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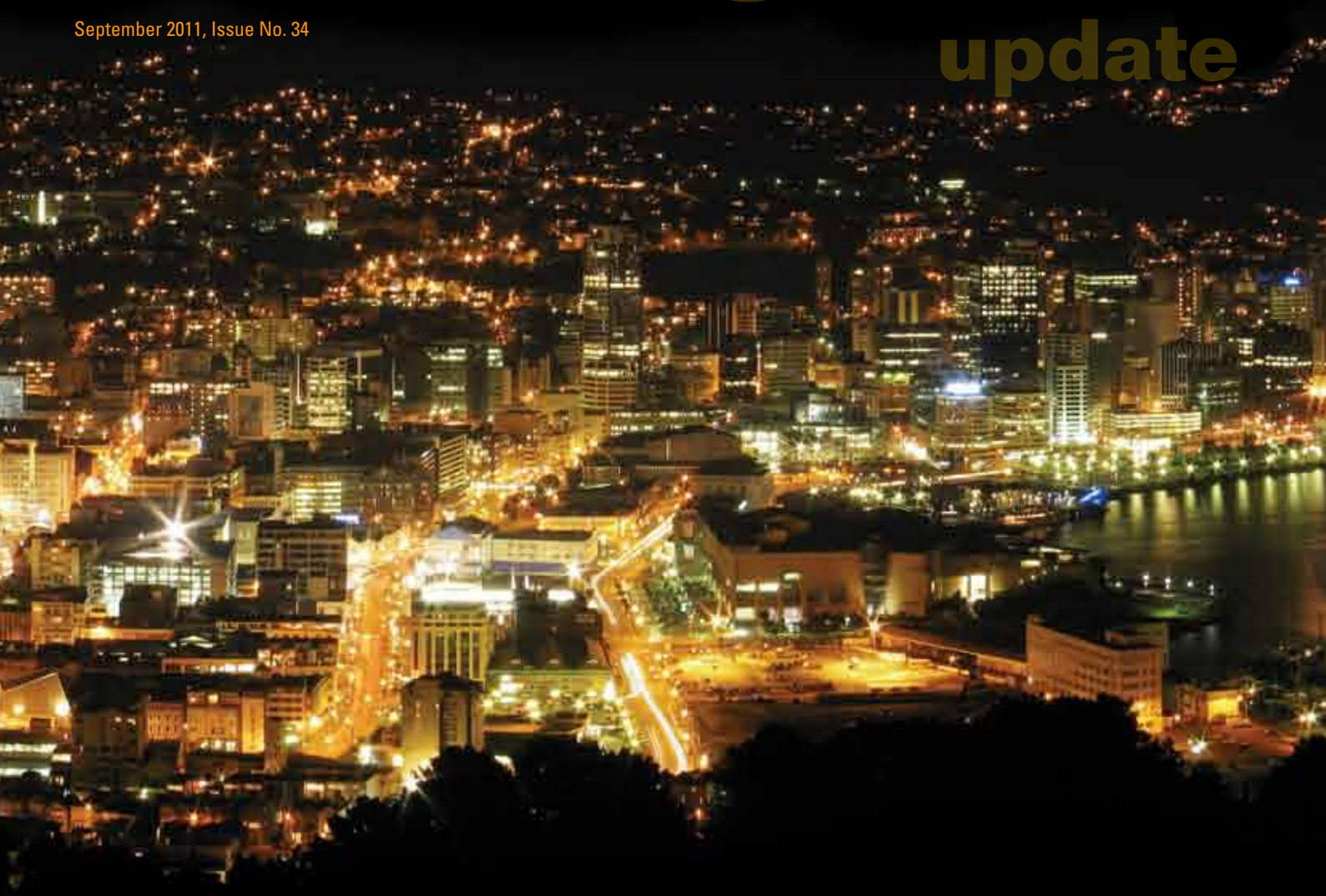
Infratil update

September 2011, Issue No. 34



How owners direct, incentivise and resource managers is important in determining how those managers go about their work and the outcomes which then arise. Does it matter if the owners are the state or individuals?

Infratil has an interest in the "privatisation" debate. Wellington Airport, NZ Bus and TrustPower were once state-owned and under private ownership each has delivered for their users, communities and owners.

However, in the case of these three businesses it is possible to have a "dollar each way" in the debate as each has strong community representation in their governance and direction.

Wellington Airport is owned by Infratil (66%) and Wellington City Council (34%).

It has a track record of investing in its facilities and working to enhance Wellington's air services.

At the 2011 World Travel Awards Wellington was recognised as the best airport in Australasia. That a small Airport could win this award was testament to all-round excellence and prioritisation of user needs.

The Airport's current challenge is to attract long–haul flights which will directly link the Capital with Asia.

WOULD WELLINGTON AIRPORT HAVE A LONGER RUNWAY

IF THE CROWN HADN'T SOLD ITS SHAREHOLDING?

The relative merits of private and public ownership became a hot debating topic during the 2008 Global Financial Crisis (Western market-capitalism stumbled; Chinese state-capitalism maintained momentum) and will be to the fore in the campaign leading into the New Zealand General Election as the National Party seeks a mandate to sell Crown shares in a number of energy and transport businesses.

In England you catch a private bus to a public hospital or a public university, drink water provided by a private company and post a letter via the private postal service, before flying out from a private airport. In the USA the bus, water company, postal service and airport would all be publicly owned while the university and hospital are likely to be private. New Zealand's water, post, hospital and university are likely to be public while the bus will usually be private and the airport will be public (except in Auckland and Wellington) and it's a better than 50% prospect that the aircraft is also public. Each country's mosaic of public and private ownership delivers a mixed bag and often different values and priorities mean that what is regarded as excellent in one country will be regarded as unacceptable in another. US private hospitals provide world's best care, but the US medical system costs about twice that of New Zealand's public one and while most Americans have access to excellent health services, many do not do not get care of the calibre available to everyone in New Zealand.

