

01. INTRODUCTION





As the entrance to Western Australia, Perth Airport plays a vital role in driving Western Australia's economy and lifestyle choices.



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At least every five years, Perth Airport develops a Master Plan with an Environmental Strategy to comply with the Commonwealth *Airports Act 1996*. The Master Plan outlines our development plans for a 20 year planning period.

1.1 Perth Airport

Perth Airport is the premier international and interstate gateway to Western Australia. It operates 24 hours a day, seven days a week, and is a vital public-transport infrastructure facility. Australia's fourth-largest airport in terms of passenger numbers; Perth Airport is strategically located for South-East Asia, Europe and Africa.

Perth Airport is located 12 kilometres east of Perth's Central Business District (CBD) and integrated with other transport infrastructure including the Kewdale rail freight facility, major highway networks and, via these roads, the Port of Fremantle. The location of Perth Airport in relation to the Perth metropolitan region is shown in Figure 1.1.

Perth's metropolitan community is inextricably linked to its airport. The relative isolation of Perth as an Australian capital city and the vast distances between major population centres make air travel and Perth Airport indispensable to the people of Western Australia, and to the State's economic, social and cultural development.

The growth of Perth is driven by Western Australia's emergence as a global resources centre, one which contributes 48 per cent of Australia's export income. This has spurred Perth's population growth to 1.9 million people, growth that is predicted to continue for the next 20 years, albeit at a lower rate of 2.1 per cent compared to recent growth rates of 3.5 per cent a year.

This growth has driven significant infrastructure development in Perth, especially new transport infrastructure. The State Government has committed to additional development, including the Forrestfield-Airport Link and the Perth Freight Link.

The freeway network development in the metropolitan area positions Perth Airport as the focal point of Tonkin Highway, which will eventually become a continuous freeway spanning north to south of the metropolitan area. Tonkin Highway will then mirror the existing Kwinana-Mitchell Freeway network which services the western portion of the metropolitan area and is focused on the Perth CBD.

Perth Airport is the biggest of four airports in the greater Perth metropolitan region. Jandakot Airport is the region's secondary airport and handles smaller general aviation traffic. It is located 16 kilometres south of the CBD and 19 kilometres south-west of Perth Airport.

The Royal Australian Air Force has two aerodromes in the region. They share airspace with Perth Airport but are not available for commercial aviation. RAAF Base Pearce Airport is 30 kilometres north of Perth Airport and RAAF Gingin is 54 kilometres north of Perth Airport.

The Perth Airport estate is 2,105 hectares in size and has sufficient land to support Western Australia's demand for commercial aviation services for many decades. This land can also be used for commercial and industrial purposes.

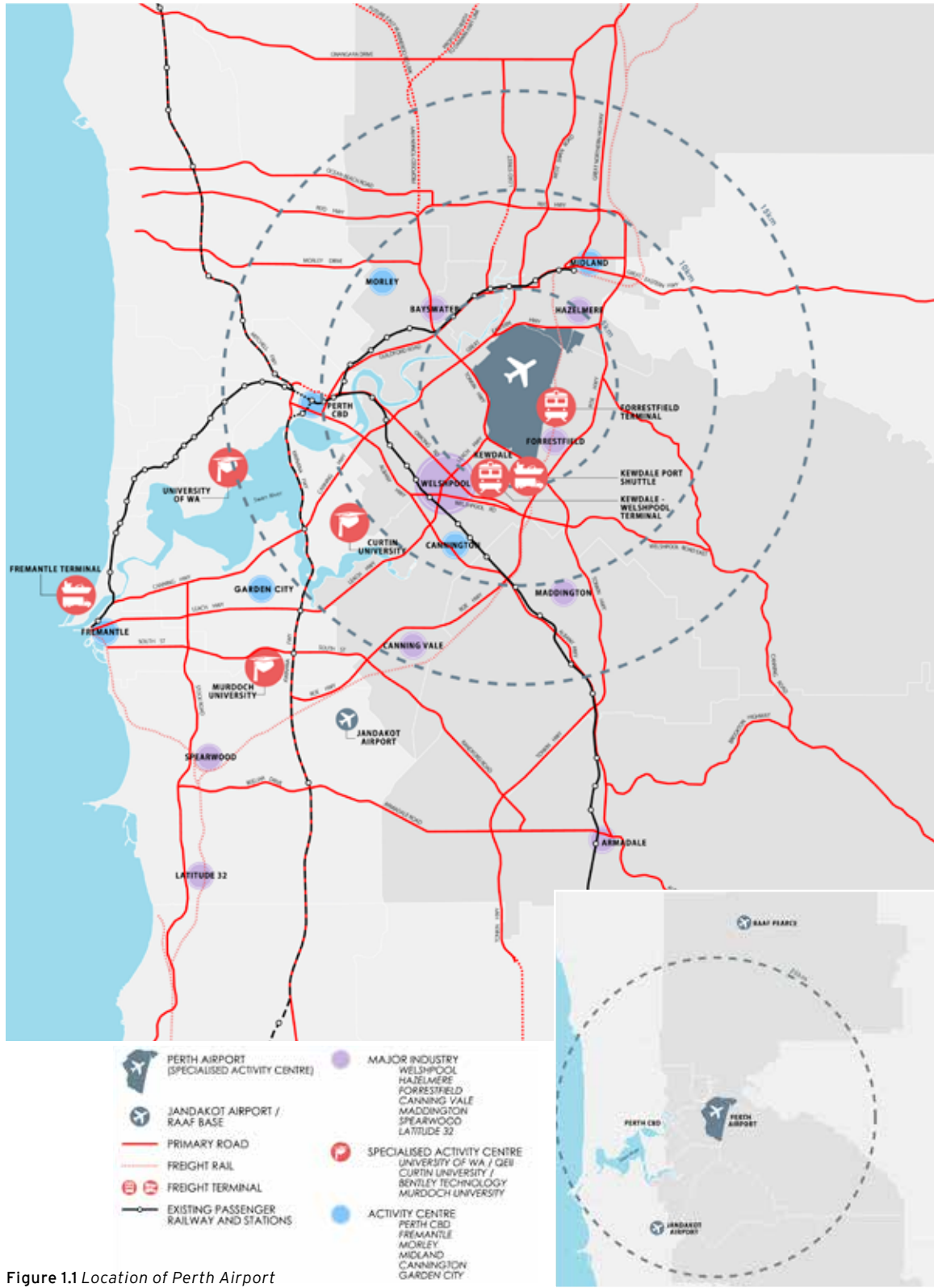


Figure 1.1 Location of Perth Airport

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1.2 Ownership of Perth Airport

In 1997, the operation and management of Perth Airport was transferred from the Commonwealth of Australia to Westralia Airports Corporation (WAC) under a 50-year lease with a 49-year option for extension. In 2011, WAC changed its trading name to Perth Airport Pty Ltd.

