Sydney Airport
The right future.
Starting now.

One in every $10 generated in NSW comes from the Sydney Airport-Port Botany precinct. Sydney Airport itself contributes $27.6 billion to the economy each year and supports 283,700 full-time jobs in industries including aviation, transport and tourism.

2.0

ECONOMIC AND REGIONAL SIGNIFICANCE OF SYDNEY AIRPORT

2.0 ECONOMIC AND REGIONAL SIGNIFICANCE OF SYDNEY AIRPORT

Key points

- Sydney Airport is one of Australia's most important pieces of infrastructure. Directly and indirectly, it generates and facilitates:
    - Economic activity equivalent to 6% of the NSW economy
    - Almost 300,000 jobs
- The continued growth of Sydney Airport is vital to achieving local and state based employment, tourism and development objectives
- Sydney Airport's location offers strategic and commercial advantages to Sydney and NSW:
    - 2km to Port Botany
    - 8km to the CBD
    - Under 10km to the harbour and several major tourist beaches
- Sydney Airport provides Sydney, NSW and Australia with an unmatched network of intrastate, interstate and international routes:
    - 47 international, 24 domestic and 26 regional routes
    - 34 international, 6 domestic and 6 regional airlines
    - All business or mixed purpose regional routes have scheduled flight times in the morning peak
    - Sydney Airport is committed to maintaining the strongest network of international, domestic and regional routes
- Sydney Airport publicly supports the three core elements of the *Joint Study on Aviation Capacity for*

the Sydney Region (the joint study) to:
    - Optimise the use of Sydney Airport as the primary airport for Sydney and NSW for international, domestic and regional passengers by ensuring that it operates efficiently and can grow to its maximum practical operational capacity
    - Optimise the use of other existing airports serving the Sydney region
    - Select a site for a supplementary airport, and ensure operations commence at the appropriate time in the future, when demand requires
- Sydney Airport is committed to meeting the needs of its customers and delivering a passenger experience that the community is proud of:
    - Sydney Airport has invested more than $2 billion on facilities, capacity, safety and security since July 2002 following extensive and ongoing consultation with airlines
    - 2011/12 passenger service level survey results were the highest recorded
    - Since 2002, 25 new routes and 12 new airlines have been attracted to Sydney Airport, expanding the route network for passengers and opening up tourism and trade for Australia
    - Sydney Airport is seeking to work even more closely with its partners to better understand and respond to their priorities and to help them by sharing information and expertise

The benefits of aviation to Sydney, NSW and Australia are well established, and are recognised by all levels of government. Direct and indirect activity at Sydney Airport contributes the equivalent of 6% of the NSW economy and generates almost 300,000 jobs. A large number of jobs are undertaken by residents of the communities surrounding the airport, with particularly large numbers in Sutherland Shire and Rockdale. There are also significant numbers of airport-related employees living in Kogarah, Hurstville, Canterbury, Randwick and Botany Bay.

Sydney Airport is ideally located to maximise the benefits to the community, in particular, for local businesses around the Port Botany/Sydney Airport precinct. The airport is 2km from Port Botany, 8km from the Sydney CBD, and less than 10km from the iconic Sydney Harbour and the southern beaches. Surrounding the airport is a network of light-industrial and tourism-related businesses that rely on or support the airport, such as freight/logistics, catering, engineering, vehicle rental businesses and accommodation businesses.

Sydney Airport does not just serve passengers travelling to or from Sydney, it is also Australia's largest transport and logistics hub. Some 34 international, six domestic and six regional airlines operate from Sydney Airport 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.

Sydney Airport's location, the substantial investments by the airlines and other businesses in the region, and the established route networks provide invaluable strategic economic and commercial advantages to Sydney and NSW. The benefits to Sydney and Australia will be maximised by optimising the use of Sydney Airport – as was recognised by the *Joint Study on Aviation Capacity for the Sydney Region* (the joint study). International experience makes it clear that Sydney will be a more attractive destination for international airlines and visitors if they are able to be accommodated efficiently at Sydney Airport.

Sustainable growth of the airport is critical to the achievement of the NSW Government's targets for tourism and the employment targets of the local government areas. For example, each daily A380 service from Dubai is estimated to generate more than 4,000 direct and indirect jobs and contributes an average of $340 million per annum to the economy.

