CANBERRA AIRPORT

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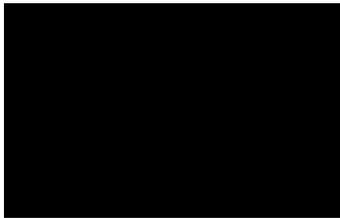www.canberraairport.com.au

10 December 2020

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SUBMISSION TO REVIEW OF SYDNEY AIRPORT DEMAND MANAGEMENT

On 1 October the Federal Government called for submissions in response to an issues paper "The Future of Australia's Aviation Sector". Following this the Federal Government announced a standalone review into the demand management scheme (including slot management) at Sydney Airport and on 6 November 2020 issued a discussion paper and called for submissions in response to that paper.

Historically the Canberra-Sydney route has been the largest, or second largest, by passenger volume operating out of Canberra Airport. The Canberra–Sydney route has also from time-to-time suffered the greatest delays and/or cancellations of any aviation route in Australia. These delays and cancellations have had a significant impact on business productivity and leisure travel of passengers to and from Canberra and fundamentally are a disincentive to fly to Sydney.

In recognition of the challenges posed by the current slot management system in place at Sydney Airport, in a submission dated July 2018 to the Aviation Productivity Commission's Issues paper Canberra Airport identified three opportunities to increase the operational efficiency of Sydney Airport and release the productivity benefits which would result in the adoption of these three opportunities. These were (1) Make the slot system operationally effective; (2) Synchronise the Regulations with the Act; (3) Provide flexibility in the event of a weather disruption. A copy of that submission is attached for your reference.

While Canberra Airport recognises that some items raised in its Productivity Commission submission are out of scope of the discussion paper, there are two points which Canberra Airport wishes to address specifically which we believe will significantly improve the productivity of Sydney Airport and assist Australian aviation, while not disrupting the fundamental noise abatement basis on which the slot system was originally developed. The two points are as follows:

Changing of the Regulated Hour

Canberra Airport supports changing the regulated hour from a rolling fifteen (15) minute hour to an average over a fixed period of four hours, or an actual period of sixty (60) minutes.

2.

The current system provides for an assessment of compliance with the eighty (80) movements per hour restriction every fifteen (15) minutes. This not only imposes excessive compliance review obligations, which in and of itself is not efficient, it also results in the eighty (80) movement cap rarely if ever being achieved. It is Canberra Airport's submission that the eighty (80) movements per hour cap should be an average over a four-hour period. This would significantly reduce the compliance and related assessment burden and allow airlines to service the needs of the travelling public, while continuing to ensure that one of the functions of the cap in limiting noise impacts, under which it was introduced in 1996 (when, it should be noted, aircraft were significantly noisier) is satisfied. It is Canberra Airport's further submission that if average movements over a four-hour period is not applied a fixed sixty (60) minute period should be adopted.

Synchronising of the Regulations with the Act

Currently, although Sydney Airport slot management provides for a ceiling cap of eighty (80) movements per hour, we understand that this ceiling is rarely if ever reached. We understand this in part is due to the fact that the regulations and the Act are not completely synchronised. Canberra Airport respectfully suggests that a review of both the Regulations and the Act be undertaken to ensure there are no legislative impediments to achieving 80 movements per hour as provided for under the slot management scheme.

In addition to the above matters, Canberra Airport would like to raise the following items for consideration.

Exempting Certain Low Noise Impact Flights

As noted previously, aircraft have got considerably quieter since the determination to impose the 80 movements per hour restrictions at Sydney Airport were instituted in 1996 and the Australian and international fleets operating at Sydney Airport are modern new age aircraft. In that regard, Canberra Airport believes it would be appropriate to consider if certain low noise impact classes of aircraft movements may be regarded as falling outside the 80 movement an hour cap.
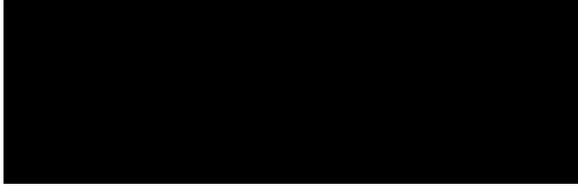
Conclusions

An efficient slot system increasing the productivity at Sydney Kingsford Smith Airport (KSA) while reducing the monitoring human cost to government, is in the travelling public and national interest as aviation travel returns to drive economic growth post COVID-19.

Improving the framework now will enable KSA to:

- manage its growth in the public interest consistent with the Airport's approved Master Plan growth plans; and

- set up a competitive aviation framework for the Sydney Basin when the Government owned Greater Western Sydney Airport commences operation in 2026/27.

Disclosure

Canberra Airport notes that Sydney Airport has made a submission regarding the demand management scheme which exists at that Airport. Canberra Airport has been provided with a copy of that submission and supports the matters raised in it by Sydney Airport.

