

Airport link: from concept to commencement

Contents

Contents	2
About the Committee for Melbourne	3
Our thanks	3
Overview	4
Building momentum	5
The problem.....	6
Guiding Principles	6
1. The future is already here.....	7
2. An integrated and holistic perspective	9
3. Flexibility	11
4. Customer-centric solution	12
5. Cost-benefit analysis	13
Conclusion	14

About the Committee for Melbourne

The Committee for Melbourne is an apolitical, not-for-profit member-based entity that brings together over 130 organisations from Greater Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne.

As an independent organisation we represent no single interest group or political position, but seek to challenge conventional thinking and to develop innovative ideas to continue to enhance our position as an economically prosperous and highly liveable global city.

Our thanks

The Committee would like to express its appreciation to our member organisations, and key stakeholders, who helped contribute to the development of this submission.

Committee for Melbourne

Milton House
Level 2, 25 Flinders Lane
Melbourne Victoria 3000
Australia
Telephone: +61 3 9650 8800
Facsimile: +61 3 9650 6066
@Committee4Melb
www.melbourne.org.au

© Copyright Committee for Melbourne 2018

This is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

All requests to reproduce, store or transmit material contained in the publication should be addressed to Committee for Melbourne cfm@melbourne.org.au

This document is also available in PDF format at www.melbourne.org.au

Overview

The Committee for Melbourne (Committee) established the *Melbourne 4.0 Taskforce* in 2016, to help prepare our city for the forces of innovation and disruption brought about by the Fourth Industrial Revolution. The Taskforce identified a high quality, mass transit link to Melbourne Airport, as a key contribution to helping solve wider network congestion.

The Committee called for this vital piece of infrastructure in November 2016, and believes this initiative must be addressed as matter of priority. Melbourne's connectivity – regionally, nationally, and internationally – must improve, if we are to remain a liveable, and globally competitive city.

On 24 October 2017, the Committee hosted a forum titled *Airport link: from concept to commencement*. The forum brought together experts from the Committee's membership base, as well as key public and private sector stakeholders. Former CEO of Federation Square and the Victorian Planning Authority, Peter Seamer, moderated the forum, which featured the following panelists:

- Mikel Alonso, Global Service Leader – Rail & Mass Transit, Aurecon
- Lorie Argus, Chief of Parking & Ground Access, Melbourne Airport
- Heidi Asten, Partner, Herbert Smith Freehills
- Mario D'Elia, Partner, PwC
- Alan Davies, Editor, The Urbanist
- Adam Fennessy, Partner, Advisory, Government and Public Sector, EY
- Michel Masson, CEO, Infrastructure Victoria
- Stuart Moseley, CEO, Victorian Planning Authority
- Pru Sanderson, Melbourne City Executive, Arcadis
- Judith Zielke, Deputy Secretary, Department of Infrastructure and Regional Development

The forum established five guiding principles which were then refined at a subsequent meeting on 4 December 2017. These principles have shaped the Committee's submission.

It is worth noting that the Committee refers to the notion of an *airport link*, or a *mass transit link*, but not a *rail link*. The Committee believes that all mass

transport options must be considered, given the accelerating speed of technological change and the transport options that will continue to emerge. Furthermore, this submission focuses solely on the connectivity with Melbourne Airport. It does not address a potential mass transit option to Avalon Airport, nor the potential impact of a third international airport that could be based in Melbourne's south-east.

Building momentum

The Committee welcomes the stated commitment of the Federal and Victorian State governments to develop jointly a business case for a dedicated mass transit link to Melbourne Airport. Equally, the Committee is encouraged by the announcement by the Victorian Premier, Daniel Andrews, on 23 November 2017, that construction work will be well underway on an airport rail link by the time the Metro Tunnel is complete.¹ It signifies an intent within Government to act on this urgent need for the city.

However, considering this announcement, the Committee is concerned that the State Government currently seems to favour a particular route and mode option at this stage of scoping.

With new technologies emerging, the Committee urges the Government to consider all possible options in developing the business case. The major risk is that a significant investment of public funds is made into a particular transport mode that does not adequately solve the problem for the medium to long term.