Airports need to plan and invest for the long term in the context of changing airline strategies and business needs, new operational and security requirements, and evolving technology.

Sydney Airport's vision is to deliver a world-class airport experience and foster the growth of Sydney Airport for the benefit of Sydney, NSW and Australia.

Over $2 billion of investments and other initiatives during the past decade have helped to increase service levels, enhance safety and security, deliver environmental improvements and increase capacity to meet demand. Major on-airport investment programmes are negotiated and agreed with the airlines, and are implemented to meet airline capacity demands and product developments.

The development plan within this Master Plan ensures that Sydney Airport will have the ability to be responsive and flexible in the development and use of its facilities to accommodate an ever-changing landscape of airlines and associated passenger services.

Sydney Airport's development plan has been designed to ensure that the airport can meet forecast growth of air travel for tourism and trade well beyond the 2033 horizon of the Master Plan. However, as outlined in the joint study, Sydney Airport could operate more efficiently with:

- Modernisation and reform of the operating restrictions at Sydney Airport
- Increased focus on core activities of international and domestic/regional passenger and related freight operations, with the development of supplementary

specialised general aviation and freight capacity at RAAF Base Richmond operating on an integrated basis with Sydney Airport

- Enhanced land transport options for passengers, airport related employees and other users

Accordingly, Sydney Airport publicly 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 by ensuring that it operates efficiently and can grow to its maximum practical operational capacity
- Optimise the use of other existing airports serving the Sydney region
- Select a site for a future supplementary airport in the long term, and ensure operations commence at the appropriate time when demand requires

2.1 Located at the heart of tourism and trade

International trade and international air routes are vital to Australia's continued national prosperity. Airports are an essential part of the transport networks that all successful modern economies rely on.

Sydney Airport provides a uniquely extensive breadth of transport interconnectivity within the Sydney region. In addition to providing NSW residents with the opportunity to travel, whether for business or leisure, the airport also:

- Delivers convenience for business visitors to Sydney, with the location of Sydney Airport just 8km from the CBD
- Delivers convenience for tourists to Sydney, with the location of Sydney Airport within 10km of the major tourist destinations, including Sydney Harbour, Sydney Opera House, the Sydney Harbour Bridge and Bondi Beach

Table 2.1 Airport-related businesses

Business Sector	Key Indicators
Airlines	34 international, six domestic and six regional airlines operating at Sydney Airport
Freight	At least 146 organisations involved in freight activities including transport companies, handlers and forwarders
Other aircraft operators	346 general aviation operators
Retailers	At least 73 on-airport retailers (some of which operate multiple outlets)
Hotels	Nine hotels in close proximity of Sydney Airport
Government	Seven Australian and NSW Government departments and agencies
Car rental and parking	As many as 10 operators servicing the airport
Ground transport	At least 1542 ground transport providers servicing the airport
Fuel supply	Fuel supply infrastructure owned jointly by several fuel businesses

Source: Sydney Airport (as at December 2012)

- Serves as a hub for travel between regional NSW, other Australian cities and the world

- Provides an interchange between air, sea and land freight, enabling high value and/or time critical exports and imports

- Serves as an air freight hub for NSW

The success of business and tourism for Sydney, NSW, Australia and Sydney Airport are interdependent. Sydney Airport's location and extensive route network is a significant strategic advantage for Sydney, NSW and Australia when competing with other Australian and overseas cities.

Sydney Airport has a substantial route network, including:

- 47 international destinations, 11 of which are not served by any other Australian airport

- 24 domestic destinations

- 26 regional destinations, eight of which are served only by Sydney Airport

Sydney's status as Australia's pre-eminent global city, in turn, supports the route network at Sydney Airport and the development of Sydney Airport and related businesses. The availability of direct flights to a wide network of destinations also significantly strengthens the competitiveness of the Sydney tourism industry. The partnership between Sydney Airport and Destination NSW is actively working to boost tourism, attract new airlines and increase airline services to Sydney, in support of the NSW Government's target to double overnight visitor expenditure by 2020. Sydney Airport and Tourism Australia are also working together to promote tourism to Australia.

