



**Regional
Development**
Australia
S Y D N E Y

Submission on the Inquiry into Regional Aviation Services

Answers to Supplementary Questions

Standing Committee on State Development

June 2014

Regional Development Australia Sydney brings together people to promote collaborative decision making for the sustainable and just economic development of Sydney, with a focus on employment growth.

Answers to Supplementary Questions from Standing Committee of State Development

RDA Sydney Position

Regional Development Australia, Sydney (RDA Sydney) welcomes the opportunity to provide additional answers to the supplementary questions raised by the Standing Committee on State Development of the Legislative Council into the *Inquiry into Regional Aviation Services*.

Supplementary Questions

Question 1

You note that regional passengers have concerns about having to fly to and from Bankstown Airport, including inadequate airport facilities and difficulties in taxi pickups. What strategies could be deployed to alleviate these concerns?

Having the right information about concerns to make appropriate changes

One of the major concerns at the moment is gathering and obtaining a sufficient sample size of detailed knowledge about reasons of visitation, experiences and expectations from those tourists, business, personal flying regional passengers, who presently fly to and from Bankstown, but also, from those passengers who might not fly now, but possibly could, if circumstances were to change.

Note: To overcome this, a detailed survey could be developed and marketed similar to the one presently being used by the Sunshine Coast Airport with RDA Sunshine Coast and Airline support. Sunshine Coast Airport has similar issues to Bankstown Airport in relation to Brisbane Airport. Brisbane Airport with its one runway is becoming very busy, with time slots for regional aircraft becoming more difficult to obtain. Russell Mason, CEO of RDA Sunshine Coast and Sunshine Coast Airport are currently using a business passenger survey to canvass the issues and develop a business case to attract more passengers to and from Sunshine Coast and get interconnection to Sydney. They are willing to assist with any future Sydney survey.

Present Perceived Concerns re Use of Bankstown Airport

- Visitors want to do business, obtain medical services or visit family or friends by coming up to Sydney and back in a day. We believe there is a perception that KSA is closer to the city and therefore easier to access these services. NB In many cases because of the curfew at KSA and limited time slots, a regional connecting flight still does not have them arrive in Sydney until around 10.00am. Alternatively we have heard that other visitors advise that they come up on one day, stay overnight in CBD and go back the next day?

- Visitors want the ability to conveniently obtain interconnecting international and domestic flights, tourists want packages and convenient travel plans. Tourism operators mostly only have connecting flights to regional airports from KSA. There is a perception that Bankstown Airport cannot offer this timeliness and convenience.
- Congestion on the roads to and from the city and the airport to Bankstown via the M5 during peak hour. It is perceived that it would take too long and be too costly by road because of the traffic. Also there is a lack of awareness of the possible bus rail connections to the city from Bankstown airport by comparison to the relatively easy KSA Airport rail service.
- Bankstown Airport as a general airport, does have its own RPT passenger terminal as well as charter flight operators on the site. It is perceived by some that these terminal facilities at present are not as good as those at KSA with respect to access to airlines such as Rex, Qantaslink and Virgin; check-in, and onsite facilities; bus and taxi availability and interconnections; and baggage handling facilities.

Strategies that could be deployed

- Undertake detailed airline market survey as discussed above.
- Develop on-demand Shuttle bus service packages by road to KSA, or East Hills Station for connection rail service, using interconnected TfNSW Opal card service. At 8.00am on a weekday, it takes approx 8- 10 minutes to get from Bankstown Airport terminal to East Hills station and then 31 minutes from East Hills station to Sydney International Airport Station or 39 minutes to Wynyard station on the East Hills /Airport line (Source TfNSW). It should also be noted that with the current M5 widening roadworks and the new WestConnex road project travel times to KSA and the CBD will be significantly reduced.
- Using detailed survey data, develop with individual potential airlines various business case scenarios for specific target market for flights in and out Bankstown. The ability for more slots to land aircraft earlier in the day could be used to offset morning road/rail commuting times.
- Potentially look at upgrading airport terminal facilities to provide better facilities and services to meet these new target market passenger's requirements. A review to open the southern airport access to Newbridge Road will speed up transfer time to the M5 and East Hills Station. It will also be necessary to upgrade the on-line communications systems to interconnecting airlines and in-Sydney transfer and transport on-demand bus rail systems. Work with KSA and online air booking systems to streamline booking more interconnectivity of flights and flight information systems.
- Bankstown Airport Limited should be encouraged to canvass these ideas with potential airline operators, and plan to implement these recommendations as part of the RPT component within current proposed 2014 Draft Bankstown Airport Master plan (which is soon to be gazetted).

