

**Submission
No 37**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Wyong Shire Council

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14 March 2014

The Chairman
Select Committee on Regional Aviation Services
NSW Parliament House
Macquarie Street
SYDNEY NSW 2000

Attn: Hon Rick Colless MLC

Dear Sir

NSW Parliamentary Inquiry into Regional Aviation Services

To assist with your investigations into Regional Aviation Services in NSW, I submit the following:

1. Wyong Shire Council submission
2. Central Coast Regional Airport submission to draft Local Environmental Plan 2012 prepared by Cardno and GHD
3. Letters of support from agencies:
 - Regional Development Central Coast
 - Central Coast Tourism
 - Regional Aviation Association of Australia
 - Gosford City Council
 - Central Coast Business Chamber
4. Letters of support from Members of Parliament – Chris Spence, Chris Holstein, Karen McNamara

Should you require further information, please contact the undersigned on

Yours sincerely,

Steve Mann
Manager
PROPERTY DEVELOPMENT
WYONG SHIRE COUNCIL



NSW Parliamentary Inquiry into Regional Aviation Services

Wyong Shire Council Submission

March 2014

JUSTIFICATION FOR A REGIONAL AIRPORT ON THE CENTRAL COAST

Airports are a key community asset for future generations forming an integral part of the regional and national infrastructure and critical for connecting communities and enhancing broader economic performance.

A study of the economic and social contribution of Australia's airports, (*prepared by Deloitte Access Economics for the AAA, released in 2012*) provides a good insight into the economic and community contribution of Australia's regional airports. The economic contribution of Australia's 'core' airport sector in 2011 was estimated at \$3.2 billion and provided 6,900 FTE's and over 108,000 FTE's around the airport precinct.

The operational core of an airport is only one component of its overall economic profile and a broad range of associated and ancillary 'landside' activities also typically occur in airport precincts to support airports in performing their core functions.

Regional airports contribute substantial economic benefit to regional communities, through local development and job creation as demonstrated in the following instances:

- Gold Coast Airport contributes \$1.8 billion per annum to the region
- Newcastle Airport contributes \$800 million per annum to the region; and
- Sunshine Coast Airport contributes close to \$500 million per annum to the region.

The Central Coast is the ninth largest region in Australia. Of these nine regions it is the only one without a regional airport. This is impacting on the economic and social sustainability of this region.

The Central Coast will be 10 times larger than the Northern Rivers Region, which benefits from a Regional Airport of its own at Ballina that handled 291,322 passengers in the 2011 financial year, and much larger than Port Macquarie – Hastings region which is served by the Port Macquarie Airport which handled 220,000 passengers in 2010.

Having a population in excess of 300,000 the Central Coast region is predicted to grow to approximately 400,000 by 2031 (*source: Central Coast Regional Strategy, Regional Economic Development and Employment Strategy*). This will mean that by 2031 it will have a population as large as Canberra. This forecast growth in population will require the creation of 35,000 additional local jobs.

The Central Coast currently has an unemployment rate of 6.2%, a youth unemployment rate of 10.3% as well as a large proportion of unskilled workers. In addition, over 40,000 residents travel daily to either Sydney or the Hunter for work.

Based on examples in other similar regions close to major metropolitan centres, such as the Sunshine Coast, a regional airport is expected to create jobs both directly and indirectly in the local area, as well as opening up the local skilled labour to employment markets previously not possible, by providing the ability to transfer workers to employment centres and job sites. An airport will provide the residents of the Central Coast an opportunity to be more readily connected with other parts of Australia and the world.

A Regional Airport will generate employment for both skilled and unskilled workers in the aeronautical and non-aeronautical sectors. This vital piece of infrastructure would also reduce the loss of skilled workers leaving the community each day as well as stimulate the local economy, generate local trade for goods and services, attract investment and provide an alternative means of transport.

An important part of a proposed regional airport is to develop non-aviation activities within the airport precinct and surrounding areas to create a multifunction economic centre that drives local investment and employment. The Wyong Employment Zone already provides complementary existing infrastructure and 360 hectares of developable land in close proximity to support the airport. The airport would also provide manufacturing and tourism operators improved access to National and International markets and such exposure is certain to generate many employment opportunities.

The main M1 Freeway is adjacent to the proposed airport site and the main northern rail line is less than 1 kilometre to the east of the site. This location could also open opportunities to have freight operators utilise the airport.