With such wide-ranging implications, the project must be based on firm evidence that a specific option or mode is the answer to specific identified needs, and that it fits a key strategic purpose for the city and state. To ensure that the project meets this strategic purpose, there must be a clear, shared vision of what we would like Melbourne, and Victoria, to become in 30 to 50 years.

¹ Andrews, D (2017, November 23). Speech to Victorian Chamber. Retrieved from <https://www.premier.vic.gov.au/speech-to-victorian-chamber/>

This submission will be the first of a number the Committee will make to both the State and Federal Governments as a business case is established for the construction of an airport link.

The problem

The Committee recognizes that the primary problem that must be addressed is *capacity*. There is an inability to transport large volumes of people between Melbourne Airport, and key metropolitan and regional centres, in a timely and predictable manner.

Due to this lack of capacity, motor vehicles are the default option for most Victorians and for many visitors utilizing Melbourne Airport's services via personal vehicles, taxis, or ride-sharing service providers.

Consequently, travel time between Melbourne Airport, and Victoria's key nodes, including the central business district (CBD), has been steadily increasing. In turn, travel predictability has been declining, particularly during peak hours, as congestion on Melbourne's road network increases.

If Melbourne Airport reaches its forecast of 60 million passengers per annum by 2033² there must be significant extra capacity in our local transport networks. Otherwise we will have gridlock, and the consequent economic, social and environmental negative impacts.

Guiding Principles

While acknowledging that capacity is the key problem that must be solved, the Committee recognizes that this is a complex project, with no simple solution.

There are different views on an array of sub-issues, which include potential routes, mode options, user amenity, funding, as well as the potential for the

² Melbourne Airport. (2013). *Melbourne Airport Master Plan 2013: People, Place, Prosperity*. Retrieved from https://www.melbourneairport.com.au/getattachment/Corporate/Planning-projects/Master-plan/140206_Melbourne-Airport-Master-Plan_Final.pdf.aspx?lang=en-AU&ext=.pdf.

link to impact city livability, population distribution, and regional economic stimulation.

Given this complexity, the Committee's *Airport link: from concept to commencement* forum thought it be useful to begin by positing five broad, high level guiding principles. Of these five principle, principle number 4, the need for a customer-centric approach, is arguably a first among equals. It is the key to maximising the value of any investment in an airport link by making the link as attractive as possible for travellers, which encourages them to choose a mode of transport ahead of more congestion causing modes.

We request the State and Federal Governments consider these principles when formulating the business case for a mass transit link to Melbourne Airport.

1. The future is already here

The Committee believes that connectivity to Melbourne Airport is a critical problem today. The state government quite rightly has undertaken a major project to widen the Tullamarine Freeway, but even with this additional capacity there is still a major problem particularly at either end of the freeway. The situation is more urgent than is widely acknowledged, and authorities must play catch-up to cope with the increasing demands of population growth, tourism, and an expanding economy.

Since 2006, Greater Melbourne's population has grown by nearly one million people,³ and is projected to reach eight million people by 2050.⁴ Of all Australian capital cities, Melbourne had the largest growth in the ten years to 2016⁵.

Melbourne and its regions can expect an increasing number of visitors, and we must prepare to accommodate these developments. The visitor economy is a significant economic driver for Victoria, employing 206,000 people and

³ B. Schneiders, & R. Millar (2017), "Melbourne's population boom masks Victoria's economic woes", *The Age*, 1 July, 2017, <http://www.theage.com.au/victoria/melbournes-population-boom-masks-victorias-economic-woes-20170630-gx1ses.html>, accessed 7 December, 2017.

⁴ Ibid.

⁵ Australian Bureau of Statistics (2017). *Regional Population Growth, Australia, 2016*, Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>.

contributing \$20 billion to the state each year.⁶ It is central to the Government's plan for future growth and prosperity, as outlined in the *Victorian Visitor Economy Strategy*. The Strategy aims to increase visitor spending to \$36.5 billion by 2025.⁷ It sets out nine priorities to achieve this, including improved access into and around Victoria, and improving the visitor experience, which cannot be achieved without accommodating growth with another mass transit solution to Melbourne Airport. Without solving the wider network congestion, the first impression visitors will continue to experience is a city challenged by congestion and delays.

