

PART ONE

JOINT STUDY PROCESS



1.1 Background

In late 2009 the Australian and New South Wales governments agreed to work together to develop an *Aviation Strategic Plan for the Sydney Region* to ensure sufficient future aviation capacity and that aviation development is effectively integrated with future land transport and state land use planning.

The governments also agreed to jointly consider the future planning, zoning and release of land at the Commonwealth-owned Badgerys Creek site to facilitate further economic development in South West Sydney. Consideration was to be given to how the site would be best integrated with future employment locations, infrastructure needs and the overall NSW planning strategies for the region.

Terms of Reference (see 1.2) were developed and a Steering Committee comprising government and non-government members with relevant experience and expertise in infrastructure, transport, planning, aviation, economics, the environment and tourism was appointed to guide the process.

1.2 Terms of Reference

The *National Aviation Policy White Paper – Flight Path to the Future*, released in December 2009, sets out the Terms of Reference for the development of an *Aviation Strategic Plan* for the Sydney region.

Objectives and scope

Additional aviation capacity for the Sydney region

The *Strategic Plan* will:

1. consider the immediate (10-year) aviation infrastructure requirements for the Sydney region and the capacity of the existing aviation infrastructure and the land transport network linkages to meet forecast demand;
2. determine the long-term (25-year) aviation infrastructure requirements for the Sydney region and the capability of the existing aviation assets serving the region to meet the forecast market demand in passenger and freight transport and general aviation sectors of the industry. This would include consideration of:
 - current airport capacity;
 - the implications of future long-term (25 to 50+ years) demand forecasts for aviation services;
 - the planning of future economic infrastructure, including long-term spatial with land use planning for employment for the region;
 - the location and nature of future urban growth in the Sydney region; and
 - key linkages between existing aviation infrastructure and other transport networks.
3. review existing investment strategies for the civil and Defence airport facilities in the region, including an assessment of their capacity to meet the Sydney region's future aviation requirements;

4. identify strategies and locations to meet the aviation infrastructure needs of the Sydney region, through examining:
 - current and future state land use and land transport planning strategies;
 - Sydney's future requirements for transport and economic infrastructure, including Sydney's future employment nodes;
 - existing and required transport infrastructure to support additional aviation capacity for the region;
 - the need for other supporting infrastructure (such as energy, communications, gas and water);
 - the availability and application of off-airport protection measures to ensure existing and future airport capacity is protected from inappropriate development which may limit its effective long term operations and growth;
 - the interaction between airports in the region, including Sydney (Kingsford-Smith) Airport;
 - economic investment and environmental opportunities and challenges associated with future land use; and
 - existing airport policy and legislative requirements.
5. identify any other matters that will need to be considered in delivering additional aviation capacity for the Sydney region.

Future use of the Commonwealth-owned Badgerys Creek site

1. The Commonwealth and the State will develop a joint proposal for the future use of the Badgerys Creek site by giving due consideration to:
 - current state land use and land transport planning strategies;
 - the demand for land at Badgerys Creek for future employment and economic development purposes; for example, strategic manufacturing investment and business park opportunities;
 - zoning requirements;
 - existing and required transport infrastructure to support future employment generation land use;
 - the need for other supporting infrastructure (such as energy, communications, gas and water); and
 - the appropriate land release strategies which maximises long-term employment opportunities in South West Sydney.

1.3 Joint Study approach

The Steering Committee developed a set of objectives complementary to the Terms of Reference to guide work on the Joint Study.

Objectives

To develop an infrastructure and investment strategy to support sustainable economic growth, aviation demand in the Sydney region and increased productivity, while balancing the needs of communities and the environment over the short, medium and long term. This will include:

- providing a strategy to best utilise airside and landside transport capacity of Sydney (Kingsford-Smith) Airport;
- integrating the future development requirements for additional aviation infrastructure capacity required for the Sydney region with the land use and land transport plans for the region; and
- creating aviation-based employment areas, which integrate airport infrastructure with the state land use and surface transport planning, and align with future growth areas and employment zone development.

