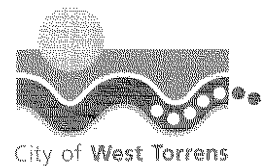
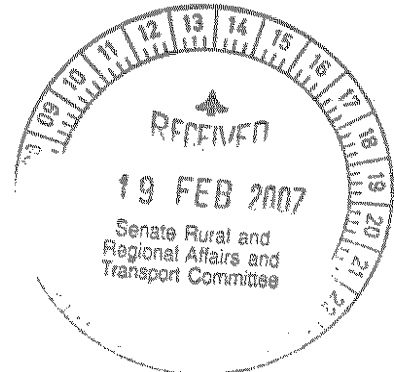


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16 February 2007

Senator the Hon William Heffernan
Chairman, Senate Standing Committee
Rural and Regional Affairs and Transport
Parliament House
CANBERRA ACT 2600



Dear Senator

Airports Amendment Bill 2006

I apologise for the delay in responding to your question raised during the recent Senate Committee Hearing however we have undertaken additional research which you will probably find of interest in your deliberations. Unfortunately none of the studies which had been undertaken provided a ready answer to your question.

Adelaide Airport Growth.

Total passenger numbers passing through the airport; domestic and international have risen from 4.182M in 2001/02 to 5.818M in 2005/06 and airport officials are indicating the total will easily exceed 6M in the current year.

I have included a graphic representation from AAL's annual report which shows the rate of growth since 1970.

The noticeable difference between the trend and the actual which already exceeds 6M in the current year is arguably an indication of the likely movements in future years.

The bulk of the traffic movements (vehicle) into the airport estimated to be some 9.1M per annum, are movements to facilitate the arrival or departure of passengers plus the personnel to service the airport facilities.

By far the bulk of the movements are along Sir Donald Bradman Drive to the City of Adelaide or from the City to the Airport Terminal.

Anecdotal evidence suggests the total number of people visiting the airport annually for work, travel and as a leisure destination is currently in the vicinity 11.7M annually and will rise markedly as the airport moves towards handling in excess of 7.6M passengers by 2015.

In additional movements from the developments highlighted on an extract from a traffic study being undertaken on arterial roads which surround the airport, indicate additional 6.6M following completion of the Burbridge Precinct, 9.1M for the Tapleys Precinct and 3M for the airport East Precinct.

Most of these latter "traffic loads" have little if any aviation related activity but rather a retail, transportation or leisure focus on parts of the airport being developed for commercial purposes.

I have included some technical data which may be of interest to your Committee.

On another issue, I received copy of correspondence to you from AAL commenting on issues raised in our presentation to your Committee and whilst not wishing to be engaged in a "they said, we said..." the following points are pertinent.

- Issue 1 Alleged non-payment of rates is fully documented in our submission and the operator has a long history of not meeting its obligations. Any and all services available to off airport business or residents is made available to the airport operator.
- Issue 3 Lack of Consultation.
Evidence presented by all Councils adjacent to the airport and residents refute this statement.
- Issue 4 No funding of infrastructure in area.
As indicated in our submission externally funded infrastructure by the airport operator is to our observation beyond what would be required of any other commercial or business transaction for an off airport developer and neither the owner (the Commonwealth) nor the operator has made significant contribution.
- Issue 5 Traffic problems.
I believe our concerns will be fully realised in time as the volumes outlined earlier in this correspondence are fully experienced.

In conclusion we do not and have not sought to have any form of development control over aviation related activities on the airport and in many respects we regard both the airport and the airport operator as an asset to our City, metropolitan Adelaide and South Australia. However the apparent cavalier manner in which development proposals proceed often with significant impact on immediate off airport residents and business interests is not an issue which Council nor residents should have to endure without reasonable, transparent and accountability mechanisms.

