

CAPITAL GROWTH

Canberra Airport goes international



WRITER: PAUL SADLER

The arrival of Canberra's first widebody international airline service in September marks the denouement of the remarkable transformation of Canberra Airport since its privatisation less than two decades ago.

What was once a rudimentary airstrip laid down in the mid-1920s in the middle of a sheep paddock is now a world-class international airport featuring a brand-new 50,000m² terminal building, a four and a half star hotel, three business parks and a major retail precinct. It is an airport that in the 2015-16 financial year handled 2.8 million revenue passenger movements – making Canberra Australia's eighth busiest – with around 60,000 aircraft movements annually.

Capital Airport Group, formed initially by Canberra businessman Terry Snow and his son, now managing director of the airport, Stephen Byron, acquired the airport in May 1998 under a 99-year lease arrangement for the bargain price of \$65 million.

The family had a background in commercial property development with the decision to invest in the airport recognition of its development potential and its importance to the Canberra community.

"We bought the airport with a building made up of two terminals – one end leased to Qantas and the other to Ansett – with a connecting area for food retail and security screening," said Byron.

"The runway was weight limited and

not up to strength in terms of 737-sized aircraft. We had bought an asset that had been starved of capital and the privatisation of the airport facilitated access to capital and therefore investment which has in turn generated economic activity and growth in the region as well as jobs."

Build it and they will come

What followed was a remarkable program of investment in the airport's infrastructure, starting with the widening of its intersecting 12/30 and 17/35 orientated runways, which was completed in September 2001. Next came the strengthening and lengthening up to 3,283m of the main 17/35 runway, completed in December 2006, allowing unrestricted operations by widebody



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aircraft such as the Boeing 747.

Another early priority was the construction of the Brindabella Business Park, one of three now on the airport.

Like a mini-city on the airport, the architecturally-designed Brindabella Business Park comprises 18 buildings with immaculately-kept landscaping and facilities such as cafes and a childcare centre.

It is home to Australia's first 5-Star Green Star rated commercial building – 8 Brindabella Circuit, which opened in November 2005 – and has major corporations, like Raytheon, and government departments including elements of the Department of Defence, as its tenants.

“The whole green star process really

changed the way that buildings were constructed in this country right across the board,” said Byron.

“We came to the airport with an experience in property and infrastructure that was focused on absolute quality and the quality of the public spaces around the buildings with landscapes supplemented with sculptures and artworks. But it also came with a commitment to being leaders in the sustainability field, whether it was through the efficiency of the airconditioning and heating plant to the use of materials to embracing new technologies.”

The development of its business parks gave the Capital Airport Group the financial stability needed to raise the funds from the banks to build its

new terminal, a natural counter to the volatility of the airlines industry.

“We would never have been able to even embark on a new terminal and fund it without the success that we had in putting in the stabilising platform through the business parks,” Byron noted.

Briefly put on hold for three months following the credit crunch that followed the collapse of Lehman Brothers in September 2008, Canberra Airport's new terminal would become one of Australia's largest infrastructure projects commenced during those financially turbulent times.

“We decided to start building the terminal partly because we had done so much planning and work with Qantas under John Borghetti's leadership to

◀ Singapore Airlines' commencement of international services to Canberra was the fulfillment of a long-held dream for the airport. PAUL SADLER



have a commitment to build a high quality facility for Australia's national capital," said Byron.

"We finished the Qantas component of the terminal on November 14 2010 and we moved to demolish the balance of the terminal and build the Virgin Australia terminal which we opened on Canberra's 100th birthday on March 12 2013."

With one last section of the old terminal to be demolished and rebuilt, over the following 12 months the final piece of the \$480 million domestic terminal was completed and formally opened on April 15 2014 by then Prime Minister Tony Abbott.

The terminal was designed by architect Hal Guida of Canberra-based Guida Moseley Brown Architects, and Byron said the airport is proud of the architectural outcome.

"But it really is a customer outcome. Whether you are dropped off or you park your car, being able to quickly and effortlessly get to your plane without delay was the priority. Unlike most infrastructure in this country, the terminal was built with growth in place. Not all of it is leased or utilised by the airlines, but it means when airlines come to us we can facilitate their growth."

Capital jet

Two years later and that growth potential was further realised with Singapore Airlines' announcement on January 20 this year of plans to launch four times weekly long-haul international services between Singapore, Canberra and Wellington from September 20.

The Capital Airport Group then invested a further \$25 million to complete the outfitting of the international terminal space set aside for international services including a shared lounge for all passengers, Australian Border Force and Immigration check points, duty-free retail and a freight handling capability – which brought its total investment in the new terminal to more than half a billion dollars.

