

**Submission
No 63**

INQUIRY INTO REGIONAL AVIATION SERVICES

Organisation: Bankstown Airport Limited

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The Director
Standing Committee on State Development
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Email: statedevelopment@parliament.nsw.gov.au

Dear Sir/Madam

Bankstown Airport Limited Submission – Inquiry into regional aviation services

I refer to your letter dated 22 April 2014 inviting Bankstown Airport Limited to make a submission to the Inquiry into regional aviation services.

Bankstown Airport Limited welcomes the opportunity to promote the use of Bankstown Airport by regional passenger services operators and our submission is **attached**.

Yours sincerely

Colin Grove
Chief Executive Officer



Sydney Metro Airport Bankstown

Submission to

NSW Legislative Council

Standing Committee on State Development

Inquiry into regional aviation services

May 2014

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1. Executive Summary

This submission presents to the Standing Committee on State Development a case to promote the use of Bankstown Airport by regional passenger services operators. In doing so it addresses the main concerns currently being experienced by regional operators' namely access and cost of operating from major airports.

By choosing to utilize the existing airport facilities, passenger services can be implemented on Bankstown Airport in a relative short period of time thus improving the capacity to facilitate regional operators based in the Sydney Basin. The use of Bankstown Airport is supported by the following:

- With its central Western Sydney location Bankstown Airport can supply greater choice of destination within the Sydney Region by serving the growing demand for regional passenger traffic utilizing up to Code 3C aircraft as approved in the Bankstown Airport Master Plan;
- Bankstown Airport can facilitate regional aircraft wishing to operate in peak periods to due to its unrestricted scheduling environment, low operating costs and unfettered runway capacity; and
- Use of Bankstown Airport will supply passenger's convenience to greater Sydney including the western corridor from Strathfield to Penrith, north to Richmond and south to Camden.

Any variation of services and facilities at Bankstown Airport will be matched by continued detailed and transparent consultation and engagement with local communities and planning authorities at every level.

This submission will not extend to the potential use of the Badgerys Creek site as it is unlikely to be operational prior to 2022 at best.



2. Submission Scope

In response to the individual matters raised by the Standing Committee on State Development inquiry into the provision of aerial regular passenger transport (RPT) services to regional centers in New South Wales, Bankstown Airport Limited (BAL) makes the following submission:

2.1 Airports Cost Impact on RPT Operators

The cost of operating airports is significant. The inclusion of RPT increases the cost due to higher levels of compliance and passenger amenity requirements, however where the operation of the facility can be simplified and supported by other aeronautical and non-aeronautical revenue the cost to support RPT services can be contained.

In this regards Bankstown Airport has the ability to service passengers and operate aircraft efficiently as it currently has the infrastructure to facilitate aircraft up to 20,000 kg (equates to a 50 seat capacity aircraft) which captures a significant proportion of regional passenger aircraft operating in New South Wales.

For RPT operations utilising aircraft up to 20,000 kg, the passenger charge would reduce considerably compared to major airports and some regional airports mostly due to the following:

- Cost of maintaining the aeronautical assets on Bankstown Airport is based on code 3C aircraft as opposed to larger airports where the need to facilitate much larger aircraft requires significantly higher build and maintenance costs, sophisticated navigational equipment and other facilities designed to facilitate larger aircraft and not necessarily used or required by regional carriers.
- The need for security screening is not mandated for RPT aircraft up to 20,000 kg. This translates in to a significant saving of capital and operating expenditure.
- Regional airlines operating at major airports quite often are allocated remote aircraft parking stands due to their low priority and lack of suitable contact gates and as such need to bus passengers and crews to and from those positions. The layout at Bankstown Airport removes the need for bus services saving considerable operating expense and improving the passenger experience.

2.2 Economic Impact

The utilization of Bankstown Airport for RPT services will have a positive effect on the Local and Regional economies serviced by RPT including the Bankstown area.

Based on previous economic studies, the introduction of RPT has an overall multiplier of 2.603 value added whilst any capital expenditure in relation to air transport will have a multiplier of 2.436 value added effect.



The introduction of RPT will have little to no impact on current General Aviation operations as Bankstown Airport operates three parallel runways with an estimated annual capacity of 450,000 movements. Current activity is at approximately 220,000 annually.

Based on 12 movements per day (6 arrival and 6 departures) the passenger traffic forecast for Bankstown Airport is presented in the Table below.

Year*	Low Forecast	High Forecast
Year 1-5	76,000	93,000
Year 6-20	107,000	121,000

*Year1 Refers to the first year of operations

Until a proponent is forthcoming, BAL has assumed varying aircraft models and seat load factors to establish a low and high passenger forecast.

BAL has also considered the likely impacts of passenger operations on the community in its 2014 preliminary draft Master Plan.

BAL has included measures to mitigate the potential impacts arising from RPT in particular aircraft noise and ground traffic:

- Aircraft noise has been considered in the Australian Noise Exposure Forecast (ANEF) modelling which has been endorsed by Airservices Australia on behalf of the Commonwealth Government. It is based on a mix of turbo prop and jet aircraft operating from Bankstown Airport; and
- Ground traffic is considered with passenger services included. This assessment includes the traffic generated by predicted passenger forecast which equates to up to 330 passengers per day over a 16 hour operational day or an average of approximately 21 passenger per hour arriving or departing Bankstown Airport.

3 RPT Market

The introduction of point to point passenger operations from Bankstown Airport will provide increased capacity to the Sydney Region and introduce a much needed service to the people of Western Sydney and Regional travellers.

There is a strong and sustainable market for point to point passenger services in the local government areas surrounding Bankstown Airport.

A market study carried out by BAL has established that 1.8 million persons in 14 Local Government Areas (LGA's) could be serviced by Bankstown Airport.



The selection of the LGA's was based on population densities, employment levels, location within strategic growth centers and airport travel time differential 10 minutes or greater compared to Sydney (KS) Airport. As an example the current travel time from the Liverpool CBD to Sydney (KS) Airport at 08:00 is over 60 minutes. The same travel time to Bankstown Airport is 15 minutes.



The study also identified sufficient regional point to point markets that exist for Bankstown Airport to operate on a stand alone basis where passengers do not require connection with services at Sydney (KS) Airport. The study also identified that businesses located in these LGA's would be major beneficiaries through significantly reduced travel times and lower ticket and airport costs.

4. Conclusion

The use of Bankstown Airport by Regional NSW passenger operators improves the aviation capacity of the Sydney Region and will offer real benefits for all users of the aviation industry and in particular residents of regional NSW and Western Sydney by providing:

- **Productivity** – the operation of regional aircraft for point to point traffic up to Code 3C aircraft at Bankstown Airport will reduce urban congestion, improve freight networks, and allow people and goods to move more economically and environmentally efficiently by having reduced travel times for passenger and aircraft.
- **Sustainability** – the growth of Bankstown Airport in both General Aviation and limited regional point to point passenger services will provide employment and business opportunities within close proximity to the residents of Bankstown.
- **Livability** – aeronautical and non aeronautical development is inexorably related to employment and the downstream economic and social benefits that follow.

Bankstown Airport is well suited and sighted for point to point passenger air services between Regional Centers and Western Sydney. In this role it complements, but does not replace, the services provided at Sydney (KS) Airport. It should be considered as a cost effective and politically acceptable solution to the congestion and costs concerns currently being experienced by the industry.