Generalisations on private and public ownership are slogans, but specific examples allow informed conclusions about relative prices, service quality and the absorption of, and return on, capital. Where these metrics indicate a service is expensive, cheap, poor, excellent, requiring a lot of capital, etc. it is possible to work back to why. Sometimes "why" will be an accident; a brilliant or incompetent manager, a piece of good/bad fortune; but often it will reflect governance and incentives. It is not ownership which decides if a company is well managed, efficient, low priced, etc. it is how the company is managed and financed; specifically the direction, monitoring, incentivisation and resourcing of managers by the owners be they public or private.

Infratil has a position on the debate. It owns some businesses that were previously state owned; Auckland and Wellington's bus companies, Wellington's Airport, 19 hydro power schemes around New Zealand; although most of these businesses are unrecognisable from those once run by central and local government. Infratil's success as an owner of these businesses has come from the prioritisation of customer needs and fair pricing. Or expressed differently, success has been based on investing in facilities for which demand (and hence income) has justified the capital outlay. The Airport Flyer bus service which runs between the Hutt Valley and Wellington Airport is a well patronised successful service. It is cheaper than a taxi or using a private car, but more expensive than regulated public transport services. It is unlikely that a public agency would have instituted this service as too many people would have derided the "high bus fare" and a low fare would have necessitated a substantial subsidy. The investment is successful because it is providing a service people want and the fares they are willing to pay cover operating costs and provide a satisfactory return on the $5 million spent buying new buses.

Whether it is buses, power stations, airport terminals or petrol stations; the equation for success is the same: provide a good service for which there is demand at a price which provides a satisfactory return. If the service is poor, demand insufficient, prices too high or too low; investment will not be profitable and will be discouraged. Wellington Airport is an example of an infrastructure business which is successfully applying the formula. Infratil and Wellington City Council share the kudos as Council retains a 34% interest in the Airport and appoints two of its six directors. Over the last 13 years the two shareholders have directed and resourced management so that the Airport's investment in capacity and services has ensured that the region has good access to air services and the pricing of the Airport's facilities has encouraged investment without discouraging use.

A key aspect in the "public versus private" debate is the issue of wider-benefit. In the instance of Wellington Airport this may entail asking if how it is operated helps or hinders the regional economy, or more specifically; has the Airport's investment and pricing encouraged, facilitated or discouraged air services. In Wellington that debate has often focused on long-haul services. Could the Airport do more to bring about direct connections between The Capital and Asia, should a few more hundred metres be added to the runway (at $300,000 to $400,000 per metre)? This Update addresses that question and provides some context.

At present Wellington's international links are mainly with Australia and the evolution of the Tasman aviation market over the last decade is a good illustration of the nature of the air travel market and provides lessons for how to economically bring about direct Asian links. The Airport's development of its capacity over the last decade is also illustrative of its willingness to invest in new and expanded services.

WELLINGTON AIRPORT CAPACITY

In 1998 when Infratil acquired its initial interest from the Crown 3.1 million domestic and 400,000 international passengers came and went through Wellington Airport. Last year the Airport was used by 4.5 million domestic and 650,000 international passengers.

To facilitate this expansion has required investment in the runway, terminals, land-transport links and so on. The objective is enough "head room" to avoid turning a customer away but without large amounts of expensive spare capacity as existing users baulk at paying today for tomorrow's growth. There is a balance, which has been achieved by a modular, just-in-time, expansion.

The runway upgrade is illustrative. Over the last five years $45 million has been invested in three distinct projects; the road-bridge extension to the south, the extension and removal of obstacles to the north, and a new overlay surface. Future runway "modules" may include a bridge over the road to the north and extension into Evans Bay, which could add 200 metres at a cost of about $60 million. Greater separation between the runway and taxiway is also possible to allow an increase in peak-time aircraft movements.

Another area where the Airport has been expanding is its land transport links. On an average day over 20,000 people come to and leave Wellington Airport by car, bus or bike. 5,000 more than a decade ago.

To efficiently facilitate this traffic Wellington Airport has:

- Increased car parking options and capacity.
- Improved the queuing and pick-up arrangements for taxis and shuttles.
- Created a terminal bus stop and bus lane.
- Instituted on-line car park booking.
- Bicycle storage and improved footpath links with Miramar.
- Worked with regional transport bodies to enhance the City-Airport link.

The intention is to provide services to suit different needs; covered car parking close to the terminal for a one day business trip, a week's parking at the least possible cost for a holiday, a frequent public transport link with the City, etc.

As with the rest of the Airport's infrastructure there must be enough spare capacity to meet growth without excess lying unutilised for a long time. As with any business that has peak-use times, a second goal is capacity to meet the peaks while still having good overall utilisation . The cost of building one additional car park at Wellington Airport is $35,000 to $40,000 (with limited land the only place for expansion is up) and the cost is the same whether the park is used 10 or 100 hours a week.

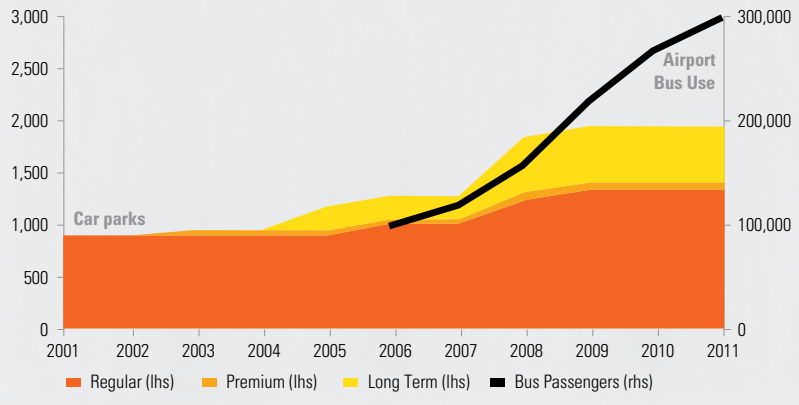
Easter is Wellington Airport's busiest time of the year, but not usually in the car park so in 2011 the Airport offered 5 days parking for $59 which resulted in utilisation nearly double that of the previous Easter. Initiatives such as on-line car park booking have been successful at encouraging use of the car parks at off-peak times.

