

2 Aviation Demand Forecast

2.1 Historic Passenger and RPT Aircraft Movements

Historic passenger and Regular Public Transport (RPT) aircraft movements from 1980 to 2007, with significant events that have affected traffic at the Sunshine Coast Airport highlighted are shown at Figure 2-1 below.

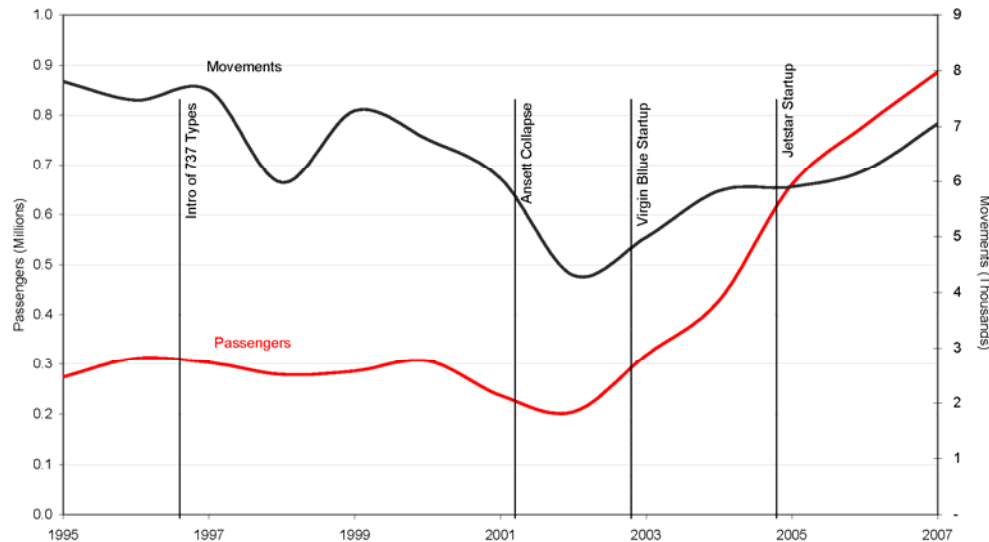


FIGURE 2-1 HISTORIC PASSENGER AND AIRCRAFT MOVEMENTS

2.2 Forecast Annual Passenger Movements

There are a number of factors driving traffic growth at SCA, these include:

- ◆ Increasing income levels and the degree of confidence in future income,
- ◆ Falling prices of air transport relative to surface travel,
- ◆ The relative attractiveness of the Sunshine Coast as a destination, including product attributes, quality, price and the cost of aviation services (including airport, tower, fire rescue).
- ◆ The supply of airline services, including schedule frequency, reliability, availability of point to point service and the level of service.

Draft Plan forecasts were reviewed and revised passenger movement forecasts were prepared based on the following assumptions:

- ◆ A base case incorporating growth drivers; the assumed growth rates are:
 - 2004/05 through 2009/10 10.6% per annum
 - 2009/10 through 2014/15 5.0% per annum
 - 2014/15 through 2019/20 3.9% per annum
- ◆ High and low case scenarios covering possible traffic levels and airline developments
 - The High Scenario assumes;
Additional growth in current domestic routes by Jetstar, Virgin Blue and Tiger Airlines.

Two additional domestic airline routes from July 2009, e.g. Newcastle, Darwin, Cairns (three daily flights initially, growing to nine from 2015).

A trans-Tasman route starting July 2009 (initially twice weekly, then growing to daily by 2011).

- The Low Scenario, assumes;
Lower capacity increases than the baseline case.

GDP growth is reduced by 1% for the period 2007/08 to 2010/11 and by 0.5% for the period 2011/12 to 2014/15.

For the period 2015/16 onwards, baseline growth assumptions apply.

Historic and forecast annual passenger movements are shown at Figure 2-2.

