



Queensland Commercial and Tourism Aviation Plan

2011/12 – 2013/14





Vision and Principles

The vision for air access to Queensland is:

Queensland will be the most accessible Australian destination for international and domestic air passengers, with sustainable air services from a range of source markets.

The vision is underpinned by the following principles:

- Focus on areas where we can make a difference
- Adopt a strategic, targeted and coordinated approach
- Sustainable outcomes and a long-term view.

Plan Framework and Objectives

The following priority action areas are considered to be the key mechanisms through which we can influence and facilitate achieving the vision.

Priority Action Area	Objective
Airline Route Development	Increase the frequency and capacity of domestic and international services to Queensland destinations.
Cooperative Marketing	Build demand for domestic and international air services to Queensland destinations.
Policy and Regulatory Environment	Influence the development, refinement and implementation of the national air services policy and economic regulatory framework.
Research, Analysis and Market Intelligence	Increase the availability of data, research and intelligence to assist stakeholders in decision-making, route planning and policy development.
Partnerships	Foster a cooperative approach to airline route development and develop strategic partnerships with stakeholders.



Marina boardwalk, Cairns

Key Initiatives for 2011/12 – 2013/14

1. Develop and implement yearly activity plans for priority markets
2. Presentation of proposals and business case documents to target airlines
3. Attendance at aviation route planning forums
4. Investigate the potential for new routes including non-stop flights from new and emerging markets such as China and India to major Queensland airports
5. Investigate the potential for new routes from Asia and New Zealand to regional airports
6. Investigate the potential for new routes that provide Queensland with a diversified inbound hub to insulate Queensland from external shocks
7. Encourage major airports in Queensland to develop strong, distinctive and complementary positioning
8. Encourage Australian-based carriers to develop a comprehensive air services network from international markets to Queensland
9. Continue the Airline Route Partnership Program
10. Establish strategic marketing alliances with airlines
11. Prepare coordinated responses to the Australian Government on regulatory matters affecting the growth of air services to Queensland
12. Establish formal working groups comprising of Queensland Government agencies, airports, Regional Tourism Organisations and industry associations.

Measuring Success

The achievement of priority action areas will be assessed using the following key performance indicators:

- Number of airlines operating to Queensland airports;
- Domestic and international air access to Queensland in terms of frequency and capacity;
- Domestic and international airline passenger arrivals in Queensland;
- Economic value of new services in terms of visitor expenditure and tourism jobs; and
- Number and value of strategic marketing alliances with airlines.

Importance of Air Access to Queensland

In a state as decentralised as Queensland, an effective and comprehensive transport network is essential to support the state's tourism industry.

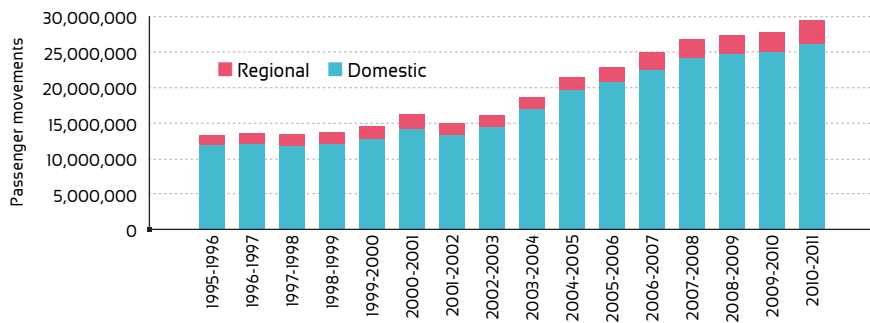
Aviation is a critical component of business and leisure tourism in Queensland. Frequency and capacity of competitively priced air access drives growth in regional centres and tourism destinations throughout the state. Conversely, when airline services are insufficient, tourism, freight and business growth may be constrained.

Strategic Overview

Current State of Play in Queensland

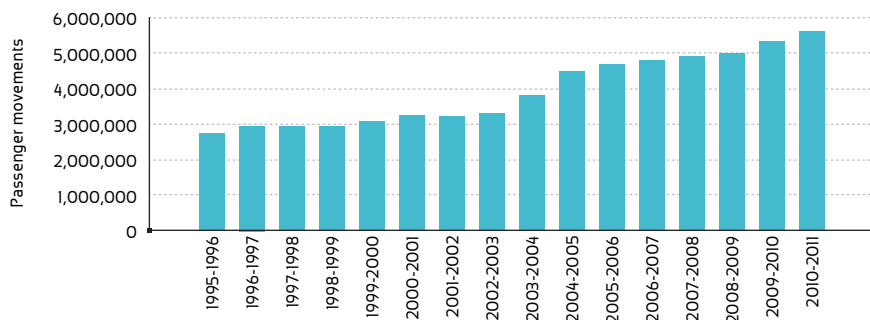
Since the year ending June 2006, domestic traffic at Queensland airports has increased to over 26.0 million passenger movements, which represents an average annual growth rate of 5%. Over this same period, regional traffic at Queensland airports grew annually by 11% on average to 3.4 million passenger movements.