The Steering Committee aimed to bring together a number of key pieces of information and analysis to form the body of this Report. Areas of key focus for the Steering Committee included the:

- likely pattern and level of demand for aviation services in the Sydney region over the short, medium and long term;
- users of aviation services and their origins and destinations, considering the strategic economic and population growth directions of the Sydney region;
- capacity of the existing aerodromes in the Sydney region and their ability to meet current and future demand for aviation services;
- surface transport infrastructure that will be required to move aviation users to and from the identified aerodromes (including Sydney (Kingsford-Smith) Airport), and the impact this has on other users of the transport network;
- environmental or social impacts on communities, including noise and traffic;
- economic opportunities that additional aviation capacity might provide and how those could be aligned with the anticipated growth of the Sydney region;
- costs in terms of foregone economic and social amenity of maintaining the status quo;
- options for additional airport capacity and whether they can address anticipated patterns of aviation, population growth and infrastructure development; and
- optimum use of the Commonwealth-owned Badgerys Creek site (which had previously been reserved for an airport), with particular regard to its potential as an employment zone.

To complete the Joint Study, technical assistance was provided by a number of subject-matter experts. In particular:

- PwC assessed options previously identified and developed an evaluation framework to assess the needs for additional aviation capacity and surface transport to cater for aviation demand;
- Booz & Company carried out econometric modelling on aviation growth projections;
- CAPA Consulting and Booz & Company provided information on aviation networks and the operations of secondary airports;
- WorleyParsons and Airport Master Planning Consultants (together Worley Parsons/AMPC) consolidated detailed information on a number of existing aerodromes in the Sydney region and carried out investigations of both brownfield and greenfield sites as locations for additional aviation capacity;
- Ernst & Young conducted cost–benefit analyses and provided expert advice on the costs associated with maintaining the status quo;
- the NSW Department of Planning and Infrastructure advised on land planning requirements both around existing and possible future aviation sites and the impact this has on land planning and integration more broadly, as well as possible future uses of the Commonwealth-owned Badgerys Creek site and how this integrates with future planning strategies;
- Transport for NSW advised on land transport demand and capacity for current aviation facilities and identified and analysed options for additional surface transport capacity at existing or new aviation sites;
- the Australian Department of Infrastructure and Transport, Airservices Australia, the Civil Aviation Safety Authority (CASA) and the Department of Defence provided information on aviation policy, air traffic management and airspace requirements;
- the Bureau of Infrastructure, Transport and Regional Economics (BITRE) investigated aviation user preferences and the impact this may have on growth;
- Airport Coordination Australia provided advice on slot allocations at Sydney (Kingsford-Smith) Airport;
- the Department of Defence and the RAAF provided advice on operational matters, including current aviation assets at RAAF Base Williamtown, RAAF Base Richmond, HMAS Albatross and the Holsworthy Army Air Base;
- other Australian and NSW agencies, including tourism, environment and finance portfolios, provided advice on matters relevant to their portfolios; and
- PwC, together with BITRE, undertook a number of quality assurance assessments on the technical work carried out by other parties to ensure that it was of a high standard and integrated with other relevant pieces of analysis.

The Steering Committee also drew on previous aviation studies, both within Australia and internationally, where relevant.

Consultation

The Steering Committee consulted directly with a range of stakeholders as part of the Joint Study process. In particular, it sought specific advice on, or invited submissions from, a number of important industry stakeholders (airport operators, airlines and representative bodies) including representatives of:

- Sydney Airport Corporation Limited (SACL);
- Sydney Metro Airports;
- Newcastle Airport Limited
- Canberra Airport;
- Royal Newcastle Aero Club;
- Cessnock City Council;
- Shellharbour City Council;
- Goulburn Mulwaree Council;
- the Qantas Group (including Jetstar);
- the Virgin Australia Group;
- Tiger Airways Australia;
- Regional Express;
- Australian Airports Association (AAA);
- Regional Aviation Association of Australia (RAAA);
- Aircraft Owners and Pilots Association of Australia (AOPA); and
- Board of Airline Representatives of Australia (BARA).

All submissions provided as part of the open consultation process carried out during the development of the *National Aviation Policy White Paper – Flight Path to the Future* were assessed for information and views relevant to the Joint Study.

The Steering Committee received a number of unsolicited submissions from members of the public, companies and local governments, and considered the information and views provided.

New views or information contained in representations made by members of the public, local government bodies and other stakeholders to relevant Ministers and government departments during the course of the Joint Study were also brought to the Steering Committee's attention.

The Steering Committee appreciates the efforts of all those who have provided time and advice to the Joint Study process.