



WEBINAR

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HOME & AWAY: **AUSTRALIA**

Wednesday September 18th, 2024

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SPEAKERS

CHIEF ANALYST



John Grant

Chief Analyst, OAG

With a wealth of experience across the global aviation industry, John provides expert commentary on market developments for OAG, making connections between what the data is telling us and the trends and events occurring in the sector.

GUEST SPEAKER



Tony Harrington

Communications – Air Transport, Aerospace and Sustainability

Tony is an aviation writer and communications specialist based in Australia, with extensive international experience in both daily and magazine journalism and airline communications for carriers including Qantas, Air New Zealand and Etihad.

MODERATOR



Deirdre Fulton

Partner, MIDAS Aviation

Deirdre is a partner in an aviation consultancy providing meaningful insight and analysis to clients around the world. She works closely with OAG on their data analysis and publications.



Today's discussion

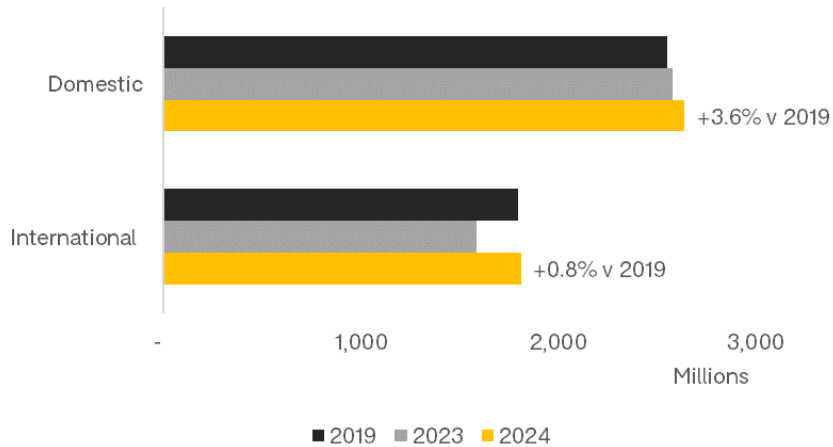
- In this webinar we're catching up on what's happening in the Australian aviation market
 - With a lot happening in this sometimes turbulent market, we investigate domestic carriers and capacity
 - What does the future hold for new entrants trying to break into the domestic market?
 - With new airport infrastructure under construction, how is the airport landscape changing?
 - How has Australian international connectivity evolved post pandemic?
 - Which carriers are leading the challenge of keeping Australia connected to the world?
- We'll be taking questions as we go. Please use the chat function to ask your questions.