Airport-related businesses, highlighted in **Table 2.1**, have also made significant investments in the areas surrounding Sydney Airport, including investments relating to:

- Transport links

- Hotels

- Fuel supply

- Aviation support services such as catering and cleaning

- Utilities

2.2   A key source of jobs and income

A January 2013 study by Deloitte Access Economics into the economic impact of Sydney Airport quantified the benefits of these activities. Key findings of the study include that Sydney Airport generates or facilitates:

- **Jobs**. Direct and indirect employment of 283,700 jobs (equivalent to 8% of NSW employment), including 160,000 direct jobs, 28,000 of which are on-airport

- **Economic activity**. Direct and indirect economic contribution of $27.6 billion, equivalent to 6% of the NSW economy and 2% of the Australian economy

- **Household income**. Direct and indirect contribution of $13.2 billion. Additionally, at $82,000 per annum, the average full time equivalent wage of an employee working on the Sydney Airport precinct is 13% higher than the NSW average for all employees.

- **Taxes**. Direct and indirect taxes, including:
  – Substantial income tax and GST revenues to the Australian Government
  – Substantial payroll taxes to the NSW Government
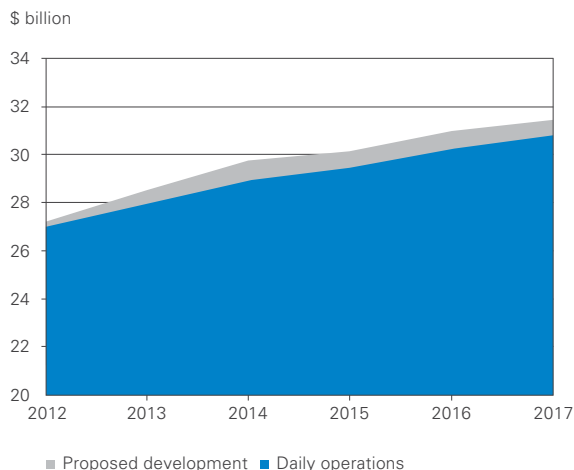 – Annual contributions, in lieu of rates, to Botany Bay, Rockdale and Marrickville Councils

Figure 2.1 Forecast growth of employment and economic contribution

Employment

Full-time equivalent (000's)

■ Proposed developments ■ Daily operations
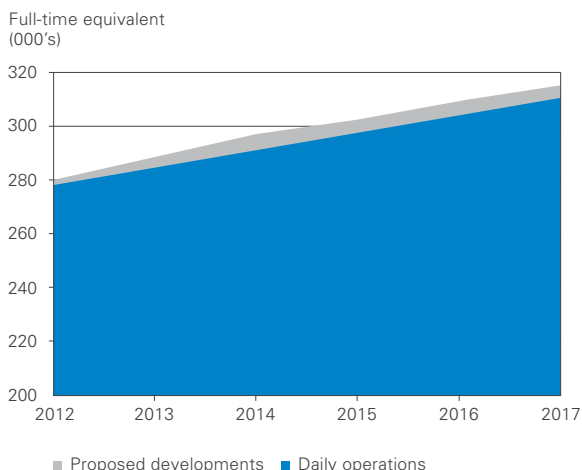
Source: Deloitte Access Economics, January 2013

GDP

$ billion

■ Proposed development ■ Daily operations

Using forward-looking modelling, the study also indicated that Sydney Airport's economic contribution will increase as the airport develops (refer to **Figure 2.1**). It is forecast that the economic activity generated or facilitated by Sydney Airport will increase from $27.6 billion in 2012 to over $42 billion in 2033 and total employment will increase from 283,700 jobs in 2012 to over 400,000 by 2033.

This study highlights that a relatively small development at Sydney Airport can have a potentially large economic impact on both the NSW and Australian economies. As an example, an additional daily A380 service from Dubai would, on an annual basis, contribute an estimated:

• $342 million to Australian GDP

• $206 million to Australia's household income

• 4,400 jobs (2,800 of which would be in NSW).

Similarly, an additional daily A380 from China would, on an annual basis, contribute an estimated:

• $388 million to Australian GDP

• $233 million to Australia's household income

• 5,000 jobs (4,000 of which would be in NSW).

