The BTRE has chosen to combine data for regional and domestic airlines in this article, unless stated otherwise. As a consequence, June 2002 is the last month for which regional aviation data is available due to delays in receiving statistical returns from some regional airlines.

The BTRE compares the most recent month or quarter to the same period in the previous year, unless stated otherwise.

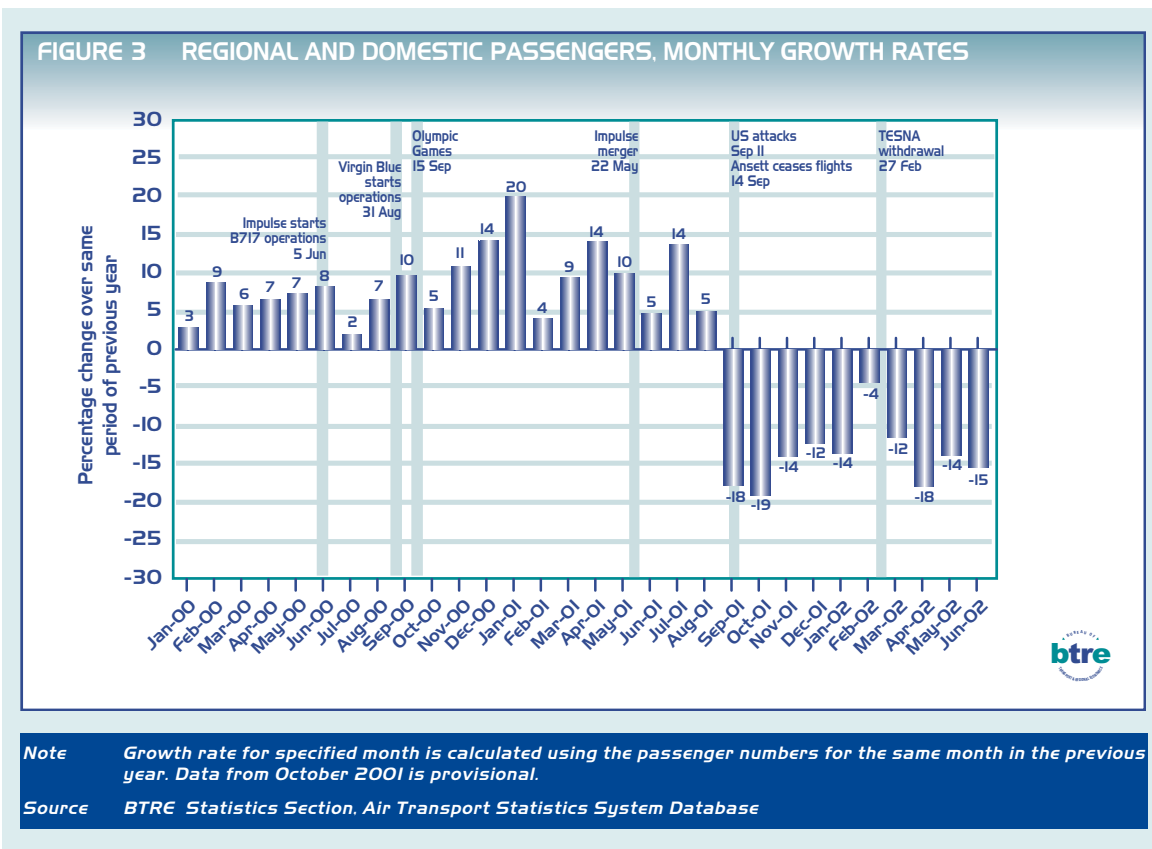
4 ASA en-route charges are not included in the BTRE’s airport charges analysis. On 26 November 2002 the Commonwealth Government announced a 3.6 per cent cut in ASA en-route charges from January 2003.

Domestic Passengers

While the regional and domestic passenger numbers for the June quarter 2002 are still preliminary, domestic demand appeared to have returned to just below June quarter 1999 levels. To eliminate seasonal effects, the one-off effect of the Olympics and the cessation of Ansett services in late 2001, comparisons have been made with the same quarter in 1999.