Wellington Airport's investment in its land-transport links and facilities illustrates its approach to growing efficiently by providing capacity to suit individual traveller's wants and needs to maximise their utilisation of the facilities.

Since 1998 Wellington Airport's capital spending has averaged around $20-25 million per annum. Over the next five years the level of investment is expected to be slightly greater and it will then pick up as the Airport expands its facilities to accommodate the approximately 10 million passengers a year forecast for 2030.

A significant part of the capital spending will reflect expansion of the Airport's peak-time capacity and, as with the land-transport links, the goal will be to increase the range of services provided while catering to a wide variety of user needs and means.

Airport Car Parks & Passengers on the Airport Buses



While Wellington Airport has more than doubled its number of car parks over the last decade, the use of public transport by Airport visitors has increased at an even faster rate.

The Airport's upgrade of its public transport links with the City and Hutt Valley has been notably successful, especially at providing another option for airport-users at peak times.

A full bus leaving the Airport at 8am means about 30 less cars adding to morning congestion.

THE TASMAN AIR TRAVEL MARKET (& WELLINGTON'S PART OF IT)

On an average day in the month of March 2000, 66 passenger jets flew between New Zealand and Australia carrying an average 120 passengers and 77 empty seats. In March this year, on an average day, there were 114 flights with 133 passengers and 59 empty seats (data from the Australian Bureau of Infrastructure, Transport and Regional Economics; Bitre.gov.au).

In March 2000 there were 244,622 passenger trips across the Tasman. This year there were 468,356. That is 223,734 more passenger trips than the same month a decade before.

Wellington did "OK" with Tasman traffic increasing from 430,000 passengers in the year 2000 to 650,000 last year (+50%), but had Wellington's traffic growth rate been the same as Auckland's it would have had 120,000 more international passengers in 2011. In fact, last year about 120,000 passenger movements between Wellington and Australia occurred through Christchurch or Auckland. It was presumably cheaper, more convenient, or necessary because of airline scheduling for these people to fly Sydney-Christchurch-Wellington or Wellington-Auckland-Melbourne (etc) rather than going direct.

The individual city pairs that make up the Tasman travel market have developed at different rates and there seems to be two key determinants of above average growth. One is that the airport serves popular leisure locations (beaches or mountains) as cheaper air travel and rising incomes means more air-travel to holiday destinations. The more important factor is vigorous airline competition resulting from the advent of new carriers, which on the Tasman over the last decade has come from Pacific Blue and Emirates. Since they started services in 2003/2004 over 70% of the increase in total Tasman traffic has been carried by these two airlines.

From carrying no-one over the Tasman in 2002 Emirates now accounts for 10% of the total traffic or about 560,000 passengers a year. Regrettably for Wellington, Emirates capacity has been allocated about 75% to Auckland and 25% to Christchurch. Pacific Blue has had an even greater impact and now accounts for about 15% of the Tasman market, although its 2010 alliance with Air New Zealand is likely to limit its impact going forward.

Wellington Airport is a key part of Central New Zealand's links with the world and its 50% increase in Tasman traffic over the decade represents a "pass mark", not an "A pass". To do better it seems that Wellington needs to attract a third carrier. Emirates operates to Auckland and Christchurch and may one day include Wellington in its global network. There are other global-network carriers such as Singapore, Thai, Cathay, China Southern. There are also the fast expanding low-cost Asian-Pacific carriers; Tiger, the Jetstar family of airlines and AirAsia.

Any airline looking to operate out of Wellington has to meet the usual commercial and operational challenges, and it must comply with regulatory restrictions on airlines which are not majority New Zealand or Australian owned.

Tasman Traffic: Comparing Two Months: March 2000 and March 2011

Airline	Services March 2000	Services March 2011
Aerolineas	-	30
AirNZ	1,125	1,298
China Airlines	4	26
Emirates	-	248
Freedom	182	-
Garuda	26	-
Jetstar	-	417
LAN	-	56
Pacific Blue	-	578
Polynesian	25	-
Qantas	612	874
Thai	44	-
Total	**2,018**	**3,527**

All figures from Bitre.gov.au the site of the Australian Bureau of Infrastructure, Transport and Regional Economics. Between the years ended 31st March 2000 and 31st March 2011 Tasman passengers increased 70%. The figures in this table and the one below are for individual months.

A comparison of two months 11 years apart shows the dynamics of the Tasman air travel market; four carriers dropped out and five new ones arrived.

Between the two months, March 2000 and March 2011, capacity rose 70% and passengers 90%. In 2000 61% of the seats had someone sitting in them. By 2011 occupancy had risen to 69% (Wellington's services were better than average with loadings rising from 69% to 77%).

The average number of seats per aircraft fell (from 197 to 192) and the average number of passengers per aircraft rose (120 to 133). Aircraft became more efficient and airlines got better at selling capacity.

Over this period real Australian domestic airfares (there is no publicly available information on Australian international) fell an average 16%, while real international air travel costs for New Zealanders fell 29%.

Over the 11 years New Zealand's population rose 12% and Australia's 14%.

Flag-carrier Market Shares

Airline	Passengers March 2010	Passengers March 2011
AirNZ group	143,726	192,116 *
%	55%	41%
Qantas group	106,812	151,208
%	41%	32%
Total Passengers	**262,922**	**468,356**

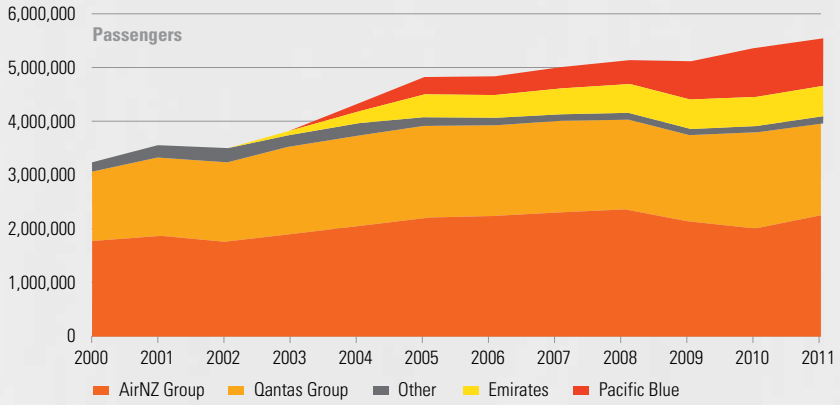
* Adding AirNZ's alliance partner Pacific Blue gives a total of 263,349 passengers in March 2011, 56% of the total.

