

A Community Mislead by the Mayor's "Field of Dreams"

Residents for Responsible Development on the Sunshine Coast

As a sub group of the Mudjimba Residents Association , we are very concerned with the proposed expansion of the Sunshine Coast Airport. We would like to present the facts on our concerns to the candidates for the Local Government elections to be held on 19th March 2016. There are three key points for candidates to consider.

1. Alignment of the Proposed 1331 Runway

Proponents of the Sunshine Coast Airport Expansion claim that the proposal for a new East West (1331) runway has been in the public domain for decades. However, the alignment has changed significantly since the 1998 Master Plan.

The 1998 Airport Master Plan published by the Maroochy Council depicted a future 1331 runway with a bearing of 316.0 degrees true north, directing the flight path to the north of all residential development in Mudjimba. (note that aviation documents often refer to magnetic bearing, which generally 11 degrees less than the true north grid bearing).

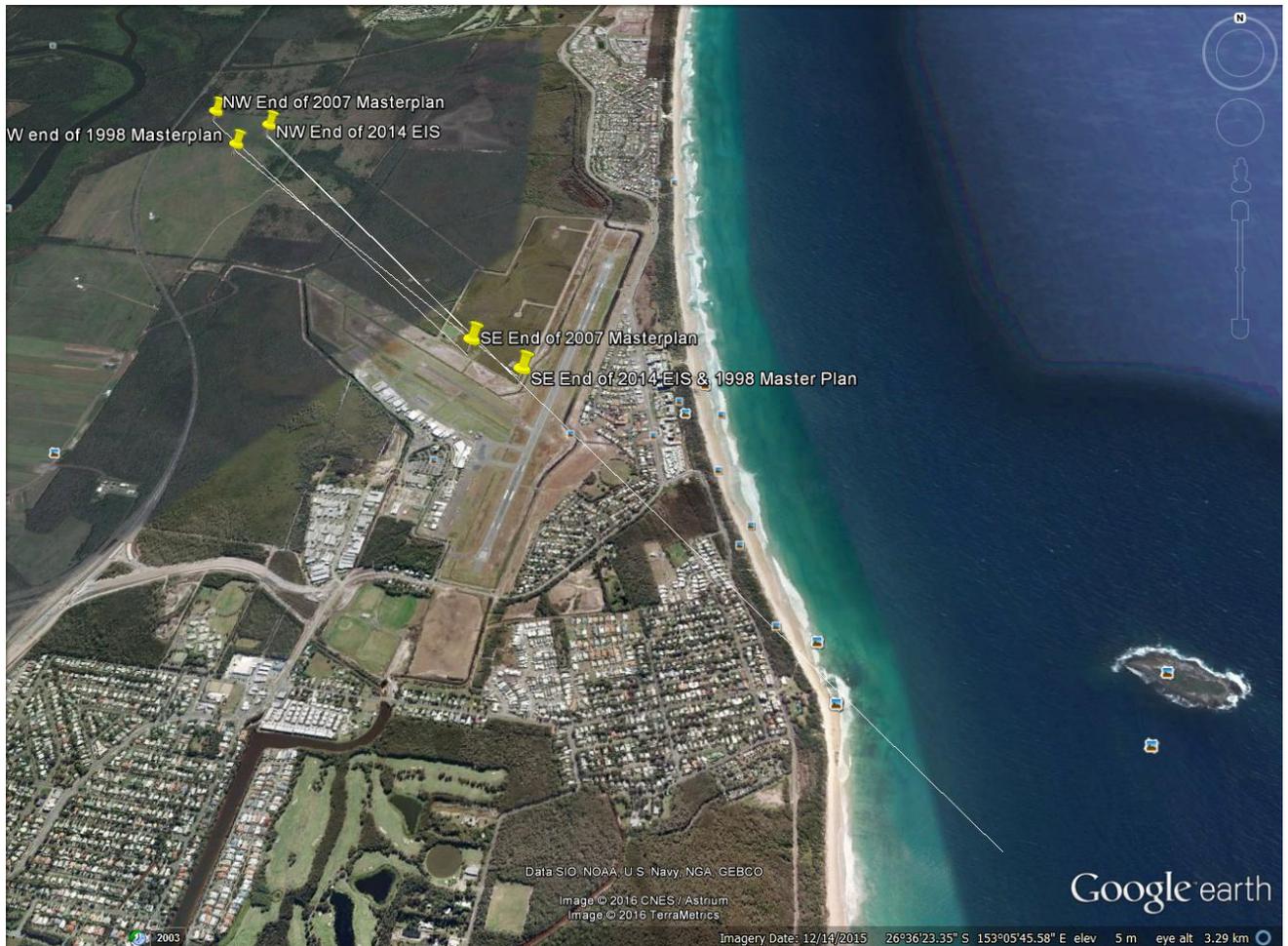
In 2006 the Council undertook a community consultation program with a new draft Master Plan that recommended a modest extension to the existing North South (1836) runway, enabling the airport to provide for future jet services. Elements of the community in Twin Waters and North Maroocha opposed this proposal as parts of those communities are located under the flight path of the 1836 runway.