The new international terminal was officially opened on September 16 by Minister for Infrastructure and Transport Darren Chester ahead of welcoming its first international passengers five days later on the morning of September 21 with the rather damp touchdown of flight SQ291, operated by Boeing 777-200 9V-SRP, from Singapore.

"Australia deserved an international

Canberra Airport has settled into the routine of handling Singapore Airlines' flights to Wellington and Singapore.

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International check-in at Canberra Airport. PAUL SADLER

service into its national capital," said Byron. "Overseas travellers, especially those from Asia, expressed surprise that Australia was one of the very few countries in the world which did not have direct flights into its capital city. But that has all changed now."

While it is early days passenger loads from Canberra to Wellington and Singapore reportedly have been strong. "The reality in my mind is this route started with an ambition to increase its frequency beyond four services per week," said Byron. "And whilst that is proving sufficiently attractive for the business customers, the demand appears to indicate that it won't be too long before it gets supplemented to five services a week and beyond subject to aircraft availability."

More than a month on from Singapore Airlines' inaugural international flight, the airport has settled into a routine with ground staff getting familiar with turning around the Boeing 777, including dealing with any maintenance issues that crop up.

"The aircraft has had outstanding on-time reliability," said Byron. "On November 2, the Canberra to Singapore flight was our 100th international flight from the airport. In a matter of five and a half weeks we have gone from our first international flight to triple digit figures and we are just taking it in our stride now."

Byron says other airlines are watching Singapore Airlines' entry into Canberra closely.

"They are looking at the ease of operation and the lack of curfew and what that presents in servicing the broader NSW market and including Sydney," said Byron. "The reality is Sydney has a business community that needs to fly overnight to Singapore. At the moment there are no overnight flights out of Sydney that are truly 'overnight' – that land in Singapore at 6am in the morning."

The last Qantas flight to Singapore departs Sydney at 5pm while the last Singapore Airlines flight departs at 7pm.

"What that means if you're a business person is that you arrive in Singapore at midnight – that's 3am Sydney local time – it just does not work for an 8.30am meeting the next morning," said Byron. "So, the global city of Sydney doesn't have a true overnight business flight to Singapore but Melbourne and Brisbane do."

Byron points out that the Canberra-Singapore flight's 11.30pm departure allows Sydney residents to book a 9pm flight to Canberra. This affords a full day's work and dinner with their family before connecting with the overnight SQ292 flight to Singapore.

“They no longer have to go to Brisbane or Melbourne,” said Byron. “They can now do it out of Canberra which is more convenient and saves them about two and a half hours compared to the alternative.”

Freight expectations

International flights to Singapore and Wellington also opens up enormous potential for freight exports from the Canberra region, with the 777 now carrying up to 20 tonnes of freight per flight from Canberra.

Part of the planning to harness this opportunity came with the airport hosting the Canberra Region International Freight Symposium on February 12, less than a month after the announcement from Singapore Airlines. The event was attended by primary producers and a range of businesses keen to embrace the opportunity of a direct air freight link to Asia, as well as then Commonwealth Minister for Trade and Investment, Andrew Robb, ACT Chief Minister Andrew Barr and NSW Minister for Transport and Infrastructure Andrew Constance.

“When we started planning the freight symposium, we didn’t know that we would have Singapore Airlines flying internationally out of here in September,” said Byron.

“There are all these interesting synergies behind the growth of a freight business. There is a huge amount of freight that drives from the Riverina and the south coast right past Canberra to get to Sydney Airport. And rather than a 3pm or 4pm cutoff in Sydney,

there is a 9pm cutoff in Canberra to meet the 11.30pm departure.”

As one example, oyster farmers on the NSW South Coast could quite easily harvest their last oysters at 4pm, have them loaded on a truck and driven up to Canberra for loading on to the overnight flight. The next morning, the Boeing 777 lands the still fresh oysters in Singapore at around 6am ready to be delivered into market that day or to connect with other flights into Asia.

“So the region’s oysters, cherries or lamb could be on the plate, if not for lunch then certainly for dinner,” said Byron. “That type of speed to market creates value and reinforces the reality of our food brand being fresh, clean, healthy, and grown under blue skies and with the freshest quality water. And for the restaurants and hotels throughout the major cities in Asia that is significant in terms of being attracted to purchasing the product.”

Byron pointed to Cathay Pacific’s October 11 announcement of a weekly

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◀ The arrival of Singapore Airlines adds some variety to Canberra’s otherwise predominantly domestic airliner traffic mix.