The total amount of travel can be measured in passenger kilometres. Regional and domestic passenger kilometres in the June quarter 2002 were 4.3 per cent higher than the June quarter 1999, while the total number of passengers had fallen in the same period. This means that, on average, passengers are travelling further.

As shown in Figure 3, total domestic and regional passengers increased by 14.2 per cent in December 2000 compared with the same month of 1999. Contributing to this increase were the lower discount fares following the entry of Impulse in May 2000 and Virgin Blue in August 2000, and the Sydney 2000 Olympic Games (15 September to 1 October).



Ansett ceased all services on 14 September 2001. There was an immediate drop in regional and domestic passengers of 19 per cent in October 2001. By June 2002 total regional and domestic passenger numbers were 15.4 per cent below June 2001 (Figure 3).

Since June 2002 there has been a substantial increase in domestic passenger numbers.

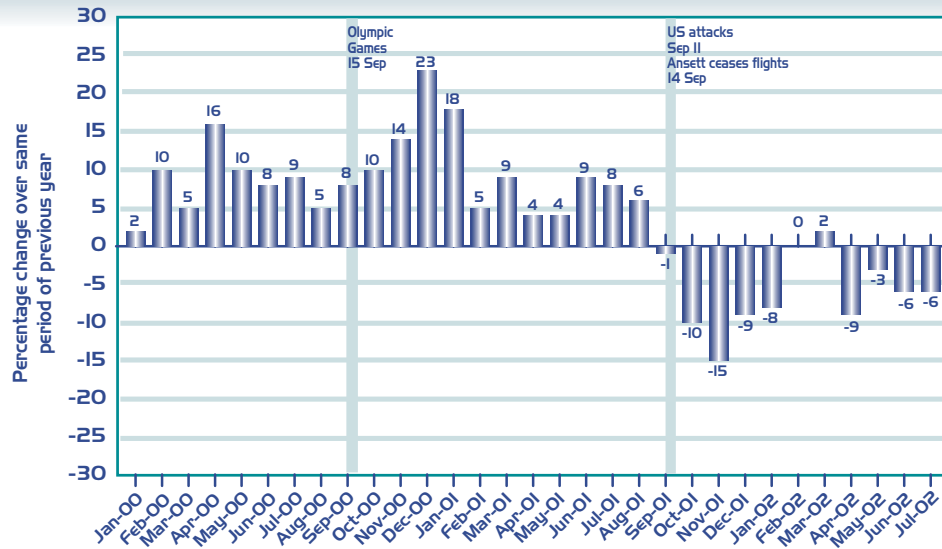
International passengers

The latest available data for July 2002 shows that the number of international passengers was 5.9 per cent below the total for July 2001 (Figure 4). When compared to July 2000, however, July 2002 passenger numbers were 1.6 per cent higher.

International passenger numbers experienced strong year on year growth from February 2000 until September 2001 (Figure 4).



FIGURE 4 INBOUND AND OUTBOUND INTERNATIONAL PASSENGERS, YEAR ON YEAR MONTHLY CHANGES



Note Year on year change for specified month is calculated as annual growth rate over the same month in the previous year

Source BTRE Statistics Section.



The impact on the aviation industry of the September 11 terrorist attacks was global.⁵ For Australia, the total number of international passengers fell 0.8 per cent in October and 3.5 per cent in November, before rising 12.6 per cent in December 2001, compared with the same months of 1999 (traffic numbers are not compared to the year 2000 due to the effect of the Olympics in that year).

Domestic Fares

Real discount domestic air fares in November 2002 are about 23 per cent below November 1999, and have been sustained at that level since May 2002 (Figure 5). While many consumers have benefited from lower discount fares, fully flexible fares initially increased. Full economy and business fares indices rose about 5 per cent in real terms in the September quarter 2000. However, Figure 5 shows that since May 2002 full economy fares-including the GST but before temporary government charges and airport surcharges-have declined to about June 2000 (pre-GST) levels.

Compared to domestic fare levels in 1992 when the BTRE started reporting on domestic air fares, real discount fares in the September quarter 2002 were almost 18 per cent below the December quarter 1992. However, in real terms the fully flexible full economy and business fare series were almost 9 per cent and 34.5 per cent respectively above December quarter 1992 levels. The BTRE notes that the business and full economy fare series diverged significantly in the mid-1990s with the change from three classes to two classes on domestic services.

