



**COMMONWEALTH OF AUSTRALIA**

**JOINT PARLIAMENTARY  
COMMITTEE**

on

**PUBLIC WORKS**

**Reference: Expansion of international passenger terminal facilities, Sydney**

**SYDNEY**

**Thursday, 22 May 1997**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

## **JOINT COMMITTEE ON PUBLIC WORKS**

### **Members:**

**Mr Andrew (Chairman)**

**Senator Calvert  
Senator Ferguson  
Senator Murphy**

**Mr Richard Evans  
Mr Forrest  
Mr Grace  
Mr Hatton  
Mr Hollis**

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JOINT COMMITTEE ON PUBLIC WORKS

*Expansion of international passenger terminal facilities, Sydney*

SYDNEY

Thursday, 22 May 1997

Present

Mr Andrew (Chairman)

Senator Calvert

Mr Ted Grace

Senator Ferguson

Mr Hatton

Mr Hollis

The committee met at 9.04 a.m.

Mr Andrew took the chair.

[9.04 a.m.]

**SMITH, Dr Garry John, Principal Environmental Scientist, Sutherland Shire Council, Administration Centre, Eton Street, Sutherland, New South Wales 2232**

**CHAIRMAN**—I declare open this hearing into the proposed terminal works at Sydney international terminal, and welcome the representative from the Sutherland Shire Council. The committee has received a submission from the Sutherland Shire Council dated 9 May 1997 indicating that you wish to make an additional verbal submission. Do you propose any amendment to the letter we have received?

**Dr Smith**—No, I do not.

**CHAIRMAN**—It is proposed that the submission and the Federal Airports Corporation response be received, taken as read and incorporated in the transcript of evidence. Is it the wish of the committee that the documents be incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The documents read as follows—*

**CHAIRMAN**—Dr Smith, I now invite you to make a statement in support of your submission before we proceed to questions.

**Dr Smith**—Thank you, Mr Chair, and thank you for the invitation and notification about this meeting. I appear to raise some brief but, our community feels, important issues relevant to the development proposed. It particularly falls under the term of reference E, present and prospective public value of the work.

The issue which I want to raise with you is the position of the federal government in measuring and accounting for the impact of federal developments on local amenity, and it is raised in the light of the fact that there has been clearly established, I think, a loss of amenity in certain local areas adjacent to Kingsford Smith airport, including Kurnell Peninsula and Cronulla to the south, and to various suburbs to the north. Indeed, during the environmental impact statement process Kurnell was promised an improvement in amenity by way of reduced noise due to this overall development.

I appear today in order to raise this issue of the accounting of impact of local development externalities by federal government facilities and to ask the committee, if there is no such accounting taking place, to investigate whether that should be done and is appropriate.

I will very briefly take you through a verbal submission. The analogy I use here is with development of facilities at the local and state government level in New South Wales. There is a section 94 provision within development law in New South Wales whereby the impacts of developments are costed to the developer by way of their effect and impact on local amenity and to improve local amenity. The question we ask is whether the federal government is taking account of any of those local amenity impacts and, if so, by what mechanism.

In a submission to the Senate committee on Kingsford Smith airport and noise in 1995, Sutherland council raised the issue of the cost benefit analysis of federal developments, which I think this development would fall within the ambit of, and we put it to the government that it might be possible to consider the concept of a tax on the developer to take account of loss of local amenity. There is clear evidence in reports in our local community of loss of property values of the order of some 10 per cent, which is of real value to local house dwellers, and we would like to know whether the federal government has taken any of this cost benefit analysis into account in this present case and if that could be demonstrated and pointed out to us.

There have been federal mechanisms in the past for taxes on developers to take account of loss of local amenity and local land value and local property values. So I appear to ask the questions about whether a CBA, a cost benefit analysis, has been performed in this particular case, what federal mechanisms exist to do so and, if there are none, to ask the committee to take that into account and perhaps to initiate that sort of

investigation.