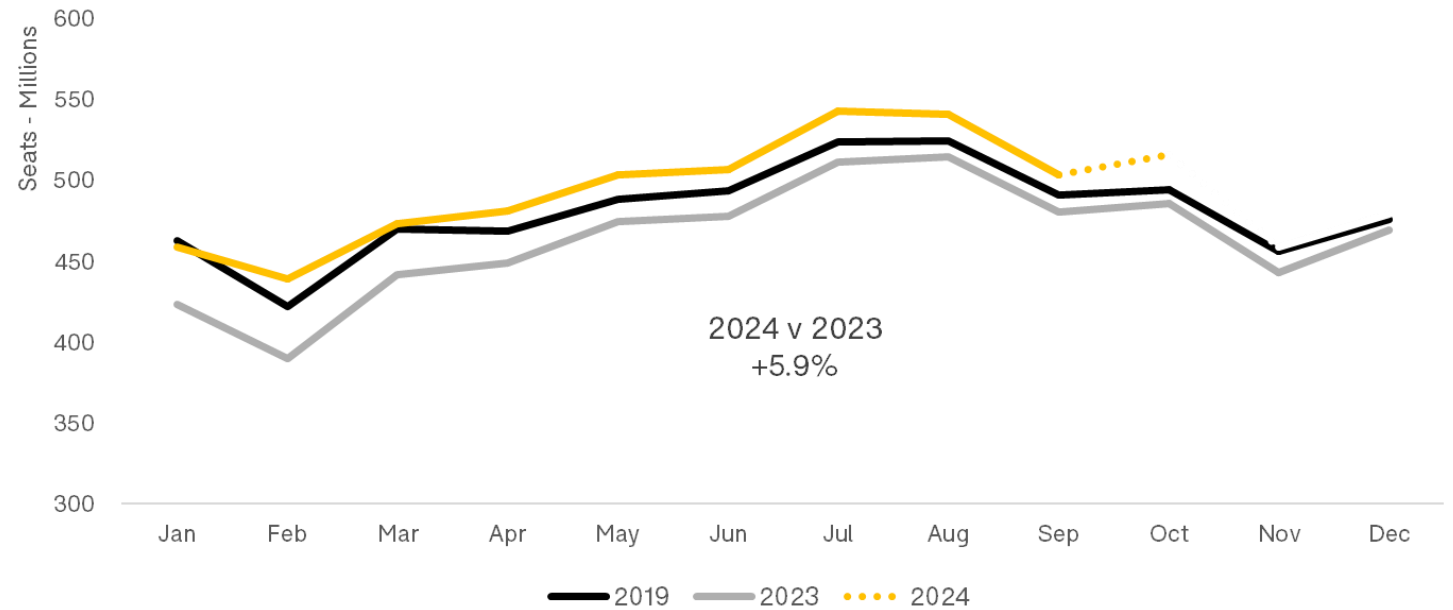
GLOBAL GROWTH TRENDS

- Capacity for the year to the end of October is projected to be 5.9% ahead of 2023 and 3.1% ahead of 2019
- For the year to date, domestic capacity is 3.6% ahead of 2019
- International capacity is now also ahead of 2019, by just 0.8%

Year to Date Capacity



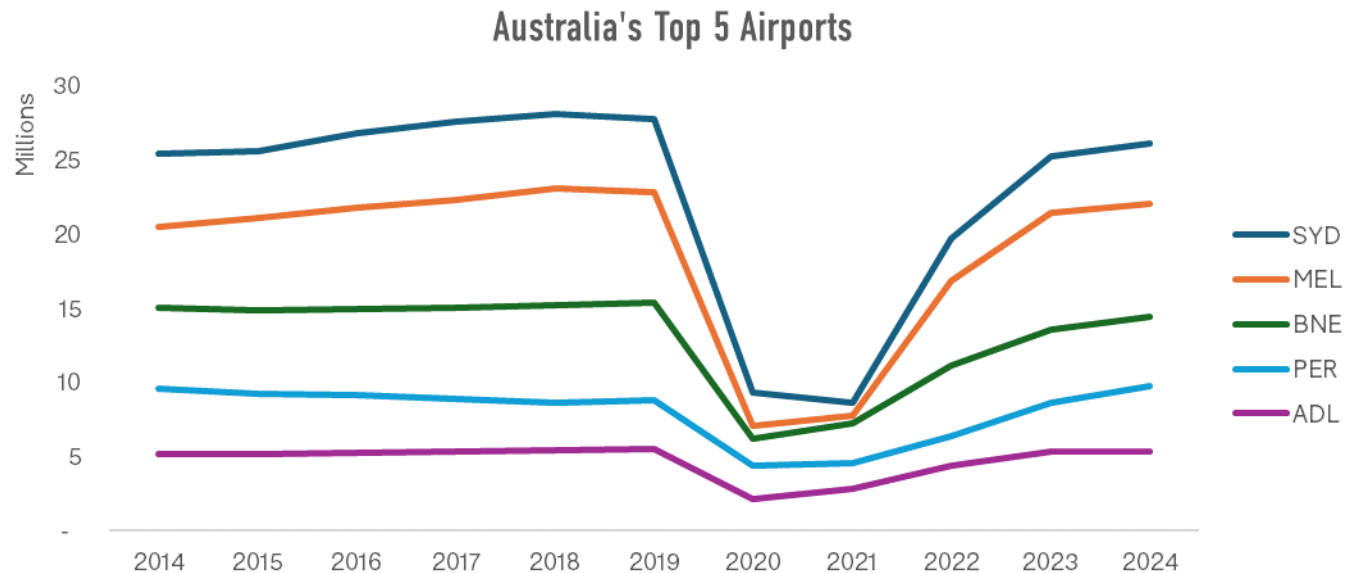
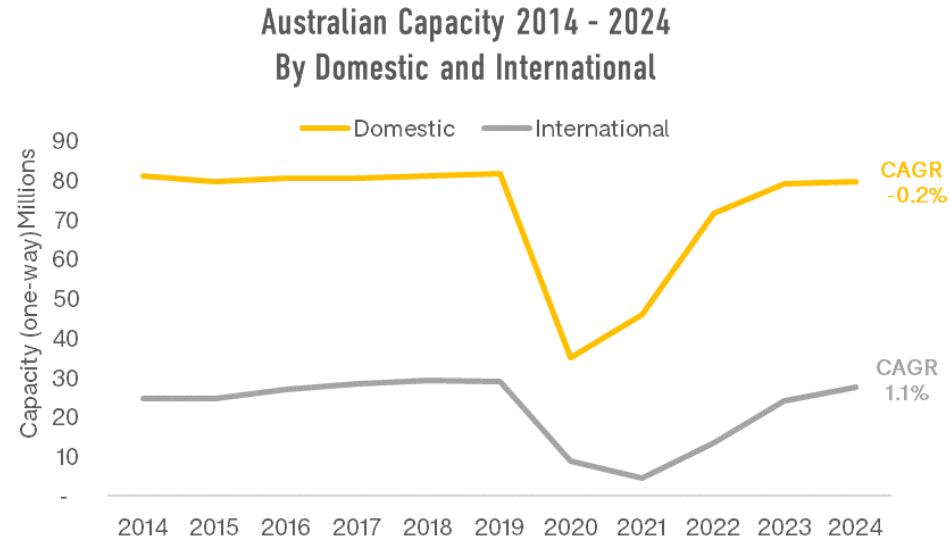
GLOBAL CAPACITY