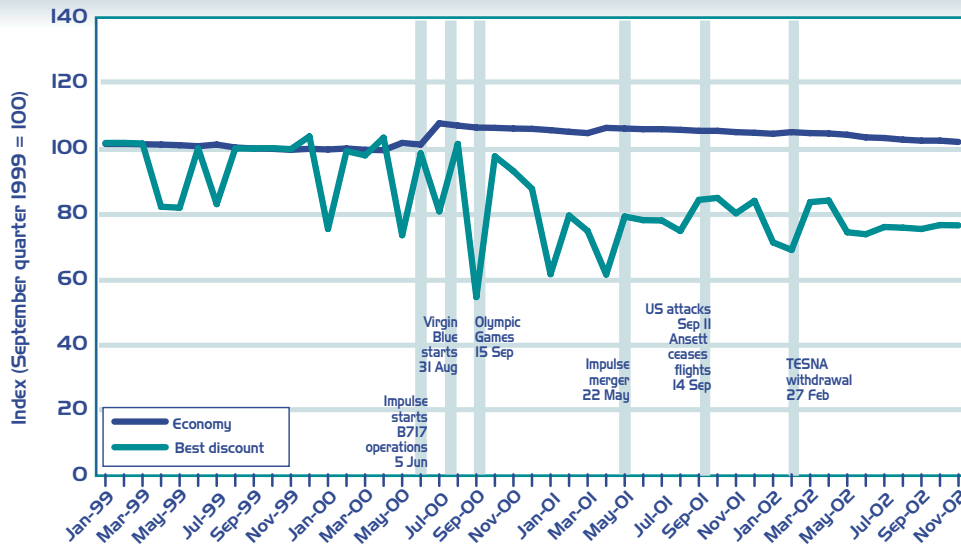
The entry of Impulse and Virgin Blue in 2000 had a major impact on discount fares. Real discount fares for the September quarter 2000 fell 17.6 per cent from the same quarter of 1999 (Figure 5).

Despite a widespread perception that domestic discount air fares increased following the demise of Ansett, this is not evident in the BTRE's published domestic real airfare series (Figure 5). It is more likely that the large reduction in flights and capacity reduced the availability of discount seats.

⁵ In Europe, Swissair and subsidiary Sabena ceased operations on 2 October 2001.



FIGURE 5 REAL DOMESTIC AIRFARES EXCLUDING TAXES AND CHARGES, MONTHLY INDEX

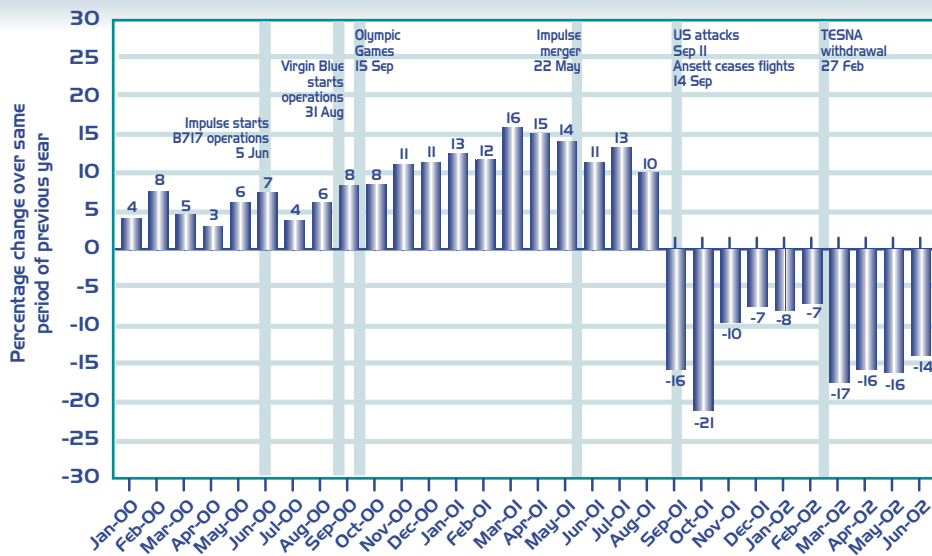


Source BTRE Statistics Section, Domestic airfares database, SABRE Computer Reservation System (disclaimer applies)

Capacity and frequency

Preliminary data for June 2002 shows that the domestic capacity (measured in available seat kilometres) was 13.9 per cent below June 2001 levels (Figure 6). However, compared to June 1999 this represents an increase of 1.4 per cent.

