



Canberra Business Council

National Aviation Policy Statement Submission

Affiliated with



Introduction

The Canberra Business Council on behalf of the business community welcomes this opportunity to provide comment on the Towards a National Aviation Policy Statement, Issues Paper.

The Canberra Business Council response to the Towards a National Aviation Policy Statement, Issues Paper will not comment on detailed technical matters but will focus on the importance of the Canberra International Airport (CIA) to local and regional economies and the future growth of Canberra.

Background

The Canberra Business Council acknowledges at the outset that:

- **Critical Infrastructure.** CIA is a critical piece of national infrastructure which is essential to the businesses and governments of Canberra.
- **Development rights.** When Canberra International Airport Pty Ltd was awarded the long-term lease of the Canberra International Airport by the Commonwealth in May 1998, it also purchased a wide range of development rights with no restrictions on land uses other than compliance with the Airports Act and associated regulations.
- **Confirmation in the Canberra International Airport 1999 and 2005 Master Plans.** The scope of these development rights were confirmed with the approval of the 1999 and 2005 Master Plans.
- **24-hour non-curfew capability.** The 1999 and 2005 Master Plans, both of which have been approved, included rights to 24-hour non-curfew capability.
- **Canberra International Airport as a freight hub.** The role of the CIA as a freight hub was established in the 2005 Master Plan.
- **New terminal and quality of service.** The level of service at CIA is of a high quality and the Canberra Business Council looks forward to the development of a new terminal.
- **High speed rail and Canberra International Airport.** There is a role for Canberra to play in providing for the aviation needs of the Sydney Basin and Southern Highlands, particularly through the provision of high-speed rail.

The Canberra Business Council (CBC) supports the Canberra International Airport's vision of developing CIA as a first-class facility to serve the region's evolving transportation needs and to maximise the Airport's contribution to the region's economy. In particular the CBC supports:

- the provision of airport facilities, customer services and amenities appropriate to the character of a national capital;
- developing the Airport as a major capital city and regional hub for passengers and freight to facilitate Canberra's transport links with major cities and the region, and to enhance Canberra's attractiveness for business and tourism;
- establishing a base for a regional airline and a significant aircraft maintenance centre;

- integrating high-speed rail and airport terminal facilities to maximise the benefits of aircraft, Very High Speed Train (VHST), bus and coach services; and
- CBC supports the encouragement of new airlines and the introduction of international services.

Canberra Business Council's position in relation to Canberra International Airport

Summary

- Canberra Business Council stresses the critical importance of Canberra International Airport (CIA) as a stimulant to continued growth in Canberra and across the Capital Region. It is fundamental to the future development of Canberra as the nation's capital and a unique world city. It is also fundamental to the growth of Queanbeyan, which is "joined at the hip" to Canberra in terms of its economy. It is a significant determinant in the economic growth of Yass, Goulburn, Cooma and the region to the coast.
- Canberra Business Council **strongly supports** the development of world-class terminal facilities to stimulate developments in the volume and types of passenger and freight traffic. Canberra Business Council urges CIA to continue its high level of co-operation with the airlines to develop the terminal and its approaches as a gateway to the ACT so that it stands out among international terminals around the world as memorable and impressive.
- Canberra Business Council **strongly opposes** the institution of a curfew on the Canberra International Airport, which would hamper the full economic growth potential of Canberra and the Capital region, particularly Queanbeyan. Canberra Business Council notes that freight aircraft currently operate into CIA at night. Canberra Business Council also notes the continual advances in aviation technology to lessen noise impact and the effect of aircraft operations on the environment.
- The Canberra Business Council **strongly supports** the ability of the Canberra International Airport to develop the full range of domestic and international passenger services. This includes freedom to lead/promote investment in new products, services and export markets, some of which have not yet been identified.
- The Canberra Business Council **supports** the ability of the Canberra International Airport to develop as a freight hub. In its response to the CIA 2004 draft Master Plan (August 2004) the Canberra Business Council stated that developing the CIA into a freight hub "has been a potential future activity that has been supported by the wider business community for a number of years and remains so. The opportunity to have air freight operations of any magnitude should not be dismissed". Since that time most air freight continues to be carried in the holds of passenger aircraft with some overnight express air freight carried by smaller aircraft.

The Canberra Business Council recognises that there are conflicting technical opinions on a number of issues surrounding airport growth and residential development. As stated at the outset, the Canberra Business Council will not comment on detailed technical matters but will focus on the importance of the CIA to the local and regional economies and the future growth of Canberra.