AUSTRALIAN AIR CAPACITY

- Australia’s aviation market is mature – and domestic capacity is static, having recorded no growth in 10 years
- International capacity has grown slightly at an average rate of 1.1% each year. It has not returned yet to pre pandemic levels, remaining 3.1% below 2019
- Propensity to fly is around 2.2 meaning on average each citizen flies twice per year
- Melbourne was growing fastest pre pandemic and continues to do so
- Only Perth has seen capacity fully recover post pandemic

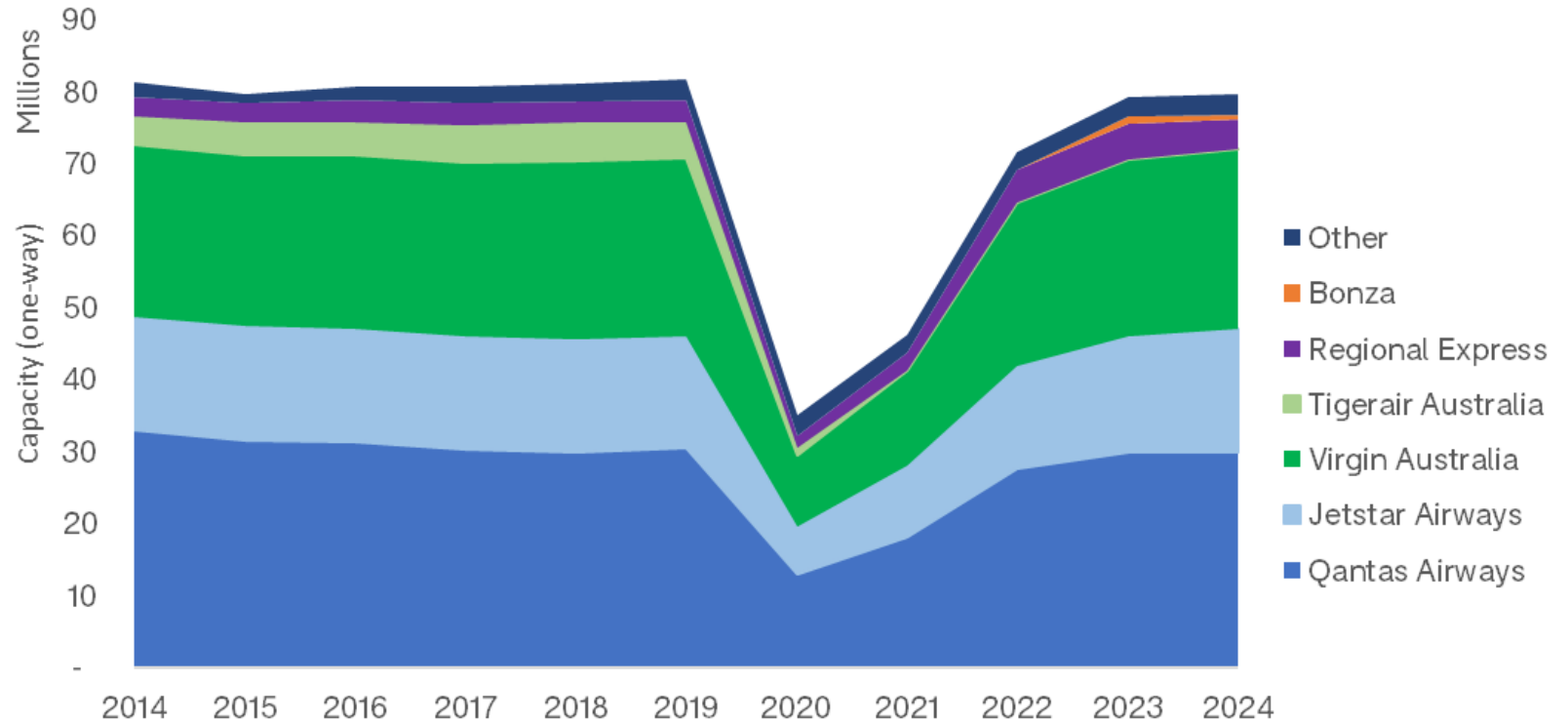
	Capacity - CAGR	
	2014-2019	2014-2024
Sydney	1.7%	0.3%
Melbourne	2.2%	0.7%
Brisbane	0.4%	-0.4%
Perth	-1.6%	0.2%
Adelaide	1.1%	0.3%