In March 2000 the two flag carrier groups flew 96% of the Tasman passengers, a decade later it was 73%, although if AirNZ alliance partner Pacific Blue is included the 2011 total rises to 88%.

Air New Zealand seems to have had a good decade on the Tasman. On an average day in both March 2000 and March 2011, 42 AirNZ aircraft crossed the Tasman. However, the number of seats per aircraft increased by 14 and the number of passengers per flight by 38. Loadings went from 62% to 77%.

Qantas (including Jetstar) doubled the number of daily flights, downsized its aircraft and saw its average loads fall from 76% to 72%.

Airlines on the Tasman



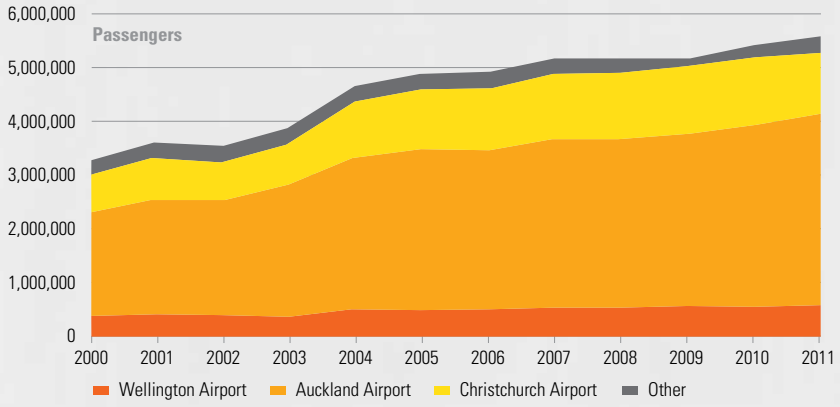
There were 2,300,000 more passenger trips over the Tasman last year than in 2000.

40% of the increase was on AirNZ or Qantas aircraft.

60% of the growth came from Emirates or Pacific Blue. They started services in 2003 and 2004 respectively and since 2003 75% of the growth has come from these two carriers.

New services have a substantial market impact.

Tasman Traffic



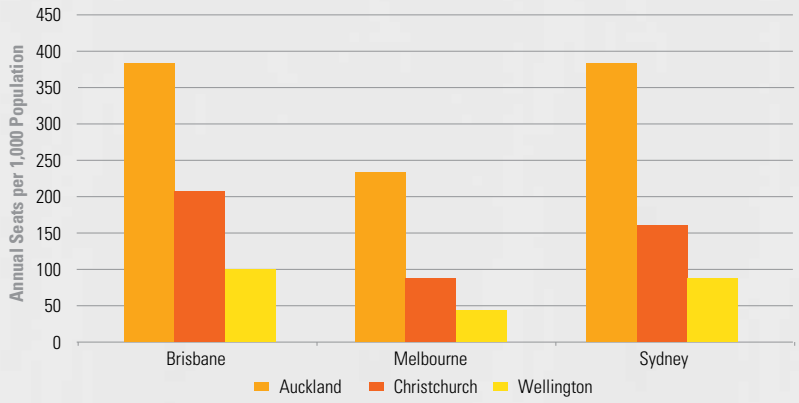
The 2,300,000 more passenger trips over the Tasman last year than in 2000 was a 70% increase. From 3,282,000 passengers to 5,579,000 passengers.

The "airport success stories" are Auckland (+83% Tasman traffic) and Brisbane/Gold Coast (+104%).

Wellington managed a 50% increase in passengers.

Proportionately Sydney was the loser as its share of the Tasman market went from 50% to 40%. Sydney's Tasman traffic growth was 39% over the decade.

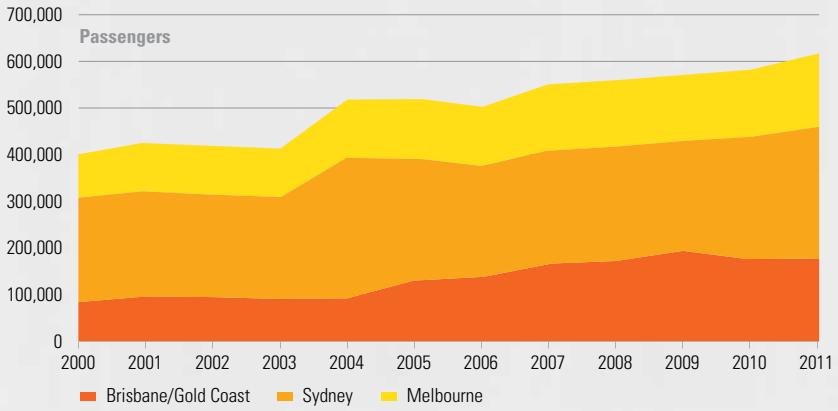
Tasman Airport Capacity per Head of Population



There is now about twice as much aircraft capacity (measured by seat numbers) flying between Australia and Christchurch than to/from Wellington. Auckland has about five times Wellington's Tasman capacity.

Adjusting the airline capacity to reflect the different sizes of the Auckland, Wellington and Christchurch populations (airline seats per 1,000 people in the relevant market's regional population) gives the same result. On this measure Wellington's Tasman market is relatively under-served.