Provision for a Regional Airport on the Central Coast is consistent with the objectives and framework outlined in the NSW Government's Central Coast Regional Strategy (CCRS) and Regional Economic Development and Employment Strategy (REDES).

Key Benefits of a Regional Airport

In summary a regional airport will:

- Stimulate investment and thereby improve economic development and regional employment self-sufficiency;
- Appropriately located in close proximity to the Warnervale growth precinct, the Wyong Employment Zone and existing road and rail infrastructure;
- Result in significant positive impacts with respect to local pride and regional identity. This has been supported by advice from the Regional Aviation Association of Australia (RAAA);
- Reduce the reliance of the tourist service sector on both seasonal visitors and tourists driving from Sydney;
- Provide a key stimulus for employment in the North Wyong Shire Structure Plan area;
- Support the future regional population and complete the Central Coast's suite of transport nodes;

- Attract investment, tourism, industry and create employment opportunities, all factors that a growing population needs to sustain its long term future;
- Address an identified market for regional aviation services by accommodating growth in aviation demand in the Hunter and Central Coast regions and,
- Ensure consistency with other regions of similar or lesser populations which currently support regional airports.

Planning for Employment Growth

As the Central Coast region grows it needs catalyst projects that create jobs - both short and long term. The proposed regional airport is just one of many initiatives in an overall plan to grow jobs and the economy which includes projects such as the Wyong Employment Zone, Chinese Theme Park and Wyong Education Precinct.

Council has spent nine months consulting the aviation industry and touring other successful regional airports for preliminary economic feasibility and planning considerations and to determine interest from airlines and supporting industries in a Central Coast regional airport. This consultation has clearly established the significant benefits for the Central Coast if a regional airport was built. A more detailed economic feasibility study will be done once technical studies determine the location of the runway.

"It is clear from the example of Brisbane, which has the Sunshine Coast and Gold Coast regional airports in close proximity, that airports in populous regional centres that are close to major cities can be very viable and complement major metropolitan airports. We need this airport to become an independent, self-supporting and more prosperous region," - Doug Eaton, Mayor of Wyong

PROPOSED CENTRAL COAST REGIONAL AIRPORT

In March 2012 the Federal and State Governments released a study entitled the *"Joint Study on Aviation Capacity in the Sydney Region"*. This study not only identified projected demands beyond existing forecasts (up to 2060) but also examined and recommended solutions to Sydney's growing aviation requirements.

The study identified three sites on the Central Coast, Peats Ridge, Somersby and Wallarah, which were shortlisted for further investigation. Peats Ridge and Somersby were deemed unsuitable for an airport due to their proximity to Kingsford Smith Airport airspace. However Wallarah, due to its geographic location was considered suitable for a Type 1 International Airport or a Type 3 Regional Airport.

Council welcomed but did not endorse the idea of a Type 1 international airport. However, in considering its response to the Joint Study, Council determined that it would pursue a smaller Regional Airport in the Shire in the general vicinity of the site identified in the Joint Study to support the needs of a growing regional community. This provided the stimulus for the Council to progress the planning for a new Type 3 Regional Airport for the Central Coast.

A Type 3 airport is defined in the *Joint Study on Aviation Capacity in the Sydney Region* as *"limited service airport serving all RPT segments, accommodating a single shorter runway of up to 2,600 metres"*. A runway of this length is suitable for the use of aircraft up to and including Boeing 737 and Airbus A320.

The Wallarah site has a significant advantage in relation to its location, strategically situated between the urban centres of Sydney and the Hunter Valley/Newcastle. This provides businesses the capacity to access these markets, especially the professional markets within the Sydney metropolitan area along with the industries associated within the Hunter Valley mining and agricultural industries. The site is also located less than 14 kms from Tuggerah which is identified as a regional centre in the Central Coast Regional Strategy. In addition while the close proximity to Warnervale town centre may cause amenity issues, its proximity may also provide economic and social opportunities for the town centre.

It is also noted that the existing airport at Newcastle is limited by its dual military and civilian roles, whilst the size and operational capacity of the Warnervale Airport is restricted by legislation. The Warnervale Aerodrome Restriction Act 1996 restricted future aircraft movements, the length and siting of the runway, and any future expansion of airport operations.

In terms of existing access facilities the Wallarah site is located less than 2.5 kms from an existing railway station at Warnervale. It was estimated that the Wallarah transport upgrade for an airport would be the lowest compared to the other Central Coast and Newcastle sites. In addition the site is located adjacent to the M1 Freeway allowing excellent transport access to the proposed facility.

