

# Australia rises to the investment challenge

## Major projects are in progress at Adelaide, Brisbane, Melbourne, Perth, and Sydney

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Australian airport operators are implementing major capital investment programmes, in order to cope with rising demand. In a report assessing infrastructure and transport trends up to 2030, published in 2014, the Australian Department of Infrastructure and Regional Development concluded that continued demand growth “is already testing the capacity of airport infrastructure, particularly during peak periods”.

The federal government predicts that international air travel will grow strongly to 2030, while domestic and international passenger movements will almost double at airports serving state capitals. “Substantial investments by airport operators will be required to meet this demand,” the report added.

Increasing demands from the resources sector, such as mining, is placing pressure on smaller airport infrastructure, although regional airport usage is declining owing to population changes.

### EIS for Western Sydney

Such is the pressure on capacity at Sydney that the federal government in 2014 finally approved a second airport, after several decades of deliberation. The new AUD2.5 billion (USD1.9 billion) Western Sydney Airport at Badgerys Creek will accommodate growth in demand for aviation services in the Sydney region where passenger journeys are expected to reach 165 million by 2060, far beyond the capabilities of the current Sydney (Kingsford-Smith) Airport. Sydney is Australia’s busiest airport by passenger movements, but also the smallest by land area – approximately one-third the size of Brisbane Airport. There are no real options for increasing aviation capacity to handle demand much beyond 2030.

A draft Airport Plan and draft Environmental Impact Statement (EIS) went on public exhibition from 19 October-18 December 2015. Almost 5,000 submissions were received; these

are still being reviewed and collated, and a final EIS was expected at the time of writing. Sydney Airport Corporation (SAC) will then be given a “notice of intention” allowing the operator a first right of refusal over the development. SAC will have four to nine months to decide whether to exercise its option to develop the new airport.

Western Sydney Airport is expected to open by 2025, with a single runway and no curfew, on a similar scale to Adelaide Airport. If Sydney Airport waives its right of refusal, the Australian Government could turn to pension and infrastructure funds – which already own stakes in other Australian international airports – as potential developers. Furthermore, in the 2016-17 budget recently released by the Australian Government an additional AUD115 million over two years will be invested in preparatory activities at Badgerys Creek, including AUD26.2 million to undertake concept design for the provision of rail services through the site.

Meanwhile, progress continues on developing transport solutions to serve the Western Sydney community and the proposed airport. Early works have begun on Stage 1 of The Northern Road Upgrade, and a preferred corridor for the realignment of The Northern Road around Luddenham has been identified by NSW

Roads and Maritime Services. The Australian and New South Wales governments are also working on a Joint Scoping Study to examine how rail could service the proposed airport and Western Sydney’s growth.

### Victor in Victoria

In neighbouring Victoria, Melbourne Airport officially opened its new Terminal 4 (T4) in December 2015 as home to Jetstar, Tigerair Australia, and Rex. Spanning three levels, the new terminal provides a complete self-service check-in via 30 counters and automated bag drop. Passengers can get to and from T4 via a new eight-level transport hub hosting facilities for parking, drop-off, pick-up, taxis, and buses. A total of 12 new gates are available in the new Pier G and 10 gates in Pier F, which can be accessed via T4.

Melbourne operator Australia Pacific Airports Corporation Limited (APAC) is developing a new taxiway (Victor) to cater for growing demand in flights. The expansion will provide around 45,000 m<sup>2</sup> of additional capacity to the south of the main terminal area. The first stage involving new paving of Taxiway Juliet has been completed and the team is currently working on the north-south section of Taxiway Victor, which was scheduled to be delivered by October 2016, with concrete works ongoing.

A new equipment room, providing airfield lighting to approximately 25% of the airfield, was commissioned in February 2016. The project will deliver a new 700 m-long taxiway.

On the southern part of the airfield, a new freight apron facility was completed in 2015 with three parking stands, two of which are capable of accommodating Code F aircraft; Fulton Hogan was the contractor for this project.

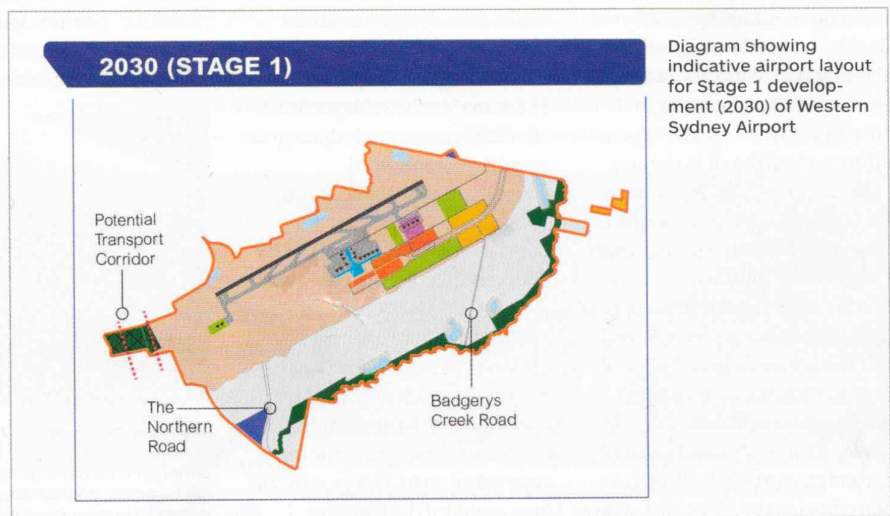


Diagram showing indicative airport layout for Stage 1 development (2030) of Western Sydney Airport

Department of Infrastructure and Regional Development: 1678161