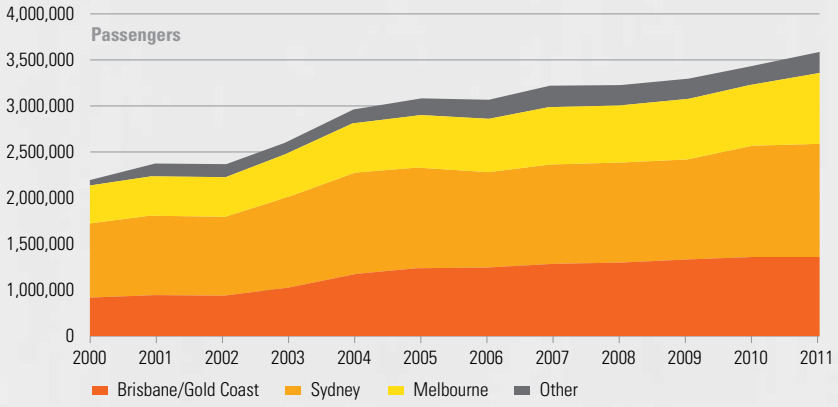
Wellington Tasman Traffic



Total growth 50% (+220,000 passengers)

- Sydney +27%
- Melbourne +55%
- Brisbane/Gold Coast +100%

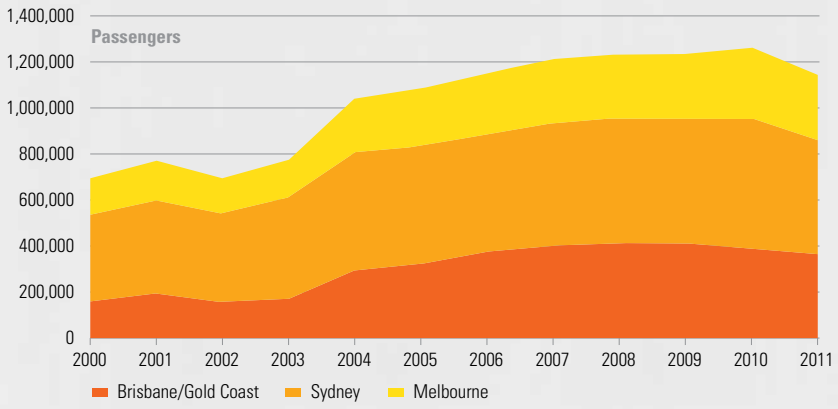
Auckland Tasman Traffic



Total growth 82% (+1,600,000 passengers)

- Sydney +50%
- Melbourne +97%
- Brisbane/Gold Coast +115%
- Other +178%

Christchurch Tasman Traffic



Total growth 63% (+440,000 passengers)

- Sydney +30%
- Melbourne +79%
- Brisbane/Gold Coast +124%

Air travel between New Zealand and Australia is growing at about five times the rate of population growth. People are earning more and the real cost of air travel has fallen. Spending a few days in Melbourne or Wellington or Queenstown has become more available and popular. Improved convenience is also material as illustrated by the growth in Queenstown's inbound air traffic since that airport was opened to jet services.

The challenge for Wellington is to ensure that the airlines which serve the Capital provide offerings which are at least as attractive as what is available via Christchurch and Auckland. With about 15% of the travel between Wellington and Australia being routed via Christchurch or Auckland it seems to indicate that Wellington services have room for expansion and improvement.

AIRPORT SERVICES & PRICING

An airport's traffic is based on its catchment of travellers and destinations and how airlines respond with service and fare offers. Airport charges and physical characteristics are relevant, as shown by Wellington's runway-length acting as a hurdle to long-haul services. However, were there sufficient demand for a longer runway the Airport would build it. Wellington Airport's runway was extended in the early 1970s by 300 metres to allow use by DC-8 jet aircraft flying to Australia, and recently by 96 metres to comply with increased safety standards (the recent extension cost about $400,000 a metre!).

Over the last decade Wellington Airport has invested extensively in better facilities to ensure it has the capacity to meet plausible levels of demand growth while maintaining reasonable charges.

Airport charges are of great interest to agencies which monitor and regulate economic activity, although the regulatory approaches differ around the world. The USA employs the ultimate form of control, civic ownership, in the UK several airports have prices, investment and even ownership specified by a regulator, while in Australia the airports are required to publish comprehensive information which can be monitored, but are otherwise free to manage their own affairs. New Zealand's economic regulation of the international airports in Auckland, Wellington, Christchurch and Queenstown defines how the airports set their charges and the process intended to ensure those charges are fair.

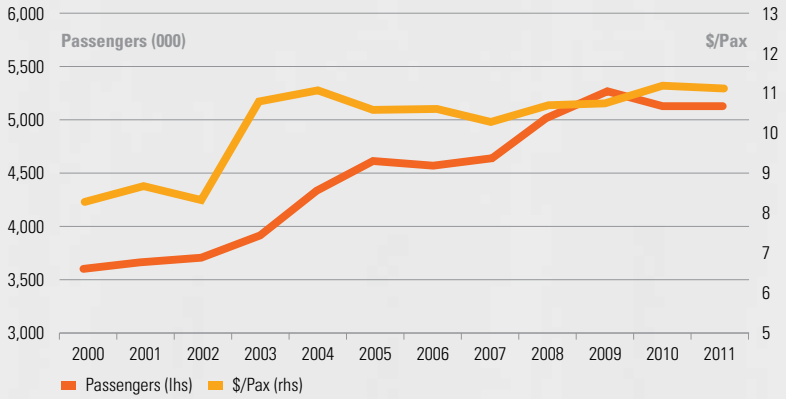
Every five years the airports consult with airlines and set prices for the next five years; and annually the airports have to publish financial information on their aeronautical activities to allow monitoring. The second aspect of this system is currently undergoing change as the Commerce Commission has recently redefined the information the airports must disclose on their operations, costs and charges. In 2012/13 the Commission is to review the airports' disclosures under the new rules and potentially could recommend to the Minister of Commerce that stronger controls are warranted.

For Wellington Airport transparency and disclosure is part and parcel of its normal operations as are interactions with regulatory bodies. The recent disclosure review by the Commerce Commission largely picked up where their last inquiry finished in 2001. However, notwithstanding the decade-long process there is still uncertainty about the outcomes. The Commission's 2012/13 review of the airports' charges and performance will depend on the criteria used in the assessment and a number of these criteria are disputed and problematic.

Wellington Airport is determined to manage its operations and charges to ensure it is not subject to more onerous economic regulation because of the cost this would impose. Even the information disclosure requirements in Australia, and now New Zealand, are expensive. The Australian economic regulatory agency, the ACCC, produces an annual 360 page report on the price, financial performance and quality of service at the major Australian airports. However, the greater cost would be the impact on investment of heightened uncertainty, which would be an inevitable outcome of more onerous regulation.