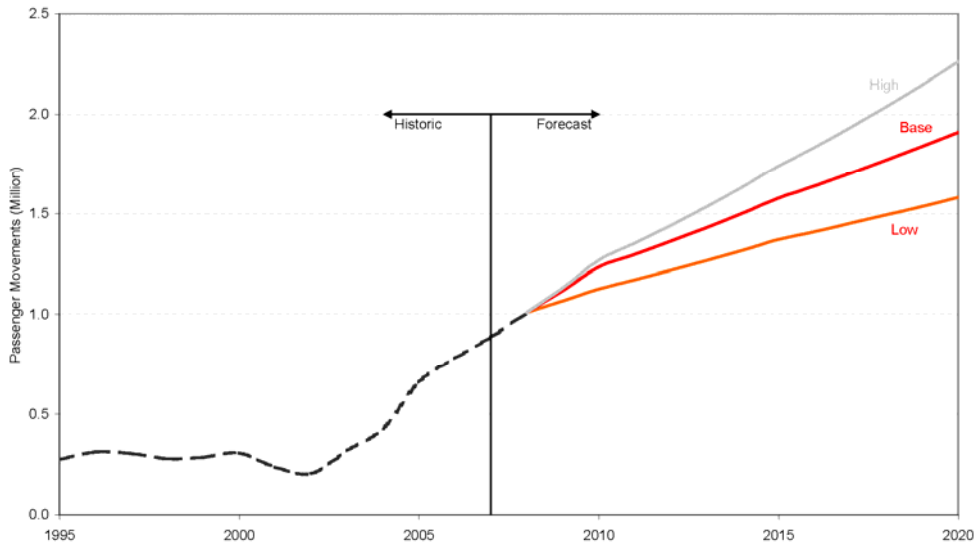


FIGURE 2-2 HISTORIC AND FORECAST ANNUAL PASSENGER MOVEMENTS

The base case forecasts predict some 1.9 million passenger movements by 2020; High and Low forecasts put that figure at 2.3 and 1.6 million annual passenger movements respectively.

2.3 Forecast Annual Aircraft Movements

2.3.1 RPT Aircraft Movements

RPT movements are based on the forecast annual passenger movement forecasts, assuming similar aircraft to current types continue to operate throughout the forecast horizon although the average size grows to up to 195 seats through the introduction of growth variants of the current aircraft types. The following annual growth rates were adopted for the baseline forecasts:

- ◆ 2004/05 – 2009/10 7.0% per annum
- ◆ 2009/10 – 2014/15 2.8% per annum
- ◆ 2014/15 – 2019/20 1.9% per annum.

High and low aircraft movement forecasts assume similar scenarios to the passenger movement forecasts. The historic and forecast RPT annual aircraft movements are shown at Figure 2-3 below.

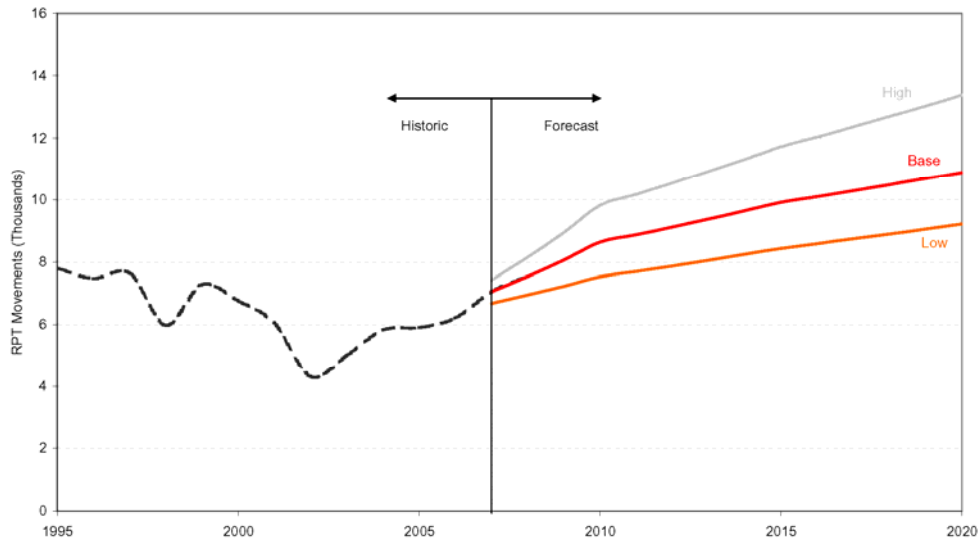


FIGURE 2-3 HISTORIC AND FORECAST ANNUAL RPT AIRCRAFT MOVEMENTS

2.3.2 General Aviation Aircraft Movements

The General aviation (GA) movement forecasts were based on historic growth and assumptions for future growth. The following annual growth rates were adopted for the baseline forecasts:

- ◆ 2004/05 – 2009/10 -1.4% per annum
- ◆ 2009/10 – 2014/15 1.0% per annum
- ◆ 2014/15 – 2019/20 1.0% per annum.

High forecasts assume an annual decline of -0.8% until 2009/10, followed by an average annual increase of 1.0% until 2019/20. Low forecasts assume a decline of -3.4% until 2009/10, followed by annual declines of 1.5%. The historic and forecast GA movements are shown at Figure 2-4 below.