In addition, the study highlights the significance of Sydney Airport within the local community. It is estimated that there are over 800 businesses operating on and around Sydney Airport with these businesses having a profound impact on local employment figures.

For the first five years of the planning period, the Airports Act requires the Master Plan to specify the likely effect of the proposed developments in the Master Plan on employment levels at the airport and the local and regional economy.

In relation to the period to 2019, the employment levels forecast as a result of proposed developments at Sydney Airport is shown in **Table 2.2** below. The employment levels forecast as a result of daily operations at the airport are also shown for each year.

In relation to the period to 2019, the economic activity forecast as a result of proposed developments at Sydney Airport – which includes effects in the local and regional economy – is shown in **Table 2.3** below. The economic activity forecasts as a result of daily operations at the airport are also shown for each year.

2.3 Integral to the plans of all governments

Many of the direct and indirect jobs generated or facilitated by Sydney Airport are in the local government areas of Rockdale, Marrickville and Botany Bay. The continued development of Sydney Airport is integral to achieving the employment objectives of the NSW Government and the local councils that surround the airport.

The airport and the surrounding region is identified as strategic employment lands within:

• The Metropolitan Plan for Sydney 2036 (NSW Government, 2010)

• The draft subregional strategy for the East Subregion (which includes the City of Botany Bay)

• The draft subregional strategy for the South Subregion (which includes Marrickville and Rockdale City)

Table 2.2 Employment levels at Sydney Airport (Full Time Equivalent)

	2013	2014	2015	2016	2017	2018	2019
Daily operations	284,997	291,415	297,832	304,250	310,667	317,085	323,502
Proposed developments	4,128	3,804	3,214	2,848	2,508	2,198	1,943
Total	289,125	295,219	301,046	307,098	313,175	319,283	325,445

Table 2.3 Effect of Sydney Airport on the local and regional economy ($billion)

	2013	2014	2015	2016	2017	2018	2019
Daily operations	28.00	28.93	29.47	30.23	30.80	31.30	31.69
Proposed developments	0.61	0.56	0.47	0.41	0.36	0.31	0.27
Total	28.61	29.49	29.94	30.64	31.16	31.61	31.96

1 Adjusted for inflation, Sydney Airport's regional charges have declined by 31% over the past decade

- The draft subregional strategy for the Sydney City Subregion (which includes the City of Sydney).

In March 2013, the NSW Government released the Draft Metropolitan Strategy for Sydney to 2031.

The Draft Metropolitan Strategy:

- Identifies Sydney Airport as a 'specialised centre'

- Acknowledges that Sydney Airport and Port Botany are two of Australia's main economic gateways and need better transport connections for passengers and freight

- Indicates that the NSW Government will continue to work with the Australian Government to deliver and improve national and international infrastructure, Port Botany and Sydney Airport

A plan of the Sydney Basin showing the key economic activities in the Draft Metropolitan Strategy for Sydney to 2031 is in **Figure 2.2**. Sydney Airport is shown as a key component of the city's 'global economic corridor'.

This Master Plan is consistent with the objectives of the Draft Metropolitan Strategy and the draft subregional strategies. Further information on the Draft Metropolitan Strategy for Sydney to 2031, the subregional strategies and other developments in the local area is included in Appendix E.

The significant government investments required to duplicate the road, rail and utility infrastructure necessary to connect a supplementary airport are not included in the priorities identified by Infrastructure Australia or Infrastructure NSW.

2.4 Connecting NSW to Sydney and the world

Sydney Airport recognises the importance of its existing network of regional services to regional communities. This regional network also helps support the development of the international network at Sydney Airport.

Over the past 20 years, regional traffic has grown at Sydney Airport, with a 221% increase in passenger numbers.

Sydney Airport is proud of the service it provides to regional communities, including an extensive route network during the peak hours, facilitating connectivity with international and domestic routes, and lower airport charges than almost all other airports in the Sydney-regional route network[1]. In summary:

- With the exception of two leisure routes that have flights scheduled for a leisurely start to passengers' holidays – Lord Howe Island and Cooma – all regional services are well served in the morning and afternoon peak periods.