Context

The Canberra Business Council

The Canberra Business Council is the leading business body of the Australian Capital Territory and Capital Region, representing 400 individual members and the interests of more than 35 Industry organisations known as Kindred Organisations. Directly and through its Kindred Organisations the Canberra Business Council represents more than 5,000 businesses across the Capital Region which stretches from Goulburn, Young and Crookwell in the north to Tumut in the West, the Victorian border to the South and to the East along the South Coast from Eden to Bateman's Bay. It includes the major regional centres of Queanbeyan, Goulburn, Yass, Cooma, Bega, Bateman's Bay and Braidwood.

The Canberra Business Council and its Kindred Organisations remain committed to the growth and development of Canberra and the Capital Region.

Canberra International Airport as a Transport Hub

The Canberra Business Council's submission on the Canberra International Airport 2004 Preliminary Draft Master Plan strongly supported the continued growth and development of the Airport as a major transport hub capable of meeting passenger and potential freight demands, both current and into the future. (Response by Canberra Business Council, August 2004.)

Canberra Business Council considers that the continued growth and development of the airport as a major transport hub is vital to the economic well being of Canberra and the Region. (Media release, 14 May 2004.)

The critical dependence of our economic growth on the ability of the CIA to service the passenger and freight needs of businesses, as well as governments and other organisations in the Region is even stronger in 2008 than it was in 2004.

Freight Hub

In its response to the CIA 2004 draft Master Plan (August 2004) the Canberra Business Council stated that developing the CIA into a freight hub "has been a potential future activity that has been supported by the wider business community for a number of years and remains so. The opportunity to have air freight operations of any magnitude should

not be dismissed". Canberra Business Councils position is unchanged in relation to CIA's potential as a major freight hub.

Most air freight continues to be carried in the holds of passenger aircraft with some express air freight carried overnight by smaller aircraft. Canberra Business Council does not advocate the imposition of undue constraints on activities and development at the airport, particularly in relation to its development as a freight hub, unless those constraints are supported by sound and authoritative technical data.

World-class Integrated logistics node

Canberra Business Council notes the synergies that would exist between CIA and a world class integrated logistics node funded by the private sector, either within the CIA, or in the Fyshwick/Pialligo precinct. Canberra Business Council urges the three relevant governments to work effectively together to facilitate the emergence of this in their planning processes, particularly with the early investment in the high quality road infrastructure that will precipitate investment and a new approach to private sector funding of a very fast rail initiative.

Should a High Speed Rail proposal proceed, the CIA has been identified as the preferred location for the Canberra rail terminus. This has been confirmed in the Canberra Spatial Plan.

Canberra Business Council agrees with the CIA 2008 Master Plan that "long-term integration of air, high speed rail and regional bus and coach services presents a unique opportunity to maximise Canberra International Airport's economic contribution to the region. (p.20)

Maximising opportunities

The Canberra Plan notes that **sustainable business growth is essential to diversifying the ACT Government's revenue base**. It commits the Government to making the ACT the most small business friendly location in Australia (Economic White Paper, 2003, p.23)

Canberra Business Council emphasises that broadening the revenue base of Canberra and the Capital Region can only be achieved by growing and diversifying its economy. This means continued maturing and expansion of the private sector. (Action Agenda Report "Eyes on the Future", p.3).

In this context the Council takes a position that the energy and creativity of this private sector infrastructure development be given scope to continue its entrepreneurial stimulus to investment and business growth in Canberra, Queanbeyan and the rest of the Capital Region, while always conscious of its social and environmental responsibilities.

The Queanbeyan City Council Strategic Overview — Part 1 2007.08 to 2009.10 notes that the economic development challenges before the Council include the need to be able to grow and develop a sustainable economy, build new economic drivers and grow new sectors of the economy to complement traditional ACT-based markets (p. 15).

Canberra Business Council notes the distinctive and high quality developments that have been instituted by the CIA in the decade since the airport passed into private ownership.

However, sustainable business growth in the Capital Region faces competition from other regional cities that are robustly supported by their state and local governments. Ensuring that the Capital region can prosper is good reason why the three relevant governments should take very seriously the contribution CIA makes to their future economic and social potential.

Canberra Business Council notes that strong competition for the CIA already exists to economic growth in Canberra and the Capital Region from Avalon airport adjacent to Geelong and Williamstown adjacent to Newcastle. These potential “competitors” receive robust support from their state governments. In addition, there are renewed proposals for a second airport in the Sydney basin. To compete in this matrix, the CIA needs effective support from three governments — ACT, Federal and NSW.

