



geelongchamberofcommerce
the voice of business

7th December 2013

Mr David Hall
Chief Executive Officer
Jetstar Australia & NZ
GPO Box 4713
Melbourne Vic 3001

Dear Mr Hall

Re: Avalon Airport

We write to express our concern following recent media commentary signalling a potential decision by Jetstar to cease flights from Avalon Airport.

The Geelong Chamber of Commerce is one of the oldest and largest Chambers in Australia representing over 750 businesses and organisations in the Geelong region from micro and small businesses through to large enterprises, including government and community organisations. Collectively our members employ over 22,000 people, which represents nearly a third of the total workforce of Greater Geelong. The Chamber is seen as the 'Voice of Business' in the Geelong region, working to support and develop economic activity and opportunities in the region to drive business growth and key economic outcomes for the region.

The Chamber recognises the importance of Avalon Airport, not only as an important driver of the economy of the Geelong region, but in the broader context as a potential significant contributor to the State economy as Victoria's second airport.

Geelong is currently undergoing major transformation from its traditional manufacturing base to a new and diverse economy. It needs new industries to provide employment and drive economic growth. Avalon Airport has the potential to be that catalyst to generate new employment and investment opportunities, create new opportunities in Victoria to grow exports and to help drive tourism into this State. The multiplier effect of this level of economic activity and job creation is indeed significant and would have a positive flow on effect to businesses within the Geelong region, particularly the many small to medium sized enterprises that represent over 95% of all local businesses and employ more than 50% of the region's workforce.

The Chamber commends Avalon Airport for their vision in creating a draft Master Plan incorporating the provision of hotels, distribution centres and retail opportunities that will further create many more new jobs within the Geelong region. But Avalon Airport deserves more certainty. As a private enterprise that has invested over \$32 million towards capital improvements at the airport since 2008 and employed many hundreds of local people, including their support in the Northern suburbs providing employment opportunities for disadvantaged workers, Avalon Airport is to be commended. Over that time the airport has also contributed over \$500,000 to support various sectors of the community within Geelong and the broader G21 region. Avalon Airport is a good corporate citizen and recognized as an 'employer of choice' in the region.

However, for the airport to continue to grow and provide opportunities for investment and development within the Geelong region and beyond, it is critical that domestic flight services be retained and encouraged to grow. The loss of Jetstar would have a significant negative impact upon Avalon Airport and the Geelong region. In just nine years Jetstar has flown almost 7 million passengers, generating thousands of jobs, and providing a significant economic impact for the Greater Geelong region.

Access to domestic passenger services for the region is of paramount importance. The existence of an airport close to a major regional city like Geelong has significant economic, employment, investment and tourism flow on effects. Avalon Airport serves not just Geelong and the surrounding region but also provides access to domestic passenger services right through to the Western District of Victoria.

Geelong cannot afford to lose another industry, especially one that has the ability to drive new growth opportunities for the region and the State. Operations at Avalon Airport currently subsidise the biennial Australian International Airshow and Aerospace & Defence Exposition. The future of this major tourism drawcard and significant international event beyond 2015 may be uncertain should domestic passenger services be withdrawn.

The Chamber supports Avalon Airport's continued discussions with international airlines. The introduction of an international airline will increase profitability for domestic services into Avalon and will be an important catalyst to expanding export opportunities for Victoria.

Accordingly, we respectfully request your support by not making any decisions about the future of flight services out of Avalon in the immediate future. Geelong, Victoria's second city, does not need another industry in our region to close. The growth of tourism and the projections of population growth in the Geelong region to at least 500,000 by 2050 ideally positions Avalon Airport to play an important role as Victoria's second airport. Withdrawal of Jetstar threatens not only the viability of Avalon Airport but also threatens the future growth of the Geelong region. Without a viable domestic airline, the ability to attract a major international airline will be severely diminished. The existence of Avalon Airport offers additional choice and flexibility to residents and business operators of Melbourne's rapidly expanding Western suburbs right through to the Greater Geelong region and the Western district of Victoria.

On behalf of our members and the entire business community of the Geelong region we urge you to re-consider your position by committing to the continuation of flights out of Avalon for at least the next 12 months to enable strategies to ensure profitability and return on investment are maximised. We would be pleased to meet with you to discuss how we can work together to ensure that this important service is maintained for at least the foreseeable future.

Yours sincerely



Kylie Warne
President



Bernadette Uzelac
Executive Officer