



**Newcastle™
Airport**

24 March 2016

Scot MacDonald MLC
Parliamentary Secretary for the Hunter and Central Coast

Via email - Scot.MacDonald@parliament.nsw.gov.au

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Dear Scot,

RE: Submission on the Draft Plan for Growing Hunter City and Draft Hunter Regional Plan

Newcastle Airport Pty Ltd ("NAPL") is pleased to present its views on the Draft Plans and enclose to you our recommended actions and suggestions on ensuring the Plans achieve their potential over the next 20 years.

The Hunter has much to offer. We are ambitious for our business and the wider region and intend to play our part in achieving the regions true potential.

We would like to engage in the consultation process further and look forward to providing further support in ensuring the final plan is successful in its implementation.

This FINAL submission supersedes our previous draft points submitted on 28 February 2016.

Yours faithfully,

Dr Peter Cock
Chief Executive Officer

Submission on the

Draft Plan for Growing Hunter City & Draft Hunter Regional Plan

November 2015

Prepared by Newcastle Airport Pty Limited on 24 March 2016



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Introduction

Newcastle Airport Pty Ltd (“**NAPL**”) is pleased to respond to the Draft Plan for growing Hunter City (“**Draft Plan**”) and submit to the NSW Government our views on how NAPL can support the plan’s proposed implementation and long-term success. Due to the overlap in scope between the two plans NAPL has chosen to specifically address the Hunter City plan, though wishes for this response to be considered as part of the review of the Draft Hunter Regional Plan.

As one of the region’s critical transport and aviation hubs, NAPL is determined to work collaboratively with all levels of government, relevant stakeholders and the community to augment opportunities for growth and diversity in the Hunter Region. We are determined not only to meet the region’s needs but to exceed them, thus being a driver of growth and the airport the region rightfully deserves.

To do this, NAPL understands its position within a region that must be aligned, builds upon existing collaborations and creates new foundation partnerships with a wider range of partners and stakeholders.

The Airport is a key infrastructure asset that facilitates many aspects of the Hunter’s economy. The Airport celebrates the region’s strong links to the resource sector but also understands that a vibrant visitor economy is needed to provide diversity and long term sustainability. For our region, this means increasing the number of new domestic and international routes that can efficiently connect to national and global markets. Our ambition is to make travel options more diverse, easier, more efficient and valued by our community, as well as to domestic and international visitors.

NAPL considers the Hunter and a wider catchment of local government authority areas (as illustrated below) as the region we can best serve. Road traffic congestion to and from Sydney Airport as well as constraints on urban areas leading from our catchment south to Sydney enables Newcastle Airport (“**NTL**”) to have a wider catchment market of almost 1.2m people.



LGA Main Population Centre	Area	Population
Newcastle	Core	160,000
Lake Macquarie	Core	200,000
Port Stephens	Core	70,000
Maitland	Core	75,000
Dungog	Core	10,000
Cessnock	Core	55,000
Great Lakes	Core	35,000
Singleton	Core	25,000
Muswellbrook	Core	20,000
Upper Hunter Shire	Core	15,000
Total Core		665,000
Wyong*	Swing	160,000
Gloucester	Swing	5,000
Greater Taree	Swing	50,000
Total Swing		215,000
Port Macquarie	Far	175,000
Gosford*	Far	80,000
Total Far		470,000
Total Core, Swing, and Far		1,135,000

Our ambition is directly aligned with Direction 7.1 of the Draft Plan which is to “develop and diversify Hunter City’s global transport gateways”. The current board and management team of NAPL is determined to grow and diversify domestic and international routes from Newcastle Airport consistent with Direction 7.1. NAPL is a key gateway through which Direction 7.1 can be achieved and requests the engagement and support of the Government in achieving this key direction. If NAPL is to be developed as a commercially viable and robust global gateway it would be inconsistent to “split the market” by developing another competing airport in the Central Coast region, which has been considered in the past.

For NAPL to deliver on these goals, we recognise the symbiotic nature of our success; needing alignment with regional policies consistently structured at both a State and Federal level that promote the growth of the region in a way that is paralleled with the strategic growth of Newcastle Airport (“NTL”).

The vision of NAPL is to be a leader and driver of the regional economy, for example by opening up routes that not only support but stimulate businesses within the region. An example of this is the development of routes into the Asia Pacific region. This will allow direct access to the Hunter region (and surrounding regions) by a portion of the international visitor market that is currently heavily under represented. By undertaking key initiatives such as these, NAPL will stand as a key driver of the Hunter regional economy, helping to both stimulate and facilitate the success of the region from a business, social, cultural and educational perspective, whilst at the same time improving both the scope and quality of services available to the people of the Hunter..