The role that CIA already plays, especially with its recent up-grades, in the Region’s economy raises serious questions about the cost effectiveness of building a second airport for Sydney “from scratch” only a short distance away in Goulburn or the Southern Highlands.

In this regard, Canberra Business Council strongly recommends that the NSW Government take account of the CIA as a critical piece of infrastructure and the only airport in NSW that is internationally capable and curfew-free.

A new internationally capable terminal

The Canberra Business Council is encouraged to observe that the co-operation between the airlines and the Airport has increased to a high level such that they have been able to agree to the development of a new internationally capable terminal facility.

Due to the work of CIA with Qantas and Virgin, Canberrans will soon be able to enjoy first class facilities. The Canberra Business Council supports the development of the terminal and the maintenance of the current co-operative regime between the Airport and airlines.

High Speed Rail

There is a significant opportunity for CIA to cater for some of the aviation needs of the Sydney Basin and Southern Highlands, particularly through the establishment of a high-speed rail link to Sydney.

A high-speed rail link would mean that Canberra and Central Sydney would be only 50 minutes apart, which is a travel time comparable to international cities such as Narita (Tokyo), Japan.

The provision of a high speed rail link located at CIA will allow a seamless transfer between air transport and ground transport.

The business case for continuing development of highly capable aviation infrastructure and services at CIA

A catalyst for future growth and prosperity

- CIA is fundamental to the continued growth of the Region and the ability of the community to sustain its expected standard of living.
- The leading-edge industries of The Region, built upon a vibrant service sector and high technology industries, require a mix of highly responsive transport services.
- Sustainable development of Canberra, with the Capital Region, as an economic growth centre will fall behind other regional competitors if there are limits on the CIA's responsiveness.
- CIA is essential to supporting Canberra's unique role and competitive advantages as the National Capital:

Aviation infrastructure and related services is an integral part of the infrastructure used by business and the wider community

- CIA is a central element of the region's lines of communication, which include:
 - Interstate road links.
 - Local road Infrastructure.
 - Present rail.
 - Present courier and overnight road transport services that demonstrate the potential for such services to expand and diversify into new applications.
 - Future rail.
 - Taxis.
 - Parking.

Advancing aviation technology is positive for the environment and noise abatement

- CIA's already well demonstrated commitment to the community, sustainability and the environment will be assisted in the future by:

- Increasingly fuel efficient aircraft.
- Reducing in-flight noise signatures.
- Enhanced ability to manoeuvre for noise-ameliorating flight paths.

A variety of different sized aircraft are used in freight operations. These include very quiet aircraft employed precisely because of their low noise signature, such as the BA 146, which presently operate regularly into CIA at night.

Gateway to the City and the Region

- CIA is one of the two main gateways to the national capital.
- Critical for the tourism industry to have an impressive gateway that sets perceptions of the city and the Region for a fortunate experience:
 - Note importance of word of mouth reference to build reputation.
- Australia's effectiveness in international relations and trade depends, in part, on image, including of the capital city.

No curfew

- Curfew distorts the ability of airlines to meet the demands of their customers.
- Imposition of a curfew for passengers would distort both ends of affected flights and impact upon departure and arrival times that most suit passengers. It would seriously hamper both business and tourism growth.
- Imposition of a curfew for freight would severely hamper the attraction of Canberra and Queanbeyan as a preferred location in the highly time-sensitive freight business.
- Only Sydney and Adelaide airports are subject to curfew. Both these are partial curfews and both airports continue to operate freight aircraft at night.
- Avalon and Williamstown are not fettered by any curfew.
- It would be highly undesirable for un-coordinated planning by the NSW Government to hamper long-term private sector development in the Capital Region especially as the NSW border only 5 kms from the airport boundary.

Future investment by CIA

- CIA needs appropriate returns to justify on-going development of the airport facility, especially peripherals to income, such as the gateway effect for Canberra and the Region.
- The economic stimulus of CIA is critical to future expansion of surrounding areas, such as Keown and the Queanbeyan industrial area.

Development of related logistic services

- Mid-term prospect of a sophisticated, world-class integrated logistics node within the airport, or in the Fyshwick/Pialligo precinct;
 - Including assembly, packaging, storage, trans-shipment, cargo tracking and quality control, as well as customs clearance services;
 - Highly IT intensive and involving GPS and advanced communications systems; and
 - Requiring on-going research and development support, preferably adjacent to the node.
- Would strengthen the continued growth of the Queanbeyan industrial area, as well as Hume, Fyshwick and Mitchell.