FIGURE 6 REGIONAL AND DOMESTIC CAPACITY (AVAILABLE SEAT KILOMETRES), MONTHLY GROWTH RATES



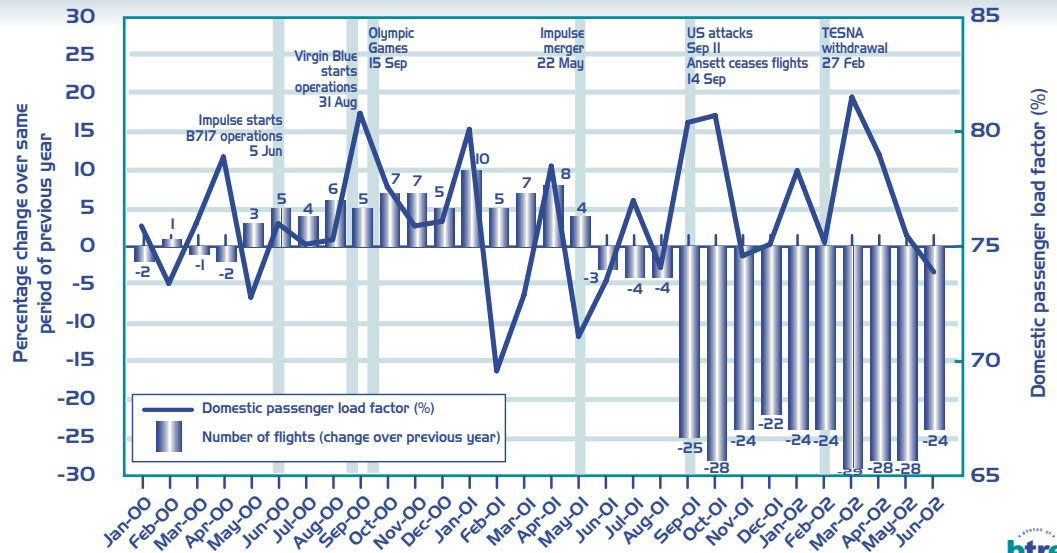
Note Growth rate for specified month is calculated using the passenger numbers for the same month in the previous year. Data from October 2001 is provisional.

Source BTRE Statistics Section, Air Transport Statistics System Database



The entry of two new competitors into the Australian domestic market substantially increased total capacity (Figure 6) and the total number of domestic and regional flights (Figure 7).

FIGURE 7 REGIONAL AND DOMESTIC FLIGHTS MONTHLY GROWTH AND DOMESTIC PASSENGER LOAD FACTOR



Note Growth rate for specified month is calculated using the passenger numbers for the same month in the previous year. Data from October 2001 is provisional.

Source BTRE Statistics Section, Air Transport Statistics System Database

From June to August 2001 the number of domestic and regional flights fell compared to the previous year (Figure 3). Despite this decline and a slowing domestic economy (Figure 8), the total number of passengers continued to grow between June and August 2001 (Figure 3).

The immediate impact of Ansett ceasing flights was a reduction of 21 per cent in domestic capacity and 28.4 per cent reduction in the number of flights for October 2001, compared to October 2000. Both Virgin Blue and Qantas moved quickly to increase their capacity. Qantas diverted capacity from international to domestic operations and from 17 September it expanded its network to include 22 regional centres previously serviced only by Ansett.

Ansett Mark II started operating on 29 September 2001 with flights between Sydney and Melbourne, subsequently increasing services to other capital cities and some regional destinations. Capacity and flights declined again in March 2002 when Ansett Mark II ceased operations after TESNA withdrew its bid for Ansett on 27 February 2002.