It is clear however that providing opportunity does not guarantee success. Development of new routes comes at a significant cost in terms of infrastructure, promotion and direct support. If, as a region, we are not equipped and aligned to take advantage of these new routes then patronage will be low and, ultimately, the route will fail. Regional alignment is vital, as is “whole of government” policy alignment from infrastructure investment to the other policy settings which stimulate regional trade, investment and tourism.

NAPL is willing to make the needed investments, however where step-change is required, such as moving from narrow body capability to being able to cater for wide body long haul aircraft, the quantum of investment is significant and perhaps unachievable for an airport with a relatively small regional passenger base. In these cases NAPL will look for co-investment and strategic partnerships, in conjunction with the whole of government policy alignment for stimulus of the Hunter region referred to above.

NAPL acknowledges the investments previously made by the State Government, noting that the additional capacity that this investment provided has allowed us to strongly invest in business development. This is just beginning to bear fruit as evidenced by Virgin Australia’s and Qantas Link’s recent increases in additional scheduled flights. As a consequence, NTL experienced significant growth in February 2016 (refer to media release: <http://www.newcastleairport.com.au/media-release-22-03-16#.VvMcUjhf2po>).

Input on this plan is made in the context that NAPL is a tenant of the Commonwealth Department of Defence and is entirely reliant on the use of RAAF Base Williamtown’s runway facilities to operate. NAPL believes that it can grow services and meet the region’s needs within the context of this arrangement. However should a challenge of operational need arise between civilian and military requirements, the military needs are preeminent. NAPL considers that this is appropriate both due to the vital role RAAF Base Williamtown plays in national Defence infrastructure and because the base itself is a vital economic driver for the region.

Notwithstanding the primacy of their needs, RAAF and Defence have shown an understanding of the needs of civilian aviation and a willingness to work with NAPL, in a co-operative and consultative manner. This productive relationship is vital to foster in the current climate where NAPL, as a business, is willing to invest significant amounts of money in long life infrastructure and growth.

The NAPL response directly addresses key aspect of the Draft Plan and offers suggestions to its refinement, strategies for seeing success in the plan's implementation and how NAPL intends to contribute to outcomes for the Hunter. Whilst NAPL has focused on the Growing Hunter City Plan, the comments are equally as valid to the Hunter Regional Plan.

In addition to responding to the plans as written, NAPL calls on the NSW Government to set a bold target. This is to work across all levels of government to make Newcastle Airport capable of supporting Code E long haul aircraft within three to five years. These facilities would open up direct access to significant business, tourist and freight markets, such as the Asia Pacific Region. It is believed that this one bold vision and aggressive timeframe could be used as a call to action to unify the visitor economy efforts within the region and also provide a focus and theme for other infrastructure investment, particularly those that are directed to diversifying and enhancing the Hunter as the leading regional economy within NSW and indeed Australia.

Background

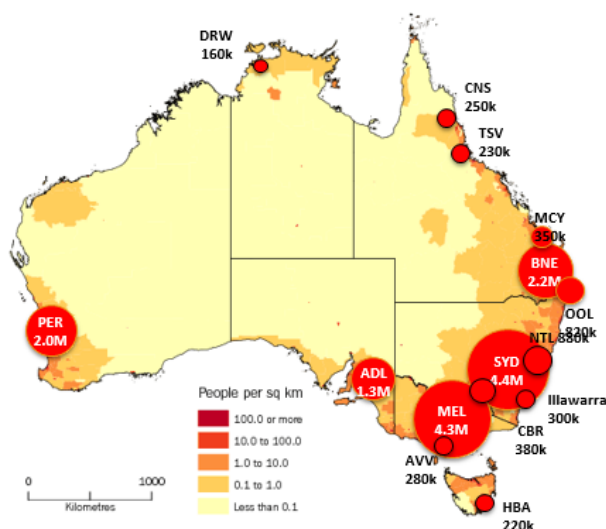
Newcastle Airport is located within the boundaries of Port Stephens Council and uniquely, shares its facility with the Royal Australian Air Force (“**RAAF**”). NAPL is a commercial entity jointly owned in equal share by Port Stephens and Newcastle City Councils, and operates under a long-term lease from the Australian Government to provide civilian commercial aviation services.

NAPL is an operator of facilities and infrastructure that promotes the efficient transport of people and freight through aviation.

