

CHAPTER 5  
PASSENGER TERMINAL  
CAPACITY AND AVIATION  
GROWTH





“The state-of-the-art Canberra Airport terminal is certainly the best of its kind in the region, if not the world. Not only is it functional and efficient, it’s a place of interest and calm, with world-class sculptures, landscaped gardens, stunning water features...”

VISITCANBERRA



## 5 Passenger terminal capacity and aviation growth

In its very first Master Plan in 1998 Canberra Airport recognised the need for a new passenger terminal and recorded its intention to develop one that reflected the Airport's role as the gateway to Australia's National Capital.

The terminal precinct at Canberra Airport is located to the south-west of the intersection of the Airport's two runways and bounded by Pialligo Avenue on its western boundary, Brindabella Business Park to the south, and the Airport's Pialligo precinct to the west. Presumably, for one or more of these reasons, the site was originally chosen for the passenger terminal at Canberra Airport.

It is for all the same reasons the site was retained by Canberra Airport for the new terminal precinct, notwithstanding the complexities it presented in building an entirely new terminal on top of the existing facilities.

### Terminal precinct 2019



The terminal precinct has locational attributes that cannot be replicated elsewhere on the Airport site. It is the nearest point on the Airport to the Canberra Central Business District [and Parliament House]; it is well serviced by arterial roads linking the Airport to Canberra, Queanbeyan, and the broader region. It is similarly well serviced by high capacity utility infrastructure and is conveniently located from an airfield planning perspective. The location also affords a good orientation of the terminal within the precinct, thereby maximising solar gain, passenger views of the airfield, and the outlook to the mountain vista surrounding Canberra.

The one site has seen the evolution of the passenger terminal, from the earliest days of the Airport and the legacy infrastructure inherited upon privatisation, to the interim terminal which resulted from necessary but restricted investments in the years post-privatisation, to the wholly new terminal precinct and all it provides by way of capability well into the future.

Canberra Airport, its partner airlines and the passengers they share, now enjoy a terminal planned for the future, operationally efficient today, and designed to deliver the best possible passenger experience throughout the life of the facility.

The terminal has significant capability in terms of meeting current and future growth following investment of over \$500 million.

Canberra Airport elected to build into the new terminal additional capacity to service over 8 million passengers to meet expected demand in the short to medium term, including for the growth expected within the 20-year planning horizon of this 2020 Master Plan (Table 5.6). This additional capacity is beyond what is required by any contractual commitments to the airlines and, accordingly, the cost of this additional capacity is withheld by Canberra Airport until such time as it is required by airlines and/or passengers and/or other users of the terminal.

As also indicated, the integrity of the planning and design of the terminal provides for further additions of capacity without major rework of the existing building. Importantly, the process for delivering these additions is already agreed as part of long-term commercial contracts with airlines. This ensures there is opportunity for significant increases in terminal capacity [beyond the current capability] to meet expected, and potentially unforeseen, growth for the duration of this 2020 Master Plan.

The following Table 5.1 depicts the capacity built into the new terminal [now] as well as identifying the possible future capacity based on current design information and modest additional capital expenditure [future].

**Table 5.1 - Terminal capacity**

Functional area	Measure	Now*	Future
Check-in	Number of check-in facilities	20	44
Baggage Handling System - inbound - outbound	Static bag capacity Bags per hour	210 1200	480 1800
Boarding Gates - aerobridge total	Number of gates	10 12	18 20
Aircraft parking bays	Number of concurrent Code C bays**	14	20
Security screening	Number of lanes	5	10
Departure lounge area	Square metres	2934	5500
Club lounge area	Square metres	6825	10400
Car spaces	Number of spaces	3600	5100

\* This figure includes latent capacity that has been built beyond current contractual commitments with airlines.

\*\*The terminal has been built with capability for three international gates. Two of these gates can accommodate Code E Aircraft

The terminal is designed to accommodate more than eight million passengers per annum in its current footprint and with relatively modest additions will cater for over 12 million passengers per annum.

## 5.1 MEETING DEMAND

The key measures used to assess the demand placed on terminal infrastructure over the life of this 2020 Master Plan are:

- A busy hour passenger forecast; and
- A Regular Public Transport [RPT] apron stand demand analysis.

### Busy hour passenger forecast

Canberra Airport's busy hours are 8-10am and 4-6pm, Monday to Friday. In addition, the frequent Sydney and Melbourne shuttles and Tigerair off peak schedule mean that passengers arrive and depart the Airport consistently through the day from Monday to Friday and Sunday. The current pattern of domestic passenger movements during busy hours is expected to continue, subject to future operations of additional low cost carriers which may utilise off peak hours of operations, similar to the off peak operations now by Tigerair. In terms of international movements, the terminal and aprons have been designed to service all operations, including those arriving and departing during busy hours as evidenced by the 2018/19 arrival of Qatar Airways in the am peak.

**Table 5.2 - Domestic busy hour passenger forecast**

Year	Arrivals	Departures
2018/2019	1300	1268
2027/2028	1962	1914
2039/2040	2410	2351

The key functional areas of the terminal building are expected to have sufficient capacity, with minor additions to the current and any future capacity as required, to meet the domestic busy hour forecast in each year of this 2020 Master Plan to 2040.

## **5.2 REGULAR PUBLIC TRANSPORT (RPT) APRON STAND DEMAND ANALYSIS**

Peak demand for aircraft parking on the RPT apron at Canberra Airport typically occurs at night as aircraft arrive to position for early morning departure. The 2019 highest demand is 11 aircraft accommodated on the apron by 11pm, including the late night 11pm-midnight departure of Singapore Airlines.