It is not just the visitor economy which will drive demand for Melbourne Airport's services. There are, and will continue to be, economic opportunities for Victorian businesses seeking to export products to world markets. Victoria is Australia's largest supplier of premium food and fibre products,⁸ and in terms of Australia's total exported goods, 24.3 per cent come from Victoria.⁹ Furthermore, Victoria will likely continue to see an influx of international students in the years ahead, as the state's largest service sector continues to prosper. All these sectors will require fast and efficient access between Melbourne Airport and key metropolitan, and regional centres.

This growth in population, tourism, and the economy will put Melbourne Airport under increasing pressure for ground access. Melbourne Airport now services 35 million passengers annually, which is expected to grow to 60 million by 2033.¹⁰ These millions of additional air passenger trips will exacerbate existing congestion, and unless planning starts now, Melbourne Airport will continue to experience significant ground access problems.

While the Tullamarine Freeway widening and the construction of the North East Link are welcome initiatives, concern remains that they will offer only

⁶ Victorian Government Department of Economic Development, Jobs, Transport and Resources. (2016). *Victorian Visitor Economy Strategy* (p. 6). Melbourne, Australia. Retrieved from https://economicdevelopment.vic.gov.au/__data/assets/pdf_file/0006/1340979/Visitor_Economy_Strategy.pdf.

⁷ *Ibid.* p. 8.

⁸ Victoria – Australia's largest food producer. (2017, January 11). Retrieved from <http://trade.vic.gov.au/how-we-can-help/resources/case-studies/victoria-australias-largest-food-producer>

⁹ Victoria's economy. (2017, May 12). Retrieved from <http://trade.vic.gov.au/for-internationals/why-melbourne/victorias-economy>

¹⁰ Tourism and Transport Forum. (2013). *Rapid buses, road and rail: ground transport solutions to meet Melbourne Airport's passenger growth to 2050*. Retrieved from <http://www.ttf.org.au/wp-content/uploads/2016/09/TTF-Rapid-Buses-Road-Rail-Melbourne-Airport-2013.pdf>

temporary relief to Melbourne's congestion problem, and will put even greater pressure on ground access at Melbourne Airport.

On current indications, the preliminary business case will be provided to both governments in 2018 for consideration, with the detailed business case to follow shortly after. The Committee urges both governments to proceed with the development of a mass transit link to the airport with minimum delay, and certainly within the next 18-24 months given the pressing nature of the matter.

2. An integrated and holistic perspective

An airport link is more than a transport solution from the airport to Melbourne's CBD. It must consider the airport's connectivity with the whole of Melbourne's metropolitan area, as well as Victoria's regional centres. The vast majority of jobs in Melbourne are located outside the CBD¹¹, with most people travelling to the airport from different areas of Melbourne and Victoria.

The state and federal governments have a unique opportunity to invest in a piece of infrastructure that also has the potential to shape Melbourne's urban form. Central to this concept are questions concerning where we would like people to live and work – and where *they* would like to live and work – and how they will move around the city.

This project is an opportunity to shape the way Melbourne works and the way it connects to the regions to support Melbourne's liveability and productivity and to mitigate population and urban infrastructure pressures. It has the potential to unlock jobs, and housing, in transit-supported precincts.

The vision of a "city of centres linked to regional Victoria"¹² outlined in *Plan Melbourne 2017-2050* broadens the remit of a business case to include a network-wide approach to better connect greater metropolitan Melbourne and Victoria's regional centres to the Melbourne airport gateway. Greater Metropolitan Melbourne and Victoria's regional centres' employment clusters

¹¹ SGS Economics & Planning (2015), *Effective Job Density: comparing our cities and regions*, Urbecon, vol 4. Retrieved from <https://www.sgsep.com.au/publications/effective-job-density-comparing-our-cities-and-regions>.

¹² Department of Environment, Land, Water and Planning (2017), *Plan Melbourne 2017-2050*. Melbourne, Victoria, p. 10.

will grow in importance in the coming years, so they too must be considered in the design of an enhanced airport link via a network-wide solution for greater Victoria.