- Sydney Airport's 26 regional routes have an average of six movements each during the peak hours.

Continued access for regional services in these peak periods is legislated by government policy and supported by slot allocation rules.

Sydney Airport has seen growth in regional demand matched by airlines up-gauging to larger aircraft. Over the long term, seven to nine seat aircraft have been replaced with 17-19 seat aircraft, which in turn have been progressively replaced by 30-36 seat, 50 seat, 64-72 seat, 100 seat and 170-180 seat aircraft. Regional aircraft have increased in size more quickly than any other market segment, and the increase in aircraft size has both responded to and promoted passenger growth.

With continued increases in regional aircraft size, Sydney Airport will continue to be able to accommodate passenger demand for regional air travel. The joint study recognised the importance of the growth of regional aircraft size and recommended that new regional services be required to have a minimum of 50 seats beyond 2015.

2.5 A decade of investment and innovation

Over the past decade, Sydney Airport has invested over $2 billion, a sizeable portion of its total revenues of $8 billion over the same period. Approximately 70% of this investment has been on aeronautical facilities. Some of the significant investments are outlined below.

Investment in airport infrastructure to provide additional capacity, higher service quality and a safe environment for airport users has been, and will continue to be, a priority for Sydney Airport.

The most significant project undertaken over this period was the upgrade and expansion of Terminal 1 (T1), completed in 2010. The project was developed following feedback from airlines, passengers and all other relevant stakeholders. Key features of the development included:

- Redevelopment of 30,000 square metres of the existing departures level

- The addition of 7,300 square metres to the departures level to provide a new centralised passenger processing area, new retail, food and beverage outlets, additional moving walkways and passenger waiting areas

- Development to facilitate a new outbound baggage handling system and early checked baggage storage system

- Upgrading the arrivals baggage system with an additional baggage reclaim carousel to meet the peak passenger flows associated with the introduction of new aircraft such as the A380
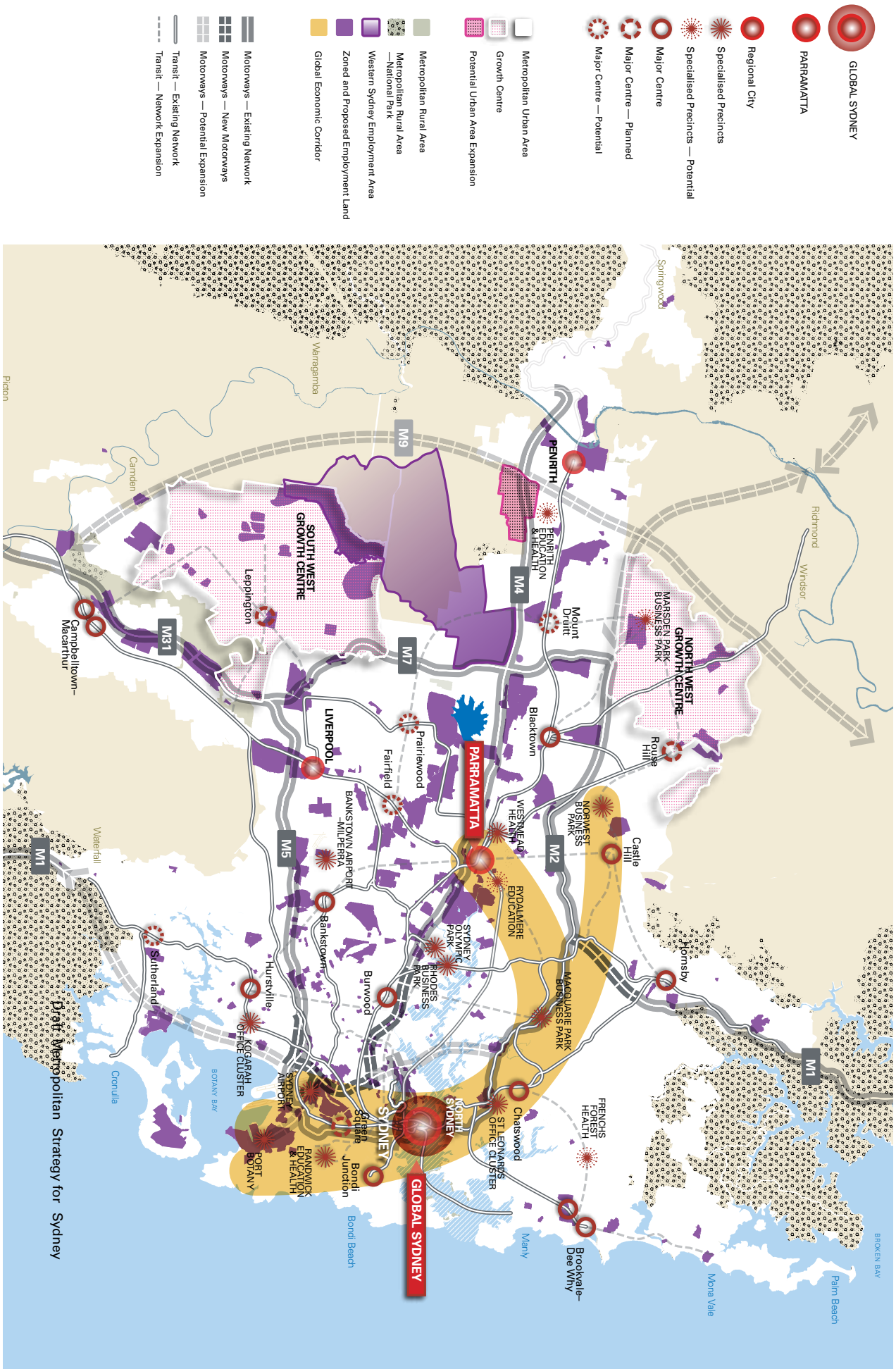
2.5.1 Capacity-focused investments