**CHAIRMAN**—Thank you, Dr Smith. While I am very pleased to welcome you here and more than prepared to take note of your concerns, I would respectfully suggest that the most responsible thing this committee could do would be to bring the *Hansard* record to the attention either of the public accounts committee or the finance and public administration committee—and I might take advice from my colleagues about that—because it would fall more within their ambit than ours. As I said, that is not suggesting you ought not have raised it with us, or that we do not want to know about it, but it is clearly a matter of the way in which the federal parliament keeps its books and assesses how a cost benefit analysis will be assessed that is concerning you.

Our particular responsibility today is to determine whether or not the outlay sought by the FAC for the redevelopment of Kingsford Smith airport, principally to meet traffic flows by the year 2003 and inevitably as a result of the Olympic Games, is being in fact wisely expended, and what the alternatives are. That also ought to be subject to a cost benefit analysis; that is what you are asking us for. That that cost-benefit analysis should apply within particular guidelines is something that would have to be assessed by a committee other than the Public Works Committee, as I expect you can understand.

**Dr Smith**—Thank you, Mr Chairman, for noting it. As you were saying, this is an important issue and you will refer it on. We would hope, when looking back on this committee, to see that it has reference to a cost-benefit analysis and that these issues are taken into account. I take your point that others may need to work out the mechanism for that. I think we would hope that, if this committee is going to have a full and proper investigation, then these types of matters have to be part of that cost-benefit analysis. I guess that is our point.

**CHAIRMAN**—But, far from being in any sense dismissive of that, I would only point out that the changed cost-benefit analysis that you are quite properly seeking may take some time to be implemented. In fact, we are right now meeting some pressure to make a decision about how much money should be expended in anticipation of the Olympics Games, recognising that that money will in fact be needed anyway by the year 2003.

The other question that the committee faces, as you will have gathered from yesterday's evidence, is this: does it invest in a structure that will be here to the year 2030, or what is the future of Kingsford Smith? You are saying its future should be assessed on a cost-benefit analysis that has not necessarily been calculated by a formula that you are advocating.

**Dr Smith**—That is right. And is it possible to have a contingency component, for example, by current economic practice to take that into account?



**CHAIRMAN**—I am saying it is a perfectly appropriate question but not one that this committee as a public works committee would automatically deal with. There is no need for you to leave. There may be other issues that other committee members want to raise on the question of the cost-benefit analysis. As you pointed out in your opening remarks, we are empowered to deal with the present and prospective public value of a work. Clearly, we are assessing that in view of what is needed in Sydney in the next 10 years.

But you are asking us to be even more detailed in terms of the impact on residents and whether some sort of tax on users would allow some compensation to be made available to residents. The impact of a tax and compensation does not particularly belong with us.

**Senator FERGUSON**—Dr Smith, many of the other submissions that we heard yesterday were recommending to us that the work should not go ahead. You have not said anything in your submission that suggests that the work should not go ahead.

**Dr Smith**—We have not analysed that position in the absence of a full cost-benefit analysis. I think that is what we are asking for. Our position from the beginning with respect to this overall development and the expansion of it in the last few years has been that the proper cost-benefit analysis was never done. It was not a public process. I think we are here today because currently there may not in fact be a cost-benefit analysis process for measuring the impact of federal activities on local amenity. That is certainly well behind the case with respect to state law. So we would not take it on ourselves to make a submission without a full and proper analysis of that level being done.

**Senator FERGUSON**—How far is Sutherland from the airport?

**Dr Smith**—It depends which part of Sutherland you are talking about. Kurnell Peninsula is around six or seven kilometres just to the south of Botany Bay, and our shire spreads well west as well. So there are varying distances.

**Senator FERGUSON**—So how much effect do the flight paths have on your council?

**Dr Smith**—They have a lot of effect. The Sutherland community at Kurnell is heavily impacted. In fact, we have evidence from local residents of people leaving the community due to noise impacts and of a drop in property values, as I indicated, of some 10 per cent from their reports. That is a worrying case for us because, as I said, in the EIS process back in the early 1990s, it was quite clear—and it is on the record in the EIS—that that particular community was promised an improvement in amenity by way of less noise from this overall development.