Newcastle Airport currently serves a population catchment of almost 1.2 million people. As part of its broader business plan, the organisation aspires to serve a wider and larger number of destinations over and above our current passenger volumes and markets.

In a typical year, NTL will offer 15,000 flights (or on average 290 flights arriving and departing each week) to eight destinations in Victoria, Queensland and New South Wales. On most measures, our current true potential is anywhere between 2 million passengers to as much as 5 million annual passenger movements, as illustrated below. The difference between the current and potential traffic represents lost economic activity from and to the Hunter region.

Rank	Population centre	Catchment population	Airport traffic	Rank
1	Sydney	4.4m	39.0m	1
2	Melbourne	4.3m	31.9m	2
3	Brisbane	2.2m	21.9m	3
4	Perth	2.0m	12.7m	4
5	Adelaide	1.3m	7.7m	5
6	Newcastle	880k	1.1m	13
7	Gold Coast	820k	5.9m	6
8	Canberra	380k	2.8m	8
9	Sunshine C.	350k	848k	15
10	Illawarra	300k	n/a	n/a
11	Geelong	280k	500k	19
12	Cairns	250k	4.4m	7
13	Townsville	230k	1.5m	11
14	Hobart	220k	2.2m	9
15	Darwin	160k	2.1m	10



Our aim is to offer a more diverse range of capacity and frequency to existing markets while adding new services to key markets in Australia and hubs in core markets internationally. We know that these services will be most valued by our community as a more efficient, convenient and ‘value for money’ offering in comparison to needing to travel to Sydney Airport.

More connectivity from NTL will enhance the region’s appeal in terms of business opportunities and improve opportunities for freight and visitor flows. NTL is well located to serve one of the largest productive land and agricultural regions in the State. As passenger service opportunities increase from NTL, more time sensitive and high value air freight can be transported from the region direct to market. Approximately 80% of the worlds air freight is transported in the belly hold of passenger

aircraft – as NTL grows its air connectivity, high value productive goods can be more efficiently and effectively delivered to the final consumer.

Today, NTL has a significant business market and large proportion of travellers using the Airport for business reasons – more so than tourists. The important ingredients for attracting and retaining more air service at NTL already exists. In 2015, NTL handled 1.2 million passengers, 47% of which were travelling for business. By improving our connectivity for business users we aim to provide lower cost and effective transport enhancing business and economic returns. This also will allow the Hunter to unlock further stimulatory economic catalysts. Developing and serving a vibrant visitor economy will open up a substantially larger market today.

Appropriately planned and considered airport development can deliver a step change to regional growth prospects. Many international studies have indicated that airports create job opportunities far beyond their physical boundary (Source: https://bitre.gov.au/publications/2013/is_046.aspx). The economic multiples for NTL are expected to be similar, with recent studies already showing the substantial value brought to the local economy from NTL's current existence.

A 2014 study indicated that NTL generated almost \$1.2 billion in economic value, as shown below. The illustration summarises the number of jobs sustained directly from NTL's operation and how both economic value contributions and employment have evolved over the years.

	2005		2008		2011		2014	
	Output (\$M)	Jobs	Output (\$M)	Jobs	Output (\$M)	Jobs	Output (\$M)	Jobs
Airport operations	\$79.9	404	\$595.1	2,234	\$827.7	2,486	\$855.9	1,485
Visitor spend / tourism	\$124	1,580	\$150.5	894*	\$252.4	1,451	\$304.6	1,755
Construction	\$19.2	174	\$32	150	\$30	105	\$33	106
TOTAL	\$223.1	2,158	\$777.6	3,278	\$1,110.1	4,042	\$1,193.5	3,346

Total pax	757,145	1,145,607	1,189,040	1,189,683
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With the right policy settings and regulatory environment, and the alignment of Federal, State and local body institutions, NAPL's ambitions of connecting the Hunter region to other key markets, State Capital cities, and global markets can be achieved within a near term step change. Failure to align and support the determined focus of NAPL will hinder the region's true economic opportunity to be realised.

Key responses

NAPL has carefully considered the 'Draft Plan' against our own business plans. The following outlines some key points where we believe our expertise, knowledge and key stakeholder networks will be able to add value and help deliver step changes for our region's future success.

Regional Goals 1-4 (p.6)

The overarching regional goals are adequate and appropriate in framing the strategy. All goals are aligned with the goals of NAPL – with particular focus on goals 1 and 2.

Our key feedback in relation to these goals is that they might be better articulated or reflect overarching objectives, if key performance indicators or achievable tangible outcomes are stated. Each goal, while satisfactorily setting out an objective, could also outline specific results the Government is aiming to achieve within specific time frames.

