



**Sydney
Airport**

The right future.
Starting now.





16.0

LONG TERM DEVELOPMENT OF AVIATION IN THE SYDNEY REGION



16.0 LONG TERM DEVELOPMENT OF AVIATION IN THE SYDNEY REGION

Key points

- Sydney Airport supports the three core elements of the joint study:
 - Optimise the use of Sydney Airport as the primary airport for Sydney and NSW for international, domestic and regional passengers and related freight by ensuring that it operates efficiently and can grow to its maximum practical operational capacity
 - Protect and optimise the use of other existing airports serving the Sydney Basin
 - Select a site for a supplementary airport and ensure operations commence at the appropriate time in the future in line with demand
- Sydney Airport will continue to be the most important airport for the Sydney region and for Australia, both for passengers and related freight activities
- Sydney Airport's new development plan has been designed to ensure that the airport can continue to enable the forecast growth of air travel for tourism and trade well beyond the planning period
- Beyond the planning period of the Master Plan, there is substantial further potential to grow traffic at Sydney Airport to meet demand:
 - Independent experts have performed sensitivity analysis to demonstrate that Sydney Airport could accommodate the 2033 traffic forecast in the Master Plan, the 2029 traffic forecast in the 2009 Master Plan and the 2035 traffic forecast published in the *Joint Study on Aviation Capacity for the Sydney Region* (the joint study)
 - The forecast schedule for 2033 in the Master Plan does not use all of the runway slots available within the existing regulations. In addition, the infrastructure capacity of Sydney Airport comfortably exceeds the operational regulations
 - There are opportunities for further apron and terminal development beyond those expected to be developed by 2033 to the north of Terminal 1, east of Terminal 2, west of the new international facility in the existing Qantas Jet Base and in the South East Sector of the airport
 - Given the commitment by the federal and state governments to progress WestConnex together with projects to improve ground access in and around the airport, significant capacity exists to meet ground transport demands
- Reviewing and modernising a number of the regulations in consultation with the community to reflect the significant environmental benefits of existing and future quieter, new generation aircraft could further improve airport efficiency and productivity while maintaining or improving the airport's overall noise impact. Sydney Airport could also operate more efficiently with:
 - Increased focus at Sydney Airport on core passenger activities, with development of non-core civilian use such as supplementary business and general aviation, helicopter and specialised freight capacity at RAAF Base Richmond operating on an integrated basis with Sydney Airport
 - Enhanced land transport options for passengers, staff and other users
- The development of other existing airports and, in time, a supplementary airport needs to be demanded, incremental and flexible to changing market demand. Further, any additional aviation capacity must be developed as one system to maximise planning and investment



Sydney is Australia's international, commercial and financial centre, and its foremost tourist destination. Access to an efficient Sydney Airport for passenger and freight operations will be as important in the future as it is today.

While Sydney Airport's development plan ensures the continued ability to meet forecast growth under a range of scenarios beyond the planning horizon of the Master Plan, there are a number of opportunities to further enhance productivity and efficiency at one of Australia's largest infrastructure assets and the primary international gateway.

In particular, Sydney Airport, in keeping with the findings of the joint study, could generate significant benefits for passengers and the economy with:

- Increased focus at Sydney Airport on core passenger and related freight operations, with the development of non-core civilian use such as supplementary business and general aviation and specialised freight capacity at RAAF Base Richmond operating on an integrated basis with Sydney Airport
- Enhanced land transport options for passengers, staff and other users

The development of other existing airports and, in time, a supplementary airport needs to be demand-

led, incremental, flexible to changing market demand, and treated as one system to maximise planning and investment. The most successful international examples of secondary airports are where these airports operate as a system.