Although the day-to-day management of Australian capital city airports was privatised in the 1990s, the Commonwealth Government continues to play an important regulatory and oversight role through the *Airports Act 1996* (the Act) and associated regulations. This statutory regime ensures that the public interest is protected.

Perth Airport is operated by Perth Airport Pty Ltd, a wholly-owned subsidiary of Perth Airport Development Group Pty Ltd (PADG). The shareholders of PADG, as at October 2014, are shown in Table 1.1

SHAREHOLDER	PERCENTAGE OWNERSHIP
Utilities of Australia Pty Ltd ATF Utilities Trust of Australia (UTA)	38.3 per cent
The Northern Trust Company (TNTC) in its capacity as custodian for Future Fund Investment Company No.3 Pty Ltd (FFIC3), a wholly owned subsidiary of The Future Fund Board of Guardians (FFBG)	29.7 per cent
Utilities of Australia Pty Ltd ATF Perth Airport Property Fund (PAPF)	17.3 per cent
The Private Capital Group Pty Ltd as trustee of the Infrastructure Fund	4.3 per cent
AustralianSuper Pty Ltd	5.0 per cent
Citicorp Nominees Pty Ltd as custodian for Commonwealth Bank Officers Superannuation Corporation Pty Ltd as trustee for Commonwealth Bank Group Super	3.2 per cent
Sunsuper Pty Ltd	2.2 per cent

Table 1.1 Shareholders of Perth Airport Development Group Pty Ltd as at October 2014

Source: Perth Airport Pty Ltd

› Perth Airport estimates that approximately 80 per cent of its shares are held for the benefit of Australian superannuants and Australian citizens.

1.2.1 Perth Airport Lease

Perth Airport is the lessee of the 155 lots of land that comprise the approximately 2,105 hectares which make up the airport estate. The airport estate boundary is shown in Figure 1.2.

An essential term of the lease is that the lessee must comply with all legislation relating to the Airport site, including the Act. Perth Airport's substantial program of investment in aviation infrastructure is consistent with the company's obligations to expand the airport's capacity to meet demand, while providing acceptable levels of service to airlines and passengers.

The lease not only requires that Perth Airport operates the airport estate as an airport it also allows non-aviation development that supports the economic viability of Perth Airport.

Although there have been no lease boundary changes since the Master Plan 2009, Perth Airport is in the process of minor land acquisition, disposal and some minor land swaps with State and Local governments in consultation with the Commonwealth Department of Infrastructure and Regional Development (DoIRD).

The New Access Roads - Gateway WA Major Development Plan also outlines the land-swap involved in the delivery of the Gateway WA project.



Figure 1.2 Aerial photograph of Perth Airport estate 2014
Source: Perth Airport Pty Ltd

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THE HISTORY OF PERTH AIRPORT IN PHOTOS





1.3 History of Perth Airport

Western Australia can claim to be the birthplace of civil aviation in Australia: it was where the nation's first significant flight took place, in 1911, and it had the earliest and largest civil aviation network of any State. The State therefore has a long history of enjoying the benefits of air travel, and Perth Airport has played a major role in this history.

Perth Airport has been the major focus of civil aviation in Western Australia for the past 70 years, almost since the day in May 1944 when an Australian National Airways DC-3 took off for Adelaide from what was still an RAAF base. It was known back then as Guildford Aerodrome, and was officially renamed Perth International Airport in 1952.

1.3.1 Pre-European

Leading archaeologists date Aboriginal activity in the Perth area to around 40,000 years ago. The land on which airport estate is located forms part of the traditional network of communication routes, meeting places and camping sites of the Noongar people. A number of archaeological and ethnographic sites have been identified on the airport estate. As the Traditional Custodians, the Noongar people maintain a strong interest in the land use of the airport and its management.

1.3.2 Early Airport Development

In 1938, South Guildford was selected as the site of Perth Airport. Four years later, in early 1942, the land was converted from the Dunreath Golf Course and market garden to an RAAF base that operated until the end of World War II in 1945. Before this, Maylands Aerodrome was Perth's primary aviation base.

In 1943, the first runway was built for RAAF fighter aircraft by Western Australia's Main Roads Department, with a second strip laid down a year later. In 1944, the Government agreed to allow Australian National Airways Pty Ltd (ANA) and Qantas to operate from this site because Maylands had become too small for their larger commercial aircraft.

In March 1953, the new international terminal at, what is now called Perth Airport was built from second-hand wartime materials at a cost of £180,000. In 1962, the main domestic airlines moved out of their individual hangars into the first combined domestic and international terminal, which was opened to coincide with that year's British Empire and Commonwealth Games hosted by Perth.

1.3.3 Major Airport Expansion

In 1979, a Joint State/Commonwealth Working Group confirmed the Perth Airport site as the sole Regular Public Transport Airport for the Perth region and began compulsory land acquisition.

In November 1980, the Commonwealth Transport Minister announced a new international terminal would be built in Perth and in 1982; a Provisional Master Plan was published including a Draft Environmental Impact Statement. This Master Plan was published in 1986 and provided for a parallel runway, referred to in this document as the new runway (O3R/21L).

On 25 October 1986, the Prime Minister opened the \$60 million International Terminal Complex on the eastern side of the airport, complete with a new air traffic control tower.

The Federal Airports Corporation (FAC) was formed in 1988 to manage Australia's largest and busiest civilian airports as a self-funding commercial entity. In 1992, FAC continued compulsory acquisition of land for the long-term development of the Perth Airport site.