The Australian regulatory monitoring places emphasis on whether sufficient investment is occurring, recognising that $1 more or less in airport charges does not have as much economic impact as an airport under-investing in facilities which deprives its community of air-services because of capacity constraints.

Passengers/Real Aeronautical Income per Passenger

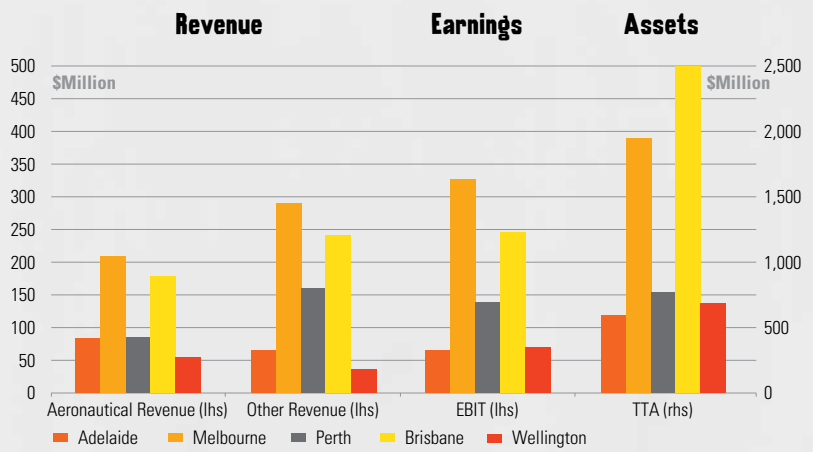


The $/pax in the graph are in 2011 dollars

Since 2000, Wellington's passenger numbers have risen 3.2% per annum and real aeronautical charges 2.7% per annum.

However, almost all the increase in real charges occurred in 2002 when prices were reset to reflect the investment in the new terminal.

Since then aeronautical income per passenger has been flat after allowing for inflation.



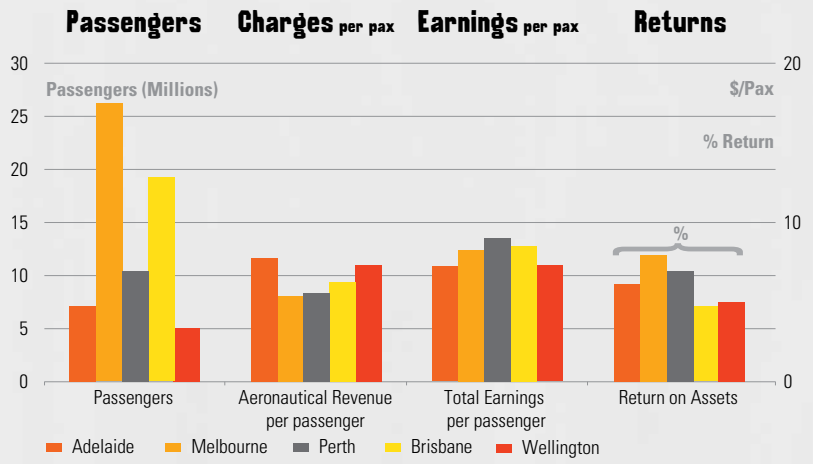
EBIT is earnings before interest and tax. TTA is total tangible assets. The graphs show actual NZ$ and A$ revenue, earnings and asset values at the relevant airports. Translating the sums at the current exchange rate would relatively increase the Australian figures by about 20%.

Comparing Wellington Airport against Adelaide, Brisbane, Melbourne and Perth (Sydney is excluded because of its different scale) shows several points of distinction around both passenger throughput and business mix.

The Australian airports have a lot more traffic and a lot more "non-aeronautical" income.

Wellington's asset base is about the same as Perth and Adelaide airports, reflecting Wellington's level of investment over the last decade.

Wellington has been effective at generating earnings from its traffic and investing in its capacity and facilities, notwithstanding its smaller scale and lack of ancillary sources of income.



All figures for the Australian Airports are the A$ values disclosed by the ACCC in their 2009-10 report. The Wellington Airport figures are NZ$ for the year to 31 March 2011. Total earnings include from non aeronautical sources, after operating costs.

Comparing the airports on a "per passenger" basis indicates that Wellington's airline charges and earnings are consistent with the Australian airports. The comparisons shown in the graph have NZ$1 = A$1. Using the market exchange rate would relatively lower Wellington's charges and earnings by 20%.

Wellington has charges and earnings comparable with the Australian airports, notwithstanding its smaller scale and lack of ancillary income, because of its efficiency.

Wellington Airport is consulting at present with its major airline customers to set its aeronautical charges for the five year period from 1 April 2012. Prices were last reset in 2007.

The consultation will determine the aggregate level of charges and how they are allocated. Since 2002 Wellington Airport's aeronautical charges have mainly comprised levies on airlines based on the number of passengers on a service (with different rates for international and domestic jets and domestic turbo-prop aircraft) and an international departing passenger charge.

This system is simple and links an airline's airport charges to the number of passengers on a flight. However, flat prices imply it doesn't matter to the airport when an aircraft flies in or out, which is actually not the case. Wellington is becoming congested during its morning and evening peaks and alleviating congestion can be very expensive. Also, airlines tend to charge more for seats at popular times of the day and it is logical to align airport charges so that an aircraft flying into Wellington at 8am pays a few dollars more than one flying in at 11am. Airport charges which are lower for off-peak aircraft movements and more at peak times will improve the commercial viability of the off-peak services and will encourage airlines to manage their peak-time capacity. A 10 seat and a 150 seat aircraft both take about the same amount of time when taking off or landing, so encouraging airlines to use larger aircraft during peak times will maximise the runway's passenger capacity.

THE LONG HAUL TO GETTING LONG-HAUL

For five years until 1985 Qantas Boeing 747s provided Wellington's only international services. The aircraft flew between Wellington, Sydney and LA with Air New Zealand code-sharing with Qantas. The success of the service prompted PanAm to request approval to use the same aircraft type for a Wellington-Hawaii link, but this was turned down by the New Zealand Government.

