

Sydney Airport Corporation Limited

ACN 082 578 809

The Nigel Love Building, 10 Arrivals Court, Locked Bag 5000
Sydney International Airport, NSW 2020 Australia

T +61 2 9667 9111

SYD

20 October 2023

Mr Lachlan Wilson
Committee Secretary
House of Representatives Standing Committee on Economics
PO Box 6021
Parliament House
CANBERRA ACT 2600

Via email: economics.reps@aph.gov.au

Dear Mr Wilson,

Inquiry into Promoting Economic Dynamism, Competition and Business Formation

Please find enclosed responses to questions taken on notice by Mr Rob Wood, Executive General Manager Aviation, at the 23 August 2023 hearing of the Inquiry into Promoting Economic Dynamism, Competition and Business Formation.

Should you require anything further please contact Joe Dennis, Head of Public Affairs (joe.dennis@syd.com.au).

Yours sincerely,



Geoff Culbert
Chief Executive Officer

Encl.

QUESTION: Is there anything else from a national productivity point of view that the committee should be aware of in the airline space that could improve the productivity of the airline industry in particular?

ANSWER:

There are a number of regulatory, legislative and other inefficiencies that inhibit productivity at Sydney Airport, the domestic aviation sector and national productivity more broadly. Sydney Airport considers some of the more significant inhibitors to productivity to include, but not limited to:

- An outdated and no longer fit-for-purpose demand management scheme, which prevents Sydney Airport from reaching its legislated movement cap of 80 per hour
 - Just two extra flights per hour in peak times (one domestic and one international) could deliver up to \$690 million additional Gross Domestic Product, 2,950 jobs, 220,000 additional international visitors, \$1.33 billion additional international tourism spend and create more competition in both domestic and international markets
- The existing process whereby bilateral air service agreements are determined
 - A general principle should be applied where a minimum five years supply is created ahead of demand
- Efficient utilisation of airspace and flight paths
 - Sydney Airport's airspace should be reviewed and modernised to minimise noise and save carbon emissions
- Excessive planning and development obligations
 - The Major Development Plan threshold should be lifted to at least \$50 million

QUESTION: The two major airlines have a degree of market power; so do airports, arguably, as natural monopolies or, at least in some instances, even more. I'm interested in whether you could provide EBIT and return-on-equity figures for the last 10 years, as a question on notice.

ANSWER:

Year Ended 30 June	EBIT (\$m)	Return-on-equity (%)
FY22	73.8	1.6
FY21	135.6	2.7
FY20	605.8	10.7
FY19	943.6	17.1
FY18	904.5	17.0
FY17	821.7	16.9
FY16	774.2	16.6
FY15	739.8	16.8
FY14	714.6	18.3
FY13	654.9	18.1

The requested data is also publicly available at www.accc.gov.au.