The current peak demand for aircraft parking can be readily accommodated within the current capacity of the RPT apron, which is 14 Code C aircraft parked concurrently. The terminal has been built with capability for three international gates. Two of these gates can accommodate Code E aircraft, the third a Code C aircraft.

It is noted there is additional apron parking available during peak periods on both the general aviation apron and the Fairbairn apron which, collectively, can accommodate aircraft of any size. Given the current surplus in apron capacity, and the planned additions to apron capacity in future, Canberra Airport is well positioned to meet increased demand in aircraft parking including scheduled international operations over the life of this 2020 Master Plan to 2040.

## **5.3 OVERVIEW**

Globally, the aviation industry has experienced enormous change since the 1990's including deregulation of the airline sector, operational and structural changes in the post-September 11, 2001 environment, oil price shocks, the collapse of airlines as a result of the global financial crisis [GFC], and the rise of new global players in the Middle East, like Qatar Airways, the technology advancement of twin engine long haul hub busting aircraft, open sky policies of some governments, all combining at the expense of some international carriers and traditional markets.

Likewise, Australia has seen enormous change in its aviation sector - the demise of Ansett, the emergence of Virgin Australia, Jetstar, and Tigerair, the subsequent repositioning of these three new entrant airlines and, particularly in the Canberra context, the collapse of regional airlines and the startup of others, including FlyPelican, connecting Canberra to Newcastle with a 19 seat turbo prop airliner.

#### **5.4 AIRLINE AND AIRCRAFT MOVEMENT GROWTH**

Canberra Airport entered the international age in September 2016 when Singapore Airlines (SQ) commenced Singapore-Canberra-Wellington(NZ)-Canberra-Singapore services four days per week with a B777-200ER, 266 seat, two class airliner.

Qatar Airways (QR) commenced in February 2018 with a Doha-Sydney-Canberra-Sydney-Doha daily service with a B777-300ER, 358 seat, two class airliner.

Singapore Airlines ceased the Canberra-Wellington return service on 30 April 2018 and commenced on 1 May 2018 with a daily service Singapore-Sydney-Canberra-Singapore non-stop with a B777-300ER, 264 seat, four class airliner.

Since May 2018, Canberra Airport has 14 international services per week. These flights are in the early stages of introducing Canberra as a tourism destination to the world and are having a ripple effect on people across Asia and Europe. The introduction of these international services is only just starting to gain traction.

Based on Tourism Research Australia data VisitCanberra reported in January 2019 the following;

“The ACT is attracting record visitor numbers, international and domestic with the latest combined total of 3,041,000 overnight visitors:

- 2,792,000 Australian
- 252,000 international (8.2% of total and 3% up on 2017)
- 1,006,000 visiting friends and relatives, including parents visiting foreign students
- 774,000 on holiday
- 863,000 on business.”

VisitCanberra also stated “the 14 arrivals per week by SQ and QR will continue bringing international visitors into the city, which has had a significant impact, as ease of accessibility to a destination internationally is key to visitation growth for any city or region. Tertiary institutions also played an important role in driving international visitation, with parents and friends of students regularly visiting the capital.”

Canberra is a university city with over 14,000 international students and a total student body of 64,000 students. The ACT Government reports one in six people in Canberra work or study in tertiary education.

The ACT Government is working closely with Canberra Airport, SQ and QR to attract additional international passengers to Canberra. Further discussions with other international carriers and low cost airlines are ongoing. The opportunity during the next eight years is to build on the 2019 operations of SQ and QR international services and Tigerair low cost carrier domestic operations.

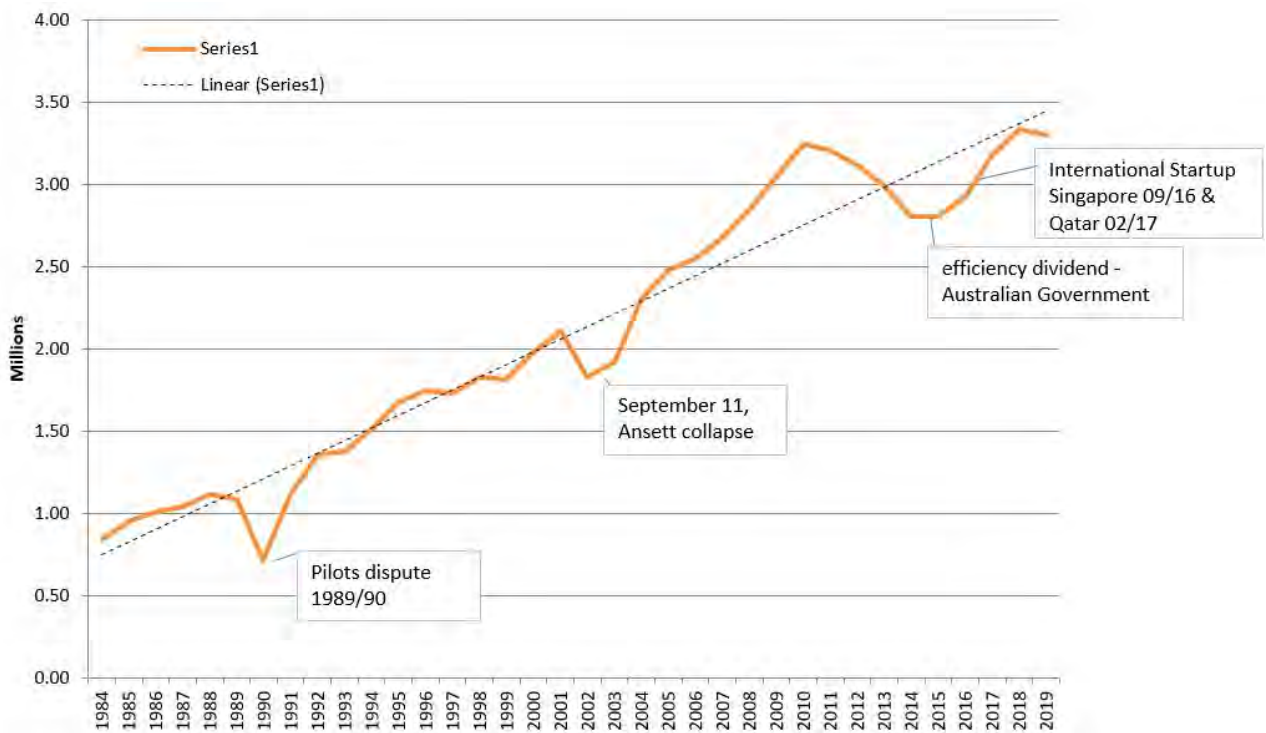
The volume of passenger and aircraft movements at Canberra Airport has grown over the past three years. In 2018/2019 Canberra Airport has handled about 3.3 million passengers across approximately 40,250 aircraft movements and seat supply of 4,890,000 seats (average about 121 seats per airliner and 71 percent average domestic load factor).