The Central Coast will also be amongst the first regions to benefit from the proposal to link the M1 and M2/ M7 motorways to reduce road congestion into Sydney as well as plans to

build a high-speed rail link on the east coast. Projections in the Federal High Speed Rail Study point to the Sydney to Newcastle High Speed Rail link as the first stage in the Sydney to Brisbane leg, with full operation expected by 2045 (Department of Infrastructure and Transport, April 2013, p.2/21). With the National Broadband Network now being rolled out on the Central Coast, the region has the capacity to become a major transport and logistics hub serving the eastern states.

A Regional Airport on the Central Coast completes the essential transport infrastructure set (road, rail and air) needed for the Central Coast to become an independent, self-supporting and more prosperous region. This will attract investment, stimulate the economy, create jobs and most importantly provide an alternative means of transport.

Proposed Site Suitability

The proposed Wallarah site has some distinct advantages relative to the others proposed on the Central Coast. Firstly, the Wallarah site provides excellent connections to Sydney. The site is positioned close to the Sydney-Newcastle Freeway (Pacific Highway) and also Doyalson Link Road and the old Pacific Highway. These connections mean that there are quite low transport upgrade costs for this site, with an estimated cost of \$70 million (for a Type 3 airport) according to the Joint Study report.

The major reason Wallarah is considered more suitable in the Joint Study report than the other Central Coast sites is its limited airspace relationship with Sydney Airport. Operationally, while airspace capacity management with RAAF Base Williamstown would need attention, there is no compromise for Wallarah with Sydney Airport. A further benefit is that a Central Coast airport would appear not to be covered by the sale agreement for Kingsford Smith Airport (KSA), under which the owners of KSA have right of first refusal until 2032 over any airport within 100km of KSA. This means that the Council would be free to negotiate with all potential airport owners rather than only with the owners of KSA. From a policy perspective, this could be seen to have competition advantages.

While Wallarah's distance from Sydney CBD (101km) is something of a disadvantage in market size terms, proximity to the Newcastle region, where future airport growth is also constrained, is a market positive. Additionally its proximity to the North Shore (Hornsby 77km) and North West region (NorWest Business Park 96km) is another advantage.

Economic and Social Opportunities

The Central Coast's popularity continues to grow with migration from Sydney, with 70,000 residents expected to move into the region by 2031.

Beyond its immediate economic footprint, a Type 3 airport will play an important social role in connecting individuals, families and communities with the rest of the country and indeed the world. A Type 3 airport at Wallarah will also provide vital services to the Wyong community, including the facilitation of mail and times sensitive freight deliveries, Care Flight, bush taxis, and the transfer of workers to employment centres and job sites.

The following summarises some of the economic and social opportunities of a Type 3 airport.

- The proposed airport will enable employment growth in socio-economically disadvantaged communities in Wyong Shire. This is likely to be a mix of semi-skilled and skilled positions, improving local employment opportunities for residents
- The project will provide training facilities and precincts for high-tech jobs in aviation to ensure the continued and sustainable development of a skilled workforce for the industry.
- Improved public transport particularly train and bus services from the proposed development to nearby areas with potentially increased frequency. This will increase accessibility to certain groups within the population including the elderly and young people.
- Airports play a central role in logistics networks. This has become more important in light of the increasing employment focus of the Wyong economy.
- It will likely provide additional opportunities to improve road, pedestrian and cycling connectivity.

While it is acknowledged there will also be some negative impacts including a loss of amenity, the broader positive social opportunities outweigh them greatly. Indeed the proposed facility could improve the quality of life of residents by creating employment opportunities, attracting business and providing a transport node that currently does not exist.

The proposed site of Wallarah in the Wyong Shire on the Central Coast for a Type 3 airport provides a good opportunity to address Sydney's aviation capacity constraints, as well as providing Wyong Shire with a number of positive economic and social benefits.

Relieving Sydney's aviation congestion

A Central Coast Type 3 airport would be used by low cost carriers and/or major airlines relocating some of their Sydney Airport services, providing primarily 'point to point' services on intermediate length domestic and potentially international routes. The Joint Study report identifies a single runway airport with a capacity of 240,000 aircraft movements per year. The Ballina Airport with 120,000 movements per year forecast in 2020 is probably more in line with the likely demand in Wyong.