Yours sincerely



Trevor Starr
Chief Executive Officer

| ENTRANCE ROAD TO THE AIRPORT - SIR DONALD BRADMAN DRIVE/SIR RICHARD WILLIAMS AVENUE | | | | | | | | | |
|--|-----------|---|-----------------|----------------------------------|---|---|---------------------------------|--|--|
| SECTION 1 | | | | | | | | | |
| AFTERNOON PEAK HOUR ON SIR RICHARD WILLIAMS AVENUE | | | | | EXIT AIRPORT | | | | |
| Taxis | 272 | 272 | 544 | TOTAL | 272 | 272 | 544 | Estimate based on Source: Adelaide Airport Access Study, Stages One, Two and Three July 2006 | |
| Passenger vehicles | 997 | 628 | 1625 | | 997 | 628 | 1625 | | |
| Commercial vehicles | 20 | 23 | 43 | | 20 | 23 | 43 | Source: DTEI Nov 2006 data | |
| Total all traffic | 1289 | 923 | 2212 | | 1289 | 923 | 2212 | Source: DTEI Nov 2006 data | |
| SECTION 2 | | | | | | | | | |
| MODAL SPLIT | | | | | | | | | |
| Taxis | 544 | % split | | | | | | | |
| Passenger vehicles | 1625 | 25% | | | | | | | |
| Commercial vehicles | 43 | 73% | | | | | | | |
| Total all traffic | 2212 | 2% | | | | | | | |
| Note: Assume that use of the bus services is minimal in comparison to the other modes | | | | | | | | | |
| SECTION 3 | | | | | | | | | |
| ESTIMATE OF DAILY TRAFFIC FLOWS ON SIR RICHARD WILLIAMS AVENUE | | | | | | | | | |
| Current vehicles per day | 26,100 | Source: DTEI Nov 2006 data | | | | | | | |
| Taxis | 6,419 | | | | | | | | |
| Passenger vehicles | 19,174 | | | | | | | | |
| Commercial vehicles | 507 | | | | | | | | |
| SECTION 4 | | | | | | | | | |
| ESTIMATE OF DAILY PASSENGER NUMBERS AND EQUIVALENT TRIPS | | | | | | | | | |
| Year 2006 | 5,800,000 | Source: AAL press release 27 Oct 2006 | | | | | | | |
| Average Passengers per day | 16,019 | Assume weekends are 85% of the weekdays | | | | | | | |
| No. passenger car trips | 11,079 | Assume occupancy of 1.5 passengers per car/taxi | | | | | | | |
| Total two way trips | 22,159 | One entry and one exit trip per passenger | | | | | | | |
| Trips generated | | | | | | | | | |
| Taxis/passenger vehicles | 22,159 | | | | | | | | |
| Commercial vehicles | 507 | Equivalent to 2% of total daily traffic flows | | | | | | | |
| SUBTOTAL | 22,666 | | | | | | | | |
| Other Airport land uses | 3,434 | Equivalent to 13% of total daily traffic flows | | | | | | | |
| SECTION 5 | | | | | | | | | |
| ESTIMATES OF FUTURE TRAFFIC FLOWS BASED ON FORECAST PASSENGER NUMBERS | | | | | | | | | |
| Source: Adelaide Airport Master Plan | | | | | | | | | |
| Passengers ('000s) | | | | | | | | | |
| Year | Total | % Change | Multiply column | Vehicle trips per day | Afternoon peak Passenger trips per hour | Other land uses (assume 3% growth) per hour | CVs (assume 3% growth) per hour | Afternoon peak Forecast per hour | |
| 2004 | 4681 | | | 22169 | 1880 | 289 | 43 | 2212 | |
| 2005 | 4848 | | | 23509 | 1995 | 288 | 44 | 2337 | |
| 2006 | 5024 | 6% | 106% | 24924 | 2115 | 307 | 46 | 2487 | |
| 2008 | 5330 | 6% | 106% | 29260 | 2483 | 316 | 47 | 2846 | |
| 2010 | 5651 | 6% | 106% | 33878 | 2875 | 325 | 48 | 3248 | |
| 2015 | 6634 | 17% | 117% | 39109 | 3318 | 335 | 50 | 3703 | |
| 2020 | 7881 | 18% | 116% | | | | | | |
| 2025 | 8887 | 15% | 115% | | | | | | |
| SECTION 6 | | | | | | | | | |
| ESTIMATES OF ANNUAL TRIPS USING THE AIRPORT | | | | | | | | | |
| Source: Adelaide Airport Master Plan | | | | | | | | | |
| Passengers ('000s) | | | | | | | | | |
| Year | Total | % Change | Multiply column | Afternoon peak Forecast per hour | Forecast annual trips | Assume weekend traffic 85% of weekday | | | |
| 2004 | 4681 | | | 2212 | 9.1 million | | | | |
| 2005 | 4848 | | | 2337 | 9.6 million | | | | |
| 2006 | 5024 | 6% | 106% | 2487 | 10.2 million | | | | |
| 2008 | 5330 | 6% | 106% | 2846 | 11.7 million | | | | |
| 2010 | 5651 | 6% | 106% | 3248 | 13.4 million | | | | |
| 2015 | 6634 | 17% | 117% | 3703 | 15.2 million | | | | |
| 2020 | 7881 | 18% | 116% | | | | | | |
| 2025 | 8887 | 15% | 115% | | | | | | |
| SECTION 7 | | | | | | | | | |
| COMPARISON OF FORECAST AFTERNOON PEAK HOUR TRAFFIC FLOWS WITH AAL MASTERPLAN PROJECTIONS | | | | | | | | | |
| Year | AAL* | Estimate from Section 5 | | | | | | | |
| 2015 | 2846 | 2846 | | | | | | | |
| 2016 | 2884 | | | | | | | | |
| 2020 | 3148 | 3248 | | | | | | | |
| 2021 | | | | | | | | | |
| 2025 | 3148 | 3703 | | | | | | | |

