

Australian Outback To Get Big Aircraft Graveyard

SYDNEY (Dow Jones)--Australia's vast desert, known as the outback, is set to become home to the first large-scale graveyard for unwanted aircraft outside the U.S. in an effort to provide a final resting place for an expected glut in decommissioned jumbos in Asia.

Alice Springs Airport said Friday that it's signed a lease agreement for an aircraft storage and recycling facility 100 hectares in size that could accommodate up to 250-300 aircraft and rival the massive aircraft "boneyards" in Arizona, California and New Mexico where old jets are traditionally stripped of parts for recycling. At over 800 hectares in size, the Pinal Airpark in Arizona is one of biggest storage places for commercial aircraft. Even larger spaces exist in Arizona and California for military and space craft.

"The facility will provide a local alternative and deliver significant fleet efficiencies and costs savings for aircraft operators," said Tom Vincent, managing director of developer Australia Pacific Aircraft Storage.

The new jet graveyard comes at a time when Asia airlines are growing at a faster rate than their European and U.S. rivals after the region led by China recovered at a faster rate from the global financial crisis. According to Boeing Co., Asia Pacific airlines will need 10,320 new airplanes, valued at more than US\$1.3 trillion, over the next 20 years creating a growing number of obsolete plans that will require dismantling. Boeing expects that half of the world's new traffic added during the next 20 years will be to, from, or within the Asia Pacific region.

The new site will also provide a temporary storage space for planes while they're not needed by carriers. Dry deserts are the best place for aircraft preservation as there's little moisture to cause rust and corrosion.

Construction of stage one of the project, including a taxiway and de-fuelling pad, will begin in the second half of 2011 and it's hoped it will be ready by year end, Katie Cooper, the general manager for Alice Springs Airport said.

"There could be some constraints laying bitchumen just because of how hot the Alice gets," said Cooper.