The prospects for a future growth are strong. Canberra Airport retains confidence in the future of the aviation market in Canberra, across Australia, and particularly the Asia Pacific region. Over the next 20 years passenger numbers at Canberra Airport are projected to reach at least 8.9 million passengers per annum, a seat supply of about 12.2 million provided by some 83,313 airliner movements in 2039/2040 (an average of about 145 seats per airliner and 73 percent average load factor).

Canberra Airport, due to its extensive infrastructure upgrades in recent years, is well positioned to meet forecast demand with only minor additional infrastructure and is ready to capitalise on growth opportunities in the regional, domestic and international aviation markets. Both the runway and the terminal are operating currently at about 30 percent of capacity and the terminal in its current form was designed to adequately manage over 8 million passengers per annum. As the passenger demand grows towards 8 million during the 2030's, the terminal is designed to be extended at both the southern and western ends to manage over 12 million passengers.



**Figure 5.1 - Historic growth at Canberra Airport**



Source: Traffic-ICAO/IATA and GDP-IMF (PPP) GDP-IMF (PPP)

While Canberra experienced a downturn in passengers over seven years, as demonstrated in Figure 5.1 commencing in 2010-11 (down from 3.25 million in 2009-10), the energy has returned to passenger growth to again achieve 3.3 million passengers in 2018-19 off a low of 2.8 million in 2014-15.

Canberra Airport, in its own projections and infrastructure planning and delivery, has provided for growth across the regional, domestic and international markets to ensure it can accommodate what is expected to be the inevitable increase in demand for its infrastructure and services, including easily accommodating new services commencing at short notice.

Despite these seemingly constant shocks, often at the expense of industry profitability in the short term, there remains an underlying growth trend which can be seen in the historic growth recorded at Canberra Airport in Figure 5.1. This demonstrates that for each downturn there is a bounce back to above trendline growth.

## 5.5 REGIONAL MARKET

The regional market is often confused with what might be regional airlines operating commuter [turboprop] aircraft on trunk domestic routes. The operations of QantasLink and Virgin Australia Regional Airlines operating commuter aircraft on services from Canberra to Sydney, Melbourne, Brisbane, and Adelaide are not regional services [notwithstanding the fact they are operated by 'regional' airlines].

In contrast, the services operated by regional airlines from Canberra to Newcastle and Albury would be appropriately considered true regional services.

As regional aviation in Australia faces its challenges, so too do Canberra Airport's core regional markets. The demise of Brindabella Airlines saw an initial suspension of services on the Canberra-Newcastle route, which followed an earlier cessation of services on the Canberra-Albury route. FlyPelican resumed services to Newcastle in 2018. The regional aviation sector in Australia generally remains uncertain, however Canberra Airport is confident of services being resumed to Albury and a start-up of services to Merimbula within eight years.

Over the life of this Master Plan, Canberra Airport expects to see a restoration of flights on previously serviced regional routes as well as the commencement of services to new regional destinations. Table 5.3 identifies possible new regional destinations and provides an indicative timeframe for commencement of flights [noting this remains subject to the decisions of airlines].

**Table 5.3 - Target regional destinations**

Indicative Timeframe	Regional Destinations
Future services within 8 years	Albury Wodonga Dubbo Merimbula
Future services within 10 years	Griffith Moruya Wagga Wagga
Future services within 20 years	Armidale Ballina Byron Bankstown* Coffs Harbour Melbourne Avalon Moorabbin Tamworth Traralgon Wollongong

\*Note: Canberra-Bankstown is not a true regional market, the prospects of airline services on this route would be subject to the decision by airlines operating from the new Western Sydney Airport due to the likely competition to Bankstown that would arise from airline services between Canberra and the proposed new Western Sydney Airport.

It is noted that increasing congestion at Sydney [Kingsford Smith Airport] and the Australian Government's decision to progress a new Western Sydney Airport to commence operation by 2026 will serve to strengthen the viability of the national network, in the national interest.

**Figure 5.2 - Regional air services**



## 5.6 DOMESTIC MARKET

While arguably also a factor contributing to the collapse of Brindabella Airlines and the resulting impact on Canberra Airport's regional market, the domestic market has been beset by challenges resulting from airline capacity allocation and fares.