Although not as large as a Type 1 airport, a Type 3 airport would be adequate in relieving Sydney's aviation congestion subject to the airport proving to be sufficiently accessible from Sydney, particularly the North Shore and North West growth region (an issue not addressed by the Joint Study report). Greater distance from Sydney compared with other potential sites may limit market demand and the capacity to relieve Sydney region air congestion.

In addition, relieving the congestion would result in more trips being taken, that otherwise would not have occurred. Costs to the economy of air service delays would also be reduced, as would those costs stemming to the passengers who currently have to alter their preferred flight times. It would allow more tourists to visit the Sydney region (and Australia), resulting

in additional tourism revenue for the economy. There would also be an increase in the quantity of freight that would be able to be transported with the greater number of dual use RPT flights.

Regional Benefits

Employment

A Type 3 airport at Wallarah would result in significant new employment for the region, particularly taking account of ancillary activities in areas including tourism, transport, freight, warehousing and retail. Notably, the economic contribution of airport precinct activities in Australia has been estimated at more than four times that of the operational core of runway infrastructure, terminals, safety and security activities (Deloitte Access Economics 2012). The Joint Study Phase 4 assessment of Wallarah includes a business park and future development area, and it is likely that other business agglomeration in and around the airport will also take hold which will boost economic activity in the region and provide further opportunities for employment.

Additional employment will assist the Central Coast to achieve its long term goal of creating local jobs, helping reduce commuting out of the region for those already there. This can potentially alter the age profile of the region, which has an above average concentration of people aged 55 plus and help reduce an unemployment rate of 6.2% (September quarter 2012) which exceeds the national and state averages of 5.2% and 5.1% respectively (DEEWR 2012).

Transport and Tourism

A Type 3 airport would result in benefits for Wyong and for the Central Coast through improved transport accessibility both by air and land. It will provide convenient domestic travel for the residents of the region who currently have to travel to either Sydney or Newcastle airports.

Proposed transport upgrades, such as the M1 to M2 motorway connection (NSW Government) and the Hi Speed Rail link (Federal Government), which enhances the connectivity for Wyong and Central Coast residents is a benefit for those travelling to and from Sydney. These initiatives could attract further residents to the area, including a younger working demographic and increase the population growth rate in the region.

The airport would increase the level of tourism for the Wyong and Central Coast region, as those flying into the region have the opportunity to explore the area, regardless of whether their prime destination is the Sydney region.

Potential Issues

Despite the advantages of Wallarah as a site for a Type 3 airport, the Joint Study gives the site a rapid benefit cost ratio of 0.5 (where 1.0 or above is consistent with a decision to proceed) and a net present value of -\$0.8 billion. The low benefit cost ratio is explained by the costs associated with dealing with the noise impacts on the community around the airport and the purchasing of properties within a certain radius of the airport.

Out of all of the proposed sites for a Type 3 airport, the Joint Study Wallarah site contains: *'the greater population residing in the area in which property must be legally purchased (estimated 500 allotments), and the greater population residing in the area in which homes must be retrofitted to mitigate noise'*.

However the proposed Wallarah site as identified in the Joint Study was not considered suitable by Council as the site encompasses the proposed Warnervale Town Centre and proposed North Warnervale Railway Station. The Town Centre is likely to provide 48,000 sqm of retail, bulky goods and commercial space and approximately 1,700 dwellings. It should be noted that Council's amended Wallarah site (Refer Figure 1) contains significantly less properties requiring acquisition and minimises major infrastructure conflicts.

It is a matter for investigation whether a smaller airport configuration, together with a shorter runway and possibly different runway alignment, might significantly reduce the noise and social impact of a Wallarah airport, while also meeting Sydney region's aviation needs.

Environmental Impacts and Opportunities

The site has very little major development constraints as viewed on a broad scale basis, especially compared to other areas identified in the Joint Study. An analysis of the site by GHD from available information concludes the following environmental opportunities.

- The site is not affected by Acid Sulfate Soils
- There are no identified heritage items listed under the WLEP 2013
- The site does not contain any SEPP 14 Wetlands.
- The site is not affected by coastal hazards or a foreshore building line.

However there may be several environmental impacts which will need further investigations. This includes the following.

- Wallarah site is partially affected by mine subsidence. Further investigation will need to be undertaken to understand the extent of the mine subsidence in the area.
- A small amount of the area is flood prone land around the Wallarah Creek. However, this is not a major constraint.
- The Joint Study states that there may be a possible conflict with the Sydney to Newcastle gas and oil pipeline. However, further investigation would be needed to determine if this is correct.
- Ecologically endangered communities could potentially be found within the site area (WSC 2012 Draft Settlement Strategy). Further flora and fauna studies need to be undertaken to determine the direct and indirect impacts of the proposed site.