- Bankstown Airport Limited and Bankstown Council could develop new working relationships with industry about further technology and commercial business park activities adjacent to the airport. It should present a business attraction case around the aerospace, defence, engineering and composites industries and the adjacent university and TAFE Padstow, and also develop shuttle services to new targeted hotel accommodation within the Bankstown city centre.
- The above improvements would make a significant impact to the potential redevelopment of the Bankstown /Milperra as an airport with a specialised centre within the Metro Strategy for Sydney. As such it should attract support from DTI, DPI, TfNSW and most certainly Bankstown Council.

Question 2

You note that regional travellers also fear being sent to a second Sydney airport on the outskirts of Sydney. What feedback have you had from your regional colleagues since the announcement was made on Badgery's Creek?

Feedback

Last week we did send a request for input to our other RDA colleagues with respect to this supplementary question about Badgery's Creek and the impact on Regional Aviation Services. To date the response has been mixed and qualified, depending on the nature and the demand of services for travellers into Sydney with respect to Sydney ie business, medical, tourist or personal travel. The comments below are based on the feedback remarks which we did receive, and are not in any way necessarily complete or fully representative that might be the case if there had been a more detailed survey.

For most RDAs, their position is that travellers with significant business, tourist or medical travel want airlines to be able to keep their current KSA time slots until they can see viable alternatives which provide the same or similar connectivity to the services they came to seek and obtain in Sydney. If alternative packaged offerings could be developed in tourist packages, business connectivity, access to alternative medical treatment, etc then they believe that people will be more amenable to change.

Examples

"As indicated in our RDA Riverina submission, RDA Riverina and other stakeholders are supportive of the establishment of a second airport at Badgery's creek as a long term strategy to reduce congestion at Kingsford Smith. However slots still need to be made available at Kingsford Smith for those travellers needing access to the city for meetings, medical appointments. The development of the supporting infrastructure at Bankstown and the airport (plus supporting road/rail infrastructure) at Badgery's Creek will still take a number of years so access to Kingsford Smith is vital "

"We need to keep regional air slots "ring fenced". There are no other acceptable solutions for regional NSW at present. There are no transport links or mooted transport links that can get passengers from either Badgerys Creek or Bankstown to Macquarie Street / Sydney CBD in 30 minutes or less"

“Continuing access to slots (at critical timeslots) at Kingsford Smith Airport for regional airline services has also been identified by stakeholders across the region as imperative for future economic development for business, service sector and government agencies. The location of Kingsford Smith Airport and the improved train service between the domestic terminal and the city centre enables passengers with meetings and appointments to travel to Sydney within the day. This is critical remembering that in many instances people have had to travel to reach the airport in their regional location. There is also the opportunity to link with connecting domestic and international flights in a timely manner. RDA Riverina supports the idea of further development at Bankstown airport to relieve congestion at Kingsford Smith Airport but believes transport infrastructure from Bankstown airport into the city needs to be dramatically improved. Regional Airlines should continue to have available slots at the peak times for those regional passengers requiring timely access to the city centre”

RDA Northern Rivers, which as a region also have a high tourism, business air traffic volume mostly out of Ballina and the Gold Coast Airports, is likewise very concerned about the connectivity of services issue and therefore maintenance of connections to domestic to international flights.

