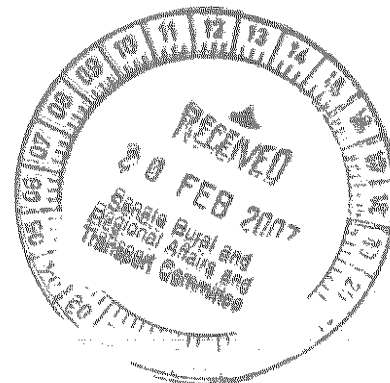


NM:mm
Our ref: GRO:TRAF

15 February 2007

Ms Jeanette Radcliffe
Committee Secretary
Senate Standing Committee on Rural and
Regional Affairs and Transport
Parliament House
CANBERRA ACT 2600



Dear Ms Radcliffe

Hearing, Tuesday, 30 January 2007 – Matters Taken on Notice

I refer to two matters taken on notice by me during my evidence to the Committee on 30 January 2007, namely:

- 1 The Airport's contribution to traffic movements around the Airport; and
- 2 Fees paid to the National Capital Authority for works approval of construction at the Airport.

Roads around the Airport

I enclose a copy of a letter I forwarded to members of Parliament on 20 November 2006, setting out the status of traffic movement around the Airport, including that studies commissioned by the Airport during the past two years established that four out of every five vehicles travelling on the roads around the Airport are actually travelling past the Airport to other destinations. I enclose a copy of this letter for the Committee's record. I also enclose a copy of a letter from Jon Stanhope, ACT Chief Minister, dated 15 January 2007, wherein you will note at paragraph 4, that Mr Stanhope "accepts that while the development at the Airport adds to the volume of traffic on these roads is not the cause for the congested network during peak periods."

National Capital Authority fees

I report to the Committee that, following the sale of the Airport to our company by the Commonwealth of Australia in May 1998, the Airport undertook master planning studies and obtained approval for our initial master plan in August 1999. I report that between August 1999, to the end of December 2006, the Airport Building Controller collected over \$650,000 in fees. In the last five years alone, to December 2006, total fees collected by the Airport Building Controller were over \$500,000.

This sets the context for additional fees paid by the Airport to the National Capital Authority of \$280,000 over the past five years.

I look forward to providing any additional information to the committee on the above or other matters at our Airport.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Byron', with a long horizontal flourish extending to the right.

Stephen Byron
Managing Director



SB:mk
Our ref: GRO:TRAF

COPY

21 November 2006

[Address]

Dear [Name]

Thank you for raising the issue of traffic around Canberra Airport recently in Parliament. Quite frankly it is a disgrace and I would be grateful for the opportunity of meeting with you to discuss it in more detail. This is a classic case of the State's not meeting their infrastructure responsibilities and refusing to invest. I acknowledge that the office development is adding to the congestion, but let me assure you, these roads (and more importantly, the capacity of the intersections) are incapable of handling the basic peak hour traffic even if you shut the airport and the offices. On the positive side, can I assure you that we are making every effort with the ACT Government to find workable solutions and at last we are making real progress.

By the way of background, studies commissioned by us during the last two years have established that four out of every five vehicles travelling on the roads around the Airport are actually travelling past the Airport to other destinations. There is good reason for this and the following information may help you to understand why.

In the ACT Government's May 2000 Budget, an amount of \$5 million was set aside for the duplication of Pialligo Avenue to the Airport. At that time the road was carrying 26,000 vehicles per day, well in excess of the 18,000 per day at which the ACT Government duplicates roads, yes it was due to be duplicated 6 ½ years ago! Unfortunately, due to other priorities, this money never found its way to the project and in December 2005 the Government diverted these funds to pay for cost overruns on the Gungahlin Drive extension. This decision and the increasing traffic congestion at the Majura Interchange (the roundabouts intersecting Pialligo Avenue / Majura Road / Fairbairn Avenue / Moreshead Drive / Monaro Highway) prompted our determination to commission SMEC (the ACT Government's traffic consultants) to undertake an urgent study of traffic flows.

The results of SMEC's studies confirmed what we already suspected to be true: that the opening of Horsepark Drive in Gungahlin in 2004 triggered an immediate and dramatic surge in traffic travelling along Majura Road – from 5,000 to 16,000 vehicles a week day and still climbing. Critically, SMEC advised that this surge in traffic, where it intersects with the now 28,000 vehicles per day on Pialligo Ave, causes major traffic delays on all the intersections that make up Majura Interchange.