In 1985 Qantas replaced the 747 with the more efficient 767 (which weighed half as much as the 747, had two rather than four engines and carried about the same number of passengers) which in turn was replaced a few years later by the 737.

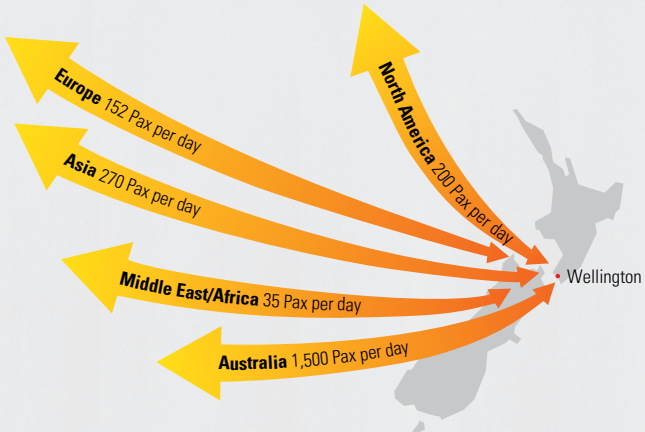
The mid 1980s was the last time Wellington was regularly used by a long-haul aircraft such as the B747-SP. Over the subsequent 25 years the 1,996 metre runway was incompatible with aircraft which could provide direct flights to Asia or North America and extending the runway would have cost too much relative to the benefit of the extra traffic.

These barriers have now been eroded by market and technology developments.

Over the last 25 years there has not been efficient twin engine commercial aircraft which could carry a full payload from Wellington's runway to Asia. The Boeing 767 illustrates the impediment. This aircraft can safely operate from Wellington to Sydney with the aircraft carrying about six tonnes of fuel. For the same aircraft to fly to Singapore requires that it starts the flight with approximately 32 tonnes of fuel and this additional weight means the aircraft cannot carry a full load of passengers, baggage and freight and consequently would not be commercially viable.

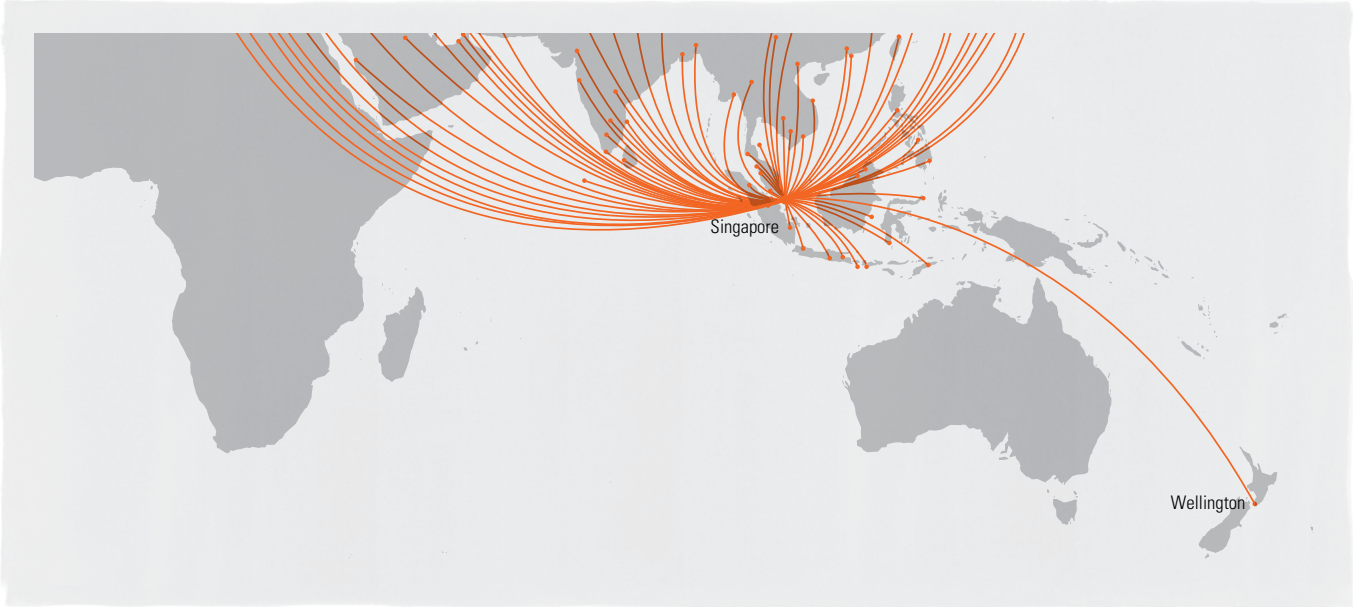
New generation aircraft are capable of using Wellington's runway for long-haul flights because they have more powerful engines, use less fuel and are lighter.

Wellington Daily Passenger Movements



Now on an average day 270 people fly between Wellington and Asia, another 152 travel between Wellington and Europe (with most of these people travelling via Asia).

A direct Wellington-Asia service would be well patronised, even before it stimulated additional demand.



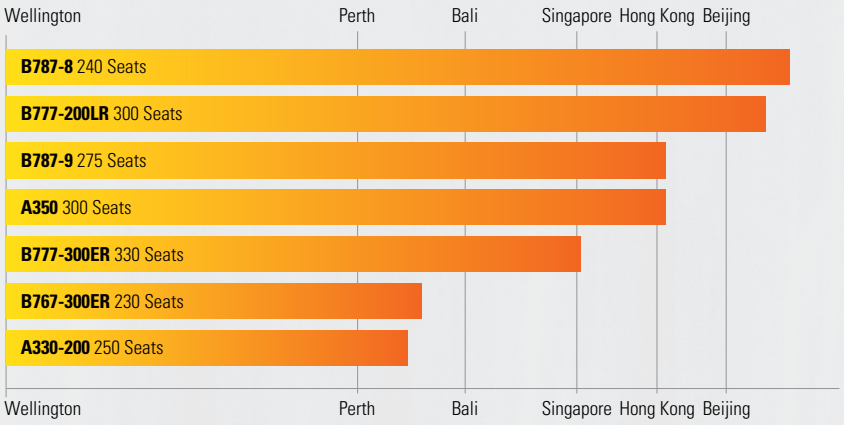
A link with Singapore provides the strongest commercial case. In its own right Singapore is a popular destination, and source of traffic.