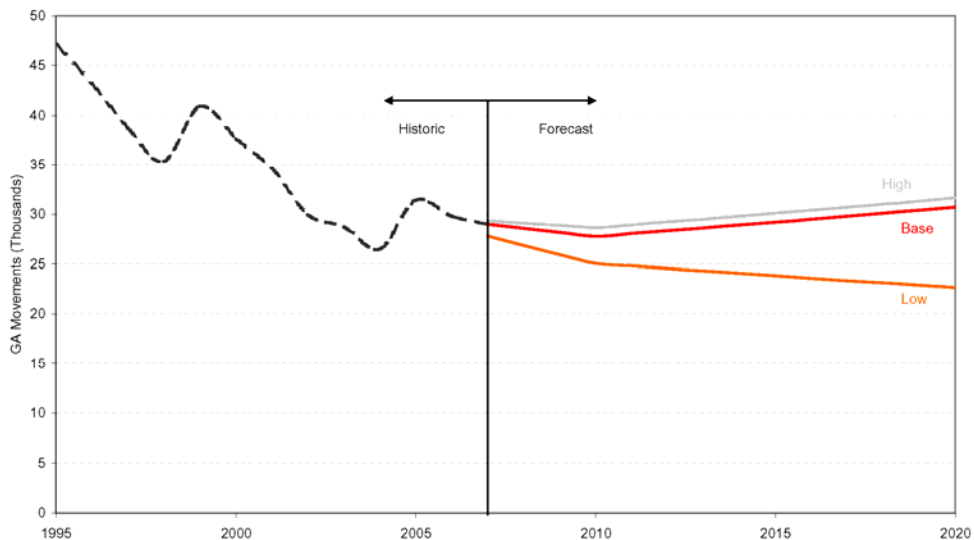


FIGURE 2-4 FORECAST ANNUAL GA AIRCRAFT MOVEMENTS

2.3.3 Helicopter Movements

Helicopter movements have fluctuated widely in the past. Forecasts were prepared based on the following modest future base case growth rates:

- ◆ 2004/05 – 2009/10 1.8% per annum
- ◆ 2009/10 – 2014/15 1.0% per annum
- ◆ 2014/15 – 2019/20 1.0% per annum.

High forecasts assumed double the base case average annual growth rates and low forecasts assumed an overall decline in helicopter movements. Historical helicopter movements and the resultant growth assumptions are shown at Figure 2-5 below.

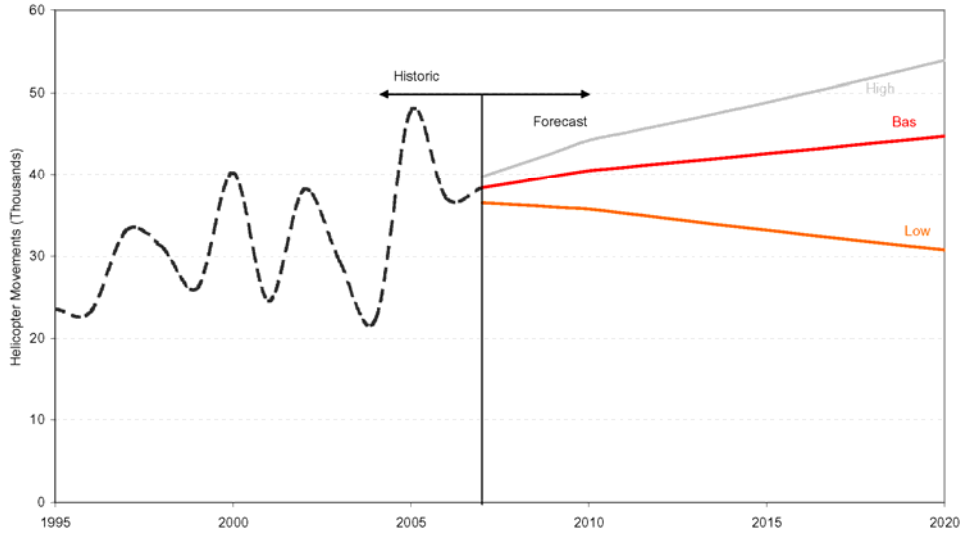


FIGURE 2-5 FORECAST ANNUAL HELICOPTER MOVEMENTS

2.3.4 Total Annual Aircraft Movements

Historic and forecast total fixed wing (RPT plus GA) aircraft and helicopter movements, combining the preceding forecasts for each aircraft category, are shown at Figure 2-6 below. Fixed wing aircraft movements (RPT and GA) represent approximately 50 percent of total aircraft movements:

- ◆ The Base case forecasts some 86,000 annual aircraft movements (41,000 fixed wing and 45,000 helicopter movements) by 2020; the high and low forecasts range between 99,000 (45,000 and 54,000) and 62,000 (32,000 and 30,000) annual aircraft movements respectively
- ◆ RPT annual aircraft movement forecasts at 2020 are:
 - High 13,396
 - Base 10,891
 - Low 9,219

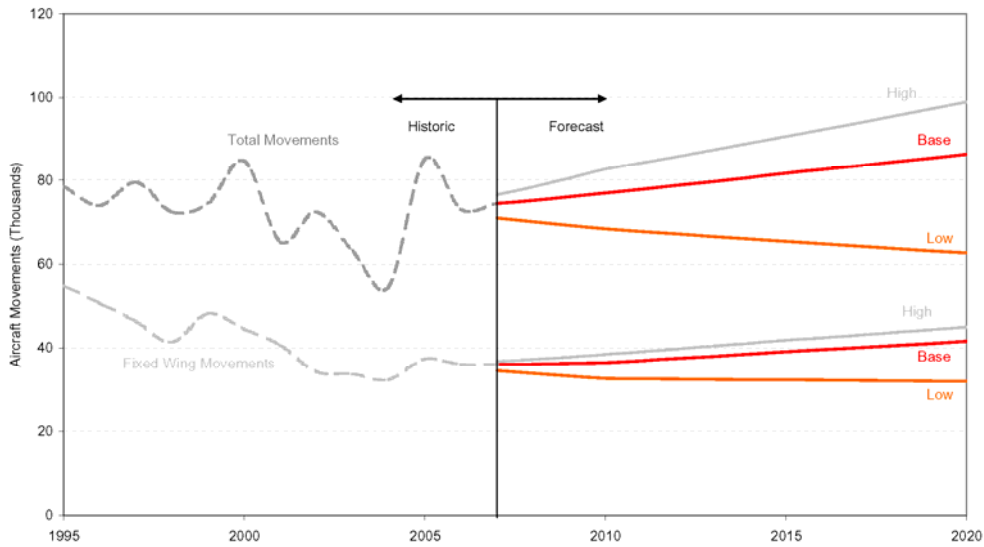


FIGURE 2-6 HISTORIC AND FORECAST ANNUAL AIRCRAFT MOVEMENTS

2.4 Busy Hour Passenger Movements

2.4.1 Current Airline Schedule

SCA Sunshine Coast Airport is primarily served by Low-Cost Carriers (Virgin Blue, Jetstar and Tiger Airways); due to the nature of the travellers using these carriers' schedules at present fluctuate significantly dependent on the season, including holiday periods, etc. A typical airline schedule is illustrated at Figure 2-7 below.

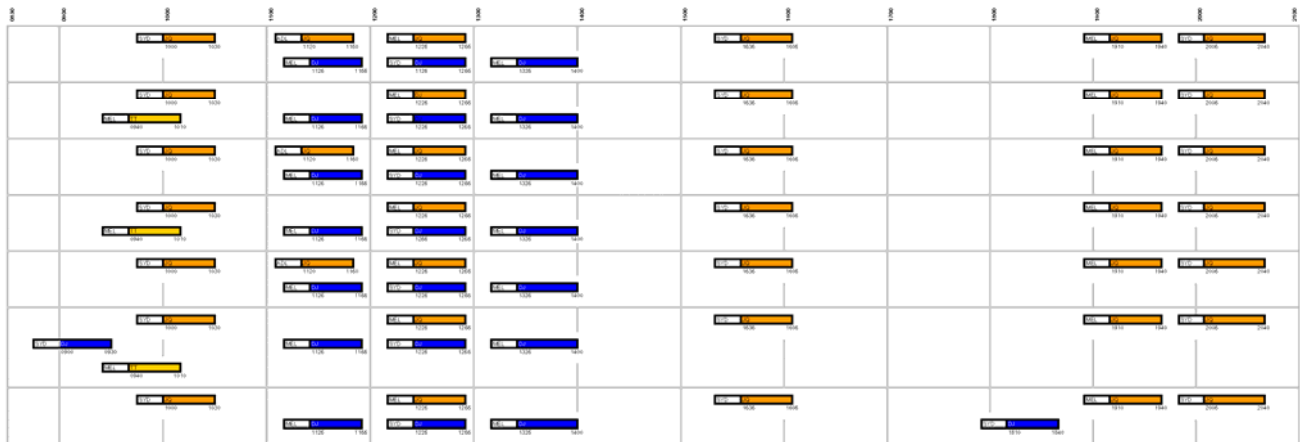


FIGURE 2-7 TYPICAL AIRLINE SCHEDULE (SATURDAY – DECEMBER 2007)

Within the busy hour periods, a Virgin Blue B737-800, a Jetstar A320-200 and a Tiger A320-200 aircraft will arrive and depart. Based on the seating capacities of these aircraft (180, 177 and 180 respectively) and assuming an average load factor of 80%, the busy hour passenger arrivals and departures total 858 passengers.