**TABLE 1
FORECAST GROWTH IN PASSENGER NUMBERS**

| Year | Source: Adelaide Airport Master Plan Passengers ('000s) | | | Source: AAL press release 27 Oct 2006 Passengers ('000s) | | | | |
|------|--|----------|----------|---|---------------|----------|----------|-------|
| | International | Domestic | Regional | Total | International | Domestic | Regional | Total |
| 2004 | 298 | 4041 | 322 | 4661 | | | | |
| 2005 | 328 | 4184 | 336 | 4848 | | | | |
| 2006 | 346 | 4338 | 340 | 5024 | 380 | >5000 | 410 | 5800* |
| 2008 | 380 | 4597 | 353 | 5330 | | | | |
| 2010 | 419 | 4867 | 365 | 5651 | | | | |
| 2015 | 531 | 5700 | 403 | 6634 | | | | |
| 2020 | 662 | 6578 | 441 | 7681 | | | | |
| 2025 | 834 | 7553 | 480 | 8867 | | | | |

* Actual 2006 data equivalent to the AAL forecast for the Year Band 2010 to 2015
 Note: A similar 7.5% growth in 2007 would reach the 2015 forecast - 9 years ahead of schedule

**TABLE 2
KEY TURNING MOVEMENT
RIGHT TURN OUT OF AIRPORT TO CITY DIRECTION
AFTERNOON PEAK**

| Year | Forecast flow Vehicles per hour | |
|------|------------------------------------|--|
| 2001 | 550* | Actual - used in assessment of improvement options at the Airport main entrance road |
| 2016 | 831** | Used in assessment of improvement options at the Airport main entrance road |
| 2006 | 811 | Actual count by DTEI in Nov 2006 - already close to 2016 forecast - 10 years ahead of schedule |

Source: Adelaide Airport Access Study Stages One, Two and Three July 2006
 ** Source: Adelaide Airport Access Study Stages One, Two and Three July 2006

**TABLE 3
BREAKDOWN OF TRIPS - ESTIMATE**

| | | |
|---------------------|-----|---|
| Taxis | 25% | Estimate based on Source: Adelaide Airport Access Study Stages One, Two and Three July 2006 |
| Passenger vehicles | 73% | |
| Commercial vehicles | 2% | |

Source: DTEI Nov 2006 data

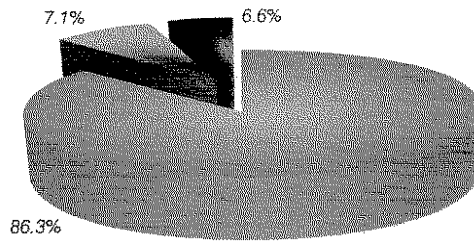
**TABLE 4
BREAKDOWN OF TRIPS - TERMINAL, COMMERCIAL VEHICLES AND OTHER LAND USES**

| | |
|---------------------|-----|
| Terminal related | 85% |
| Commercial vehicles | 2% |
| Other land uses | 13% |

**TABLE 5
OTHER AAL DEVELOPMENTS ADDING TRAFFIC TO THE ROAD NETWORK**

| | Additional traffic expected to be generated | |
|--------------------------------|---|------------------|
| Burbridge Business Park | 1900 vehicles per hour | 6.6 million p.a. |
| Airport East/Morphett Precinct | 850 vehicles per hour | 3.0 million p.a. |
| Tapleys Precincts | 2600 vehicles per hour | 9.1 million p.a. |

Passenger by type



Quality of Service

With the opening of T1, Adelaide Airport Limited joined the Airport Council International (ACI) Quarterly Quality of Service peer comparison survey program and set ourselves a target of being in the top three of our airport size in the world.

