

Committee Secretariat Sydney Airport Demand Management Amendment Bill 2024 Senate Standing Committee on Rural and Regional Affairs and Transport Parliament

CANBERRA

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Dear Sir/Madam

Thank you for the opportunity to provide a submission on the Sydney Airport Demand Management Amendment Bill 2024.

Sydney Airport is an important gateway airport for Emirates Airline operations in Australia, and we have an interest in ensuring that the airport operates smoothly, efficiently, and in line with global aviation best practice.

Emirates launched flights to Australia in 1996, and we currently operate ten daily flights to and from Sydney, Melbourne, Brisbane, Adelaide and Perth. By December 2024, when a second daily flight to Perth is launched, we will be back to our pre-COVID network capacity of eleven daily flights to and from Australia.

Emirates makes a significant contribution to Australian tourism, trade, and foreign direct investment. In the 2023-24 financial year, we carried more that 2.4 million passengers and over 66,000 tonnes of high-value cargo on our Australia flights. Our ground handling company dnata is Australia's only full-service ground handling company and Australia's largest in-flight caterer. Together, Emirates and dnata employ nearly 7,000 Australians.

As the above facts make clear, Emirates is committed to Australia, and we take a keen interest in legislative amendments which impact on our flight operations, particularly in key gateways such as Sydney Airport. We support the points made in the IATA submission regarding airport coordination policy, compliance processes, stakeholder reporting and transparency. Below Emirates would like to outline some points to amplify the IATA submission:

a. Emirates supports the reform objectives aimed at improving the efficient use of capacity at Sydney Airport, improving competition, and establishing a fair compliance regime. These are representative of the Worldwide Airport Slot Guidelines (WASG) objectives and the Harris Review recommendations to better align with the WASG, as is applied at other Australian Level 3 airports.

- b. Our main concern is the Act represents inflexible airport coordination policy in comparison to the WASG. This is likely to conflict with the realities of global schedule planning and the use of slots. WASG policy retains flexibility at its core to ensure its applicability to all airline and airport types, at both ends of every route, and to account for global planning and operational practicalities. IATA recommends that the amendment, and any subsequent guidance, includes pragmatic levels of flexibility in the terms of legislative requirements upon airlines.
- c. We would advocate for the compliance process to be made clearer for effective implementation. Therefore, we support IATA's recommendation to have a published guidance document to help provide explanations as to how subsequent legislation would be implemented, thereby providing transparency to all stakeholders.
- d. We recognise that the existing levels of stakeholder reporting are already significant and in line with WASG. We encourage streamlined reporting requirements that do not become onerous.
- e. We reiterate that transparency should be at the core of the Compliance Committee and subsequent Sydney Airport Demand Management legislation.
- f. We recognise that the Act is intended to prevent misuse of allocated slots, however, we are deeply concerned that the various reasons that may cause airlines to not comply with allocated slots are diverse and cannot be anticipated. Therefore, we emphasise that flexibility needs to be considered and sufficient reasonings by the airline needs to be considered in assessing slot compliance. In this regard, it would be effective if the Act could outline a clear list of situations or events that are beyond the airline's control and warrant alleviation from slot compliance.
- g. We are concerned about the absence of a clear definition and value of the 60 civil penalty units. We recommend the Act clearly define the value of each unit and align the compliance measures to WASG chapter 9. These include systematic and graduated steps starting with an escalation to the airline to focus on compliance, followed by initial dialogue between the slot coordinator and the airline to provide a transparent and fair forum for the reasons to be discussed, progressing to a warning letter and subsequent imposition of the penalty units if compliance does not improve following the earlier steps.
- h. Reference is drawn to Division 4: 20 (d), which requires airlines to return slots within 14 days of a decision being made, where it is unlikely that the airline will be able to operate the slots. "Unlikely" is a subjective term and the clause is not sufficiently flexible to allow for ongoing and uncertain causes of planning disruption. We support IATA's recommendation to align with the WASG Slot Return Deadline (SRD) and Historic Baseline Date (HBD). These standardised deadlines for the return and management of slots provide balance between the airline's ability to finalise schedules and to return slots with sufficient time to support reallocations. A myriad of external planning factors exist that influence the ability to finalise schedules and

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consequently when slots may be returned. These are often at the other end of the route, meaning SYD slots need to be held while this is resolved. Adhering to the industry deadlines accommodates those factors, whereas a 14-day lead time may provide insufficient lead time for circumstances that remain beyond an airline's control. We support IATA's recommendation to include a clause that enables the Slot Manager to permit slot returns on a rolling basis, so that an airline may restart operations should the cause of the cancellations be resolved.

- i. Reference is drawn to Division 2: 36 (1), the circumstances to be set out as "declared exemptions" should be as globally aligned as possible for consistent application at both ends of a route. We support IATA's recommendation to declare exemptions that align with its 'Justified Non-Utilisation of Slots (JNUS) Eligibility', but to also accept reasonings that are declared ex-post where appropriate.
- j. Reference is drawn to Division 5: 66 that lists membership of Compliance Committee, which omits airline representation. Airlines are an essential part of the process and therefore should be represented.

Emirates would be grateful if the committee could take into account the above recommendations, and we stand ready to answer any queries or questions the committee may have.

Yours sincerely,

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