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1.3.4 Post Privatisation

In 1997, control of Perth Airport was transferred to Westralia Airports Corporation (WAC) under a 50-year plus 49-year option leasehold as part of the first phase in the privatisation of Australian airports.

The Commonwealth Minister for Transport and Regional Services approved the Perth Airport Environment Strategy in August 1998 and the Perth Airport Master Plan 1999 in 1999. A revised Master Plan 2004 was approved on 10 August 2004.

The current Perth Airport Environment Strategy 2009-2014 was approved on 15 September 2009 and the current Perth Airport Master Plan 2009 was approved on 2 November 2009. To align the Master Plan and Environment Strategy, the Commonwealth Minister for Infrastructure and Regional Development approved an extension of the Environment Strategy 2009-2014 under Section 86A of the Act.

1.3.5 Airport Development

Perth Airport has made significant investments in both aviation and non-aviation-related development over the past six years, as shown in Figure 1.3.

1.3.5.1 Aviation Development

In May 2008, Perth Airport released its Vision for the Future which described that, through a staged major redevelopment, all commercial air services would be consolidated in new facilities around the site of the existing International Terminal (T1). This is referred to as the Airport Central Precinct, as shown in Figure 1.4.

During FY11, Perth Airport fully committed to the first stage of the consolidation plan with its privately funded \$1 billion capital investment program. All projects in this first stage of redevelopment are now either completed or under construction. The major projects in this program are summarised overleaf.

Perth Airport anticipates the final stage of consolidation of all commercial air services will occur early 2020s, when new facilities are constructed in Airport Central for Qantas Airways Group operations.

PERTH AIRPORT CAPITAL EXPENDITURE SINCE 2009

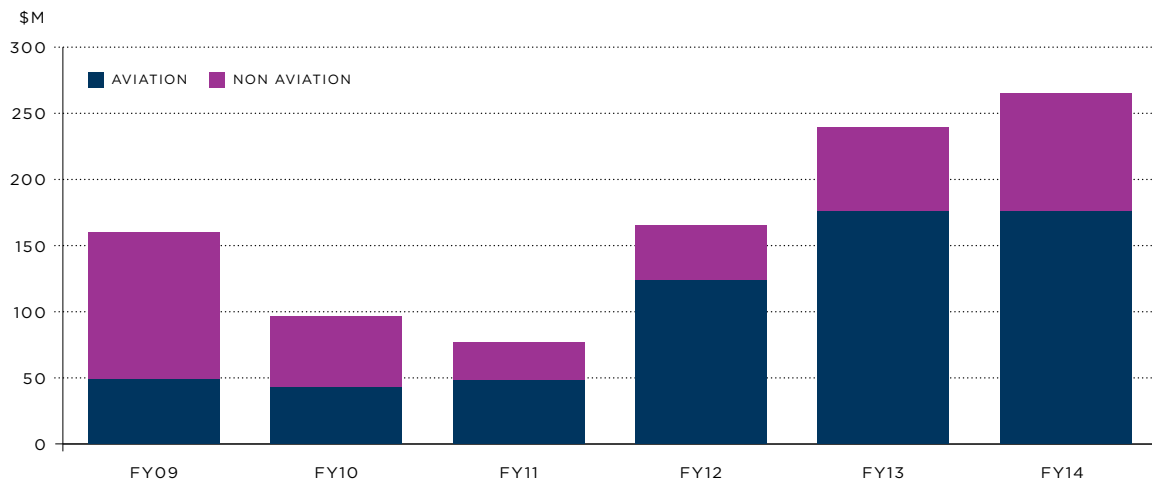


Figure 1.3 Perth Airport capital expenditure since 2009

Source: Perth Airport Pty Ltd



Figure 1.4 Vision for the future - consolidation to the Airport Central Precinct
Source: Perth Airport Pty Ltd

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PERTH AIRPORT CAPITAL INVESTMENT PROGRAM OF MAJOR PROJECTS



PROJECT

New Domestic Terminal (T2)

T2, which opened in March 2013 next to T1, marked the first stage of consolidation when Alliance Airlines, Virgin Australia Regional Airlines (formerly Skywest) and Tigerair relocated from Terminal 3 (T3) into T2.

T2 has a gross floor area of approximately 21,500 square metres and aircraft parking for up to 36 aircraft.

VALUE

\$121 M



PROJECT

Terminal 1 (T1) International Arrivals Expansion

Transformation of the international arrivals experience, including substantially expanded and enhanced customs, baggage reclaim, biosecurity and duty free retail areas. The first stage opened in November 2013, with full completion expected in late 2014.

VALUE

\$80 M



PROJECT

T1 International Departures Upgrade

Outbound immigration, passenger security screening and retail areas are being expanded and renewed, with the project expected to be completed in 2015.

VALUE

\$41 M



PROJECT

T1 Domestic Pier and International Departures Expansion

The T1 Domestic Pier and International Departures Expansion project, which is currently under construction, incorporates new domestic facilities and expansion of the international departures area. Virgin Australia's domestic operations will relocate into the T1 Domestic Pier, marking the next step in consolidation.

VALUE

\$338 M



TOTAL AVIATION INVESTMENT OVER THE LAST 5 YEARS IN EXCESS OF

\$1 Billion

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1.3.5.2 Non-Aviation Development

Perth Airport has undertaken significant investment in commercial and industrial property development. Perth Airport currently hosts more than 120 individual tenants, with potential for further expansion. It is recognised as a prime location for transport, logistics and resource-sector companies because it gives efficient access to multiple transport modes, coupled with high safety and security standards.

The close proximity of the airport estate to Perth CBD is attractive to current and potential tenants, and has

recently resulted in significant growth in non-aviation related business.

This is consistent with the State Government's planning policies for Perth that identify Perth Airport as an Activity Centre, and specifically a 'Specialised Centre' within the 'Directions 2031 and Beyond' planning framework, the 'Economic and Employment Land Strategy' (2012), and 'SPP 4.2 Activity Centres for Perth and Peel'.

Table 1.3 outlines the various aviation and non-aviation-related developments that have been completed during the term of the Master Plan 2009.