The airport link forms part of a broader airport transport access strategy for the surrounding areas to the north-west and the north of Melbourne. Many residents from these regions work in and around Melbourne Airport. Efficiently moving people, and goods, between this region and Melbourne Airport will therefore be an important consideration. The region is dealing with unprecedented population growth, and if planned correctly, has the capacity to be a catalyst for the creation of many thousands of jobs.

It is not just the north-west corridor that is strategically vital. Melbourne Airport must adequately connect to key employment hubs, particularly in emerging technology precincts. Striving for integrated transport links to Victoria's National Employment and Innovation Clusters - Dandenong, La Trobe, Werribee, Monash, Parkville, and Sunshine – as well as key regional hubs, will be vital in facilitating growth of the nationally, and internationally linked specialist technical, health, education, and business jobs. The Monash National Employment and Innovation Cluster is one such precinct which is currently very poorly served by public transport to the CBD and airport, and increasingly by car during peak hours.

The ease of doing business in the contemporary city is a key competitive advantage for a city. Whether visitors are local, regional, national, or international, the ease of mobility and access to the CBD is vital to sustaining a strong and vibrant economy, while the ability to rapidly depart a city is just as important. Competitor cities, throughout the region, including Hong Kong, and Singapore, make point-to-point travel reliable, efficient, and effective.

Authorities and key stakeholders must consider the need for greater collaboration along Australia's eastern seaboard for our economy. The Melbourne to Sydney air route is the fourth busiest domestic route in the world¹³, and yet it is still difficult for interstate business travelers to make it to early morning meetings in Melbourne. This is a project for Australia, as much as for Victoria.

¹³ International Air Transport Association (2016), *India sees highest domestic market growth in 2015* (Press release). Retrieved from <http://www.iata.org/pressroom/pr/Pages/2016-07-05-01.aspx>.

This is a once-in-a-generation piece of critical infrastructure that will significantly benefit the city, the state, and arguably the country. If done correctly, it will help shape Melbourne's urban form and unlock the capacity of the metropolitan areas, and the regions.

3. Flexibility

A fast and high capacity airport link must be part of a plan for Melbourne for the decades ahead. Rapidly evolving technologies will change the way we move around our cities, and complicate the design and planning phase of an airport link. Every attempt should be made to ensure that any final solution that is chosen can accommodate likely new technologies. However, this does not mean authorities should adopt a 'wait and see' approach. Work must begin now on a design that allows for policy and planning flexibility, and that incorporates both public and private solutions.

Private mode-sharing options will continue to be used, but they do not alone solve the issue of significant increases in passenger numbers that Melbourne Airport is anticipating. Equally, adopting a conventional rail solution, the most expensive of all options, too early, will close off a range of options which could be better in terms of speed, cost, and which will have a stronger future focus. Therefore, we encourage authorities to work with multiple service providers to ensure optimal outcomes in the short, medium, and long term.

Given that a mass transit link is still years away, assistance to SkyBus as a short-term improvement is vital. SkyBus currently offers a good service between Southern Cross Station and Melbourne Airport, but through no fault of its own, can be unreliable due to road congestion, particularly during peak hours. As a matter of urgency, we recommend authorities look at ways to better facilitate the service offered by SkyBus. One relatively simple initiative could be strictly policing the express lanes on the Tullamarine Freeway. SkyBus should be asked what assistance they require to provide a faster and higher capacity service in the interim, until another mass transit option is constructed, which complements their service. Similarly, better connections from Sunshine may be able to assist regional users accessing the airport by public transport.

Cultural change will also play an important role to help alleviate congestion, not only along the roads near Melbourne Airport, but for Melbourne generally. Policies which aim to help change people's behaviour so they opt for public transport options instead of defaulting to driving as a preferred mode choice are already under consideration. For example, in its November 2016 publication "The Road Ahead", Infrastructure Victoria looked at the role of an efficient, fair, and sustainable road pricing regime in helping tackle congestion.

Another critical cultural change is the shift to metro-style rail timetabling following completion of the Metro Tunnel, with end-to-end services operating at regular intervals. An airport link should support, and be part of that strategic plan for the operation of the rail network.