THE AUSTRALIAN DOMESTIC MARKET

- The Domestic market has been dominated by two key players in the last decade – the Qantas Group and the Virgin Australia group.
- They collectively operate 90% of capacity in Australia.
- Qantas (including Jetstar) have 59% of the domestic market which is largely unchanged since 2014, and Virgin Australia 31% - down from 34% in 2014.
- Rex achieved market share of 6% in 2023, but this has fallen as they went into administration and scaled back to turboprop operations

Australian Domestic Capacity 2014 - 2024
Airline Changes



THE AUSTRALIAN DOMESTIC MARKET: WINNERS AND LOSERS

- Now in administration, Rex has scaled back on its domestic network
- Fleet concerns for Rex – largest fleet of Saab 340s which are ageing – average fleet age is 30 years
- What does the future hold?



Gone but not forgotten



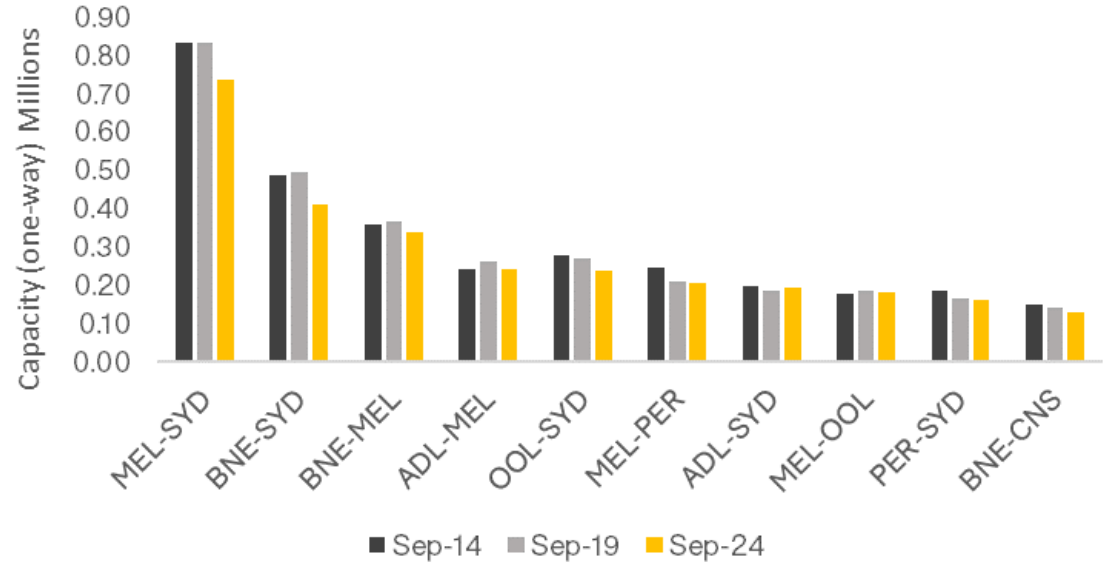
Can this Koala get off the ground?