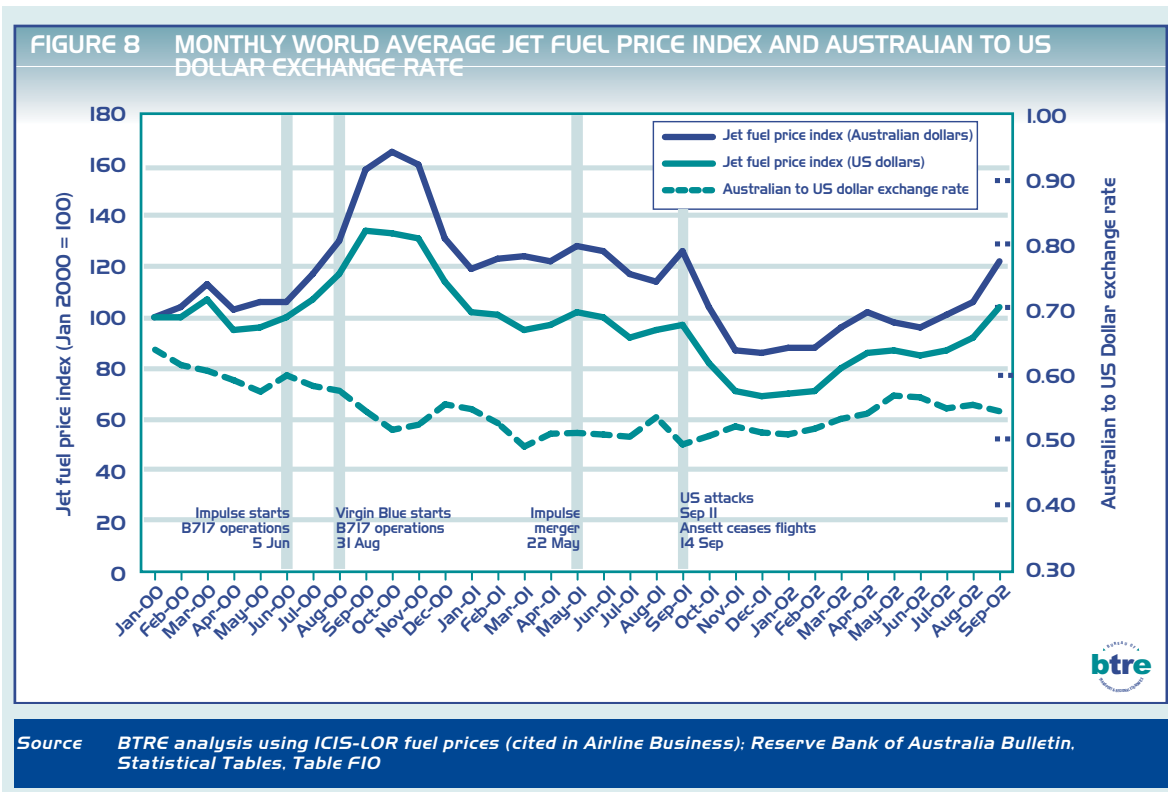
The impact on capacity is less than the impact on flights due to a significant increase in the average size of aircraft serving the domestic market since 1999. Virgin Blue and Qantas have brought in larger Boeing 737-800 aircraft, while Qantas is using large international Boeing 767 and 747 aircraft on some routes and is operating former Impulse Boeing 717 aircraft on some regional routes.

Costs

The fall in discount fares observed in the September quarter 2000 (Figure 5) was despite external pressures on airline costs.



Between June 2000 and October 2000, international spot jet fuel prices rose by about 60 per cent in Australian dollar terms and the Australian dollar depreciated 20 per cent against the US dollar (Figure 8).



Apart from accentuating the spike in fuel prices, the higher US dollar would also have impacted on Australian airlines through increased aircraft lease expenses and maintenance costs (through the higher cost of replacement parts). By May and June 2002, the Australian dollar had recovered from below US\$0.50 to over US\$0.56.

Jet fuel prices fell significantly in November and December 2001, after initially rising following the September 11 terrorist attacks. However, by September 2002 jet fuel prices in Australian dollar terms had risen to just below September 2001 levels.

As indicated in Figures 1 and 2, real airport charges at Melbourne, Brisbane, Perth and Adelaide declined under the CPI-X regulatory regime between 1997 and January 2002, but have increased since then (for a full discussion see the Airport Charges article in this issue).