16.1 Optimising the use of Sydney Airport

To support the social and economic growth of Sydney, NSW and Australia, it is important to maximise the potential of Sydney Airport, which is:

- Ideally located within 8km of the CBD and 10km of major tourist destinations, as well as the closest airport to the secondary business districts in Parramatta, North Sydney and Macquarie Park, and the vast majority of resident travellers
- Well supported by existing infrastructure, including passenger terminals, fuel supply infrastructure, freight terminals, surrounding logistics and airline support infrastructure, air traffic management facilities, and ground transport connections
- Currently facilitating the introduction of new generation quieter aircraft, which have smaller noise footprints than the older aircraft they are replacing, through the collaborative development of new technology standards and procedures with Airservices Australia and a number of airlines

The importance of investment in the capacity of Sydney Airport is supported by international experience with multi-airport systems. A draft policy guide developed for the US Federal Aviation Administration in April 2000¹ recommended that:

"when additional capacity is required in a region, it is most reasonable to site the immediate addition at the primary airport when it serves as a major hub for some airlines".

¹ Planning Multi-Airport Systems in Metropolitan Regions in the 1990s

Sydney Airport welcomes the joint study recommendations to maximise the efficient operational productivity at one of Australia's largest infrastructure assets. As identified by the joint study and numerous reports generated over the last 15 years, Sydney Airport currently operates with a number of inflexible and, in some cases, out-dated restrictions designed to deliver positive environmental benefits to the community. However, the inflexible and outdated nature of the existing operational restrictions deliver suboptimal outcomes for the community than could be achieved by more modern regulations that reflect and incorporate technology improvements.

While some residents and councils support maintaining the existing operational regulations at Sydney Airport in their current form, there was significant support from other residents, airlines, tourism and trade groups, and the NSW Government to explore reform and modernisation of the operating environment. The larger key stakeholders generally support both the enhancement of operational regulations at Sydney Airport and the staged development of a commercially viable second Sydney airport in line with demand.

While Sydney Airport's infrastructure development plans, including the ground transport plans, will help to achieve the joint study's recommendations, the ability to fully maximise efficient operation and productivity is significantly reduced by the inflexibility of current operating restrictions.

Enhancements to reflect technological and industry improvements that have occurred over the past decades, such as the development of quieter, new generation aircraft and precision air traffic management technologies, would improve the ability to promote the sound development of civil aviation in Australia at almost zero economic cost.

In particular, consideration should be given to a more flexible application and progressive increase in the hourly cap (Joint Study Recommendation 5), and a more flexible interpretation of the curfew legislation and adhering to the provisions of the Sydney Airport Curfew Act 1995 (Cth) (NSW Visitor Economy Taskforce).

In December 2012, the NSW Government supported key recommendations made by the Visitor Economy Taskforce to reform current operational restrictions. Specifically, the NSW Government has said that current regulations restricting curfew shoulder movements should be increased to the level allowed by the Sydney Airport Curfew Act. This would allow a further 11 morning landing slots and 14 take-off/landing slots every week. Consistent with the recommendations of the joint study, the NSW Government has also said that it supports the better utilisation of existing airport infrastructure through increasing the aircraft movement cap from 80 to 85 movements per hour during peak periods.

Additionally, given the interconnected nature of the national aviation network, delays created at any major airport in Australia can significantly disrupt daily operations. Introducing greater flexibility in the application of operating restrictions can help reduce delays and clear backlogs in a more timely manner at all eastern seaboard airports in the network.

This could potentially:

- Through alignment of the regulations with the legislation allow new flights for quieter, next generation aircraft that could inject more than \$1 billion each year in to the economy
- Improve on-time performance and reduce the impact of weather delays across Australia
- Increase the potential for noise sharing and create more predictable periods of respite
- Reduce circling in holding patterns, reducing both emissions and aircraft noise

While Sydney Airport welcomes the recommendations of both the joint study and the Visitor Economy Taskforce, any reform to the current operational restrictions must be accompanied by a comprehensive stakeholder engagement process to ensure the views of the community and industry are incorporated.

16.1.1 Focus on core activities

To support tourism, trade and economic growth for Sydney, NSW and Australia, the priorities for Sydney Airport are to facilitate international, domestic and regional passenger and related freight operations.

