

BAA Evidence to Scottish Parliament 8 May 2006

(Douglas Dewar and Derek Hendry - Multiplier Effect – highlighted on page 3)

Scottish Parliament

Glasgow Airport Rail Link Bill Committee

Monday 8 May 2006

[THE CONVENER opened the meeting at 10:12]

Glasgow Airport Rail Link Bill: Preliminary Stage

The Convener (Margaret Jamieson): Good morning. I welcome everyone to the fourth meeting of the Glasgow Airport Rail Link Bill Committee. We are waiting for two members. Michael Matheson has had difficulties with his travel arrangements. I understand that there is a problem on the line between Motherwell and Edinburgh. Brian Monteith is also on his way. However, we are quorate because three members of the committee are present.

I remind members and members of the press and public to ensure that their mobile phones and pagers are switched off.

This is the second meeting at which we will take oral evidence on the general principles of the bill. Unfortunately, TRANSform Scotland and the Scottish Association for Public Transport were unable to provide witnesses for today's meeting. Three panels of witnesses will still provide evidence today, the last of which will speak on behalf of the promoter. I indicate to the promoter's witnesses that when we take evidence from you, we will seek your comments on the evidence that we will have heard from today's other witnesses.

As with all our meetings at the preliminary stage, various broad themes will shape our questioning. They are: a general overview of the bill and the need for the rail link; the transport impacts of the scheme; and airport policy use and growth. I ask members to try to stick to those topics as far as possible because we will consider other relevant topics at later meetings.

I welcome Douglas Dewar, the financial director of Scottish Airports Ltd, and Derek Hendry, development director of Scottish Airports group, both of whom are here to represent Glasgow Airport Ltd. Steven Fitzgerald, is chief executive of Infratil Airports Europe Ltd and he is here to represent Prestwick airport.

At the moment, we are not taking opening statements from those who are here to give evidence. We will just go straight to questions.

Do the representatives of Glasgow airport believe that the final GARL design at the airport is the best possible option for passengers, or is it a reflection of recommendations or demands that were placed on the promoter?

Derek Hendry (Scottish Airports Ltd): We have worked closely with Strathclyde Passenger Transport on the design during the past three years, and we are satisfied that it fits with the long-term development plans for the airport and will serve passengers well.

The Convener: Do you believe that the route is appropriate for transport to and from the airport?

Derek Hendry: We are satisfied that the alignment of the railway line is the correct route for getting passengers to and from the airport.

The Convener: Do you believe that it will properly integrate with the existing transport network and allow for the future development of enhanced interchange opportunities with the bus, car, rail, cycling and walking?

Derek Hendry: As I think I said earlier, the design and layout of the scheme have been integrated with our long-term development plans for the airport and it is our long-term intention to capture all public transport in the one area at the airport.

The Convener: As they stand, the plans indicate a requirement to move the fuel depot because of the proposed line. Did you have plans to resite that depot at any time?

Derek Hendry: Our long-term plans for Glasgow airport are to expand the facilities to the west. The fuel farm is in the west area of the airport. In the longer term, we would either have to design our facilities around the fuel farm or relocate it.

The Convener: Now that we have the evidence from the Buncefield disaster, are you satisfied that the proposals for the fuel farm comply with all the health and safety requirements?

Derek Hendry: I believe that we are still awaiting a report from the Buncefield disaster. Any requirements that come out of that report will have to be accommodated when we relocate the fuel farm.

The Convener: Is the final design consistent with any future development plans? You have said that you plan to expand the airport to the west. Would that be consistent with any possible change in the ownership of the airport and its land?

Derek Hendry: We currently own all the land that is designated for the railway line—where it crosses the airport boundary—and the station.

Douglas Dewar (Scottish Airports Ltd): One of our main objections to the bill is to do with land ownership. We believe that for ourselves or future operators of the airport to be able to operate, develop and run the airport and its operations and business properly, the bill will have to be changed. We do not believe that compulsory purchase is an appropriate way forward.

The Convener: Okay. I want to discuss the expected increase in the number of passengers who use Glasgow airport. Is it possible to speculate on the type of passenger and their likely travel needs? For example, is there a difference between the preferred onward travel methods of business passengers and economy passengers?

Douglas Dewar: The needs of business and leisure passengers may be different, but the differences between the needs of United Kingdom-based passengers and people who come from abroad are also significant. There are ranges of forecasts on the need for different forms of transport. Our master plan indicates how we see such needs going. In general, we recognise that improved access to the airport is needed to encourage the competitiveness of the west of Scotland, for example, but exactly what different classes of passenger need depends as much on the quality, price and appropriateness of the provision as on the physical engineering.

The Convener: Have you undertaken any surveys of passengers to analyse what their needs would be in an ideal world?

Derek Hendry: No. The surveys that we undertake examine where passengers have travelled onwards to and from the airport and the modes of transport that they have used. We have historical information about such things.

Douglas Dewar: Members must realise that, basically, we supply the airlines with a service; the airlines then supply their customers, who are the passengers. The passengers are also our

customers in some ways, but the key requirement for us is not to do anything that discourages airlines from using Glasgow airport. If airport charges were to increase as a result of the rail link, that would clearly discourage airlines from using Glasgow airport.

The Convener: Okay. The promoter has quoted figures that show very large future increases in air traffic. Given the possible higher energy costs and some people's opposition to the environmental impact of air travel, are those increases likely to materialise?

Derek Hendry: There are two sets of forecasts. The Department for Transport produced forecasts for the aviation white paper that indicated that Glasgow airport's passengers would increase from around 8.8 million this year to 15 million in 2030. BAA subsequently produced forecasts for a master plan. Our draft master plan, which indicated that the number of passengers could grow to between 16 million and 24 million by 2030, was published for consultation last year. The figures are only forecasts, but an expert forecasting team works for us. The team considers a number of factors, such as people's propensity to fly, fuel-cost increases and other economic factors.

The Convener: If the proposed rail link to Edinburgh airport goes ahead, what would be the impact on Glasgow airport's passenger numbers and, ultimately, on demand for using the Glasgow airport rail link?

Douglas Dewar: We have seen Edinburgh airport rail link proposals that indicate that the west of Scotland would form part of the catchment area. The Edinburgh Airport Rail Link Bill is at an early stage and, as members know, we will object to it. Whether the passenger forecasts will be fulfilled depends greatly on the quality and price of the service provision. Simply building a rail link under Edinburgh airport will not necessarily mean that people will use it.

The Convener: Okay. Thank you.

Marlyn Glen (North East Scotland) (Lab): Good morning. My questions are about the economy and funding. Will the witnesses summarise the economic and employment benefits that Glasgow airport generates for the local economy?

Derek Hendry: In 2002, we commissioned a report by the Fraser of Allander institute, which we would be happy to provide to the committee.

Some 5,000 people are employed on the airport campus. The Fraser of Allander institute estimated a multiplier effect on employment that shows that we support a further 15,000 jobs across Scotland.

Marlyn Glen: Was the report published in 2002?

Derek Hendry: I believe so. We can provide the committee with a copy, if members wish.

Marlyn Glen: That would be helpful.