T1 upgrades and expansions

- **Transfer/transit** facilities for passengers were

This drawing has been prepared to illustrate the Sydney Airport Master Plan and is not intended to serve any other purpose. The drawing must be read in conjunction with the Master Plan.

enhanced with additional screening points and the introduction of new technology

- **Bay 8** expansion for A380 style aircraft with apron drive aerobridges

- **Check-in** facilities have been enhanced with the expansion of Islands J and K, additional service desks in Island A, new self-service check-in kiosks in Island H and proposed self-service check-in kiosks in Islands A, B and C

- **Taxi** pickup bays were increased by 67% and the undercover passenger holding area expanded

- **Limousine** bays were increased by 72%

- **Car park** capacity for passengers and staff was increased with approximately 5,658 parking spaces provided in two multi-storey car parks

- Expansion of **SmartGate** facilities In Pier B and C to include more kiosks and improved wayfinding, significantly increasing capacity through the primary line

T2/T3 upgrades and expansions

- The **T2 conversion** to common-use included new aerobridges, IT facilities, passenger waiting areas, retail and food & beverage facilities

- **T2 Pier A** has been expanded to provide an additional 5 contact gates, an additional 4 bus gates, and new lounges. The new facilities are able to facilitate wide-body aircraft such as the A330.

- **Taxi** pickup bays were increased outside T2 by 50%

- **Pre-booked taxi** bays were increased outside T2 by 233%

- **Car** park capacity was increased by 1,387 spaces in the Blu Emu Car Park and additional capacity is being built during 2013 in the T2/T3 precinct

Airfield and utilities

- **A380** enhancements were made to runways, taxiways, gates and aerobridges, facilitating the entry and growth of more technologically advanced, larger and quieter aircraft. Sydney Airport is now the 6th largest A380 airport in the world, with 106 movements per week

- **Apron capacity** was increased with new remote aircraft parking positions in the South West and North East Sectors of the airport. Work is under way to deliver additional aircraft parking positions during 2013 and 2014.

- **New unit load device storage areas** have been completed in the North West Sector

- **New aircraft parking bay** (Bay 1A) currently under construction.

- **Electricity** capacity and reliability to T1 was enhanced through works on the high voltage cabling

- **T1 central services building** upgrades to the heating, ventilation and air conditioning (HVAC).