Domestic and regional revenue passengers to and from Queensland airports



International passenger movements at Queensland airports increased from 4.7 million to 5.6 million between the year ending June 2006 and the year ending June 2011, which represents an average annual growth rate of 4%.

Total international revenue passengers to and from Queensland



Queensland's international airports account for approximately 20% of airline seats entering Australia. Sydney remains the main gateway for international visitors to Australia with over 40% of inbound capacity.

Therefore, it will continue to be important to maintain and develop domestic services from Sydney and other interstate gateway airports to Queensland destinations to ensure dispersal of international visitors across the state.

Key Strategic Issues

- Airlines focusing on high yield business including freight and the Australian outbound market
- Renewed emphasis on cost cutting and higher fuel prices
- Increasingly liberalised regulatory framework, increased competition and continued emergence of low cost carriers
- Industry volatility, terrorism incidents and health issues
- Airport pricing, infrastructure upgrades and developments
- New aircraft technology



Kayaking Brisbane River

Future Outlook and Route Development Priorities

Outlook for domestic and regional aviation

The introduction and expansion of low cost airlines in the Australian domestic market has proven to have had significant benefits for Queensland destinations over the past five years.

Despite this, Australian domestic tourism overall is expected to experience marginal growth over the next ten years.

The domestic market represents more than 75% of the Queensland tourism industry. Identifying opportunities for further growth in domestic air access and competition will be critical in maintaining Queensland's market share. The domestic air services network will also be important in ensuring the dispersal of international visitors across the state.

Domestic and regional route development priorities

Tourism Queensland will work with airlines, airports and Regional Tourism Organisations to identify new routes or existing routes requiring additional capacity.

At the same time, it will be important to continue monitoring domestic air capacity and encourage continuity of air services to Queensland destinations.

There are opportunities for increased competition and the introduction of jet services on some regional routes, but these will need to be carefully considered to ensure they are viable and sustainable over the longer term.

Tourism Queensland will work with airlines and relevant stakeholders to explore these opportunities.

Outlook for international air access to Queensland

In terms of international traffic, forecasts for the next ten years indicate that the number of inbound visitors to Australia should increase on average by approximately 3.6% annually, with 8.38 million visitors expected in 2020¹. Queensland, as a preferred destination in Australia, is positioned to be one of the biggest beneficiaries of Australia's forecast international tourism growth.

Over the next ten years, the fastest growth in visitor arrivals is expected to come from China, India and the Middle East (at 7.2%, 8.5% and 8.5% per annum respectively) while a slower growth rate (average of between 2.3% and 4.2% per annum) is forecast for the United Kingdom and European markets. The number of arrivals to Australia from Japan and New Zealand, key international source markets for Queensland, is expected to change on average by -0.8% and 2.0% per annum respectively. Other Asian markets such as Korea, Thailand, Singapore and Malaysia are expected to grow at a faster rate, albeit from smaller base numbers.

International route development priorities

Opportunities for new routes will be investigated and highlighted to airlines to ensure Queensland is proactive, competitive and remains a leader in airline route development.

New route opportunities to be explored include:

- Non-stop flights from China, Korea, India and Middle East to Brisbane, Cairns and the Gold Coast;
- Non-stop flights from other Asian markets e.g. Singapore to Cairns and the Gold Coast;
- Non-stop flights from Tokyo to Brisbane;
- Charters or scheduled services from New Zealand to Queensland's regional airports; and
- Routes that provide Queensland with a diversified inbound hub to insulate Queensland from external shocks.

In order to identify potential capacity shortages on existing routes, demand and supply projections have been utilised to categorise existing routes into:

- Routes with high growth potential and requiring additional capacity as an immediate priority;
- Well established routes requiring additional capacity but with lower growth potential;
- Routes with high growth potential which have recently received capacity increases; and
- Routes with lower growth potential and having adequate capacity in the short term.

These projections will be reviewed on a regular basis to ensure changes to frequency and capacity over time and the addition of new routes are accounted for.



Surfers Paradise Beach, Gold Coast

¹Tourism Forecasting Committee (TFC) Issue 1, 2011

Find Out More...

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