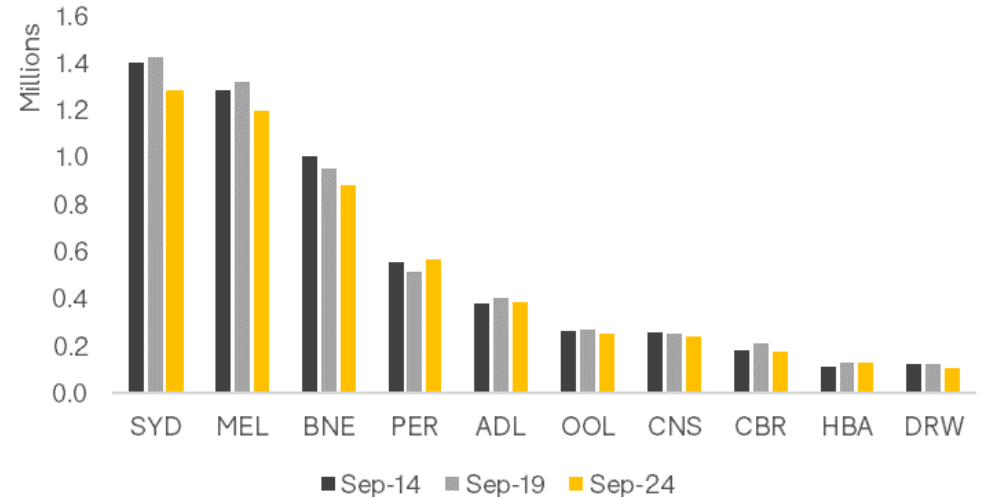
THE DOMESTIC MARKET

- The composition of the Top 10 Domestic Routes has been consistent over the last 10 years.
- Melbourne-Sydney is the largest by a considerable margin, with 135 daily departures on average, spread across three carriers. This is one of the Top 10 busiest domestic routes globally.
- 5 of the Top 10 busiest start or end in Sydney, and 5 start or end in Melbourne.
- In terms of airports, Sydney is largest, but not yet in capacity terms back to the same levels seen in 2014 and 2019.
- Of the Top 10, only Perth is ahead of 2019.