NON-AVIATION DEVELOPMENTS ON PERTH AIRPORT ESTATE





PERTH AIRPORT AVIATION AND NON-AVIATION DEVELOPMENTS BETWEEN 2010 AND 2014

PROJECTS COMPLETED IN 2010
Domestic Terminals (Terminal 3 (T3) and Terminal 4 (T4)) Forecourt Works and Fast Track Car Parking
T4 Domestic Apron Reconfiguration
Completion of Dunreath Drive - linking T3 and T4 with the Airport Central Precinct
Rio Tinto Echo 1 Office Building
Kewpoint/Worldlink Warehouse ²
Patricks Autocare Warehouse
Awesome Aviation Hangar ²
Maroomba Airlines Terminal and Hangar
Manhiem Fowles Vehicle Storage Facility ²
PROJECTS COMPLETED IN 2011
Terminal 1 (T1) Extension of Existing General Service Equipment area
General Aviation subdivision Taxilane Romeo
Main Runway 03L/21R Resurfacing
Gate 1 Airside facility
T3 Extension of Car Rental Storage area
Sugarbird Lady Drive Upgrades
Domestic Terminal Precinct Existing Car Parks Extension
Public Viewing Area
SCF Containers International Pty Ltd Facility
Kleinig Avenue/Fauntleroy Avenue/Bungana Street Roundabout Intersection
New Aviation Rescue and Fire-Fighting Station ²
T1 Apron Works and Standoff Area
T1 Finishes replacements
T1 Arrivals Stage 1 - Inbound Processing Refurbishment
General Aviation Parking bays - Taxiway Romeo
T1 Forecourt works
Horrie Miller Drive Whitlam Road and Colquhoun Resurfacing
T3 Phase 1 Expansion

¹ Project delivered by the Gateway WA Alliance with funding from the WA Government and the Commonwealth Government.

² Project delivered by third parties.

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PROJECTS COMPLETED IN 2012

Tonkin Highway/Dunreath Drive Signalised Interchange
New Perimeter Security Solution
Domestic Long Term Parking Expansion
Horrie Miller Drive Landscaping Improvements
T3/T4 Forecourt Development
Airfield Taxiway Improvements
T3 Virgin Australia Lounge Expansion
Taxiway Romeo Apron
T1 Relocation of Taxi Rank, Bus Bays and Car Rental Parking
Taxiway Whiskey rebuild
Airflite Hangar, Workshop, Offices and Apron ²

PROJECTS COMPLETED IN 2013

Terminal 2 (T2)
T1 Long Term Car Park G Park and Ride Facility
Taxiway Romeo Apron
T3 Apron Reconfiguration
T3 Arrivals Baggage Reclaim Upgrade
T3 Arrivals Walkway Extension
Rio Tinto Echo 2 Office Building
Roy Hill Headquarters Building ²
Rand Office and Warehouse ²
Fairland View - 3 x Office and Warehouses ²
Taxiway Resurfacing Program
T4 Stand-Off parking positions and 700 Bays
Co-generation Facility
T4 Qantas Lounge Expansion ²



WORKS IN PROGRESS IN 2014
Domestic Pier Extension of T1
T1 International Arrivals Expansion
T1 International Departures Expansion
T1 International Departures Upgrade - Level 1
Gateway WA Abernethy Road Link to Tonkin Highway ¹
Gateway WA Horrie Miller Drive/Tonkin Highway Interchange ¹
Gateway WA Leach Highway/Tonkin Highway Interchange ¹
Gateway WA Dunreath Drive/Tonkin Highway Interchange ¹
Airport Drive construction
Siemens Office/Warehouse
Australian Federal Police Building
T1 Forecourt Roads
T1 Short Term Parking Expansion
T2 Bus and Taxi Facilities
General Aviation Terminal Car Park Expansion
T3 Departures Area Expansion
T3 Security Screening Area Reconfiguration and Expansion
Bravo Office Building
Munday Power station
T3 Phase 2 Expansion
A380 Fillets and Blast Protection
Construction of Taxiway Charlie Extension

Table 1.2 Perth Airport aviation and non-aviation developments between 2010 and 2014

Source: Perth Airport Pty Ltd

¹ Project delivered by the Gateway WA Alliance with funding from the WA Government and the Commonwealth Government.

² Project delivered by third parties.

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1.4 Benefits of Perth Airport

Perth Airport provides numerous economic, social and cultural benefits to West Australians by connecting their communities to critical services. This not only strengthens cultural, family and social ties, but also supports tourism and leisure. Most importantly, Perth Airport plays an essential role in economic development by providing transport services for companies, and supporting them to undertake their operations, service their customers and grow their businesses.

Central to providing these benefits are the activities of Perth Airport, airlines and the State Government in expanding both the range of destinations that can

be accessed directly from Perth and the number of flights.

More than 30 airlines operate services from Perth Airport, reaching around 50 intrastate, interstate and international destinations. The intrastate, interstate and international destinations served by Perth Airport are shown in Figures 1.5 and 1.6, respectively.

In preparing this Master Plan 2014, Perth Airport commissioned ACIL Allen Consulting to undertake a detailed analysis of the economic and social impacts and benefits of Perth Airport, both today and after the implementation of the proposed plans as outlined in this Draft Master Plan 2014.





Figure 1.5 Perth Airport Intrastate and Interstate services, October 2014
 Source: Perth Airport Pty Ltd

