

**2015**

**THE LEGISLATIVE ASSEMBLY  
FOR THE AUSTRALIAN CAPITAL TERRITORY**

**Aviation partnership and direct services for international flights**

**TABLING STATEMENT**

**Presented by  
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Today I am providing an update on the ACT Government's continued work with key international stakeholders relating to the establishment of aviation partnerships and direct services for international flights.

Recommendation 10 of the Standing Committee on Public Accounts Report No. 11 on Annual and Financial Reports 2013-2014 recommended the government update the ACT Legislative Assembly on work taking place with key international stakeholders – in particular, in New Zealand and Singapore – regarding the establishment of an aviation partnership and direct services for international flights. The Government Response tabled on 4 August 2015, agreed that a statement on this matter be presented to the Legislative Assembly.

Canberra Airport has undergone the biggest transformation in its history, with \$480 million invested in the construction of a new terminal and supporting infrastructure.

The government, in close partnership with the Canberra Airport, is leading efforts to attract direct services from Asia and from across the Tasman.

Direct international flights would provide significant benefits to the Territory and help secure its long-term future as a business and tourism hub, and would contribute significantly towards achieving the ACT's Tourism 2020 target of increasing overnight visitor expenditure to \$2.5 billion by 2020.

Research commissioned by VisitCanberra and undertaken by Independent Economics in December 2013 shows that daily services between Singapore and Canberra will generate \$88 million per annum in Gross

Regional Product (GRP) for the Canberra Catchment and an additional 690 full time jobs.

Similarly, daily services between Auckland and Canberra will generate \$51 million per annum in GRP for the Canberra catchment and an additional 395 full time jobs.

The economic modelling used in this report, the Independent CGE model, is highly regarded – with the Australian Treasury a licensed user.

Business cases have been developed and presented to airlines, highlighting the Canberra (and regional) opportunity that Asia and New Zealand presents for potential carriers. Ongoing dialogue and regular advocacy is being fostered with key stakeholders (airports, airlines and tourism bodies) to reinforce the ACT Government's commitment to establishing aviation partnerships and direct services.

A key part of the business case is showing the opportunity Canberra presents from both an outbound and inbound perspective. The Canberra catchment is home to more than 900,000 people providing a significant outbound market for new international services.

The government has committed \$1.6 million over two years to the Cooperative Airline Stimulus Fund in 2015-16.

The government has proactively pursued the opportunity to establish direct services from Singapore supported by a number of meetings with key stakeholders over the past two years.

In my capacity as ACT Minister for Tourism and Events, I visited Singapore in April 2013 and held meetings with executives at the Singapore Tourism Board and Changi Airport, as well as senior Singapore Government representatives. The Managing Director of Canberra Airport, Mr Stephen Byron, and ACT Government officials travelled to Singapore in late August 2013 to present the Singapore business case and progress discussions on direct services between Canberra and Singapore.

Further work and engagement on facilitating direct services from Singapore occurred as part of a trade mission to Singapore from 16 to 21 June 2014.

I recently visited Singapore and met with the Singapore Airlines Chairman, Mr Stephen Lee to press our case, and held discussions on trade, business and investment opportunities between Canberra and Singapore.

Efforts to pursue Trans-Tasman services were progressed as part of my visit to New Zealand on 26 and 27 February 2015. This included meetings with Air New Zealand, Auckland Airport and representatives of the New Zealand Government.

The Government, through VisitCanberra, has engaged the services of an Aviation expert to update business cases for direct services between Canberra and New Zealand and Canberra and Singapore. The revised business cases incorporate additional consumer research undertaken in the catchment area and continue to demonstrate the opportunity for Canberra to host direct international flights.

The revised business case for services to New Zealand and beyond destinations including USA and the Pacific Islands has been finalised and will be presented to aviation and airport stakeholders in New Zealand in September.

In summary, the establishment of direct international services is a high priority for the ACT Government, the Canberra business sector, the Canberra Airport and the wider community.

Experience in other gateway ports with similar size and catchments has shown that it can take several years of dedicated and coordinated effort to attract sustainable international services.

The coordinated efforts of the ACT Government, the Canberra Airport Group and industry leaders, has greatly elevated our prospects.

This ongoing cooperative approach is a key goal for the government as we look at tangible ways to diversify our economic base and improve the standard of living for all Canberrans.

Thank you.

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