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freighter service from the new Brisbane West (Wellcamp) Airport to Hong Kong from November as a sign that airlines and exporters are looking for alternatives to the larger metropolitan and sometime curfewed airports.

“Our view is there will be a freight hub or there will be dedicated international freighter services operating into and out of Canberra in the medium term,” he stated. “Part of that is a bit of displacement from Sydney, but part of it is it’s just easier to operate to a non-curfewed airport as well. The relevance of Wellcamp is they are not subject to the bilateral agreements. And nor is a freight aircraft subject to the bilaterals when they operate into Canberra.”

On your way

Like the lack of a curfew, ease of access is another selling point for Canberra Airport, as evidenced by Singapore Airlines’ early experiences.

“Singapore Airlines has been amazed at how quick it is to get into Canberra Airport,” said Byron.

“Part of that is the air traffic routing out at 30 to 50 nautical miles coming into Canberra where they don’t get delayed. They land without delay and they taxi efficiently to the gate. Certainly at this time of year planes that are coming from Singapore to Sydney and the east coast do run a bit ahead of time. We are also running ahead of time coming back from Wellington. We are running more ahead of time than Sydney because naturally airlines factor in delays around airports and they’re not getting them here.”

And that punctuality, coupled with the speed with which the passengers are processed through border controls means those seated at the pointy end of the 777 arrive at the baggage carousel well before their bags do.

“The first people that get processed have the longest wait for the bags, whereas the last person that gets processed doesn’t have to wait,” said Byron. “In the first two weeks of the services there were some sequencing issues around taking the baggage canisters off the aircraft. That has been significantly addressed.”

Then with bags in hand, passengers can walk 300 metres from the doors of the terminal to the new four and a half star Vibe hotel (which is jointly Australian and Singapore-owned), or alternatively, getting from the airport into the city is an easy 10-minute

drive thanks to an efficient road network around the airport that was substantially upgraded ahead of the new terminal's opening.

"We funded half of the external road infrastructure and what that delivered us was a great separated intersection," said Byron.

"We have got two lanes of traffic that leave the airport which merge with two other lanes so it creates four lanes of traffic that goes in towards the city. Many other airports including Sydney only have two lanes of traffic in total after the merge or beyond the intersection, and you realise how underdone that is and yet how important it is for us to have that capacity and have the right long-term solution for traffic access into and out of the airport."

Ease of access has been further facilitated with Canberra Airport welcoming the popular ridesharing platform Uber to the range of ground transport options available to passengers on June 20. "This is the first time an airport in Australia has reached an agreement with Uber," said Byron.

"We have not only an agreement with Uber, but we have the world's first and best Uber lounge which is right out the front of the terminal. People can wait in air-conditioned and heated comfort, watch the television and make a cup of tea while they wait for the vehicle, which is in reality only three or four minutes away anyhow."

Byron said he looks forward to offering the airport's passengers other innovative ground transport options in the future.

"At the end of the day, we are a customer-centric service business and our customers want to use Uber and get provided with an alternative to the standard taxi network, particularly when there are insufficient taxis at the airport," said Byron.

"Careful planning went into the new terminal around what future ground transport might look like and our investment ahead of time means we can appropriately accommodate different modes of transport."

As for more traditional modes of transport, good freeway access also puts Sydney's southern and western suburbs within easy reach along the Federal and Hume highways.

"That road between here and western Sydney is a tremendous asset for us all," said Byron. "That means in some ways we're almost closer to western Sydney than Sydney Airport –

certainly on a bad day."

Meanwhile, a bad day at Sydney Airport, particularly when crosswinds reduce operations to a single runway, can, as with the rest of the Australian network, cause delays at Canberra.

"The reality is Sydney Airport needs to be given a break in terms of the very obstructive and constrictive constraints that are placed on it in terms of the curfew. That ought to be relaxed and reformed and similarly the issue of 80 movements an hour ought to be revisited too, particularly in the recovery from a weather event.

"There needs to be a range of measures because of the economic damage that causes, not just to the airlines' profitability but to the disruption of people who don't get home to their families or don't get to their business meetings because of that."

"If you schedule 80 movements an hour then that single runway system can only handle about 45 movements and that's problematic for all of us," said Byron. "It leads to many delays and diversions."

Fog

In winter Canberra Airport itself is no stranger to delays and diversions thanks to frequent morning fog.

The airport is currently equipped with a CAT I instrument landing system (ILS) on Runway 35 for approaches from the south. Canberra also has Required Navigation Performance precision approaches allowing low-visibility approaches from the north on to opposing Runway 17 for Boeing 737 NGs, providing greater flexibility to the airlines in low-visibility conditions, especially when the fog is thicker to the south of the airport on the approach to Runway 35.