Economic activity

Growth in the air and space transport industry for the September quarter 2002 was 0.9 per cent below the same quarter of 2001 seasonally adjusted. Growth in the air and space sector has diverged from domestic economic growth since the December quarter 2000 (Figure 9).

Qantas share price

After September 11 and the demise of Ansett, Qantas' share price rose, diverging from the S&P/ASX 200 all industrial index (Figure 10).

Sydney aircraft noise

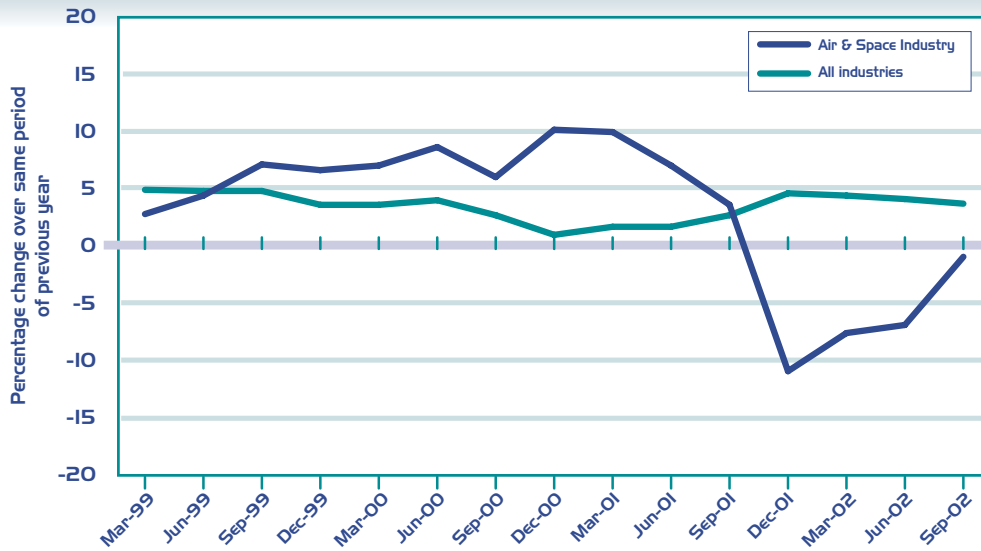
Since September 2001 there has been a large reduction in the number of noise complaints (Figure 11). The number of noise complaints fell 26 per cent in October 2001 and 65 per cent in November 2001 respectively



as compared to August 2001. This reduction in complaints may reflect the fall in the number of international and domestic flights at Sydney airport.

This decline in total movements at Sydney airport has not noticeably changed the runway end impacts when compared to the Sydney Airport Long Term Operating Plan (Figure 12).

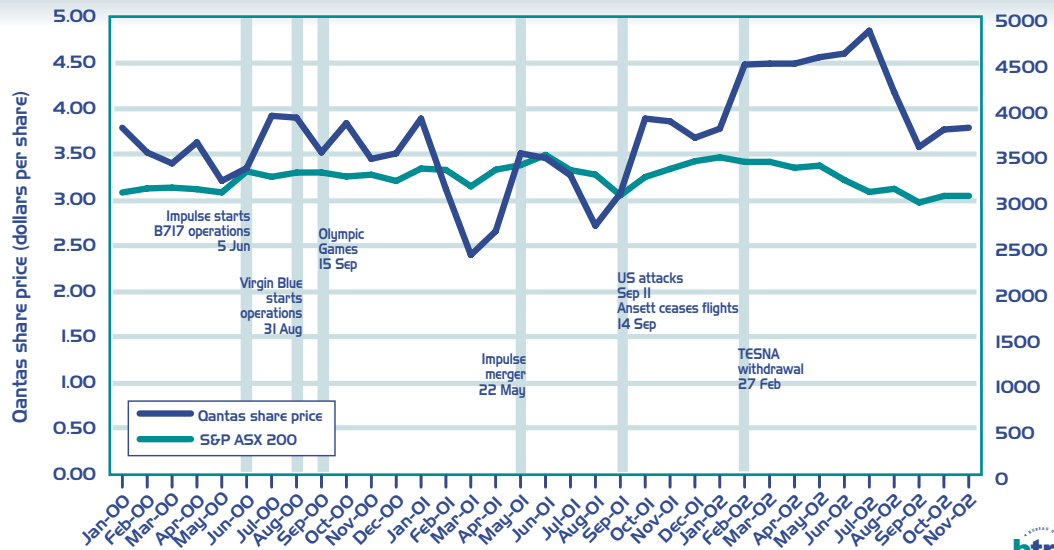
FIGURE 9 CHANGES IN AUSTRALIAN GDP FOR AIR AND SPACE INDUSTRY AND ALL INDUSTRIES, SEASONALLY ADJUSTED, AUSTRALIA