Passenger volumes have returned to growth across all domestic sectors, other than Sydney, and airlines have adjusted capacity [smaller turbo-prop aircraft of about 70 seats] and scheduled accordingly. These adjustments have not been as obvious on the denser routes whereas, in contrast, the impact of the downturn on the thinner routes has seen the withdrawal of services on the Canberra-Hobart, Canberra-Townsville and Canberra-Darwin routes.

With the return of passenger volumes on the back of Tigerair (Domestic LCC) and daily international services by SQ and QR, and the economic outlook [both locally and nationally] being generally positive, the strong population growth of the region and Australia's east coast capitals (Brisbane/South East Queensland, Sydney and Melbourne), the continuation of the return to growth appears to be reasonably secure over the next eight years and the 20 year life of this Master Plan.

As passenger volume increases airline load factors [the percentage of seats filled] will increase. In response, airlines will up-gauge [increase size of] aircraft on existing routes and/or increase frequency through the introduction of additional services on existing routes. Ultimately, with continued growth, airlines will look to replace connecting services with new direct services, the opportunities for which in the domestic market are shown in Table 5.4.

**Table 5.4 - Target domestic destinations**

Indicative Timeframe	Destinations
Future services within 20 years	Avalon Cairns Darwin Hobart Launceston Sunshine Coast Townsville

The domestic market population growth and economic strength is expected to drive the vast majority of both passenger numbers and aircraft movements over the life of this Master Plan to 2040. ABS forecast Australia’s current population of 25.3 million to grow to 30 million by 2029-31 and 35 million by 2043-44 with the eastern states and the ACT experiencing most of this growth, including growth across the region surrounding the ACT and southern NSW.

Also, international inbound business and tourist passengers are forecast by Tourism Research Australia (TRA), Australian Trade and Investment Commission (Austrade), to grow to 15 million by 2026-27 based on annual growth of 5.8 percent following 9.1 million passengers in 2017-18.

Further, although maturing in market terms, the existing route network will drive a substantial proportion of the domestic growth and in part supported by on-carriage demand from international passengers. Additional services on existing and former routes will therefore remain a priority for Canberra Airport as part of its overall growth strategy. The infrastructure and services are already in place at Canberra Airport to accommodate a substantial increase in traffic on the domestic route network. It is highly likely this will include Tigerair building additional services onto the existing eight Melbourne and four Brisbane return services per week and create opportunities for Jetstar to commence operations at Canberra. This will correct a market anomaly which sees little low cost carrier operating into Canberra despite the greater Canberra regional population of over 950,000 [Figure 5.3] making the Canberra region the sixth largest population centre in Australia. Further this excludes any potential capture of south-west Sydney which has a population of over one million.

The Canberra and region market is particularly suited to extensive low cost carrier operations because:

- Canberra is home to Australia's highest average weekly earnings - Trending 12.8 percent above the national average;
- 50 percent of the local population have flexible work commitments making it easy to travel; and
- Canberra is Australia's highest yielding domestic travel market.

In simple terms, the high airfares of the two mainline business airlines provide a large gap as against low cost carriers airfare pricing, the result of which will be a significant market growth stimulus when those operations become available, especially given the high incomes of the population.

Similarly, this region and its tourism operators are the only tourism region in Australia [and regional population of over 100,000 people] not served by Jetstar. This is a significant market anomaly given Canberra's tourism market size [in terms of domestic and international visitors and the spend by those visitors]. Canberra Airport is the gateway to the Canberra Wine region, the Snowy Mountains and the NSW South Coast in addition to Canberra's National attractions.

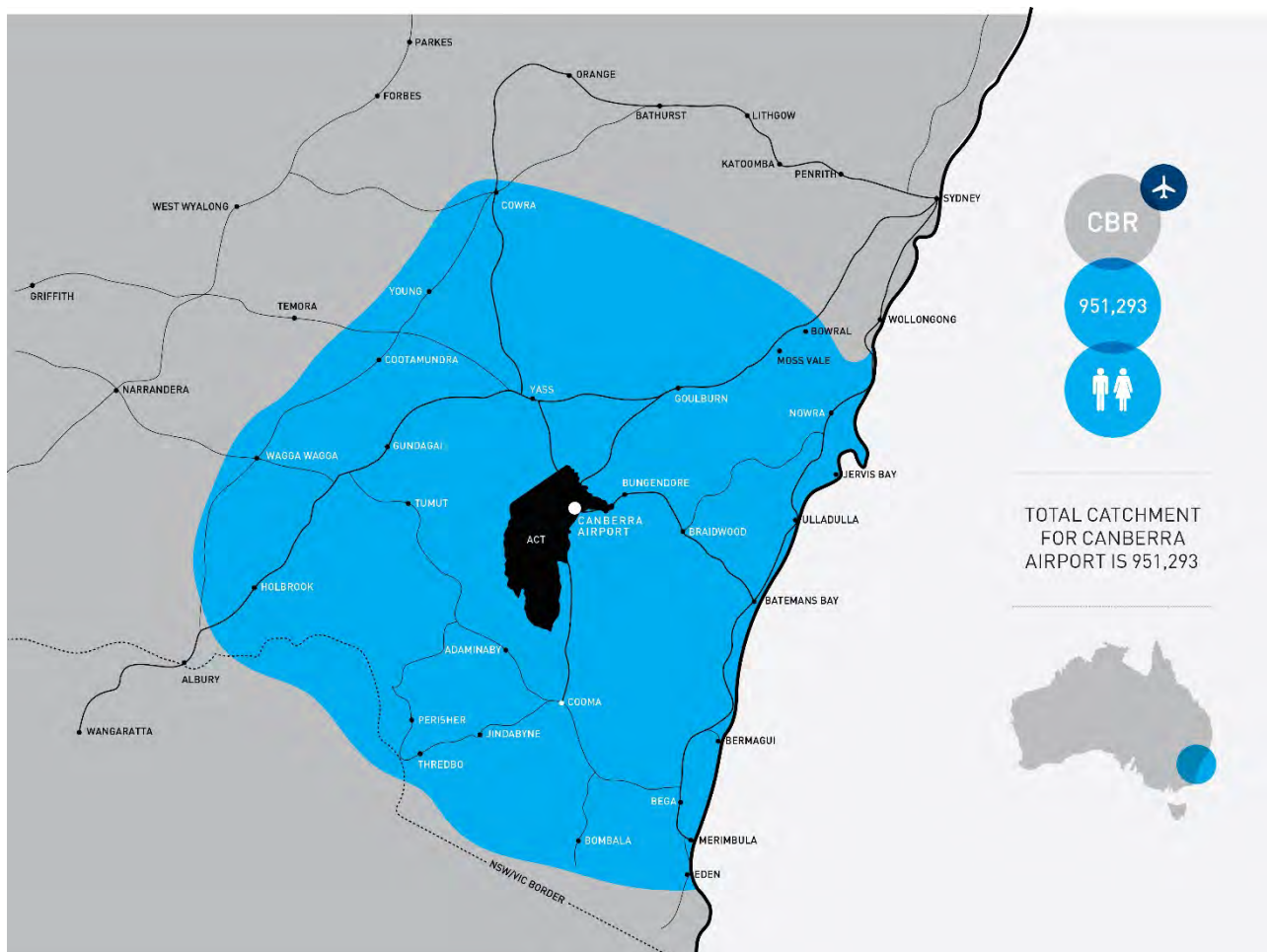
As a tourism destination, significant investment in product over the last 10 years has seen the destination surge in terms of reputation:

- Ranked number three in the Lonely Planet's Best in Travel - Top Cities list for 2018. Canberra trumped Sydney, Melbourne and Brisbane to be ranked higher than any Australian city has ever been ranked before in the respected travel publisher's annual Top 10 Best in Travel lists;
- In 2019, the Canberra Region was selected in the Lonely Planet's publication 'Wine Trails: Australia and New Zealand';
- Australian Craft Beer Awards - 15 of Canberra's top craft beers have ranked in the top 100 of 2018. Crankshaft India Pale Ale, produced by the BentSpoke Brewing Company, was voted one of the top three Australian craft beers for the second year in succession;
- Canberra is known to have some of the best coffee in Australia and at the 2018 Australian Barista Championships - four out of the top six baristas were from Canberra;

- Little National Hotel, Barton, is the Australian Hotel Association's Best Environmental and Energy Efficiency Practice in Australia Hotel (2018) and TFE Hotels' Vibe Hotel Canberra Airport, won the 2017 Brain and Poulter Award for Best Tourism and Leisure Development at The Property Council of Australia Innovation and Excellence Awards.

The tourism product here is well suited to extensive low cost carrier operations in addition to full service passengers.

**Figure 5.3 - Canberra and surrounding regions**



**Figure 5.4 - Projected domestic air services from Canberra**



### 5.7 INTERNATIONAL MARKET

An analysis of origin and destination travel shows there are a significant number of international passenger trips each year to and from Canberra. Presently, these international passenger trips are facilitated SQ, QR and domestic airline services connecting to international services at Sydney and, to a lesser extent, Melbourne and evidence demonstrates there is sufficient demand today for direct international services between Canberra and New Zealand. Given the demographic of the outbound market and the destination development opportunities that exist, the Pacific Islands remain a target market for future international services from Canberra. In a longer-term sense, direct flights to the Americas are also a possibility.

**Table 5.5 - Target international markets**

Indicative Timeframe	International Markets
Future services within 8 years	Auckland China Vanuatu Wellington
Future services within 20 years	Bali Bangkok Christchurch Dubai Fiji Hawaii Hong Kong Kuala Lumpur Los Angeles New York Tokyo