In early 2012 Airservices Australia undertook a major upgrade of the ILS to make it more accurate and reliable.

"This has already had a big impact on reducing fog delays," said Byron.

"The upgrade lowered the decision height of the approach. By April next year, we will be able to offer aircraft with a Special Cat II ILS and in 2018 we will have a full CAT II system installed. We have worked with the Civil Aviation Safety Authority (CASA), the major airlines and the RAAF to achieve further reductions in the ILS decision height for some passenger jet aircraft now to as low as 200ft above ground with 550 metres of forward visibility."



Top – Canberra Airport CEO Stephen Byron. Above – the terminal's spacious atrium greets passengers after they pass through security screening. CANBERRA AIRPORT GROUP

Not without pain

Another challenge Canberra Airport faced was a long-running battle with the developers of a proposed major housing estate at Tralee, 12km directly south of the airport across the NSW border and right under the extended centreline of the airport's main runway, which has all but gone away.

The 15-year long battle with the Village Building Company came to a head in late 2012 when the NSW Government approved in part the rezoning of land at Tralee for residential development. The decision was made that residential development would not be permitted at Tralee within the Australian Noise Exposure Forecast (ANEF) 20 contour, while development outside the ANEF 20 contour will require aircraft noise attenuation.

All sales contracts for houses at

GA activity at Canberra Airport is not what it once was. PAUL SADLER



the Tralee estate would include a legal clause saying: “This land is subjected to aircraft noise at any time by the 24 hour a day, 7 day a week passenger, freight and defence aircraft flight operations arriving and departing Canberra Airport. The frequency of aircraft movements and the size of aircraft are forecast to increase indefinitely into the future. It is the responsibility of landowners to noise attenuate their property to ensure their amenity as Canberra Airport will remain curfew free.”

“If people build their houses there, they are formally and clearly on notice and have signed acknowledgements that they are living with aircraft noise exposure,” said Byron. “And they are not to complain about it. It’s locked in now, written into our master plan, that for the life of the airport lease,

which is until 2097, this airport will not be curfewed. And indeed, it is a key government policy in terms of the capital city national airports that Canberra remains uncurfewed because of its importance in servicing Sydney.”

Indeed the airport is keen to highlight the role it can play in supporting Sydney Airport and serving southern NSW.

“We are a wonderful second airport for Sydney Airport,” said Byron. “Part of that relates not only to the international passenger opportunity but the development of direct freight exports out of here revolves around the global city of Sydney and its airport capacity.”

A unique mix

Canberra has long seen a diverse traffic mix. While Singapore’s 777s add variety

to the airport’s stable of domestic 737, 717, ATR and Dash 8 airliners, the national capital’s airport (and former RAAF Base) also hosts the Fairbairn Defence Establishment, home of the RAAF’s VIP/government transport unit, 34 Squadron, with its BBJs and Challenger 604s. Foreign heads of state and government are also regular visitors to Canberra, seeing the airport handle a range of government and military VIP aircraft.

Other occasional visitors include aircraft diverting from Sydney due to weather. Canberra is the only curfew-free and 747/A380-capable airport between Melbourne and Brisbane.

Less common than it once was is general aviation activity, although Byron notes there have been some positive developments.

“GA continues to be healthy particularly in the rotary wing space where we have seen some recent growth with Canberra Helicopters starting here earlier this year,” he said.

“We are continuing to see moderate growth in GA as people are interested in flying. Unfortunately, due to the airport becoming busier at peak periods, over the last decade we have seen the flying school operations reduce. But that is a logical result of individual pilots who are training not wanting to be paying the hourly rate for hiring the aircraft and for an instructor then having to wait for the RPT aircraft to land.”

Capital growth

Canberra Airport seems to have now weathered the worst of a domestic traffic decline after federal government cutbacks in public servant travel – total traffic movements at the airport peaked at 3.25 million in 2009-10 with 2015-16 recording the airport’s first year of traffic growth since then.

The August 22 announcement of the return to Canberra of Tigerair Australia with daily return flights to Melbourne from December 9, along with Singapore Airlines’ launch of international services, point to a new interest in the growth potential of Canberra.

Those new services, and awards such as being named as the Capital City Airport of the Year for 2013 by the Australian Airports Association and Australian Business Traveller’s Best Australian Airport 2015 are a testament to the vision the Snow family has had for the airport’s potential. **A**

Public art, like these kangaroo sculptures, is a feature of Canberra Airport. CANBERRA AIRPORT GROUP