In 2007, without any further community consultation, Council proceeded to publish the 2007 Master Plan, rotating the 1331 runway to 319.5 degrees true north. For the first time, this alignment directed the flight path over the residential area of Mudjimba.

In 2014 the Sunshine Coast Council published its EIS for the Airport Expansion Project which included yet another alignment, rotating the runway to 322.5 degrees true north and moving it 400m closer to the residential area of Mudjimba.

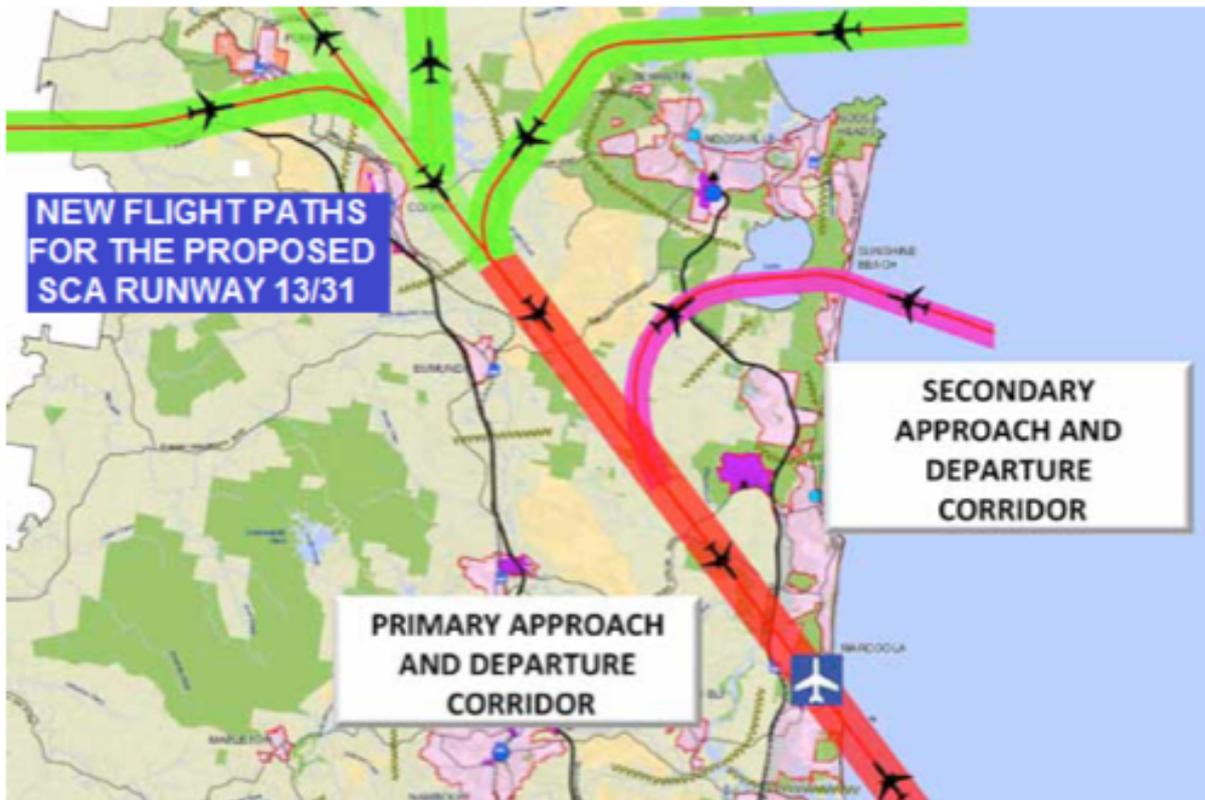
Year	Source	Document	Runway Bearing Grid N	Runway Length m
1998	AIRPLAN	Airport Master Plan, Fig 6.1	316.0	2450
2007	SCC	2007 Master Plan Fig 9.1	319.5	2450
2014	SCA	EIS Fig 4.1a	322.5	2450

Since the 1998 Master Plan, the proposed 1331 runway has been rotated to the south 6.5 degrees, redirecting the flight path over residential areas of Mudjimba, with a devastating effect on the quality of life and property values of Mudjimba residents.



The noise assessment in the EIS did imply that every residence in Mudjimba would be adversely effected by the proposal. However, the EIS also made it clear that the proposal did not include any compensation for the residents of Mudjimba.

The question to ask is why did Council embark on such a careless and reckless strategy, without understanding the true costs of the proposal on the community of Mudjimba.