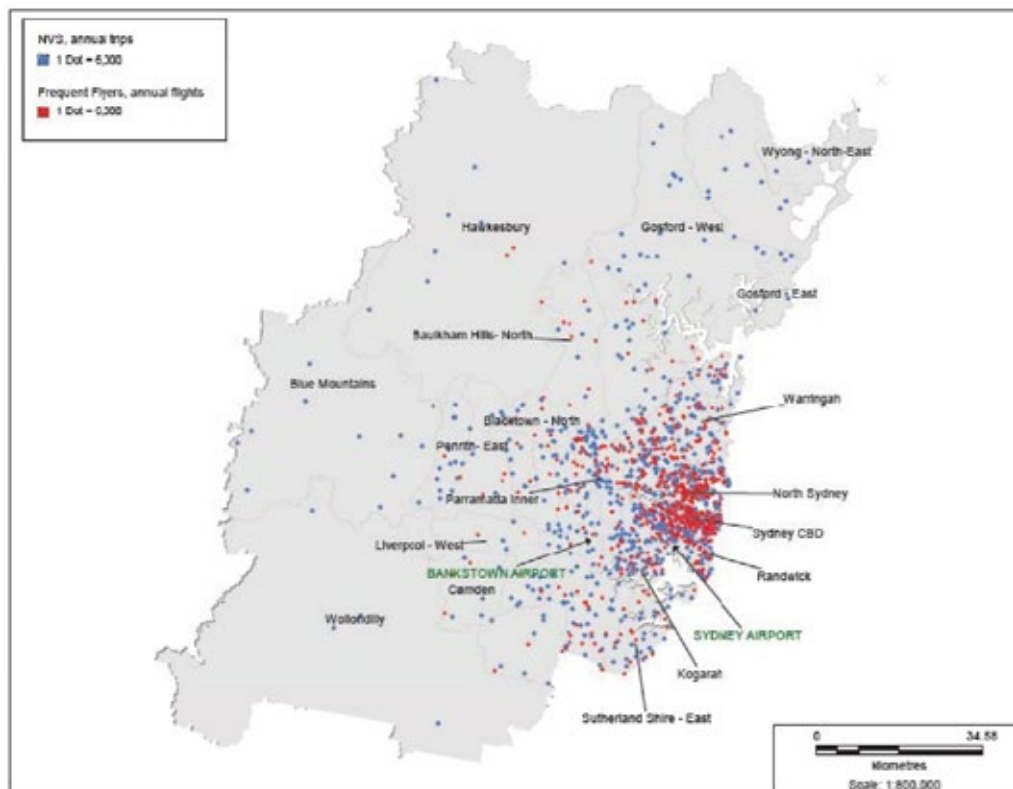
Both passenger and related freight operations are vital economic activities that contribute significantly to global business and to the Sydney, NSW and Australian economies. Sydney Airport is Australia's largest transport and logistics hub. Some 34 international, six domestic and six regional airlines operate to 97 destinations, including 11 international and eight regional destinations not served by any other Australian airport. Many passengers and large volumes of freight transfer between these flights.

International passengers are particularly valuable to Australia, with every additional daily A380 service from China contributing an estimated \$388 million per annum to the Australian economy and 5,000 jobs.

Sydney Airport also handles approximately 48% of Australian air freight. It is estimated that around 80% of this freight is carried in passenger aircraft, and is important to the economics of the passenger services. These passenger and related freight operations are the core activities of Sydney Airport, and are interdependent.

While Sydney Airport will continue to accommodate other activities where they do not interfere with the core tourism, trade and economic priorities, it is important

Figure 16.1 Air trips by statistical local area of residence, Sydney



Source: Joint study on aviation capacity in the Sydney Region, Australian and NSW governments, 2012

the focus remains on maximising the ability to facilitate international, domestic and regional passenger traffic, and related freight operations.

16.1.2 Infrastructure development

Sydney Airport's development plan has been designed to ensure the airport can continue to meet forecast growth of air travel for tourism and trade well beyond the planning horizon of the Master Plan. Beyond the scope of this Master Plan, there is substantial further potential to grow passenger traffic at the airport to meet demand:

- The forecast schedule for 2033 in the Master Plan does not use all available slots within the existing regulations.
- The potential physical capacity of the airport, including terminals, aprons, parking bays, taxiways and runways, could comfortably accommodate higher traffic than is allowed under the current operational regulations
- There are opportunities for further apron and terminal development beyond those included in the Master Plan to the north of T1 and in the South East Sector of the airport
- There are opportunities to increase road and car parking capacity in the long term, particularly with

the commitment by the federal and state government to fund WestConnex.