Note Growth rate for specified quarter is calculated using the value for the same quarter of previous year. Chain volume measures, seasonally adjusted.

Source ABS Catalogue No. 5206.0

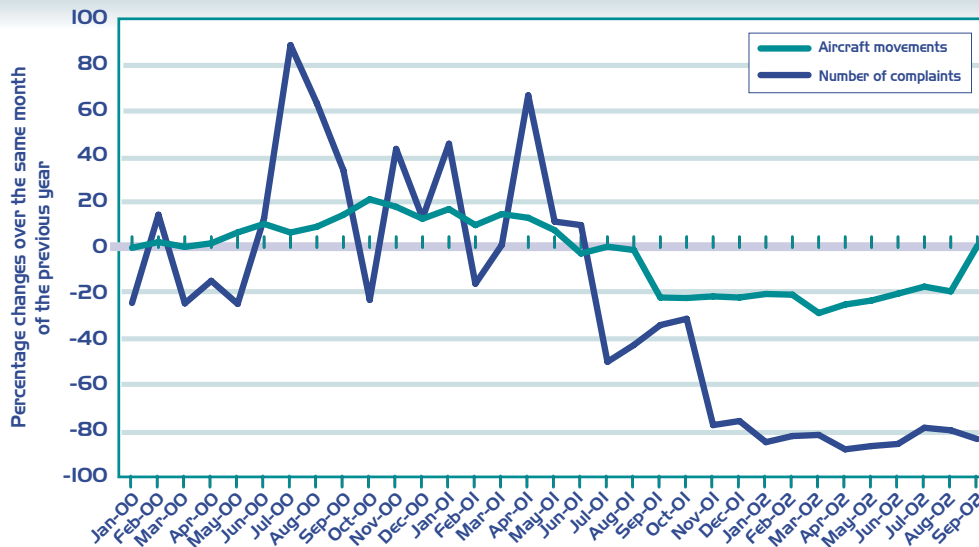
FIGURE 10 QANTAS SHARE PRICE AND S&P/ASX 200 INDEX, MONTHLY CLOSES



Source Qantas share price (JBWere: DCN: ASX); S&P ASX 200 (ASX)