Specifically, in terms of Goal 1, NAPL has the capability to connect with global market places in the years ahead and therefore provide real data and expectations (particularly in terms of infrastructure capability and stakeholder engagement with airlines).

NAPL's capability in encouraging airlines to connect NTL to other global markets is beginning to be realised with new airline frequencies by Virgin Australia ("VA") operated on evening and morning rotations twice weekly (see here: <http://www.newcastleairport.com.au/corporate/about/media-releases/media-release-8-1-16#.Vs5k9Dhf2po>). To enhance these Goals, we would recommend adding specific targets to allow Government and private sector entities to work towards.

For example, the Airport would vigorously support a specific target linked to Goal 1 that identifies connecting the NTL catchment with key international cities that have populations of more than 1 million people in the Asia Pacific region by 2025.

NAPL intends to make significant investment in sustainable growth strategies for facility development that will accommodate and attract new connectivity. We anticipate this would encourage additional levels of engagement elsewhere that might include Sister City relationships in the Asia Pacific Region. NAPL calls for Government support in this process.

Goal 2 refers to growing the largest regional economy in Australia. NAPL would encourage policy makers to consider diversification of the region to include a greater emphasis on tourism and more efficiently exporting time sensitive/perishable air freight product. We refer to the following quote from the Australian Financial Review which shows the growth potential for tourism:

"Tourism has been growing rapidly at a time of decline in the mining industry, with international arrivals up 6.7% to 6.7 million and spending up 13% to \$34.8 billion in the 12 months ending September 30.", Australian Financial Review, 24-02-16

Funding for departments such as regional and local tourism organisations or agencies like NSW Trade & Investment, should be supported to encourage socio-economic diversification of the regional economy to mitigate risk against short-term macro climate changes.

Furthermore, regional dispersion is a critical success factor for ensuring supplemental value is added to the visitor economy by tourists, those here for education, business or visiting friends and relatives. Concentrating visitor activity in a small number of areas (e.g. Sydney city) limits the number of visitors

NSW can host at any one time. This is sub-optimal for NSW (and indeed Australia) which could host more visitors if they were spread more evenly around the State. With the right policy settings and frameworks to enable more of the visitor economy to interact in a wider number of areas around NSW, exponentially more benefits could be accrued to the Hunter region. Pushing more visitors into congested destinations makes no sense and will ultimately tarnish our destination brand.

Aviation plays a key role in determining where visitors go and how they travel through the State and ultimately Australia. Visitors will always prefer direct routes over indirect routes and regional dispersion would be enhanced by having more direct routes to a range of destinations which can be developed. The Hunter has that ability to accommodate and engage in a larger number of domestic and foreign markets and can provide better access from off-shore markets, that in turn delivers benefits for our citizens. This can be achieved with more aviation links and connectivity to NTL.

DIRECTION 1.1 Grow and diversify centres across the City (p.11)

NAPL applauds this Direction and encourages the adoption of a wider planning permission regime that enables development or eliminates burdensome approvals.

NAPL is supportive of a vision for Newcastle Airport as a global gateway that will be a hub for jobs and specialist services. The concentration of similar and complementary business uses in the same locations creates opportunity, critical mass and encourages innovation. . Providing the right environment to create an industry hub or knowledge hub would in the case of the Airport, enable diversification in terms of funding streams and service provision. It would allow the Airport and the RAAF Base to have access to service providers and provide employment and economic diversity.

Land planning approvals need to be flexible enough to accommodate an array of current and future user needs.

For example, road access and other transport access will remain critical in promoting and realising the true value of a connected gateway. Maintaining road infrastructure and protecting expanded and improved carriage way access, as well as future proofing infrastructure will be crucial. Additionally, alternative transport options such as light rail corridors assigned for later generations should be considered in long-term regional transport plans.

In particular to the Airport precinct there is the need to coordinate secondary services and infrastructure to bring the area to its most productive use. Specifically, surface water drainage is poorly coordinated across various levels of government. Further there is a need to rationalise competing objectives such as conservation and economic development.

DIRECTION 1.6 Coordinate infrastructure to support and deliver growth (p.18)

To coordinate the delivery of infrastructure and support growth, the Airport believes the region should also identify the right Government agencies to manage and allocate resources. NAPL is currently seeking support in connecting more strategically with organisations in trade and investment, tourism, education and business to collaborate and seek greater investment. At the time of writing this response, NAPL is working toward a significant change to the way it works with Government agencies, including Destination NSW, to enhance integration, communication and collaboration for the benefit of the Hunter region.