These cultural changes are complementary to the need for a suitable mass transit airport link, and in some cases will take longer to implement.

4. Customer-centric solution

The customer must be at the heart of this project. Melbourne is one of the world's great cities, and the arrival experience for international and interstate visitors could be significantly better in terms of speed, certainty, and convenience. Preventing greater road congestion around the airport, and the wider network, is crucial to meeting these expectations.

However, it is not just access into and out of Melbourne Airport that must be considered: the whole customer journey, from collecting luggage on arrival to reaching the desired destination, to returning to the airport with that luggage, leaves lasting impressions on visitors to Melbourne. Although taxi and ride-sharing options can be convenient for passengers, they exacerbate congestion on the city's roads and can make travel times to the airport unpredictable. A mass transit link, which complements SkyBus, would offer a more convenient and reliable option. In contrast, the early adoption of a slow, indirect suburban conventional rail service, running on a relatively infrequent basis (in comparison with other modes) will be poorly used and not improve the quality of the visitor experience. A customer-centric approach from start to finish will help ensure that the experience is positive, increase usage of the service and will enhance Melbourne's reputation and brand.

Unlike some of the exemplar cities for airport links – Amsterdam, Hong Kong, Singapore - Melbourne is a geographically dispersed city. The business case should consider the airport's diverse passenger catchments, and how an airport link could simplify the journey between these catchments and improve the services to and from Melbourne airport. (This may also be relevant to any business case for an additional airport to Melbourne's south-east.)

Furthermore, there must be consideration of the sort of services that might be provided remotely from the airport – check-in, luggage drop-off, and express services, for example. It will be critical that all key stakeholders involved in assessing, and facilitating, this customer experience look at ways they can collaborate to achieve optimal outcomes, which will be vital to generating mode shift to the new link.

5. Cost-benefit analysis

This project must take a broader perspective than a narrow cost-benefit analysis on an airport link alone. Complementary metrics which capture value for the broader social, environmental, and economic benefits of a mass transit link, should be considered, along with the need for a broader strategy for how people will live, work, visit, and thrive in Melbourne and Victoria into the future. Ensuring better access between the regions and the airport will help take pressure off the city for growth, and the broader analysis for the network must reflect this. Capturing the needs of other groups than just airport users should be reflected in the business case.

In a budget-constrained environment, both state and federal levels of Government will need to remain open to various funding mechanisms. Private sector involvement, which could include value capture, could extend well beyond the immediate vicinity of an airport link into other parts of greater Melbourne, and even the regions.

Actively considering urban renewal opportunities in routing and station choices to drive value creation, and capture, through density and employment uplifts at key nodes will not only reap economic benefits, but should form part a broader long-term city shaping strategy.

Conclusion

The Committee recognises that this is a complex challenge to resolve in a resource constrained environment. We also acknowledge the good work that the State Government has already done in expanding the capacity of the Tullamarine Freeway.

However, there is concern that adopting a conventional rail solution before other alternatives are reviewed in detail will cut off better options with greater longevity.

While successive Victorian governments have conducted feasibility studies and proposed policies on an airport link for almost 50 years¹⁴, now is the time for action - Melbourne can no longer wait. If there is anything our members and stakeholders consider a priority for Melbourne, it is this.

Failure to adequately address the issue now will continue to cost the city in terms of its national and international reputation, its liveability, and visitability. We encourage the relevant authorities to consider the Committee's five guiding principles when conducting the business case process:

1. The future is already here
2. An integrated and holistic perspective
3. Flexibility
4. Customer-centric solution
5. Cost-benefit analysis

The Committee will continue working with its members in advocating for an efficient and effective airport link for Melbourne that is fit for the future, and urges the State and Federal Governments to approach this matter as a strategic investment for Melbourne, Victoria, and Australia's future.

We look forward to remaining closely engaged with the project's Steering Committee and Project Team chaired by Transport for Victoria, and would be pleased to be a member of the proposed stakeholder reference group.

¹⁴ Aroozoo, M (2017), *Melbourne Airport rail link*, Parliamentary Library & Information Service, Department of Parliamentary Services, Melbourne, Victoria.