



Airport Feature – by Steve Creedy

Newcastle Airport Ready for International Take-Off

The paint is fresh, the carpet smells new and the local community is worded up.

All Newcastle Airport needs now is an international airline wanting to capitalise on a catchment area offering more than 1.1 million potential new customers.

Newcastle recently celebrated the official completion of a \$1.6 million fit-out of its international arrivals and departure facilities as it became match ready for border agencies.

The work was done ahead of schedule and included the installation of the necessary security technology, IT connectivity, passenger screening equipment, and furniture.

The fit-out was the icing on the cake in the wake of a \$14.5m redevelopment project that saw the airport's terminal building expanded by 50 per cent in 2015.

The expansion, majority funded by the NSW Government, included a new departure lounge and arrivals hall and the opening of new food and beverage outlets.

Traffic growth at the nation's fifth biggest airport has since been running strong, clocking in at 6.6 per cent for 2016-17 as more than 77,000 additional passengers went through the gates. This included an estimated 34,000 high-yield business people.

The growth was significant in a flat national market and was helped by work to convince Hunter region residents that it was easier — and smarter — to fly from their local airport than brave the traffic snarls of Sydney.

The airport has also seen some success in convincing residents of the adjacent Central Coast, to view Newcastle as a good departure point.

Airport Chief Executive Peter Cock is now working on the next significant development for airport: the addition of the word "international" to its title.

Cock says the completion of the fit-out means the airport can now tell airlines it can move quickly to accommodate international flights.

All that remains to be done, he says, is for border agencies to employ staff — something they will move to do once an international service is confirmed.

But he concedes it has been a tough ask to attract airlines in the current climate, particularly given Newcastle is limited by the loadings its runway can take.

“We have a capacity issue in our runway, it’s only designed for narrow-body aircraft,” he says. “So, we haven’t got the PCN (Pavement Concession Number) rating to take a routine wide-body service.”

This means Newcastle is not a candidate for the Airbus A330s and other wide-bodies coming from Australia’s fastest growing market, China, and it is limited to markets within the range of Boeing 737s and Airbus A320s.

An early plan to lure a trans-Tasman service by an operator such as Air New Zealand has proved difficult because of the existing competition and capacity on routes between Australia and New Zealand.

But Cock is looking at other options such as Fiji, which he sees as a good market for Newcastle. “Newcastle’s booming,” he says. “There are people here with disposable income who would be prime candidates for outbound leisure to either Bali or Fiji.

“A sensible catchment for us, without exaggerating, is more than 1.1 million so a direct service to either of those destinations would absolutely work.”

Another plus for the airport is likely to be the arrival of new longer-range narrow-body aircraft in the Boeing 737 MAX and A320neo families.

Airlines in some markets, notably transcon US and the trans-Atlantic, are looking at these new fuel-efficient types as a replacement for wide-body planes.

“The A321neo long-range might get to Singapore even,” notes Cock.

Other areas of possible expansion include new domestic routes, such as Newcastle-Adelaide, and attracting to smaller airlines serving thinner, point-to-point routes.

The challenge, says Cock, is convincing airlines that it’s worth pulling an aircraft from another route to give Newcastle a chance.

One answer to this, he believes, could be to get the region to “hunt as a pack” with non-traditional packages that would include local hotels and use domestic charters.

“Can we tap into China like that and start doing charters to an entry point such as Cairns and Brisbane — one of the main gateways?” he says, noting the Hunter region is not yet benefiting from the explosion in Chinese tourism.

Another possibility is establishing charters to a popular international destination such as New Zealand’s Queenstown.

“It’s about risk and who takes that risk,” he said. “Is the airport willing to put more skin in the game to make it happen and prove the market up?”

The airport, which is on Defence land and shares its runway with the RAAF Base at Williamtown, is also exploring a longer-term possibility of strengthening the runway to bring in bigger aircraft.

It recently put in a submission to the Government’s freight and supply chain inquiry on the issue and Cock says it is looking at it as part of its 20-year planning process.

“We don’t have much freight through NTL currently but there’s a lot of potential for the agricultural areas of the upper Hunter as well as seafood,” Cock said. “And even just-in-time freight to the northern parts of Sydney would be faster than Mascot.”

“There are strands we’re trying to pull together and it’s about what the airport the region deserves.

“So it’s a question of what can we do to improve the region?”

End.