Significantly, in that same year, the ACT Government approved Majura Road as a heavy vehicle bypass for central Canberra – heavy vehicles now account for 16 percent of traffic on this road and this figure, too, is climbing. The SMEC studies also established a steady rise in regional traffic travelling past the Airport on Pialligo Avenue. It's currently around 28,000 vehicles a week day – a traffic flow which clearly supports duplication. We estimate that more than 50,000 vehicles now pass through the Majura interchange every week day, making it the second busiest in the ACT.

Given the seriousness of the situation, we shared the results of our studies with Mr John Hargreaves, the ACT Minister for Territories and Municipal Services, whose response was prompt and heartening. A Working Group of key stakeholders – Chief Minister's Department, ACT Treasury, Roads and Traffic Authority NSW, Queanbeyan City Council, the National Capital Authority, the Federal Department of Transport and Regional Services and the Airport – was brought together to form a Working Group to look for solutions.

After two meetings, the Working Group agreed on a two-stage approach to recommend to the ACT Government. If approved in next May's ACT Budget, stage one will give priority to (also see plan 1 attached):

- improving the capacity of the roundabout at Dairy Road/Morshead Drive;
- duplicating Morshead Drive between Dairy Road and Monaro Highway;
- upgrading the roundabout at Monaro Highway/Morshead Drive;
- providing an extra lane on Morshead Drive between Pialligo Avenue and Fairbairn Avenue; and
- Duplicating Pialligo Avenue between Beltana Road and the new road to the Airport's new terminal.

Work on the first stage would be expected to start as soon as possible and will cost around \$15 million. In the meantime, we will continue to work with and assist the ACT Government in every way we can to ensure that money for this important project is set aside in next year's Budget.

Stage two will involve the construction of the southern end of Majura Parkway including the grade separation of the Monaro Highway and Pialligo Avenue, a new interchange at Morshead Drive/Fairbairn Avenue and a two kilometre extension to the north of Morshead Drive to link into Majura Road (See plan 2 attached). The grade separation will overcome the significant traffic congestion at the intersection by removing the north/south traffic conflict with Pialligo Avenue. The Working Group advised that this project would be necessary within 3-5 years due to the rapid growth of Gunghalin (7% or 2,500 houses per annum) and the continued growth in regional traffic travelling into the major employment

centres in Central Canberra. This road has been on the drawing boards since 1967 – yes 39 years ago – as a six lane road and yet it is currently only 2 lanes with a major intersection bottleneck.

As we seek to deliver international services and commence construction of a major new terminal, a high quality link between the Airport and the city centre is vital. In this regard, the Working Group commented:

“A distinct but related issue is the increasing significance of the Canberra Airport as the major official and ceremonial point of access for the National Capital and the importance of the related road system as part of the address of the Capital. The Working Group questions the logic of developing an international airport served by a sub-standard road system”

The Working Group also commented:

“The Working Group was aware of a view that the congestion and associated problems was referable to the commercial development of the areas adjacent to the airport. On the data available, **the Working Group was satisfied that while obviously adding to the traffic volume those developments were not the cause of the problems.**”

Continuing employment growth in Canberra and disruptions caused by the ongoing construction of the Gungahlin Drive extension (especially the delays at Glenloch Interchange over the next six months) are going to put more people onto the roads passing the Airport more often (Monaro Highway is being advised as an alternate route for the next six months!). Be assured that we are working closely with the ACT Government to do what we can to alleviate the situation.

Senator, I would be grateful for the opportunity of meeting with you to discuss these issues in more detail.

Yours sincerely

Stephen Byron
Managing Director

Enc



19 JAN 2007

Nael-Kee

cc Ken

File

600: TRAFF

Jon Stanhope MLA

CHIEF MINISTER

TREASURER MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT

MINISTER FOR INDIGENOUS AFFAIRS MINISTER FOR THE ARTS

MEMBER FOR GINNINDERRA

Mr Stephen Byron
Managing Director
Canberra International Airport
1/2 Brindabella Circuit
Canberra Airport ACT 2609

Dear Mr Byron

Thank you for your letter of 21 November 2006 regarding traffic on roads in the vicinity of the airport.

I am aware of the recent activities that the ACT Government and others, including the Canberra Airport, are undertaking to address traffic conditions on roads in the vicinity of the airport.

I have read and support the recommended strategy of the working group chaired by Mr Tony Blunn.

I accept that while the development at the airport adds to the level of traffic on these roads it is not the cause for the congested network of the roads during peak periods.

I understand the airport is continuing to contribute to progressing the recommendations of the working group. By working together I am confident that we will achieve a better outcome.

Thank you for raising these matters with me. I trust that I have been of some assistance.

Yours sincerely

Jon Stanhope MLA
Chief Minister

15 JAN 2007

ACT LEGISLATIVE ASSEMBLY

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