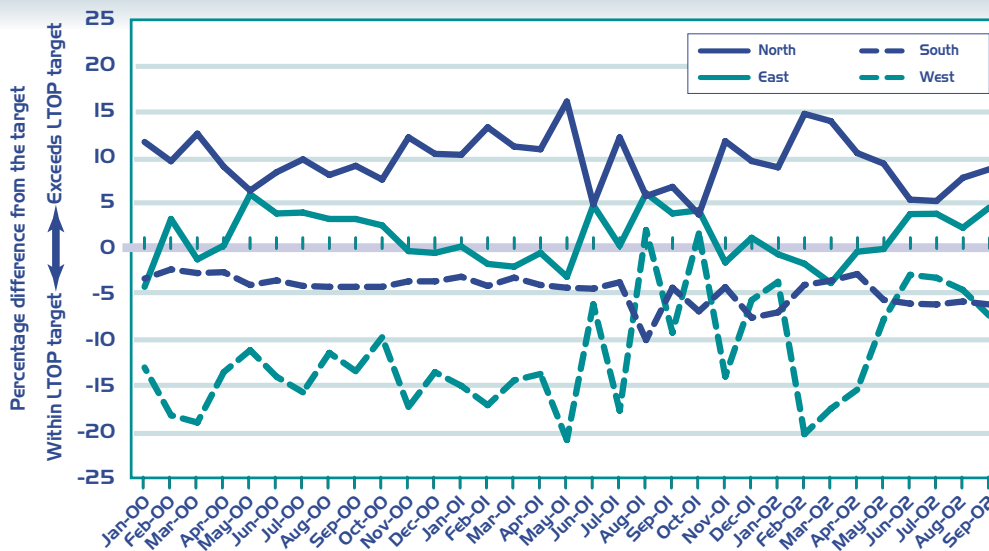


FIGURE II YEAR ON YEAR MONTHLY CHANGES IN TOTAL AIRCRAFT MOVEMENTS AND RECORDED NUMBER OF NOISE COMPLAINTS FOR SYDNEY AIRPORT



Source Airservices Australia, Monthly Sydney Airport Operational Statistics

FIGURE 12 DIFFERENTIAL BETWEEN THE ACTUAL AND THE LONG TERM OPERATING PLAN TARGET RUNWAY END IMPACTS FOR SYDNEY AIRPORT



Source Airservices Australia Monthly Sydney Airport Operational Statistics



THE BTRE'S AVLINE PROJECT AND FUTURE INFORMATION NEEDS

The aims of the Avline project are to provide a single source of *published* information about air transport in Australia, to add value through concise analysis of aviation-related issues and to identify the major gaps that need to be addressed. While there are many sources of aviation specific information, there is currently no single source that draws together these disparate sources to benefit the industries' key stakeholders-policy advisers and analysts, airlines, airports, freight shippers and consumers.

Issue 1 is the first attempt to collate and release comprehensive information on the Australian aviation sector. However, in doing so major gaps have been identified that include information about:

- Consumer services and prices.
- Congestion in the aviation system and interfaces.
- Regional services activity.
- Share of the domestic market held by each operator.
- The origin and destination of domestic and regional trips.
- Airport charges.
- Air freight.

Performance information can assist in monitoring program delivery and developing new policy to improve transport services to the Australian community. In particular, congestion and consumer service indicators are expected to be major areas of interest to policy analysts, airlines, airports, consumers and business. The BTRE is proposing to focus on developing performance indicators in these areas.

BTRE is also looking to further develop price indicators for:

- Domestic airfares.
- Airport charges for major airports (see Airport Charges article in this issue).
- International airfares (under consideration).

Despite this development work, gaps will remain with respect to the actual fares paid, the availability of discount seats and availability of frequent flyer seats.

Key areas that need to be addressed for domestic passenger statistics are the collection of actual passenger demand (that is, in-flight origin-destination passenger data) and the *publication* of domestic airline market share data. Regulation 12 of the Air Navigation Regulations 1947 prevents publication of data collected under the regulation where it would identify an airline without its permission. This has prevented publication of domestic market share data since the mid-1990s.

Given the high level of interest by policy analysts and freight shippers in the efficiency and effectiveness of the transport logistics chain, there are a number of gaps in air freight data that need to be addressed. For example, little is known about domestic *dedicated* air freight and air freight terminal operations.

Filling these gaps will significantly improve our understanding of the size and importance of the aviation industry. More complete, current and specific aviation data will support government and industry efforts to develop better aviation policy and provide better services to consumers.

Third-party databases can improve the quality and timeliness of statistical collections and help reduce the burden on data providers, and the BTRE is pursuing these options. However, in most cases there is no alternative but to collect data directly from industry. Given the commercially sensitive nature of much of the required data, the BTRE will need the on-going cooperation of key airline and airport stakeholders.

Consideration must be given to minimising the costs of obtaining data and developing any new data collection system. New approaches are needed to improve the timeliness and quality of key collections such as regional airline statistics.

A key question for all Avline readers is what information is most useful, given the need to minimise the burden on industry.

BTRE welcomes your comments on the content and presentation of its first issue of Avline. You can email suggestions to avline@dotars.gov.au, fax the feedback form to (02) 6274 6816 or use the enclosed reply paid envelope.

Tim Risbey

Research Leader



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contact

contact

telephone / fax

For further information on this publication please contact:
Tim Risbey at: avline@dotars.gov.au tel (02) 6274 6765 fax (02) 6274 6816.

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GPO Box 501, Canberra ACT 2601, Australia avline@dotars.gov.au
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