Top 10 Domestic Routes



Australia's Top 10 Domestic Airports



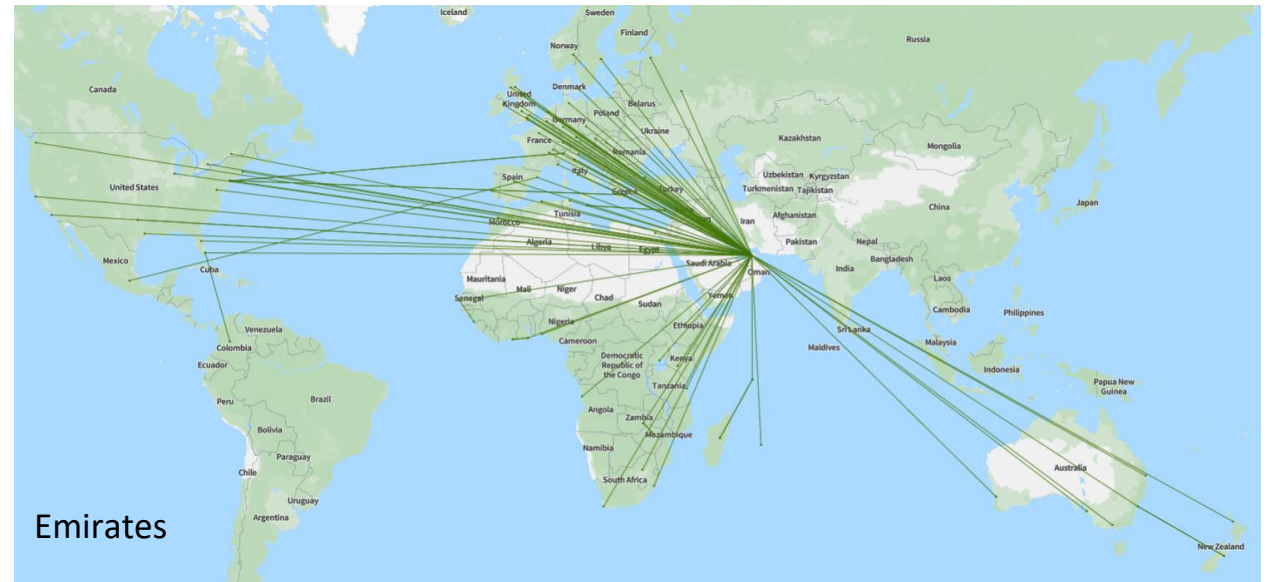
AIRPORT INFRASTRUCTURE UPGRADES UNDERWAY

- Western Sydney Airport is just two years from opening and SQ just signed up as first international operator
- A new terminal is planned for Brisbane ahead of the 2032 Olympics
- Melbourne's application for a third runway has just been approved
- Aviation White Paper – What will 2050 look like? Focus planned to be on some of the following key areas:
 - Strengthening the consumer experience
 - More support for passengers with disabilities
 - Reduce barriers to competition
 - Contribute to net zero by 2050
 - Supporting the aviation workforce
 - Air connectivity will be strengthened in regional Australia



INTERNATIONAL DEVELOPMENTS

- Qantas partnered with Emirates in 2013 to offer better connections to passenger travelling to Europe and beyond
- Qatar also entered the Australian market 10 years ago and is keen to grow but this ambition has been blocked by the Australian regulators so they now considering an equity stake in Virgin Australia.
- Turkish Airlines announces new Australia routes opening up a significant range of connections to travellers



Emirates



Qatar

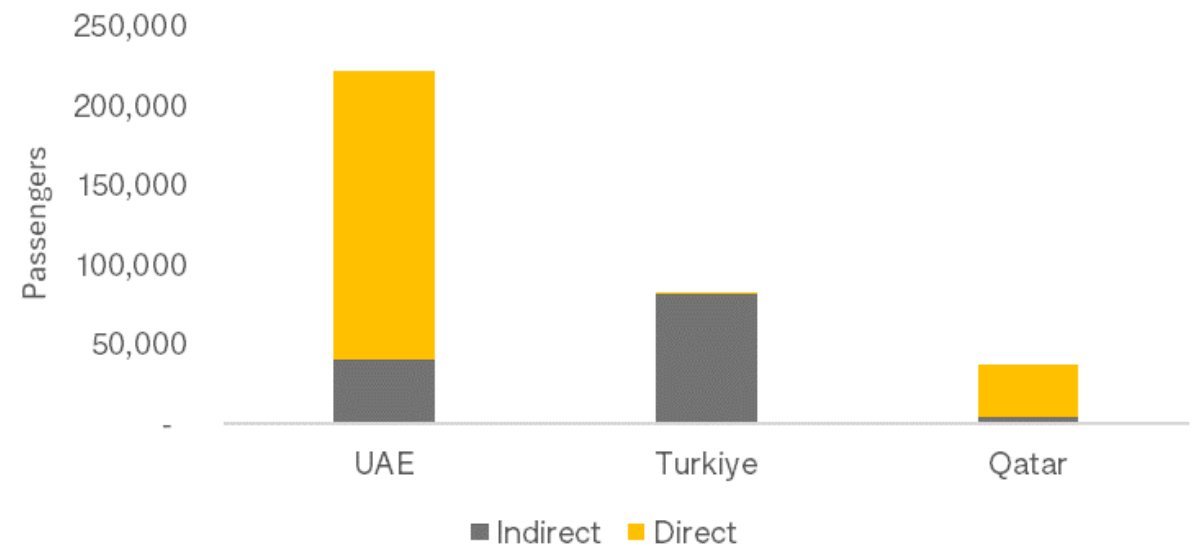


Turkish

IS THE GULF JUST A CONNECTING MARKET?

- From a very small O&D market originally, there is now a direct market of around 180,000 passengers travelling between the UAE and Australia, facilitated by Emirates connectivity.
- Qatar has a growing direct market, with 33,000 passengers in the last 12 months.
- With the Turkish and Turkish Cypriot population in Australia estimated to number around 200,000, there is considerable scope for an O&D market between Turkiye and Australia to develop as well as a connecting market

Gulf & Turkiye - Australia Passenger Volumes
June 2023-May 2024



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