ACTION 1.6.3 Review special infrastructure contributions in the Hunter to support infrastructure delivery (p.19)

NAPL welcomes the broad approach to supporting infrastructure contributions as suggested in this Draft Plan. However, NAPL would like the plan to contemplate further funding to support development

of Newcastle Airport to accommodate wide body, long haul aircraft. Infrastructure by its very nature is lumpy in its investment profile over time, and for some smaller providers of key infrastructure, support is required to reach a size where the advantages of scale are obtained. NAPL acknowledges the support already provided by the State Government, and applauds it for recognising the benefits in terms of funding and taking a long-term approach to making adequate returns on invested capital. It is noted that as a wholly Council owned entity, all returns are delivered back to the community and building sustainable local government.

To grow existing routes and new air services, NTL will require further investment over a sustained period. This is in the form of approaches to airlines, promotion of the attractions in the region and direct subsidies/underwriting of new routes. Funds invested by NTL in growing and supporting air services can draw investment away from capital in the short term, as choices of growth are made over invested capital. Investment in new air routes depending on the market and aircraft/airline could typically range from one to five years. This investment often must come at the expense of other choices the business must make, noting that NAPL is not yet at the scale where it has sufficient cash flows to support both activities. Support in either area speeds up the growth cycles and more quickly brings the long-term benefits to the region from an econometric and stimulatory aspect.

In addition, investing capital into aviation services in the Hunter will likely mean less capital may be required and/or delay the expenditure of capital in other areas such as road, rail or other aviation infrastructure to long distance assets elsewhere (ie access for air freight product to Sydney Airport, which could be accommodated on more aircraft from growth at NTL).

NAPL is aware of a number of initiatives currently being undertaken in Newcastle regarding public transport; specifically enhancing existing modes and provision of light rail. NAPL is supportive of public transport generally as it adds to the attractiveness of the region to visitors. In addition we are particularly supportive of public transport options where they facilitate travel to and from the airport. The airport is currently well served by buses, and it is understood that current airport throughput might not justify the cost of a mass transit system such as light rail. However NAPL would encourage forward looking plans that preserve corridors that will facilitate such systems when warranted by the airports scale.

ACTION 2.1.2 Diversify employment activities at the university and hospital campuses and enhance their connectivity to the region (p.22)

Business connectivity and the visitor economy encompasses business, education and other sectors that each require levels of travel connectivity. The Airport supports policies and initiatives that seek to entice more visitation and investment into the Hunter.

For example, the region's key employment and economic driver sectors of education and medical/health requires significant levels of people connectivity which NTL is well positioned to support and diversify as the market needs grow and change. The dynamics of and transportability of the health/medical research sectors together with international student markets for the University, TAFE and other providers, will support NTL and assist the region in growing our air connectivity. That may include special student housing and being mindful of their needs as students, sometimes arriving in a foreign country with little no immediate support networks. We also recognise many of these students may go on to work in our communities in a range of vocations, and may well bring or encourage other family and friends from their originating home country to visit, thus stimulating further economic benefit and encouraging other volumes in support of added air service to and from NTL.

DIRECTION 7.1 Develop and diversify Hunter City's global transport gateways (p.43)

NAPL welcomes and strongly supports this broad initiative to encourage and allow growth of the region's global transport gateways including Newcastle Airport. This direction is aligned with the Airport's current goals.

NTL serves eight destinations in the State and interstate points including Melbourne, Brisbane, Gold Coast and Sydney. The Airport is currently in the process of delivering the final pieces of infrastructure required to facilitate international services and enhanced offering to other key cities interstate and to other regional Asia/Pacific hubs, such as Auckland.

It is clear that to meet the needs of the region, NTL must be able to provide direct access into the Asia Pacific region and connect Newcastle to the world's fastest growing and most vibrant markets. This requires the infrastructure to support wide body long haul aircraft. Previously the NTL vision was to accommodate narrow body aircraft, capable of servicing interstate and New Zealand markets. However, the current Board and management have expanded this vision to aim for Newcastle Airport to accommodate wide body long haul aircraft and connect the region with important global economic markets in a broader Asia/Pacific market.

By having single flight accessibility to global markets in the Asia/Pacific region, the Hunter region will be able to provide access to the "burgeoning middle class [that] will require education, lifestyle and tourism services over the coming decade. Australian cities can harness a fraction of the rising economic value of these markets by establishing air routes that deliver single flight accessibility"; *Bernard Salt, KPMG partner; adjunct professor at Curtin University Business School*. As illustrated below, as the rise of the Asian consumer wealth grows, so too does the opportunity to provide access to our region. With access comes the ability to develop further community and regional assets for our citizens, that in-turn provides greater utility for a diverse and growing region such as the Hunter.