Quarter on quarter we have achieved our target as indicated in the following table of the April to June 06 quarter results:

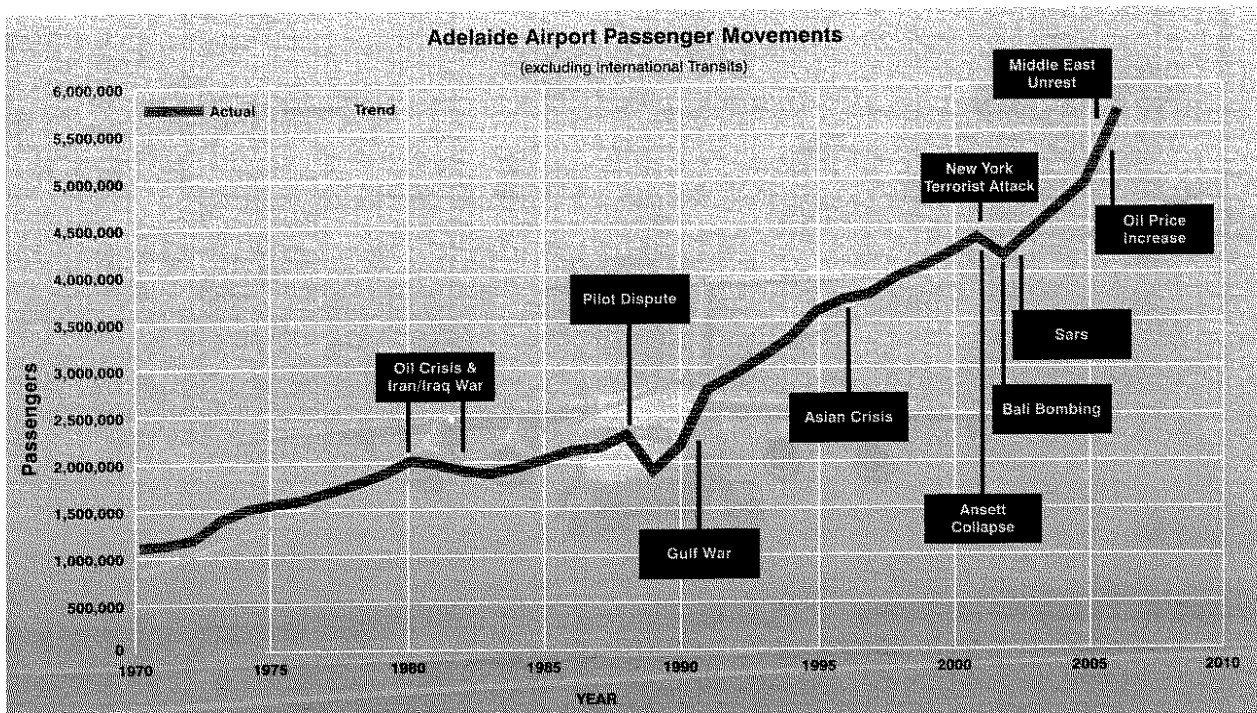
Domestic
 Regional
 International - including transits

Domestic

| Category | AAL Ranking (5 excellent to 1 poor) | World Average Year | World Ranking Total | World Ranking Our Size |
|--|--|-----------------------|------------------------|---------------------------|
| Overall satisfaction with airport - all pax | 3.89 | 3.63 | 13 | 3 |
| Overall satisfaction with airport - business | 3.91 | 3.53 | 5 | 2 |
| Overall satisfaction with airport - leisure | 3.87 | 3.73 | 17 | 4 |

