

Rockhampton Airport Runway Cost-Benefit Analysis

Economic evaluation of a runway resurfacing proposal

**LOCATION**

Rockhampton, QLD

CLIENT

Rockhampton Regional Council

COST-BENEFIT ANALYSIS

ECONOMIC CONTRIBUTION

Background

The Rockhampton Airport is located to the west of the town of Rockhampton and the Airport is prone to flooding due to its proximity to the Fitzroy River. The Rockhampton Airport is a major regional airport servicing more than 750,000 passengers annually. The airport has a high frequency of airline services with 246 services a week, servicing the business, fly-in fly-out (FIFO), and leisure markets.

The project assessed the delivery of asphaltic concrete resurfacing is to the full width of the main runway with surface enrichment to shoulders, taxiways and both the military and regular public transport aprons.

The key objectives for the project are to:

- Improve the disaster resilience of the Airport and enable a faster return to operations following an inundation event
- Accommodate the forecast increase in military operations (e.g. Singaporean and United States operations), passenger traffic growth and freight growth
- Support and stimulate the economy of Rockhampton.

Our role

Rockhampton Regional Council engaged NineSquared to undertake an economic evaluation of a proposal to resurface the Rockhampton Airport runway. A rapid cost-benefit analysis (CBA) was undertaken to evaluate the project in terms of its economic viability. Supporting this analysis is a computable generalised equilibrium (CGE) model which quantifies the broader economic impact of the project.

The cost-benefit analysis considered the direct costs and benefits of the project. Namely, the benefits accruing the passengers in the form of travel time improvements, the improvements to freight travel time, and revenue recovery for the Airport.

The economic impact assessment estimated the flow on effects to the regional economy based on the initial capital expenditure of the project and the improvements to productivity (to the air transport sector) in the operations phase.

This analysis formed part of a “Building Better Regions Fund” submission to the Australian Government. As a result of this submission, Rockhampton Regional Council was successful in receiving funds for the runway upgrade. This project has now been delivered and is delivering benefits to the local community.

This process has given the NineSquared team an understanding of the requirements to source funding for aviation projects. It also deepened our understanding of the aviation industry, the benefits expected from improved access to aviation services and the associated flow-on impacts to the local community.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people