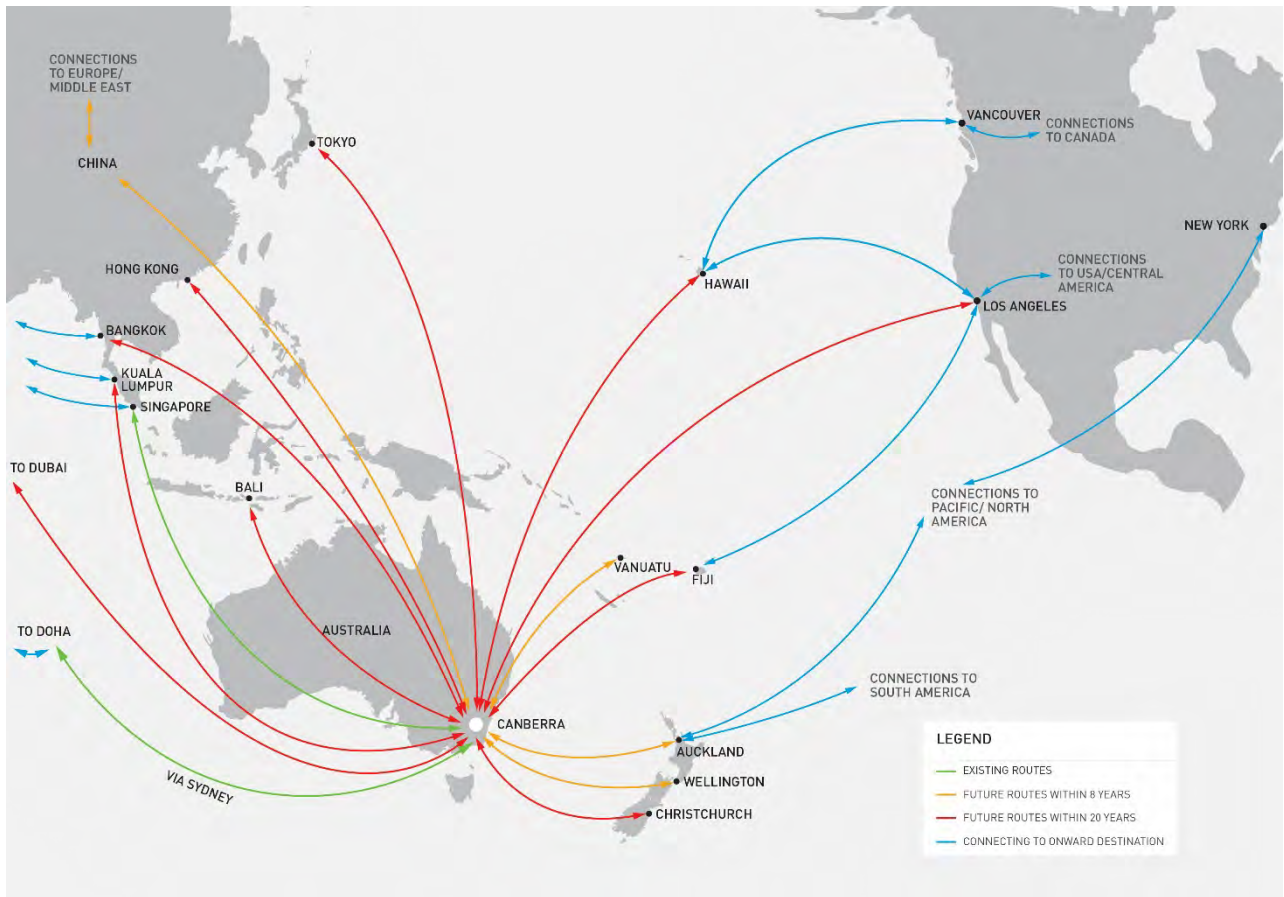
From the 2019, 14 services per week, on conservative estimates, Canberra Airport is forecast to handle approximately 4,380 international aircraft movements per annum by 2039/2040, an average of six return flights per day, carrying almost one million international passengers to and from Canberra Airport each year.

The introduction of international services has placed welcomed new demands on existing airfield and terminal infrastructure at Canberra Airport, and similarly placed new demands on the airspace surrounding Canberra Airport. While the direct services to New Zealand are expected to be operated by narrow-bodied aircraft [B737/A320] in the short term, the majority of international services are forecast to be operated by wide-bodied aircraft [A330/B777/B787] similar to SQ and QR operating B777-300 ER aircraft in 2019.

Despite this demand being recent, with planning and development work previously completed, Canberra Airport's airfield and terminal infrastructure is capable of accommodating both the forecasted increase in number of aircraft movements from international operations as well as the resulting increase in size of such aircraft. The recent experience of when SQ initially commenced in September 2016 and then between February 2017 and May 2018 when both SQ and QR aircraft had similar arrival times at the terminal demonstrates the infrastructure capability. Since May 2017 the schedules divided where QR arrival is in the domestic am peak, departing early afternoon and SQ arrive after 10pm and depart by midnight. Similarly, airspace planning around the Airport easily provide for these international operations.



**Figure 5.5 - Projected international air routes**



## 5.8 AIRFREIGHT AND OVERNIGHT AIRCRAFT MOVEMENTS

The demand for airfreight is generally rebounding around the world, driven by online sales growth and, in the Australian-international context, a favourable exchange rate. Airfreight at Canberra Airport is covered in Chapter 6 of this 2020 Master Plan.

Notwithstanding the announcement by the Australian Government in April 2014 to proceed with developing Badgerys Creek as Sydney's second airport, it is unlikely that this airport will be operational before 2026.

Late night operations at Canberra Airport presently comprise:

- Scheduled Regular Public Transport [RPT] aircraft movements;
- Scheduled freight services;
- Off-schedule RPT aircraft movements;
- Diverted domestic and international RPT and freight aircraft;

- Ad-hoc military and VIP aircraft movements; and
- Ad-hoc medivac and emergency aircraft movements.

The introduction of international passenger services provides a new dimension to airfreight and late-night aircraft movements at Canberra Airport and provide an export portal for freight and business services to the region's government and business community.

Canberra Airport is uniquely positioned as the only 24-hour, curfew-free airport between Melbourne and Brisbane with the capability to handle wide-bodied aircraft. In order to capitalise on this position, Canberra Airport will develop infrastructure over the life of this 2020 Master Plan to continue to accommodate growth in airfreight activity and overnight aircraft movements, including but not limited to, additional aircraft parking apron[s], freight terminals and support facilities.

## **5.9 AIRLINE MAINTENANCE**

Qantas operates a line and heavy maintenance facility for the Dash Q400 and B717 fleet in Brindabella Business Park.

Qantas engineering in 2019 provide on ramp maintenance services for the QF, SQ and QR fleet operations while Virgin Australia do similar on ramp maintenance for the VA and TT fleet operations at Canberra Airport.