- Construction of **remote parking bays** In the South West Sector (Bays 70-77)

2.5.2 Investments to improve the experience of airport users

- **T1 Pier C** was refurbished to increase gate lounge areas, provide additional seating, improve wayfinding and enhanced secondary screening facilities

- **Check-in trials in T1** are under way of self-service technology to give passengers control over their check-in experience and reduce queues

- **Biosecurity** reconfiguration in T1 has enhanced the passenger experience, which was delivered through close collaboration between Sydney Airport and border control agencies

- **Retail upgrades in T1 and T2** provide an enhanced experience for passengers, including the provision of free wi-fi

- **Airline lounge** developments for the premium passengers of several airlines

- **Drop-off/pick-up** facilities for passengers were enhanced with the introduction of free 10/15 minute drop-off/pick-up, a new 'slip-lane' for customers using the 10 minute free zone in the T2/T3 precinct, and additional undercover walkways

- **Bus and limousine accessibility** was improved with a new flow system incorporating e-tag technology

- **Car parking** guidance systems were installed in all multi-storey car parks to improve the parking experience, new equipment installed to allow better flow through the car parks and faster exits, and improved bus facilities developed for the transfer from the Blu Emu Car Park to the terminals

- **Hotels** were developed in both the T1 and T2/T3 precincts to meet demand from tourists and business travellers

- Construction of a new **Etihad Airways business lounge**, upgraded and expanded Singapore Airlines business lounge and upgraded and expanded Emirates business lounge in T1

- Expansion and upgrade of **Virgin Australia lounge in T2**, including kerbside lounge access with integrated check-in and security facilities

- **Offices for airlines and other airport users**, including administrative buildings for the Australian Customs and Border Protection Service and the Australian Federal Police

2.5.3. Safety, security and environment

- **Baggage screening** was enhanced with the introduction of 100% checked bag screening at T1 and T2

- Introduction of **new airport security measures** including full body scanners at T1 for passengers and staff

- **Runways** 16R/34L and 07/25 were resurfaced

- **Runway and taxiway lighting** was upgraded, including new runway guard lights, recabling of all runways and taxiways, and an upgraded lighting control system

- Enlarged **runway end safety areas** for all six runway ends were constructed in accordance with the aviation safety requirements laid down by the Civil Aviation Safety Authority (CASA)

- **Stop bars** were commissioned in 2012 to better facilitate low visibility operations and further reduce the risk of runway incursions

- **Ground power and preconditioned air** infrastructure was installed to increase the energy efficiency of aircraft on the ground

- A **water recycling plant** was built in 2009 to provide recycled water for toilet flushing and the cooling towers of the T1 air conditioning system, reducing both drinking water consumption and sewage waste

2.5.4 Service quality

Sydney Airport is committed to providing airlines, passengers and other customers with a high quality travel experience. Since 2002 the airport has implemented a comprehensive program to enhance the travel experience for passengers.

The program includes:

- Investing in upgraded facilities

- Provision of new services

- Extensive and ongoing passenger surveys to identify priorities and track performance

- An airport-wide service quality improvement program (SQIP)

- Participation in airline operators' committees

- Rolling quarterly airline surveys

- A customer charter providing commitments around quality, value and choice.

In addition to projects to expand capacity or meet new regulatory requirements, Sydney Airport has pioneered a wide variety of new services such as:

- Introduction of an SMS flight information service and a new public address system

- Flight information screens upgraded with LCD screens throughout both T1 and T2

- Foreign language signage throughout T1, and foreign language integration on the Sydney Airport website and mobile app in a variety of languages

- Free wi-fi installed in both T1 and T2 (the terminals operated by Sydney Airport)

- Introduction of a bag strapping service

- More airside food and beverage outlets, and a new landside food court

- Provision of additional undercover parking in both the international and Blu Emu car parks, and a covered and expanded waiting area for passengers waiting for taxis

- Free 15 minute parking at the international terminal, free 10 minute parking at the domestic terminal and new discounted parking products available by booking online

- Express-path security and immigration on arrivals and departures, introduced for the airlines' premium passengers

- New outbound hall for the Australian Customs and Border Protection Service

- New security screening area

- SmartGate introduced for Australian and New Zealand passport holders

- Introduction of a short fare taxi system

- Upgraded taxi facilities at both T1 and T2