The concentration of passenger traffic flows at NTL provides greater opportunity to hub passenger markets on to new destinations or be the most attractive to airlines in creating new frequency or increasing the service offering to the region. We support the State's efforts of singularly focusing on NTL as the region's airport and therefore the best means to ensure the regions current airport grows with sufficient support and critical mass from its existing and potential wider catchment population base to best serve the Hunter region. NAPL intends to target new and existing carriers to deliver step change economic growth and deliver greater benefits to the region.

To ensure NTL delivers on its goals of connecting with Perth, Adelaide and international hubs in New Zealand and the Asia/Pacific region, NAPL encourages the Government to consider supporting and promoting policies and initiatives that would assist NAPL in its discussion with airlines.

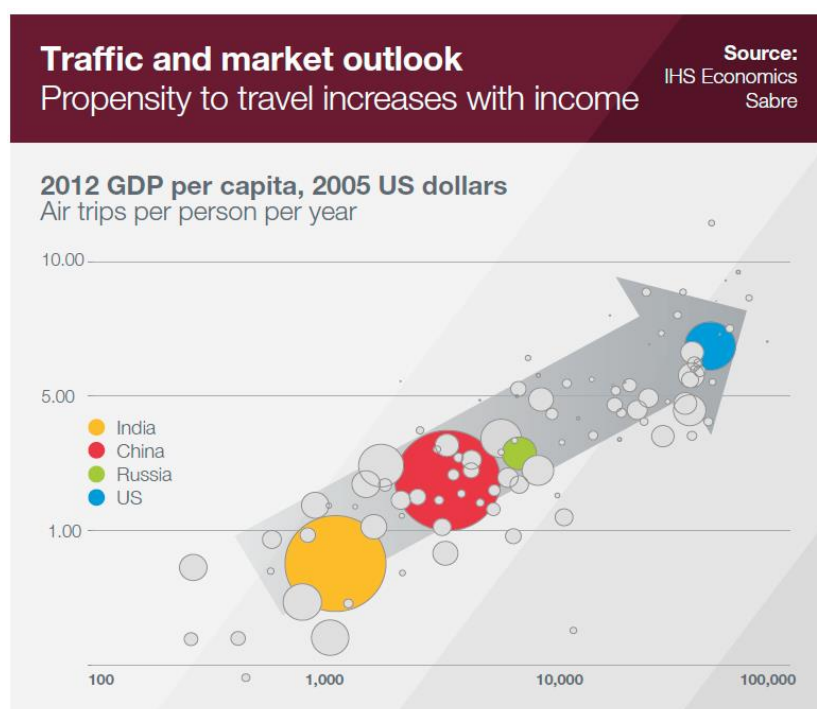
Broadly, this strategy would include:

1. Set the strategy of making the Hunter region Asia/Pacific ready, including ensuring that NTL can provide direct linkages into Asia within three to five years. This accelerated timeframe will ensure the Hunter is best-placed to take advantages of the benefits of the new free trade agreements as these are pursued by the Federal Government and are progressively rolled out and implemented (eg Trans Pacific Partnership Agreement).
2. Encouraging greater spend focused on regional destinations by destination promotional agencies. These agencies must also be correctly funded and be of the right size and scale to allow sufficient resource to invest in inter-state and key international markets. For example, it is considered that the continued promotion of Sydney as a major tourist destination does not maximise the outcomes for the State. As Sydney is already an iconic destination, outcomes for the State would be better served by raising the profile of lesser known but no less attractive areas around the NSW regions, in conjunction with marketing Sydney. In particular, in order to create and sustain the required level of passenger demand for incoming international flights to Newcastle the Newcastle and Hunter Region should be marketed to international audiences, such as those in the Asia Pacific Region. This requires a focused and

co-ordinated effort from Government and private entities. Newcastle Airport would be prepared to support any such campaign that increases international awareness of the Hunter.

3. Ensuring trade and investment agencies are tasked with ensuring growth in the regions is promoted and complementary aviation and related activities are both attracted and permitted to develop in and around NTL.
4. Promoting the coordinated implementation of policies that enables further investment in visitor infrastructure where it could deliver better facilities for users (e.g. encouraging the removal of height restrictions in areas where efficiency in building taller accommodation offerings would enhance and entice greater visitor markets and investment, thus encouraging more employment).
5. Enhancing regional growth and duration of stay of both business, educational and leisure visitors in the State.