There is one pronounced peak period during the day, with other arrivals and departures spread throughout the remainder of the day. Terminal facilities are only substantially utilised during the busy periods and are either comfortable or empty for large periods of the day.

Due to the short turnaround times of these aircraft, only two stands are typically occupied at any one time with three stands being required during the peak.

2.4.2 Busy Hour Passenger Movements

The busy hour represents peak passenger demand on SCA facilities. To maintain an acceptable level of service all airport facilities are sized to manage busy hour demand.

Busy hour passenger arrival and departure forecasts have been derived using current busy hour passenger numbers, a growth rate equal to the baseline growth in annual passenger movements as well as a comparison rate of 1% per annum less than the baseline annual passenger movement growth rate.

These forecasts are shown on Figure 2.8. In practice, a lesser growth rate than that for annual passenger movements is normally adopted for busy hour forecasts, to take account of likely spreading of the peak as traffic grows.

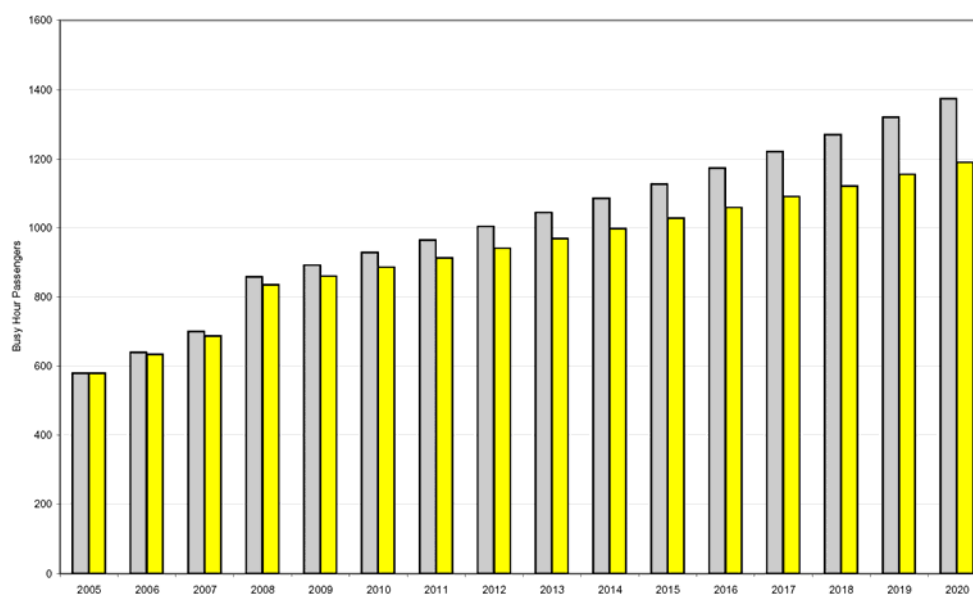


FIGURE 2-8 BUSY HOUR PASSENGER MOVEMENTS

Assuming unconstrained growth in busy hour demand and growth in busy hour traffic was 1% per annum less than that for annual traffic growth, busy hour passenger arrivals and departures would reach some 1,400 by 2020. In practice, it is likely that Sunshine Coast Airport would negotiate with the airlines to encourage them to introduce new services outside the current peak period, in order to minimise expansion of terminal (and apron) facilities at the airport which would be underutilised most of the time.

2.5 Peak Stand Demand

Peak stand demand forecasts for RPT jet aircraft, based on the busy hour passenger forecasts at a growth rate 1% per annum less than the annual passenger movements rate of growth, and assuming average aircraft size throughout the forecast horizon remain similar to current types, are shown in Table 2.1 using the B737-900 as the design aircraft

Year	Active Stand Demand	Buffer ⁽¹⁾	Total Stands
2007 (Current)	3	1 ⁽²⁾	3
2010	3	1	4
2015	4	1	5
2020	6	1	7

TABLE 2-1 PEAK STAND DEMAND

Notes:

1. Makes provision for off-schedule and itinerant aircraft
2. Boeing 737-300 Maximum