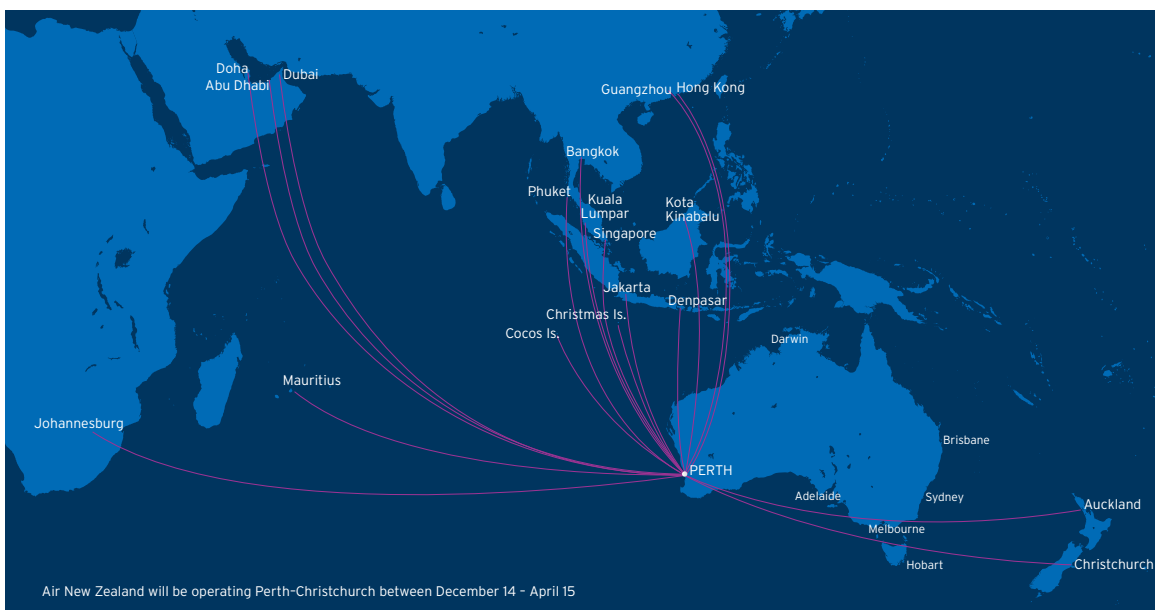


Figure 1.6 Perth Airport International services, October 2014
 Source: Perth Airport Pty Ltd

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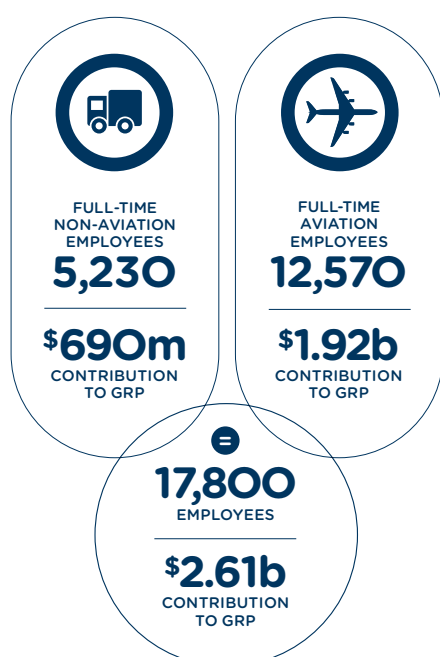
1.4.1 Benefit of operating 24 hours, seven days a week

Perth Airport operates 24 hours, seven days a week, providing an essential link for business and leisure travel, and meeting the needs of:

- regional communities and the resource sector,
- interstate domestic travel, and
- international access to multiple global hub airports.

Maintaining operational flexibility is critical to supporting Western Australia's economy. Perth Airport is part of a national and global aviation network and, as such, flight times and schedules are not directly controlled locally. The viability of many of Perth's international air services depend on linking with connecting networks through hub airports, such as Dubai and Singapore. Any restrictions on the operations of Perth Airport would lead to a significant loss of air services, which may result in a reduction of service levels and a possible increase in the cost of flying for community members and businesses.

International aircraft seats are the lifeblood of the State's international tourism business and the many jobs directly and indirectly generated by that industry. The reduced level of international air



services that would arise from restrictions on Perth Airport would therefore have profound impacts on tourism and all those who depend on that industry. Perth Airport acknowledges that there are communities which are affected by the 24 hour operation of the airport; however this impact is balanced against the broader community and economic benefits that arises from these operations. Perth Airport's commitment to aircraft noise management is outlined in Section 7.

1.4.2 Economic Impact of Perth Airport

Perth Airport is a major centre of employment in the Perth metropolitan region, and currently employs (directly and indirectly) an estimated 12,570 aviation-related full-time employees who contribute \$1.92 billion to the gross regional product (GRP). The number of non-aviation related full-time employees is estimated at 5,230, and they add approximately \$690 million to the GRP. Perth Airport's direct contribution of economic activity to the Western Australian economy is about 0.6 per cent of gross state product (GSP).

AVIATION AND NON-AVIATION	FULL TIME EMPLOYMENT	ANNUAL ADDING VALUE TO GRP
Aviation (direct and indirect)	12,570	\$1.92 billion
Non-aviation (direct and indirect)	5,230	\$690 million
Total	17,800	\$2.61 billion

Table 1.3 Current annual economic impact of Perth Airport
Source: ACIL Allen Consultancy, 2014

The aviation activities at Perth Airport also generate additional benefits for Perth and Western Australia from the tourism spending by domestic and international visitors who arrive by air. There were 1.14 million domestic interstate overnight visitors to Western Australia in the year ending 30 September 2013 according to Tourism Research Australia. Of these, 992,000 (87 per cent) used air transport.



They spent about \$2.45 billion in Perth and about \$2.5 billion in regional Western Australia (including airfares).

For international visitors, data collected by Tourism Research Australia show there were approximately 727,800 international visitors to Perth and 768,500 international visitors to Western Australia in the year ending 30 September 2013. These international visitors spent approximately \$2.27 billion in the State, of which around \$1.92 billion was spent in Perth.

Spending by domestic and international tourism enabled by Perth Airport generated approximately 41,400 direct full-time employees, adding direct value to the GRP of approximately \$3.68 billion per year. When direct and indirect figures are taken into account, this spending generated a total of approximately 59,800 full-time employees and added a total value to the GRP of approximately \$6.16 billion per year.

TOURISM ENABLED	FULL TIME EMPLOYMENT	ANNUAL ADDING VALUE TO GRP
Direct Value	41,400	\$3.68 billion
Indirect	18,400	\$2.48 billion
Total	59,800	\$6.16 billion

Table 1.4 Current annual tourism enabled economic impact of Perth Airport

Source: ACIL Allen Consultancy, 2014

The effectiveness and success of the Western Australian resource sector, which represents 40.7 per cent of Australian Annual National Income, is critically dependent on the fly-in fly-out (FIFO) system of employment resourcing.

Many FIFO flights take resource-sector workers from their homes in Perth and interstate to their place of work at times determined by their employers. The Chamber of Minerals and Energy Western Australia (CMEWA) estimates the number of direct employees in the Western Australian resource sector was approximately 143,000 at May 2013. CMEWA also estimates that FIFO workers account for 55 per cent of the resource sector workforce in Western

Australia, with the majority of these workers coming from the Perth and Peel regions.