The Asia/Pacific region is set for significant growth in the medium term. As the illustrations below indicate, Asia's largest markets are yet to reach the volume of trips per person to match developed economies.

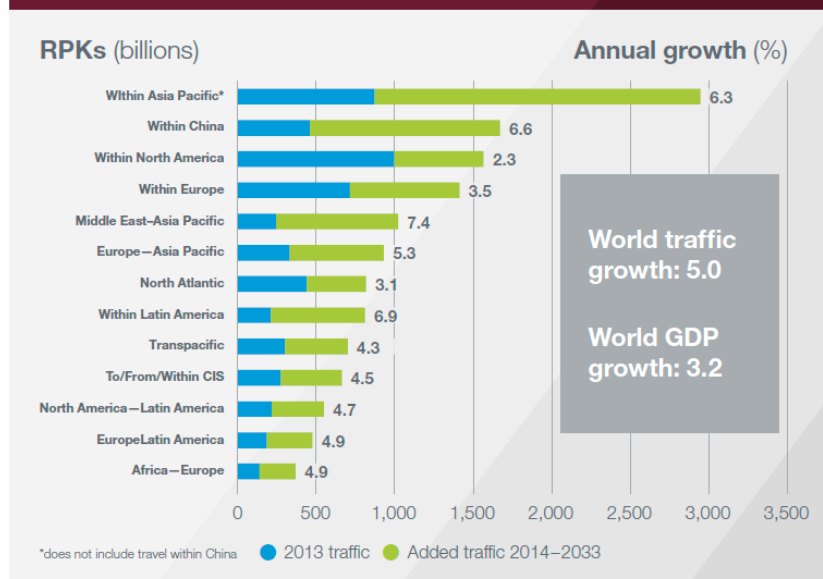


Source: Boeing

To meet the inevitable growth demands of developing economies in Asia, aircraft deliveries are set to grow significantly in our region.

Traffic and market outlook

World traffic varies by market

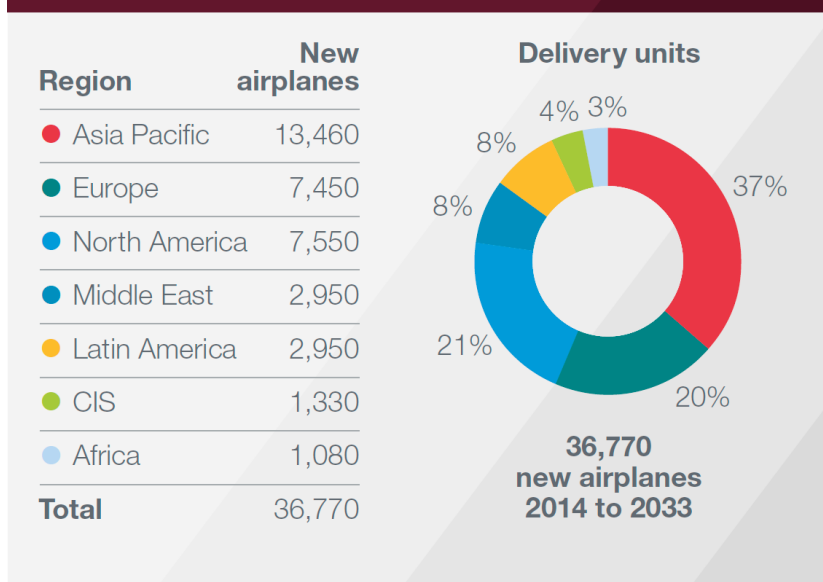


Source: Boeing

To accommodate the growth in traffic volumes, the largest proportion of aircraft deliveries up until the period 2033 will be made to airlines in the Asia/Pacific region.

Traffic and market outlook

Delivery demand is becoming more diversified



Source: Boeing

With significant projections of growth and new capacity in the Asia/Pacific region, careful planning and the right regulatory setting for future growth must be accommodating for NTL to appropriately deliver and grow to enable the Hunter to fully reach its potential.

New South Wales benefits from having Sydney as the largest city in Australia and iconic attractions that are globally recognised. NAPL supports strategies and policy initiatives that encourage greater regional spread and leverage Sydney's iconic assets to enable greater spend and dwell within the State. Encouragement of regional spread achieves that. Promotional activity of attractions and experiences outside Sydney provides further reason for the visitor economy to grow beyond its current scope and scale, and deliver even greater returns to the State's economy, by encouraging visitors to explore beyond Sydney.