Employment Generating Initiatives

The proposed Central Coast Regional Airport is a landmark project for Wyong Shire Council with the potential to provide significant economic and social benefits to the Central Coast region. The Central Coast of NSW is recognised as a major growth corridor and it is

imperative that the residents and businesses in the region are serviced by adequate infrastructure and transport links, including aviation.

Wyong Shire Council has made significant milestone achievements in promoting Wyong and the Central Coast to local and international investors. Key employment generating initiatives in sectors such as tourism (the Chinese Theme Park), Education (Wyong Education Precinct) and Industrial Development (Wyong Employment Zone) would be enhanced by improved transport access. The Central Coast Regional Airport would also be a gateway to promote further investment in logistics, finance and agriculture.

Planning for future transport needs now will also establish a sound platform for future land use planning to promote investment and development to Wyong and the airport precinct. There are limited sites available for a Regional Airport on the Central Coast and unless Council ceases the opportunity now the sites may be lost to other forms of development.

Based on this information Council at a meeting in December 2012 resolved to seek the community's view on this matter and included the Wallarah location in the draft Wyong Local Environmental Plan 2012, which was publically exhibited on the 9th January 2013.

To date, there have been a number of activities undertaken as part of the planning for the Regional Airport. These include:

- Nominating a proposed site for the facility in the draft Wyong Local Environmental Plan (DLEP) 2012 and draft Settlement Strategy which was exhibited for public comment in January/February this year. Following the exhibition of the DLEP and subsequent discussions with the Department of Planning and Infrastructure, a decision was taken to defer the Central Coast Regional Airport from the DLEP and pursue the zone amendments through a later Planning Proposal (rezoning).
- Preliminary site analysis has been undertaken which has resulted in the area for the proposed facility being better defined and an amended site is now proposed which will position the facility west of the M1 Motorway (see Figure 1), north of Sparkes Road, and totally within the Wyong Shire Council boundary. The final delineation and exact location of the Airport may change based on feedback received from the community, engineering experts, further studies, or State and Federal Governments. However, it is highly likely that any revisions to the concept location would still see it proposed for the northern part of the Shire, and west of the Freeway.
- An extensive community engagement process which involved publishing details of the proposal on Council's website, individual meetings with landowners within the study area, a community survey and other various media releases and articles.
- Preparation of a detailed Project Plan for the proposal which provides details of the project scope, budget, timing and delivery method.