In addition to these on-airport investments, it will be important in the long term for continued development of the broader Sydney road, bus and rail networks, including appropriate connections to Sydney Airport. The need to enhance the road network and public transport in the Sydney Airport/Port Botany precinct has been recognised in the Joint Study, the State Infrastructure Strategy (SIS), the TfNSW Transport Master Plan, and the NSW Visitor Economy Taskforce (VET).

The NSW Government has committed to delivery of several initiatives identified in the SIS including WestConnex and associated enabling works. Throughout 2012 and this year, Sydney Airport has worked extensively with the NSW Government to develop a number of road and ground transport upgrades both on and off-airport, supported by the Australian and NSW Government's commitment to construct the WestConnex Motorway by 2022 as well as the priority development of WestConnex enabling works in the airport vicinity. This will significantly improve the experience for passengers and others travelling to and from the airport and reduce the impact of non-airport traffic in the area by increasing 'green traffic light' time, creating additional lane capacity and reducing traffic congestion at key intersections.

16.2 Protect and optimise the use of other existing airports serving the Sydney Basin

Over recent years, the importance of Sydney Airport for all aviation activities has increased as a result of the closure of other aviation capacity in the Sydney region. Unusually for a major capital city airport, Sydney Airport is not just Australia's primary airport for passenger and related freight operations but is also Sydney's primary airport for specialised freight, business aviation and helicopters.

As the core passenger and related freight activities increase at Sydney Airport, there will be an increased need for alternative aviation facilities for other aviation activities. In particular, there will be increased demand for specialised freight, business aviation and helicopter activities at other airports and heliports. There will also be increased demand for emergency services at airports proximate to the growing population in Sydney's west, north west and south west, and for training flights to meet the growing demand for pilots.

The joint study identifies several existing airports that could be further developed to meet this demand, including RAAF Base Richmond, Bankstown, Camden, Illawarra, Newcastle and Canberra airports. Of the airports within Sydney, only RAAF Base Richmond was assessed as being able to accommodate jet aircraft.

Having reviewed the Australian Government's recent feasibility study of Wilton and RAAF Base Richmond for civil aviation operations, Sydney Airport agrees that RAAF Base Richmond could, with the cooperation of the Department of Defence, be used for non-civilian operations such as limited business and general aviation, specialised freight and helicopter operations. Sydney Airport is prepared to work with the government on how to best run any future specialised operations at RAAF Base Richmond on an integrated basis with Sydney Airport. This could further release capacity at Sydney Airport while longer term consideration is given to a second airport for Sydney.

In the longer term, there is also the potential for Canberra and Newcastle airports to attract some traffic from the south-western and northern extremes of the Sydney region. This may be assisted through the development of a high speed rail link along the Newcastle-Sydney-Canberra-Melbourne corridor as demand for travel increases over time.

While helicopters have not been given prominence in the joint study, it is important for a helicopter strategy to be developed for the Sydney market. Sydney Airport's understanding is that the demand for helicopters is tightly centred on the CBD, and that most helicopter operators have a strong desire to be able to operate from the CBD.

16.3 Select a site for a supplementary airport to open at the appropriate time

In time, there will be a need to develop a supplementary airport both to serve the growing demand of western Sydney and provide a focus for new jobs in the region. It is appropriate to identify and protect an appropriate site. While the joint study and others have identified Badgerys Creek as the best site from an economic and planning perspective, it is appropriate for the Australian and NSW governments to balance the economic, social and environmental factors in selecting the best site overall. It is also appropriate to protect the airspace to ensure the safe operation of the airport in compliance with international standards. Future noise impacts should also be considered, although the ongoing improvements in aircraft noise could result in the major noise impacts being contained within the airport boundary.

Whichever site is reserved, it is important that the airport is developed to promote tourism and trade for Sydney, NSW and Australia as part of the system of airports serving Sydney. To facilitate this, any future airport must be developed without any operating restrictions including a curfew or movement cap to maximise its potential for growth and attract high demand for overnight international services. To do so, it will be vital that the airport is able to support profitable airline route development. International operations will become more viable once the airport has established a fully developed domestic network, which will help to overcome the material costs of split operations.