International

| Category | AAL Ranking (5 excellent to 1 poor) | World Average Year | World Ranking Total | World Ranking Our Size |
|--|--|-----------------------|------------------------|---------------------------|
| Overall satisfaction with airport - all pax | 4.04 | 3.78 | 11 | 2 |
| Overall satisfaction with airport - business | 3.5 | 3.64 | 44 | 13 |
| Overall satisfaction with airport - leisure | 4.08 | 3.83 | 11 | 2 |



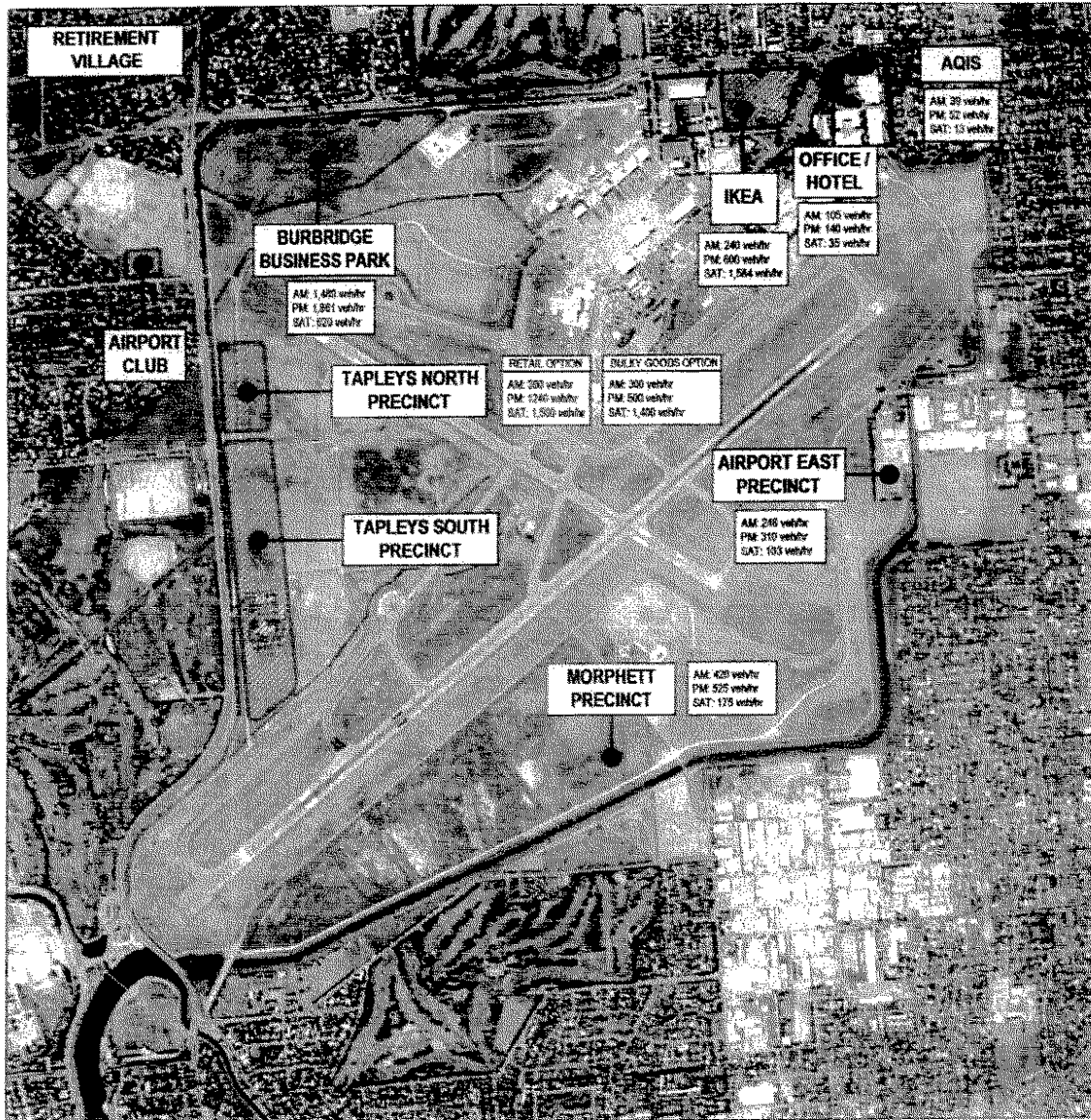


FIGURE 13 - AM, PM & SATURDAY PEAK HOUR VOLUMES GENERATED BY DEVELOPMENTS