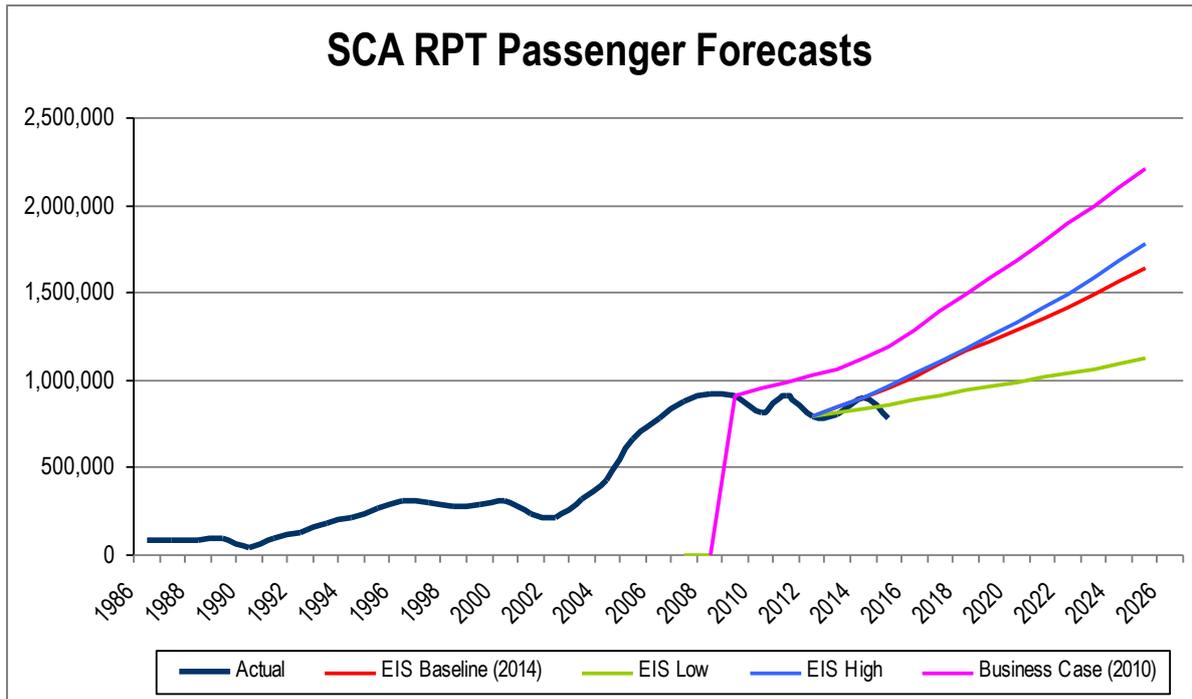


2. The Demand for Travel into the Sunshine Coast Airport Expansion

The Mayor and Airport Management have been making claims that the Sunshine Coast Airport is the fastest growing airport in Australia, based on a few months of domestic flights (following the "Fly Local" campaign of mid 2015) compared with the very weak performance for those months in 2014. It is not hard to improve on nothing.

In fact the focus on improving domestic services is what the SCA management should have been doing since the global financial crisis in 2008 devastated airline patronage forecasts.

A simple review of the annual patronage figures for the airport paints a disappointing picture of patronage into the Sunshine Coast Airport



The SCA continues to ignore the facts and make ambitious projections of future passenger forecasts.

A touch of reality is required to put the proposed \$347m investment into perspective with the historical facts of a seriously under performing asset.

3 The Business Case for Expansion

The proposal documented in the 2007 Master Plan was further submitted to Infrastructure Australia in 2010 seeking Federal support, as the airport expansion was considered not commercially viable without \$172 million subsidy funding. The application was rejected by Infrastructure Australia.

In the 2010 submission, the project was estimated to cost \$418.6 million with the runway estimated to cost \$201.4 million, \$53.2 million for scheduled passenger transport works, \$153.6 million for terminal, commercial areas and carpark upgrades and \$10.4 million for land acquisition and planning.

In September 2014 the project Environmental Impact Statement (EIS) was submitted with significantly altered funding commitments. The EIS advises the total cost estimate as \$347 million with \$174 million for the runway, \$53 million for owner costs, \$58 million for contingency, and \$56 million for escalation and \$6 million for the Terminal upgrade.

While refinement of project cost estimates is good practice as a project develops, we are concerned given the significant changes of declared estimates for work as to the carriage of this project by the Sunshine Coast Council (SCRC) and as to the claimed performance of the facility for attracting claimed passenger numbers and resulting economic activity. Can a terminal upgrade estimated as \$153.6 million after proper planning and design still provide performance as expected with only \$6 million of upgrade works?

The significantly lower cost estimate enabled the EIS to claim a Benefit Cost Ratio (BCR) of 2.45, in support of the projects justification. However, a simple sensitivity test of the assumptions made in the EIS exposed the BCR to the risk of falling as low as 0.59. Council were clearly on a fantasy trip, a "field of dreams", to pump up a project that simply doesn't have the wings to fly.

The passenger forecasts claimed by the SCA for the project have been heavily dependent on capturing international flights from China and India, with no supporting expressions of interest from those markets and airlines. Any simple research will expose the fallacy of this misplaced expectation as travelers from those markets are known to be looking for the glitz and glamour of casinos and high rise resorts, not the natural beaches and eco tourism that characterizes the Sunshine Coast.

The only airline commentary regarding the proposed investment on the Expansion Project has come from the current operators, Jetstar and Virgin. The CEO's of both organizations have independently warned of the high risks of such an investment and the likely outcome of increased landing charges forcing their business to more affordable airports.