## **5.10 FORECASTING METHODOLOGY**

In preparing passenger movement forecasts for Canberra Airport, a number of considerations were taken into account. The World Bank gross domestic product forecasts and the forecasts for Australia prepared by the Reserve Bank of Australia were considered, along with the forecast cost of fuel which is assumed to be consistent without major structural shocks.

The fall and then recovery in passenger numbers in recent times, including start up international daily services has been analysed. Analysis also included a focus on ACT Gross State Product and NSW regional review of population growth rates and took into account the high average earnings of those living in the Territory, Queanbeyan and the region.

An important component of the analysis was looking at the growth rates of traffic at other major airports as reported in their master plans particularly those that represent major current and future routes.

It is noted that the Sydney-Canberra route is highly competitive with major substitution capability by road which carries over nine million passengers per year in cars and buses. Accordingly, growth rates were analysed with the growth rates of road transport on this corridor and because this has seen significant modal shift in response to either air capacity surges or road infrastructure improvements, the NSW and Australian Government plans for major road improvements were also taken into account. Congestion in the Sydney basin was taken into account in the high case rather than the base case.

### 5.11 MARKET SUMMARY

Regional, domestic and international volumes are set to increase over the term of this 2020 Master Plan. Passenger volume will increase from 3.3 million in 2018/2019 to about 9 million by 2039/2040, a compound annual average rate of growth of 4.3 percent.

If significant low cost carrier services develop before 2025, this growth will be higher.

Canberra Airport has consulted with our current airline partners and also had regard to BITRE forecast for domestic passengers out to 2031. The Base Case Domestic Passenger Forecast in Table 5.6 for 2024/5 and 2027/28 are conservatively below those forecast by BITRE.

The possibility of outperformance is reflected in the high range case which could see total passenger numbers reach 9.75 million by 2039/2040.

**Table 5.6 - Forecast passenger movements**

Passengers	Actual 2018/2019	Forecast 2027/2028	Forecast 2039/2040
Base Case			
- Domestic/Regional	3,131,000	4,653,000	7,906,400
- International	170,000	450,000	996,000
TOTAL	3,301,000	5,103,000	8,902,400
High Range			
- Domestic/Regional		4,857,700	8,511,000
- International		500,000	1,242,000
TOTAL		5,357,700	9,753,000

Meanwhile aircraft movements are expected to increase as set out in Table 5.7.

**Table 5.7 - Forecast aircraft movements**

Aircraft	Actual 2018/2019	Forecast 2027/28	Forecast 2039/2040
Base Case			
- Domestic/Regional	38,783	51,867	78,933
- International	1,460	2,920	4,380
- Other	20,900	26,101	35,981
TOTAL	61,143	80,888	119,294
High Range			
- Domestic/Regional		57,259	95,881
- International		2,920	4,380
- Other		26,680	37,962
TOTAL		86,859	138,223

The growth rates of airline passenger movements are consistent, however lower, with those forecast by Boeing. IATA and ICAO predicted passenger traffic [as measured by revenue passenger kilometres] in the Asia Pacific region to increase at a compound annual average rate of growth of 5.7 percent against a global rate of 4.7 percent. The rates of growth adopted by Canberra Airport sit conservatively below the range of forecast for the Asia Pacific region and the global average.

## 5.12 MARKET DEVELOPMENT

While the propensity for Canberra Airport to outperform its base volume forecast is largely in the hands of its airline partners (more planes from more locations), the opportunity exists for these airline decisions to be influenced by a number of factors. An increased understanding of tourism development initiatives, demographic insights, marketing partnerships and incentive frameworks all serve to foster growth in airline services and passenger volumes at an airport.

With this in mind, Canberra Airport and the ACT Government [through its Economic Development Directorate and VisitCanberra] have strengthened their partnership to drive aviation development opportunities. The ACT Government has implemented its plans for aviation development in its 2020 Tourism Strategy [2013] and international engagement strategies [2016].

This partnership approach extends further still to Tourism Australia, with the national tourism marketing body working with both Canberra Airport and VisitCanberra on development opportunities in international markets. The opportunity exists to extend this collaborative model to a partnership with Destination NSW, an initiative that will be pursued early in the life of this 2020 Master Plan.

In addition to tourism marketing, the medium and long term development of the tourism product and offering will be critical key considerations and opportunities include:

- Additional hotel developments within Canberra across the range of product offerings [ie, not just four to five stars] with the release of sites for these uses specifically;
- Continued investment in the National Attractions coupled with the entrepreneurial development of unique 'must do' experiences;
- Increasing the wine and food tourism offer through further investment, especially in terms of accommodation and transport links;
- Building on the world class investment in mountain bike facilities at Mt Stromlo and Majura Pines with further adventure and outdoor tourism products;
- Linking adventure tourism with the eco-tourism sector to leverage off the national park assets from the Brindabella's to the Snowy Mountains with Tasmanian and New Zealand style trekking and accommodation products;
- Realising the major new investment and change in ownership opportunities in the NSW ski fields to deliver world class ski holiday product and experiences, and at the same time, leveraging this infrastructure to deliver a year-round tourism product; and
- Facilitating development on the NSW South-Coast particularly through upgrading major road access routes.

Building the tourism product for this region over the next eight to twenty years will require major investment by hundreds of small and large businesses who will take the commercial risks. Government and councils through the CRJO in the public interest and job generation, are positioning to foster these initiatives to facilitate this investment.

### **5.13 GENERAL AVIATION, DEPARTMENT OF DEFENCE AND VIP OPERATIONS**

General aviation and Department of Defence Aviation are essential for the ongoing success of aviation in Australia and the protection of Australia as a nation.