Perth Airport estimates that the impact of resource-sector FIFO accounts for approximately 77 per cent of all intrastate passengers, the majority of these being regular FIFO employees.

A Minerals Council of Australia-commissioned report ('Analysis of the Long Distance Commuter Workforce Across Australia', March 2013) found that, although the majority of FIFO employees undertake intrastate commutes, the rate of interstate commuting has increased. The longer haul routes (e.g. from Brisbane and Sydney to the Pilbara) have seen significant growth between 2006 and 2011 (407 per cent and 729 per cent, respectively) albeit off a smaller base.

Aviation through Perth Airport also facilitates other economic benefits in the wider economy and society that would not take place, or would be smaller, if there was no aviation.

Day-return or overnight business trips, short leisure trips (for example, long weekends) and urgent freight deliveries would all be difficult or logistically impossible without aviation. Aviation results in lower transport costs (after allowing for the value of time) as well as improvements in transport quality.



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1.4.2.1 Future Economic Impact

Taking into consideration the developments proposed in the first five years of the Draft Master Plan 2014 it is forecast that by 2019 the total (i.e. direct and indirect) number of aviation-related full-time employees will be approximately 16,000, accounting for approximately \$2.59 billion of GRP at 2011/12 prices. The total number of non-aviation-related full-time employees is forecast to be approximately 7,860, contributing approximately \$1.1 billion to the GRP.

In 2019, the spending by domestic and international tourism enabled by Perth Airport is forecast to generate approximately 82,400 full-time employees, adding value to the GRP of approximately \$8.78 billion per year.

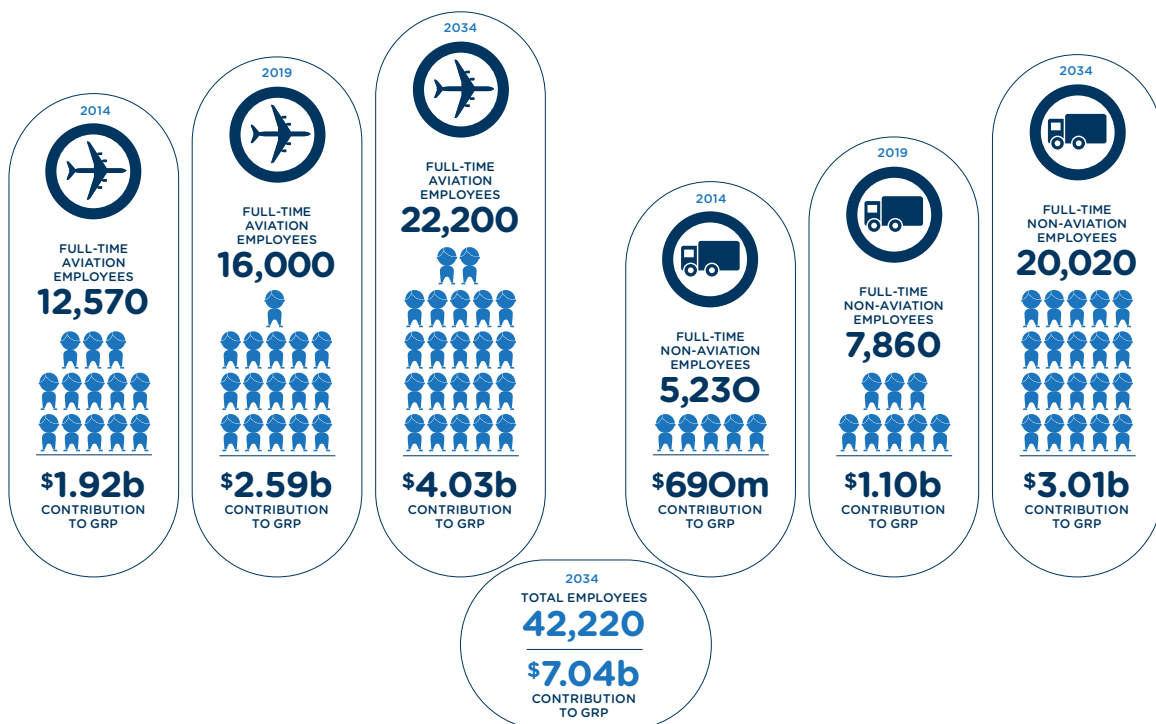
Taking into consideration the proposed developments over the 20 years of the Draft Master Plan 2014, it is forecast that by 2034, the total (direct and indirect) number of aviation-related full-time employees will be approximately 22,200, accounting for approximately \$4.03 billion of GRP at 2011/12

prices. The total number of non-aviation related full-time employees is forecast to be approximately 20,020, contributing to the GRP approximately \$3.01 billion.

In 2034, the spending by domestic and international tourism enabled by Perth Airport is forecast to generate approximately 125,000 full-time employees, adding value to the GRP of approximately \$14.3 billion per year.

2019	FULL TIME EMPLOYMENT	ANNUAL ADDING VALUE TO GRP
Aviation (direct and indirect)	16,000	\$2.59 billion
Non-aviation (direct and indirect)	7,860	\$1.1 billion
Total	23,860	\$3.69 billion

Table 1.5 2019 Annual economic impact of Perth Airport
Source: ACIL Allen Consultancy, 2014





2034	FULL TIME EMPLOYMENT	ANNUAL ADDING VALUE TO GRP
Aviation (direct and indirect)	22,200	\$4.03 billion
Non-aviation (direct and indirect)	20,020	\$3.01 billion
Total	42,220	\$7.04 billion

Table 1.6 2034 Annual economic impact of Perth Airport
Source: ACIL Allen Consultancy, 2014

1.4.3 Social and Cultural Benefits of Perth Airport

The physical isolation of Perth, the size of Western Australia and proximity to South-East Asia place Perth Airport in the unique position of being a major contributor to the lives of Western Australians. Perth people rely on air transport more than most other Australians, they travel by air more frequently and over longer distances for work, education, recreation, health and to visit friends and relatives.