As previously noted above, with the right regulatory and policy support coupled with overt signals to investment in the regions, a wider dispersal of those comprising the visitor economy will enable a higher level return to NSW.

NAPL also supports the proactive approach to planning protection being given to allow greater synergistic benefits to arise from a 'joined-up' transport network between the sea and air port serving the region. Sea and air ports share many common services. These include customs and border protection. In addition, many businesses operate in much the same way. Efficient air to sea transportation and use of adjacent land areas allow greater scale efficiencies to be achieved. Services provided to producers in moving export products often includes product that might be exported by air and/or sea. Well planned road access and connectivity between the port and airport facilitates efficiencies in productive logistics.

As core infrastructure assets are developed urban encroachment degrades flexibility in planning uses, thus limiting the infrastructures true potential to deliver for the region. NAPL supports greater protection and flexibility in the development of the Port of Newcastle that could include for instance the storage of petroleum products for jet fuel, which would in turn reduce road haulage costs. With the appropriate road way protections and protection of land corridors Newcastle could, one day for instance, include a pipeline for fuel between the port and airport to further reduce road volumes carrying jet fuel.

NAPL strongly encourages the development of a home port and turn-around port development for passenger cruise liners at the Port of Newcastle. The flexibility and choice offered by cruise travel enables NTL to be more attractive to airlines and their travelling customers, and vice versa. The symbiotic nature of the air and sea port should be encouraged as a means to encourage further utility for the Hunters catchment population.

NAPL invites further discussion with policy makers on this key aspect and the development and growth of the Northern Gateway District, which includes the port and airport.

ACTION 7.1.1 Provide the right regulatory environment to support the growth, diversification and sustainability of transport gateways (p.45)

NAPL is acutely aware of our current and long-term effects on our local environs and both the opportunities the Company can facilitate as well as the impacts on our local community. NAPL encourages and supports that there be robust planning provisions and protections put in place to permit ongoing growth of the airport and its defence base use.

When attracting airlines to fly from NTL into regional and global hubs there are often limited windows during which the flights are viable. This is due to the requirements to get "slots" at the destination port and to ensure that the NTL flights meet onward flight schedules. It is therefore critical that in the future NTL is able to operate 24x7 schedules. Freedom of operating hours is also vital to develop vibrant just-in-time freight facilities. These operators require early morning landings so they can meet client imposed delivery deadlines. In a current example, Sydney Airports current hours of operations curfew is potentially holding back further growth of the State by airlines that otherwise might operate during the current curfew hours in Sydney. NTL offers a short to medium-term pressure valve to pressures

on Sydney Airport; NTL can offer services to airlines that may not otherwise have direct access to Sydney Airport.

If noise abatement limitations do become onerous and limit the airport's operating hours, this has the detrimental effect of limiting the true potential of the region in accommodating flights at any time of the day/night.

NAPL considers that modifications to the regulatory environment need to go beyond the obvious and look at all matters that are hampering development or making development less efficient. For example in the Williamstown area, surface water drainage is a significant issue. Insufficient surface drainage is meaning that large amounts of fill are required thus adding substantially to the cost of development. In some cases the development costs are making the land unviable to develop. NAPL would be keen to work with the State Government to identify these impediments and to find viable solutions.

DIRECTION 7.2 Manage growth to protect strategic assets (p.45)

The management of growth in use of infrastructure is crucial for ensuring long-term sustainability and being future proofed for long-term community needs.

It is vital that any plan for the region recognises importance of and protects the long term viability of the Williamstown RAAF base. It provides employment opportunities and other indirect employment to over 5,000 people. In addition the current expansion at the base is providing significant economic activity in the local economy. The introduction of the Joint Strike Fighter will likely cause additional stimulus and is welcomed.

NAPL is confident that it can grow to meet the needs of the community in a way that will continue to allow the unfettered use of the facility by the RAAF. This is in part due to the productive way in which RAAF engages with NAPL. To allow Defence to continue to be able to show this flexibility NAPL would encourage the State to work with Defence to understand and meet their needs.

ACTION 7.2.1 Investigate long term opportunities for housing growth in the Northern Gateways District (p.47)

Housing is an important issue for communities. NAPL encourages appropriate planning that provides the housing that is needed by the community in a way that protects the future viability of 24x7 operations of both the civilian and military air traffic as well as the sea port. Planning should take into consideration noise contours of all modern aircraft including wide-body aircraft anticipated in any future planning horizon.

For further information on any of the above points should be directed to:

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