RDA Orana and RDA Central West have both expressed an interest as part of the Western Sydney Airport Alliance interest group in the development of Badgery’s Creek as an alternative airport. “Badgerys Creek needs to be considered as part of an integrated transport plan for western Sydney linking it to regional NSW – particularly the Bells Line of Road, which will increasingly become a strategically significant corridor”

RDA Illawarra and RDA Northern Inland have not yet discussed the issues in detail, and we unfortunately had not yet had the opportunity of discussing the issue personally with the other RDA’s.

Note:

We recommend again that a second potential regional air services survey like that for Sunshine Coast Airport be undertaken immediately with respect future potential airport at Badgery’s Creek to obtain a more complete sample size and future demand picture.

Question 3

On page 5 of your submission you mention that opportunities for regional aviation manufacturing could be created in appropriately selected key airports. Could you expand on this for the committee and provide your views on possible options?

As we discussed in our initial RDA Sydney submission, opportunities for regional aviation “supported and related” manufacturing, technology and servicing industries could be created in appropriately selected key airports by attracting investment, new and existing firms using the airports as magnet attractors.

In many cases in the larger volume regional airports like Albury, Armidale, Ballina, Coffs Harbour, Dubbo, Port Macquarie, Tamworth, Wagga Wagga, there are adjacent supportive industries that have grown to

a varied extent dependent on the local industry base ie aircraft maintenance support, tourism, agricultural, mining or local manufacturing.

However for this to be developed further, we believe that new regional aviation economic development strategies (including regional aviation manufacturing) need to be developed around and supported by the State government as part of the new *Regional Economic Development Strategies*. These strategies should take into account the key local industries; regional competitive strengths; connectivity; and relative location of other centres, transport corridors, and major infrastructure. For example:-

- Williamstown, Tamworth and Wagga Wagga have defence related industries nearby where local and international prime defence companies can manufacture, and or test products and services nearby.
- Ballina, Grafton, Parkes, Bathurst, Griffith, for example could develop key agricultural manufacturing and technology sector industries around their various industry area specializations.
- Broken Hill, Cessnock, and other mining speciality airports could be developed with major industry, engineering product support and technology companies in the same way.
- Companies having technology specialties in components and servicing of specific types of dedicated planes of a particular model (and purpose within a region) could be offered incentives to encourage them to establish themselves around a particular airport. Eg crop dusting, aerial surveying, mining or UAV's.
- These local strategies could be linked to other productivity-focused strategies covering international education, engagement, innovation, small business and tourism.
- The strategies would need to be accompanied by government programs and incentives for new enterprises to relocate invest, access to higher speed broadband technologies to help drive productivity and improvement; adoption of new technologies and connection with overseas markets.
- The strategies would include the creation of productivity and innovation networks around these new regional airport hubs. In a similar way to the Brindabella Court Business Park at Canberra Airport, access to knowledge and resources is crucial, within the region as it is establishing collaborative relationships between businesses for the transfer of information, knowledge and technology.
- Whilst collaboration between firms and research institutions and universities in close proximity is ideal, virtual face-to-face communication in real-time via the internet to other key stakeholders and institutions in metropolitan areas, is crucial in developing the real-time links between university research and the local industry, manufacturing or technology support companies. For example with real time communications products like Webex, products can be designed one location, and engineered and manufactured and supported in other locations worldwide. RioTinto mines in Pilbara WA are remotely operated and supported in Perth. The design, development and support for products and spare parts could be remotely manufactured and distributed in the same way.

- Opportunities also exist for clusters of various types businesses that are servicing or providing regular maintenance on aircraft. These could work alone or as part of a supply chain around major prime OEM or maintenance support companies from Bankstown Airport or in Sydney. They would benefit from the continuation and increase of RPT services from and to Sydney.
- The benefits of adopting this strategy, supported by research would be significant for the future development of regional economies and communities.