Without aviation, personal travel beyond about 300 kilometres would become more difficult. People would travel less, and part of the time away would be unproductive, travelling for long periods in cars, buses or trains. This would reduce the amount of personal 'connectivity' with friends and relatives; the ability to attend important family events; and the opportunity for holidays, as well as cultural and sports trips.

The development of the unique whole-of-state FIFO method of employment and services sourcing by the resource sector has largely been driven by the fact that Western Australia remains primarily a single-city State. The bulk of high-level services (including health, education, retail and recreational services) are located within the Perth metropolitan area. The unique feature of State development in a premier metropolitan city facilitates the development of major facilities enjoyed by Perth's residents and enables a large workforce to service diverse and remote operations around the State.

The role of Perth Airport is not confined to providing airport services: significant resources are also applied by Perth Airport, working with airlines and the State Government to expand available air services.

From FY08 to FY13, Perth Airport and the State Government continued to attract international airlines to Perth. As shown in Table 1.7, this has increased the number of international seats by 55 per cent and Perth has gone from 13 airlines operating to 12 ports to 18 airlines operating to 14 ports. The new services include:

- AirAsia X to Kuala Lumpur,
- Indonesia AirAsia to Denpasar,
- Virgin Australia to Phuket and Denpasar,
- The commencement of services to mainland China by China Southern Airlines, and
- Qatar Airways starting new daily services to Doha.

In addition to those services, new services in FY14 and FY15 that have been announced or commenced include:

- Scoot launching five services per week to Singapore in December 2013,
- Two seasonal Qantas services per week to Auckland in December 2013 and January 2014,
- Air New Zealand launching twice weekly seasonal services to Christchurch from December 2013 to April 2014, and
- Etihad commencing daily services to Abu Dhabi in July 2014.

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PORT	AIRLINE	2012/13		2007/08		PERCENTAGE CHANGE	
		SEATS	FLIGHTS	SEATS	FLIGHTS	SEATS	FLIGHTS
Auckland	Air New Zealand	100,570	347	71,108	303	41%	15%
Bangkok / Phuket	Thai Airways	106,007	349	82,675	261	28%	34%
Brunei	Royal Brunei	-	-	48,164	245		
Cocos / Christmas Island	Virgin Australia	25,476	204	-	-		
	National Jet	-	-	9,446	124		
Denpasar	Indonesia AirAsia	196,380	1,091	-	-		
	Jetstar	137,583	775	-	-		
	Garuda	126,615	783	96,459	620	31%	26%
	Virgin Australia	83,196	462	-	-		
	Ozjet	-	-	8,394	81		
	Qantas	-	-	27,888	166		
Doha	Qatar Airways	82,198	277	-	-		
Dubai	Emirates	296,100	921	239,241	732	24%	26%
Guangzhou	China Southern Airlines	42,830	157	-	-		
Hong Kong	Cathay Pacific	136,617	515	76,554	246	78%	109%
	Qantas	32,570	110	42,041	157	-23%	-30%
Jakarta	Jetstar	21,912	122	-	-		
	Garuda	486	3	20,657	206	-98%	-99%
	Qantas	-	-	24,696	147		
Johannesburg	South African Airways	94,732	359	68,602	268	38%	34%
	Qantas	-	-	2,700	6		
Kota Kinabalu	Malaysian Airlines	4,688	29	-	-		
Kuala Lumpur	Air Asia X	176,503	461	-	-		
	Malaysian Airlines	149,345	522	139,357	481	7%	9%
Manila	Philippine Airlines	2,496	16	-	-		
Mauritius	Air Mauritius	32,450	118	31,386	104	3%	13%
Phuket	Virgin Australia	44,820	249	-	-		
Singapore	Singapore Airlines	364,414	1,313	334,442	1,036	9%	27%
	Qantas	170,964	619	224,570	729	-24%	-15%
	Jetstar	71,573	398	-	-		
	Tigerair	68,760	382	69,120	384	-1%	-1%
Tokyo	Qantas	-	-	37,149	157		
Total		2,569,285	10,582	1,654,649	6,453	55%	64%

Table 1.7 Perth Airport international seat comparisons between FY07/08 and FY12/13

Source: Perth Airport Pty Ltd



1.4.3.1 Connectivity within Western Australia

Perth Airport is both the primary airport in Western Australia and the hub through which nearly all regional aviation is serviced.

Seven airlines currently operate intrastate services in Western Australia and they account for around 60 per cent of all flight movements through Perth Airport. Just under half are scheduled flights; the remainders are charter and general aviation flights.

There has been significant growth in regional aviation at Perth Airport over the past decade as shown in Table 1.8.

YEAR	TOTAL PERTH AIRPORT PASSENGERS (MILLION)	NUMBER OF WA REGIONAL PASSENGERS	PERCENTAGE OF TOTAL PASSENGERS
2003	5.4	211,000	3.9
2008	9.2	500,000	5.4
2012	12.6	628,000	4.9

Table 1.8 Regional aviation passenger growth at Perth Airport
Source: ACIL Allen Consultancy, 2014

Due to the remote location of many of Western Australia's resource developments, aviation plays an essential role in helping resource companies to attract and maintain staff who are prepared to be employed on a FIFO basis. The remote location of many resource developments means that, without aviation, many of these developments may become unviable.

Based on data from the State Department of Regional Development, population growth in regional Western Australia was high at around 2.7 per cent per annum over the five years to 2012.

The number of people living in regional Western Australia is expected to continue to grow at these levels. Perth Airport is vital for people living in these communities to gain access to medical care, education, legal and government services, and a range of cultural, sporting and recreational activities. Many people also combine these activities with maintaining contact with friends and family in Perth,

and taking advantage of retail offerings not available in small and remote communities.

In addition, air travel through Perth Airport links communities in regional Western Australia to the rest of Australia and the world and, to the largest extent possible, enables them to enjoy the same opportunities as Perth residents to engage with the rest of Australia and the world.

1.4.3.2 Connectivity with the rest of Australia

Perth Airport is the largest airport on the west coast of Australia and the key port of entry and departure for anyone arriving or departing from the State.