Singapore is the closest major destination in Asia so an aircraft needs to carry less fuel than if it were flying to, say Shanghai. Less fuel means there is more capacity for commercial payload.

Because of Singapore's relatively southern location back travel to other Asian destinations is minimised.

Singapore has excellent onward connections. Singapore Airlines alone offers direct services to 57 Asian, 8 Middle East/Africa, 4 North American and 14 European destinations.

Full Passenger Load Range from Wellington



Analysis undertaken by Wellington Airport indicates that it would be viable for a number of airlines to operate a Wellington-Singapore service comprising 5 return flights a week with a 275 seat aircraft; such as a Boeing 777-200, the new Boeing 787-9 or Airbus 350.

- This service would carry over 100,000 passengers a year with better than 75% average loadings.
- Of that traffic, around one third would be between Wellington and Singapore, a third would connect to or from other airports in Asia, with the remainder connecting to or coming from European services.

The Boeing 777-200LR is an existing aircraft which could fly with a full payload from Wellington's existing runway to Singapore. However, it is relatively uncommon (only 55 have been built) and of the airlines which operate to New Zealand only Emirates currently uses them. Nevertheless, the capability of the B777-200LR shows that technology has already solved the impediment previously presented by Wellington's shorter runway, and the next generation of smaller, lighter, long-haul aircraft, the B787 and A350, will be both common and able to fly from Wellington's runway.

Wellington - Asia Direct: Aircraft Owners

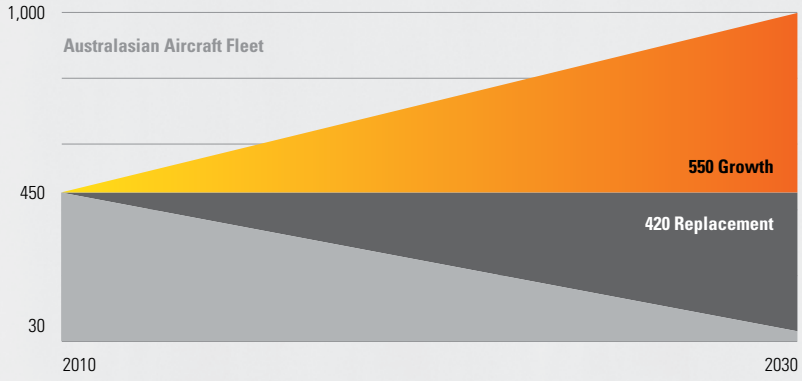
Aircraft	AirNZ	Qantas	Emirates	Singapore
787 orders	8	50	-	20
A350 orders	-	-	70	20
777-200LR	-	-	10	-
777-200ER	8	-	6	46

In addition to the airlines noted in the table, other customers for the 1,418 B787 and A350 aircraft which are currently on order include many airlines which operate in Australasia; Air China, AirAsiaX, ANA, Cathay, China Southern, Etihad, JAL, LAN, Qatar and Thai.

Over the next decade hundreds of aircraft capable of flying directly from Wellington to Asia will enter service with airlines which operate in this region.

The recent 96 metre extension and re-overlay of Wellington's runway cost approximately $45 million. Whether additional metres are added will depend on whether the new Boeing and Airbus aircraft deliver to their promise. Given the growth in Wellington-Asia traffic (via other airports) it is likely that long-haul links will be established over the next five years, hopefully without the need for earthworks. In the meantime Wellington Airport and Wellington City Council are working together to explain the merits of such services to prospective airlines.

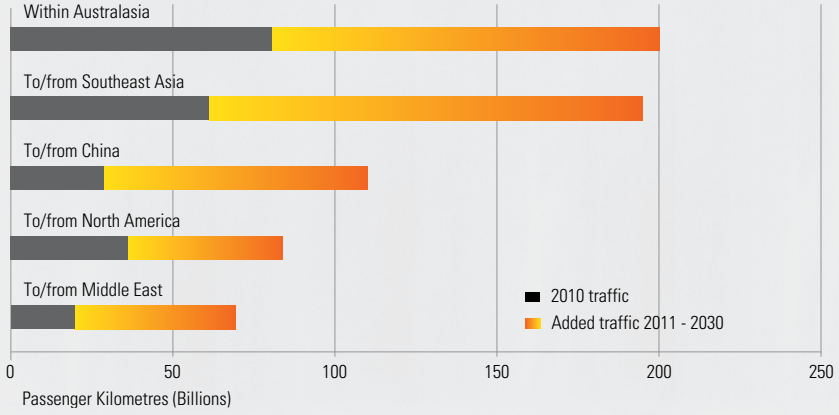
Boeing's Forecast for Australasian Fleet Replacement & Growth



Recently both Boeing and Airbus have updated their projections for air travel growth over the next 20 years, and the resulting demand for new aircraft.

World-wide there are today approximately 15,000 commercial aircraft in service, with about 450 being operated by Australian, New Zealand and Pacific airlines. The global fleet is projected to more than double by 2030, as is the size of that operated by Australian and New Zealand airlines.

Australasian Air Travel: 2011 and 2030



Boeing is projecting that Australasian (Australia, New Zealand, South Pacific) air traffic (as measured by passenger kilometres) will treble over the next 20 years (ie. rise by 200%).

5.5% per annum growth of air travel is double the region's projected economic growth rate of 2.8% per annum.

Travel within Australasia is forecast to rise by 150%.

Travel with Southeast Asia by 215%.

Travel with China by 300%.

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Whilst all reasonable care has been taken to ensure the facts stated are accurate, neither Infratil Limited, Morrison & Co Infrastructure Management Limited, nor any of their directors, officers or employees guarantee the accuracy or completeness of the information stated herein.

Cover image: Donovan Goran