CANBERRA AIRPORT SUBMISSION TO THE PRODUCTIVITY COMMISSION'S ISSUES PAPER

JULY 2018

- PUBLIC SUBMISSION -

Introduction

The Productivity Commission's issues paper has concluded that "airport owners must continually improve their operations by increasing the efficiency with which they use the infrastructure they have, and by investing in new infrastructure."

The most critical operation reform to deliver real productivity improvement for the economy and substantial benefit to both passengers and airline companies would be to improve the operation of Sydney Airport. This submission puts forward three key areas to significantly improve the operation of Sydney Airport and the efficiency of the entire Australian airport network.

Kingsford-Smith Airport - an economic giant restrained by outmoded operational strictures

It's not every day you can achieve an instant productivity increase of 10 per cent on an asset that drives more than two per cent of the nation's GDP. That's exactly what would happen if the Australian Parliament can be convinced to release their tight restrictions on aircraft movement at Sydney Airport.

Kingsford-Smith Airport is a transport and economic behemoth—it's the most important infrastructure asset in Australia, driving a direct and indirect economic contribution of almost $38 billion or almost 7 per cent of the NSW economy. Total employment generated or facilitated by Sydney Airport represents 3.2 per cent of total Australian employment. It moves more than 43.3 million passengers a year—about a quarter of our nation's total—and hosts the world's second busiest route (Sydney-Melbourne, 54,519 flights a year) and the world's eighth busiest route (Sydney–Brisbane, 33,765 flights a year).

Yet, its wings are clipped by outmoded operational strictures that make it one of the most constrained airports in the world. It is these constraints that cause most of the delays at Sydney Airport and not only prevent its on-time operations from recovering after bad weather disruptions but cause delays at airports around Australia because four out of every ten planes in Australia fly through Sydney at least once each day.

So even though Sydney Airport is a major competitor to Canberra Airport, we feel the negative effects of its inefficiencies and delays—all the more so because many of our customers have the choice of using their car or taking a Murrays bus as an alternative to air travel.

Impact on travellers across Australia – three points of reform

The current curfew effectively closes Sydney Airport between 11 pm and 6 am every night. Further, Badgerys Creek curfew-free airport operations won't begin for almost a decade, meaning passengers in and out of Sydney will continue to be hassled with delays.

Travellers across Australia should fully support the reform of these constricting rules. Here is a three-point action plan to reduce delays, increase productivity, create jobs, and maximise Australia's greatest infrastructure asset:

1. **Make the slot system operationally effective**

   Sydney Airport is restricted to a maximum of 80 aircraft an hour between 6am and 11pm. The number is arbitrary, without science, and does not reflect the true capacity of the airport which is at least 90 movements per hour. Moreover, this maximum limit is assessed for compliance every 15 minutes—that is four times every hour—which is manifestly excessive and means that rarely do actual movements ever reach 75-76 per hour.

   Increase the slots to 90 per hour and add the flexibility of a rolling average over four hours instead of every 15 minutes, so the maximum can genuinely be utilised during the peak period. There's an immediate national productivity increase of more than 10

per cent which will flow into economic growth, fewer delays for everyone and more jobs.

2. Synchronise the Regulations with the Act

The Sydney Airport Curfew Act allows for 35 aircraft to land (generally over the water) in the "shoulder period", an hour after 11pm. The Regulations governing the activity restrict these movements to 24. Making the Regulations consistent with the Act, will allow 35 landings an hour and increase productivity by almost 50 per cent.

3. Provide flexibility in the event of weather disruptions

Introducing some flexibility into the Regulations would allow Sydney Airport to "catch up" when operations are shut down by Mother Nature. It might be a major bushfire emergency, flooding in Brisbane or a series of freak thunderstorms but the result is a tsunami of delays, cancellations, inconvenience, lost productivity, and reputational damage which sweeps the nation when Sydney weather is bad. As if the initial event isn't enough, the system is unable to catch up because of the curfew shutting everything down at 11pm.

Australia depends on Sydney – why every traveller needs more flexibility for Sydney

Australia's aviation network is so dependent on Sydney, as its major hub, that any disruption there is amplified around the nation, and airlines can take 2 or 3 days to recover. Travellers camp on the floor of various airports, unable to find a spare hotel room, unable to reach their destinations, missing weddings, funerals or critical business meetings. In Regional Australia, where alternate flights are limited, there can be even more disruption.

Allowing all flight operations to continue for one additional hour until midnight—only during these extreme situations like major weather emergencies or times when Sydney Airport is closed for a minimum of two hours—is a relatively minimal disruption for Sydney. That relief will remove a massive level of disruption and chaos for tens of thousands of travellers across Australia.

Summary

In summary, it is beneficial to everyone to maximise the operation of this critical asset. A series of positive changes are proposed, including recognising the true capacity of the airport, which is at least 90 movements per hour, allowing 35 landings an hour in the 'shoulder period' to increase productivity at night by almost 50 per cent, and allow weather-related flexibility to allow the entire system across Australia to catch up from large-scale delays.

Canberra Airport, therefore, seeks a recommendation by the Productivity Commission in its final report to the Federal Government that releases the tight restrictions on aircraft movement at Sydney Airport.