Reflecting this, domestic passengers make up the majority of passengers through Perth Airport. After a period of rapid growth in total airport passenger numbers during the past five years, domestic passenger numbers have remained a constant proportion of passengers at around 72 per cent in FY13. In absolute terms, the number of domestic passengers has risen from 7.1 million in FY09 to 9.9 million in FY13, representing an average annual increase of 8.3 per cent.

Given the vast distances to other Australian States, interstate air services are the only efficient passenger transport mode. In terms of population increase in Western Australia, interstate migration continues to provide an important contribution to Western Australia's population growth.

01. INTRODUCTION

1.4.3.3 Connectivity with the world

In FY13 there were 3.7 million international passengers through Perth Airport, representing 28 per cent of total passengers. International passengers at Perth Airport have grown at an average annual rate of 9.5 per cent during the past five years.

Figure 1.7 shows that Western Australians have a higher propensity for international air travel compared to all other Australian States. Factors contributing to this feature are the higher proportion of the State's population with overseas family ties, accessibility to high quality leisure destinations within Asia, and the nature of Western Australia's economy with its strong global connections.

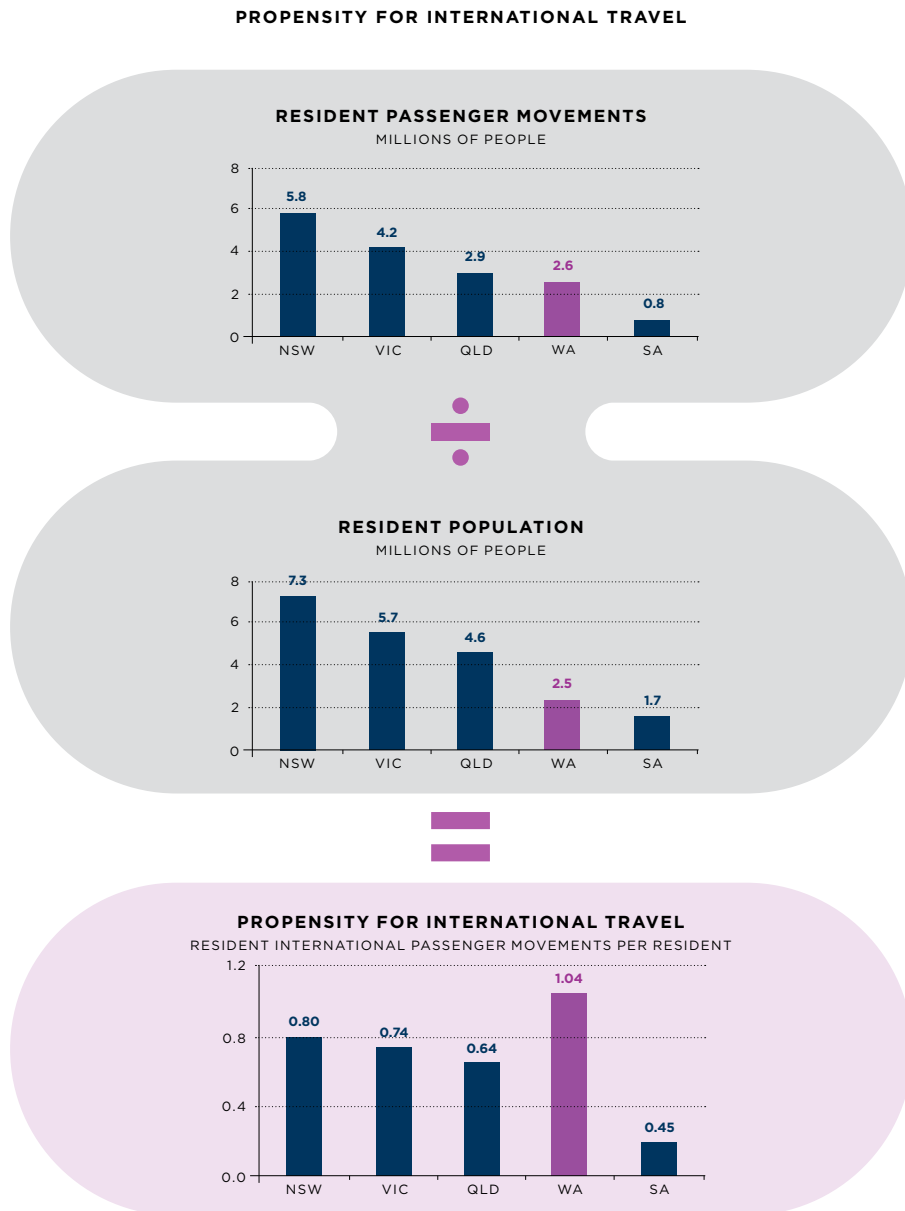


Figure 1.7 Western Australians' propensity for international air travel compared to other Australian states
 Source: Data sourced from BITRE (FY13) and ABS (CY12)



Western Australia has a higher share of people born overseas than any other State or Territory in Australia.

The 2011 Australian Bureau of Statistics (ABS) Census recorded that 33 per cent of Western Australians were born outside Australia compared to 26 per cent for the Australian population as a whole. This trend is even more pronounced for Perth where 37 per cent were born outside of Australia.

In 2008|09 over 44,000 people migrated to Western Australia. This number slowed in 2009|10, as a result of the more modest economic growth, to just under 29,000, but rebounded in 2011|12 to 47,000. This high rate of migration is due to the need for skilled employees to boost Western Australia's workforce and reflects a lifestyle choice, particularly for those joining family and friends already living in Australia.

Air transport provides the only practical means of transport by which residents can stay connected with families, friends and cultures in their place of origin. It is not only social and cultural ties that encourage overseas travel, Western Australia's proximity to South-East Asia means that countries such as Indonesia, Thailand and Malaysia have become popular holiday destinations.

1.4.3 Community Benefits of Perth Airport

Perth Airport is committed to the communities in which it operates and the Airport supports a wide range of activities that assist community groups, not-for-profit organisations as well as larger charity organisations.

Perth Airport's Community Partnership Program is a grass roots program that provides funding for initiatives with a focus on Youth and Education, Community and Culture, and the Environment. In FY13, Perth Airport provided over \$130,000 in funding through the Community Partnership program, in addition to over \$400,000 to other charity groups.

2008|09
44,000
migrations
to Western
Australia



2011|12
47,000
migrations
to Western
Australia