Question 4

You've mentioned in your submission (page 5) that the further development of the Bankstown Airport/Milperra precinct aligns well with Bankstown Council's economic development objectives. Can you elaborate on this and if there would be any impact on these plans now that Badgery's Creek has been announced as the second Sydney Airport site?

For the last ten years, Bankstown Airport /Milperra area has been designated by the Department of Planning and Infrastructure as a planned Specialised Centre within previous and current versions of the Draft Metro Strategy for Sydney and the South West Sub Regional Plan.

This Specialised Centre which includes Bankstown Airport, the Milperra Industrial Precinct and the Condell Park Industrial precincts, is viewed by Bankstown City Council as an important strategic economic driver for Bankstown City contributing significantly to the local economy in aerospace and defence aircraft manufacturing, assembly and servicing, polymer product manufacturing, flight training and air transport. (See pdf copy of the Bankstown Economic Profile attached).

Given the strategic importance of this area with respect to future economic development and jobs, and unique activities and character of this specialised centre, Bankstown Council are applying a different approach to local planning than that used for the other local areas within the City.

Back in 2008 as part of the Bankstown Economic Development taskforce with the specialties noted above, we identified several initiatives with respect to the reinvigoration and redevelopment of key industry sectors around the airport such as aerospace and defence, composites, high engineered spare parts for transport and mining. It was acknowledged that Bankstown as a 24/7 airport with dedicated parcel freight carriers (Toll and DHL) on the site, provided an excellent opportunity for critical spare part servicing in out of Sydney. We have significant manufacturing and engineering capability around Moorebank, Bankstown, Ingleburn and around Milperra which could be further maximized.

The other future significant transport and logistics opportunity will be the current proximity of Bankstown Airport with respect to the future intermodal terminals at Enfield and Moorebank, and the Southern Rail freight line and other interconnecting freight lines to Botany. While KSA will continue to move air freight internationally and domestically between major cities, rapid regional air freight like parcel freight could well come via Bankstown Airport?

As outlined above, it would be possible to encourage more passenger related services from Bankstown Airport by addressing the major perceived airport facilities, transport packaging and timing issues. With adjoining TAFE and UWS Campus, and Bankstown Centre there is also potential for additional development in flight training, maintenance, air freight and passenger services and other related

industries, education, hotel and conference and hospitality industries which would provide employment for more local disadvantaged residents living in GWS.

There is no doubt that a ultimately future Western Sydney airport at Badgery's Creek will most certainly involve a key passenger/freight terminal catering for 3 million passengers p.a. and a specialised commercial centre. It will also require much needed upgraded local road /rail infrastructure (eg by road via the M7 and Sydney orbital, or via Rail at Leppington via East hills line to Sydney). It is envisaged that certain airlines will take-up a strategic reason for establishing a service at the new airport (for example say as Ryanair did outside of Heathrow) particularly if there are cost or time slot service opportunities unavailable from KSA.

With respect to Regional Air Services, once again there will still be connectivity, and time sensitivity issues, which will need to be overcome. This will require the same critical development of airline terminal and flight attraction and services packages, airport interconnectivity and transport infrastructure. Like Canberra Airport though, the proximity to local new commercial centres, business parks, hospitals and education facilities and the regional cities of Parramatta, Penrith and Liverpool, will provide an alternative offering to KSA.

It will also involve the necessary development of new additional aviation and aerospace, and defence OEM and maintenance industries, road /rail /air intermodal facilities and new technology and commercial parks within the Broader Western Sydney Employment Area, and around Eastern Creek and the surrounding NW and SW growth centres.

Also, as much of this new airport activity may not be realised until 2027, and Sydney grows to a population of six million people in Sydney by 2031 (3 million in Western Sydney) where most of imported air and sea freight is consumed in Sydney, it is believed that as there will be ample opportunity for Bankstown to maintain its role as a general and regional airport in its own right.