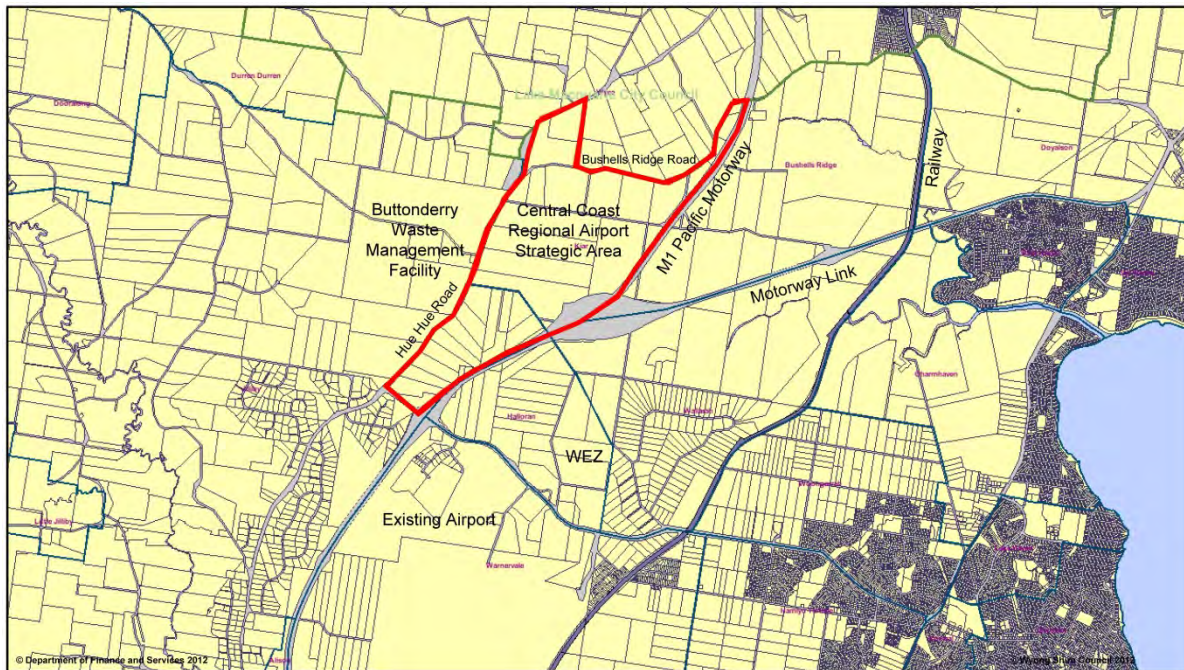


Figure 1 Central Coast Regional Airport Strategic Area

In order to demonstrate its commitment to progress and realise the development of the Central Coast Regional Airport, Wyong Shire Council has:

- Set up a technical advisory group to provide expert advice on the design and execution of its plans for a regional airport. The group includes Mr Jeff Boyd, Chair of the Regional Aviation Association of Australia and Mr Chris Manning, Chair of the Australian Aviation Associations Forum;
- Budgeted \$2m to do preliminary technical studies to address the environmental, social and economic issues associated with the development and to finalise the site boundaries based on minimising or removing social and environmental impacts;
- Budgeted \$40m for land acquisitions to develop the first stage of the required infrastructure for the airport; and
- Liaised with landowners of the proposed site the majority of whom are in favour of the development and do not oppose its inclusion in a Draft Local Environmental Plan. This would otherwise be seen as a major issue to address in an airport site selection and protection process. Only nine landowners are affected by the airport footprint whilst adjacent uses are of a rural nature and/or are proposed employment lands.

Council seeks the support of the State Government to deliver an essential transport node to the residents of the Central Coast and in doing so create employment opportunities for the many unemployed that reside on the Coast.

Support for Central Coast Regional Airport

Wyong Shire Council Mayor Doug Eaton said "I am buoyed that the State Government is on side. Not only have I personally received supportive comments from the Acting Director General of the Department of Planning and Infrastructure last month; the (then) Minister for

the Central Coast Chris Hartcher also told the NSW Senate Estimates Committee in August 2013 that a regional airport could well fit into the future economic growth of the Central Coast, be a boon to its 300,000 residents, and that he would be prepared to work with any program to see it fairly assessed."

Gosford City Council Mayor Lawrie McKinna has also expressed his support of a regional airport. "The Central Coast Regional Airport will be a boost for both Local Government Areas in terms of tourism growth, full time and part time employment, investment and other opportunities" he said.

The Federal Government showed support for the airport with its Coalition Central Coast Regional Action Plan paper published in September 2013, while Federal Member for Dobell Karen McNamara had also written her support.

The Regional Development Australia Central Coast Board "is pleased that Wyong Shire Council has taken the initial steps required to commence this essential project and the Board looks forward to supporting Council throughout the life of the project."

Local identity and businessman John Singleton, said he was 100% supportive of a regional airport for the Central Coast. "It would open up so many opportunities for business, job creation, tourism not to mention the major financial injection it would have for the whole community," Mr Singleton said. "I feel it is a very important issue and it was one of our top reasons for running [independent candidates] in the Federal Election, it's a piece of vital infrastructure the Coast needs and deserves."

Paul Tyrell, CEO, Regional Aviation Association of Australia said the RAAA strongly endorses the proposal for a regional and freight airport on the Central Coast. "This is an important transport infrastructure initiative for the Shire, NSW and the nation. It is the type of vision that will bring much needed employment to the area and will open up new markets for Regular Public Transport, FIFO operations, charter and large freight activity. A range of aviation support companies would also be attracted to the area if such an airport was built."

Daniel Farmer, Regional Manager, Central Coast Regional Chamber of Commerce said the airport would address high youth unemployment in the area. "Employment in construction, manufacturing, transport, customer service as well as airline positions would be made available across the area, boosting local employment prospects for many young people who might otherwise be forced to look outside the area for work, Mr Farmer said. "A regional airport would provide a catalyst for a wide array of other infrastructure across the region such as new transport linkages and new businesses to take advantage of the increased traffic and activity.

Robyne Abernathy, CEO, Central Coast Tourism said that development of new infrastructure such as the regional airport in Wyong Shire will definitely contribute to the growth and sustainability of our tourism industry and the local economy. "The impact will be more visitors, more jobs and more local employment opportunities for our young people," she said.

