Tiger Airways – the ‘Shot in the Arm’ for Australian Air Travel

- Tiger Airways is the only airline significantly stimulating air travel in Australia.
- Traffic on competitive routes with Tiger Airways present grew almost twice as fast as those without Tiger Airways.

21 July 2010: Federal government statistics released this week prove that Tiger Airways is stimulating domestic air travel growth significantly with the nation’s lowest airfares.

Passenger statistics comparing May 2009 with May 2010 show that routes on which Tiger Airways operates have shown far higher growth than routes on which Tiger Airways doesn’t yet operate.

Tiger Airways contributed more than 50% of the 98,957 additional passengers on the country’s busiest Melbourne – Sydney route - the route with the biggest surge in passenger traffic (up 18.5%) in May 2010 compared with May 2009. Tiger Airways commenced flights on the Melbourne – Sydney route in July 2009.

Other top performing routes in terms of passenger growth year on year include the Gold Coast – Sydney route (up 16.2%, on which Tiger Airways commenced flying in December 2009), the Brisbane – Melbourne route (up 8.9%, on which Tiger Airways commenced flying in March 2010), the Adelaide – Sydney route (up 13.5%, on which Tiger Airways commenced flights from July 2009) and the Adelaide – Brisbane route (up 17%, on which Tiger Airways commenced flights on this route in March 2010).

Steve Burns, Tiger Airways Australia Commercial Director says “Four of the five fastest growing domestic routes in the country benefit from Tiger Airways’ low fares. Tiger Airways’ low fares are providing the much needed ‘shot in the arm’ to the domestic travel market. Total traffic on competitive routes where Tiger Airways flew in May grew by 8.9%, much higher than the market average of 5.3%. Contrast this with the 5% market reduction in traffic on routes with no competition, and you quickly conclude that Tiger Airways is the economic stimulus package that Australian air travel needs.

“The Tiger Airways impact has also driven down airfares across the board. It’s no coincidence that competition in the domestic air travel sector has never been greater since Tiger Airways arrived. Government statistics confirm that domestic air fares today are at record lows. The era of high fares in Australia is dead, at least on the routes served by Tiger Airways,” he says.

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2 Competitive routes that Tiger Airways operate on are: Melbourne – Sydney, Brisbane – Melbourne, Gold Coast – Sydney, Adelaide – Melbourne, Adelaide – Sydney, Melbourne – Perth, Gold Coast – Melbourne, Hobart – Melbourne, Canberra – Melbourne, Launceston – Melbourne, Adelaide – Brisbane, Brisbane – Rockhampton, Maroochydore – Melbourne, Adelaide - Gold Coast, Alice Springs – Melbourne. The total passengers on regular public transport (RPT) operations on these routes in May 2009 was 1,895,073 and in May 2010 was 2,063,414, equating to growth of 8.88%.

3 The total passengers on RPT operations within Australia in May 2009 was 4,017,393 and in May 2010 was 4,229,956, equating to a growth of 5.29%.

4 The total passengers on RPT operations within Australia on routes operated by more than one airline in May 2009 was 3,457,854 and in May 2010 was 3,698,738. If this is subtracted from the total passengers carried on all RPT operation the resulting figure is the total passengers carried on non-competitive routes (ie routes operated by only one carrier). Therefore the total passengers carried on RPT operations on non-competitive routes is 4,017,393 - 3,457,854 = 559,539 for May 2009 and 4,229,956 - 3,698,738 = 531,218, equating to a decline of (-5.06%).