As the Airport serving the Nation's Capital and Region, the general aviation and Defence Aviation sectors are important components of the aviation capability of Canberra Airport, and are expected to remain so for the life of this 2020 Master Plan.

The expansion of infrastructure catering to general aviation and Defence operations will be in response to demand. Throughout this 2020 Master Plan, Canberra Airport has identified a number of development opportunities to support and encourage future growth, including runway, taxiway, and apron upgrades and other aviation- related developments.

Table 5.7 above outlines the forecast growth in general aviation, Department of Defence and VIP movements at Canberra Airport to 2040. These are incorporated in the 'Other' aircraft movements category [along with freight movements]. 'Other' aircraft movements in 2018 were around 34 percent of aircraft movements have been forecast to grow at 2.5 percent per annum [base case] for the term of this Master Plan with anticipated lower growth slowing in general aviation movements [although freight, Department of Defence and VIP movements are expected to continue to increase].

### **5.13.1 GENERAL AVIATION OPERATIONS**

General aviation operations continue to constitute a proportion of the aircraft movements at Canberra Airport, more so than at other capital city airports in Australia. Canberra Airport is committed to maintaining a vibrant general aviation sector at Canberra Airport.

General aviation operations at Canberra Airport currently include:

- ACT Emergency Services [including bushfire-fighting capability in summer];
- Australian Federal Police;
- Aircraft maintenance facilities;
- Business jet operations;
- Significant air ambulance operation, with regular services from the Royal Flying Doctor Service and NSW Air Ambulance;
- Aircraft charter operators for passengers and freight; and
- Private recreation flying.

The general aviation sector, in particular freight, business jets, pilot training, and emergency services, is expected to return to growth over the next eight years.

Canberra Airport believes it is possible to secure a major flight training facility for pilots that would involve a significant increase in general aviation operations and requirements for aircraft parking aprons and hangars, as well as associated training facilities and dormitory accommodation. This facility would be located in the Glenora and/or Fairbairn precincts.

General aviation facilities are currently located in the Pialligo precinct of Canberra Airport to the west of the passenger terminal, although capacity constraints at the current facility mean larger general aviation aircraft operate from the Fairbairn apron. However, with growth in recreation general aviation potentially conflicting with growth in regular passenger and freight operations in the terminal and Pialligo precincts, and with the provision of, and expected growth in, terminal support services in these precincts, Canberra Airport will relocate this part of general aviation from the Pialligo precinct, east of the main runway, to Fairbairn or the Glenora precinct during the planning period of this 2020 Master Plan.

Relocation to an area not adjoining the RPT apron could result in a reduction in security requirements for recreation general aviation operations although ultimately this will be determined by Government.

Canberra Airport also notes the development of ACT ESA's separate Helicopter base at Hume within the ACT. Canberra Airport does not oppose the expansion of this development during the life of this Master Plan, provided its operations do not interfere in any way with the current and future operations of Canberra Airport and do not direct aircraft noise over residential areas of Canberra and the region other than in emergency operations.

As Canberra Airport's traffic grows general aviation and other smaller aircraft may be restricted during times of high demand as higher capacity aircraft are given priority. This is in line with practices at the majority of other major civil airports in Australia and overseas.

### **5.13.2 DEPARTMENT OF DEFENCE OPERATIONS**

Department of Defence aviation has always had an important role at Canberra Airport, originally through the operation of RAAF Base Fairbairn on the north-eastern side of the Airport. Whilst the RAAF Base itself was closed in 2004, there continues to be a significant Department of Defence presence at the Airport.

The basing of the RAAF 34 Squadron aircraft fleet at Canberra Airport, providing VIP transport operations for Government, provides positive impetus for increased Department of Defence activity at Canberra Airport in the future. The current 34 Squadron fleet incorporates Boeing business jet [B737] aircraft recently announced Falcon 7X corporate jets. The Department of Defence has advised of current plans to upgrade the SPA fleet, including the opportunity for the use of a Code E heavy aircraft for long haul. This 2020 Master Plan allows for any future requirement to increase Government SPA or other Department of Defence operations at Canberra Airport, including any larger aircraft to transport Government officials to overseas destinations. Any such future increase in the SPA fleet may require additional apron, hangar, office space and other infrastructure to be constructed at the Airport.

Canberra Airport would actively support any increase in Department of Defence aviation at the Airport, including but not limited to flight training, helicopter operations or other aircraft operations.

Any of the larger facilities on the Airport, including the Fairbairn Hangars, could expect to be operated as a heavy maintenance facility for Department of Defence aircraft during the life of this 2020 Master Plan.

Ad-hoc RAAF and foreign military aircraft also visit Canberra Airport, either for transport, training, or display purposes, including the RAAF C-17 jet transport aircraft. Large United States Air Force transport aircraft such as C-17's and KC-10 and 30's are also regular visitors to Canberra Airport. Visiting military aircraft generally operate from the 34 Squadron facility, although on occasion additional parking space is required on the civil Fairbairn apron.

### **5.13.3 VIP OPERATIONS**

Canberra Airport receives a significant number of visits per year by visiting foreign dignitaries, often using heavy wide-body aircraft. In 2006 the main Runway 17/35 was lengthened and strengthened to better cater for these aircraft movements.

Visiting VIP aircraft are generally handled from the 34 Squadron facility including the dedicated VIP passenger terminal located adjacent to the 34 Squadron headquarters building. However, at times aircraft must be located on the civil Fairbairn apron to accommodate other aircraft operations from the 34 Squadron facility. This 2020 Master Plan allows for the expansion of the 34 Squadron facility to accommodate further Australian and foreign VIP aircraft operations.