

2. The economic impact of Canberra Airport

In just 11 years of private ownership, Canberra Airport has been transformed from an aviation backwater into a modern and vibrant internationally-capable Airport.

During this time, more than \$600 million has been invested in the redevelopment of the Airport's terminal, runways, aircraft aprons, car parks, access road and commercial buildings. Almost half of this total, \$250 million, was spent last year alone, providing significant demand for local jobs and building products and services. No other capital city airport has so far matched this level of infrastructure investment.

This massive investment in essential infrastructure represents the Airport's absolute and growing confidence in the robust future of Canberra and the region.

Since 1998, the number of Airport businesses has more than doubled from 70 to 180. At the same time, the Airport's program of rolling works has led to the engagement of more than 100 local construction businesses and provided secure jobs for more than 500 construction workers on Airport and many more in the region in the supply chain for products and services.

The lengthening and strengthening of the Airport's main runway during 2006 was a crowning achievement. At a cost of more than \$50 million, it gives the region an Airport with true national and international passenger and freight capabilities and the subsequent economic benefits that flow from those capabilities. A \$350 million integrated domestic/international terminal building and supporting infrastructure such as aircraft parking aprons and terminal approach roads will underpin an unprecedented level of investment in aviation infrastructure into the future.

2. The economic impact of Canberra Airport

As well as a key element of the Capital Region's transport infrastructure, Canberra Airport is important to a number of allied sectors; from regional transport services and the major tourism attractions to support services such as catering, travel consultants and hotels. In addition, there have been significant positive economic impacts to the region from business, retail and commercial development at Canberra Airport.

Since its privatisation in 1998, Canberra Airport has undergone a massive transformation which has had a profound and positive impact on the ACT and regional economy.

In the 11 years since privatisation, well in excess of \$600 million has been spent on redeveloping the Airport into a true gateway for our national capital. This investment represents a very significant financial commitment to the long-term success of Canberra as a city and regional centre of a region. This sum:

- represents almost ten times the purchase price of the Airport. No other capital city airport has come close to investing such a large proportion in new capital investment activity; and
- is at least 100 times more investment than that which occurred at Canberra Airport over the five previous years under Commonwealth ownership.

The extension and strengthening of Runway 17/35 in 2006 was the largest major runway expansion in Australia since Sydney Airport's third runway was opened 20 years ago. At a cost of more than \$50 million, it is critical to allow longer range flights and unrestricted VIP operations.

The 'AirVolution' project which commenced in early 2009, incorporating the new terminal project and associated infrastructure, will constitute an investment of over \$350 million and demonstrates Canberra Airport's ongoing commitment to the region as a social and economic hub.

A recent study by independent consultants URS, commissioned by Tourism Transport Forum (TTF), estimated that Canberra Airport's \$600m investment has had direct benefits to 109 different industries and has resulted in over:

- \$2.1 billion in gross output;
- \$882 million in value added; and
- \$480 million in wage and salary incomes to Australian workers.

This is a huge economic contribution to Canberra, especially in terms of job creation, and the surrounding region.

2.1 Airport businesses

More than 180 businesses currently operate at Canberra Airport. These largely fall into seven main general activities:

- **Infrastructure:** the Airport (owner and manager), Airservices Australia (provider of air traffic control and fire fighting services), Australian Federal Police, private security, terminal maintenance, terminal cleaning, telecommunications, runway sweepers and a mowing contractor;
- **Air transport:** Qantas (including regional subsidiaries Sunstate and Eastern Australia Airlines), Virgin Blue, Tiger Airways, and Brindabella Airlines, RAAF SPA Fleet, General Aviation and charter operators as well as airfreight (such as Toll and Australian Air Express) and courier companies;
- **Aviation support services:** in-flight and terminal catering suppliers, aircraft maintenance, and operators of aircraft hangars and fuel providers;
- **Retailing/Wholesaling:** shopping centre, cafes, supermarkets, bulky goods, wholesale, convenience, service stations and terminal franchises (and other major and minor retail operators);
- **Office:** a range of public sector and private sector office tenants; and
- **Directly airport-related activities off-airport site:** this group of activities is more diverse, and includes the Airport components of bus and coach service businesses, freight and aircraft charter firms, the Airport business of Canberra Cabs and limousine companies, booking agencies of the major airlines and air crew transport and accommodation.

There are currently approximately 8,000 jobs currently located on-Airport, approximately half of which are employed in the Defence and Aerospace industries.

Within the next five years, Canberra Airport expects to have up to 16,000 jobs on-Airport. This is based on the completion of the terminal building and the full occupancy of all existing buildings on Airport and those under construction, including the new ACT Emergency Services Headquarters.

By 2029/30 it is expected that up to 25,000 people will be directly employed at Canberra Airport.

In addition to permanent on-Airport employment, over 100 local construction firms have been involved in the rebuilding of the Airport on an ongoing basis over the last nine years. In turn, this has delivered ongoing employment for over 500 construction workers onsite, with a further estimated 500-700 workers offsite. The current 'AirVolution' project will further increase construction jobs on and off-Airport.

2.2 Offsite Economic Impact

Offsite economic impact is also significant. As outlined in greater detail at Chapter 6, the development of a freight hub at Canberra Airport would not simply develop jobs at Canberra Airport but would likely produce a new range of industries in Canberra and the region generating significant economic return and employing hundreds, if not thousands of people.

Increases in passenger services, including direct international flights, will also have significant benefits to Canberra's economy, bringing increased revenue streams to the local economy. In particular there will be a substantial stimulus to the tourism industry employing a range of staff, including among accommodation and transport providers, restaurants, cafes and bars, and local tourism businesses.

2.3 Conclusion

While the future appears strong for Canberra Airport and the Capital Region as a whole over the next 20 years, success depends on the support of the community, business and Government, the competitiveness of Canberra as a destination and importantly, support from the entire Capital Region.

Canberra Airport can deliver jobs to the community across a broad range of sectors. The challenge is to ensure these jobs are delivered, and delivered with the ongoing support of the community.

The ongoing development of the Airport over the next five years will see significant investment in additional aviation infrastructure (such as a new terminal, taxiway and navigational aid upgrades). Given the current economic conditions, this aviation development will be vital to the region's economy and social well-being.

This Master Plan serves as a framework for this expansion aviation facilities and other development of the Airport.