**Senator FERGUSON**—The drop of 10 per cent in house values would only be in

those parts of Sutherland that are affected by flight path?

**Dr Smith**—The noise-related ones, yes.

**Senator FERGUSON**—Elsewhere in your shire, have house values increased?

**Dr Smith**—Along with the usual New South Wales average, yes.

**Senator CALVERT**—Do you have any evidence of a drop in property values? It is something we asked the Marrickville council yesterday and there seemed to be varying views about the amount. I think we were going to get some evidence on that because some have been saying that there has been no marked drop in property values, mainly because there has been a sharp upturn in general prices overall. It would be handy for us if we could get some evidence on that.

**Dr Smith**—Clearly, the drop I would be referring to would be a relative drop—the relative value of the property against the normal increase in the property value. So that would be a loss to the property owner. I am more than happy to bring witnesses along from Kurnell Peninsula, if you wish, to give you the reports that have been given to me about losses in property values.

**Senator CALVERT**—A few examples would be handy; some written examples to let the committee know.

**Dr Smith**—Or a written submission from some of the residents.

**Senator CALVERT**—In the Sutherland area, are any of the houses being insulated, as is the case in other areas? Are they in a noise remediation program?

**Dr Smith**—No, they are not. The only improvement by way of noise insulation was to the Kurnell school. That was not originally part of the upgrade program but it was included subsequent to the original decisions and announcements. No property improvements or insulation developments paid for by the federal government have occurred at all.

**Senator CALVERT**—In your role as an environmental scientist, have you been observing the noise remediation program? How effective do you think it has been?

**Dr Smith**—As I said, no examples of it at the domestic dwelling level have taken place within our shire. We were briefed on it by the federal government consultants and contractors and were told what is happening north of the airport, so we have seen that information. Our only example would be the one at Kurnell school. Anecdotally, the

evidence is that there has been some improvement but there are still major negative impacts to schooling in that area, particularly from landing aircraft which follow a straight line.

**CHAIRMAN**—Dr Smith, you intimated that some of these projects may have gone ahead without a cost-benefit analysis. It is fair to say that a cost-benefit analysis applied, as you are seeking to have it applied, may not have been the detailed concern of this committee, but this committee is, I restate, very conscious of its responsibilities to ensure that the present and prospective public value of the work is part of the consideration it makes before approving the work. In that sense, of course, we seek to make sure that the public are going to be advantaged by what we are doing.

As I said, looking for a more detailed formula is something that a committee focusing on the finances of the Commonwealth should be doing and we will pass it on to them. I would not want you left with the impression that we are dismissive of the importance of good stewardship and of a prospective return on Commonwealth money.

**Dr Smith**—I am encouraged by the fact that you have not dismissed the issue. I think you have indicated that the issue is relevant. I guess the bottom line for us is whether this committee can do its work properly and fully in the absence of a proper cost-benefit analysis, including impacts on local amenity. That is obviously something the committee will need to work out in the light of what the federal mechanisms are, if they exist at all. Thank you very much for the opportunity to be here today.

[9.18 a.m.]

**BARROS, Ms Janette, Chairperson, Leichhardt Airport Working Group, 4 Wells Street, Annandale, New South Wales 2038**

**HICKS, Mr Peter, Secretary, Leichhardt Airport Working Group, 4 Wells Street, Annandale, New South Wales 2038**

**CHAIRMAN**—The committee has received a submission from the Leichhardt Airport Working Group dated 9 May 1997. Do you wish to propose any amendments?

**Ms Barros**—We probably would like to re-emphasise some of the points that we made. One of them is that the proposal is in direct contravention of the New South Wales state government's policy on urban environment. That policy requires that the number of private vehicles on our roads is reduced and that the length of each trip is reduced. This proposal includes, by means of its impact, a means of seriously increasing the number of private cars on the roads, particularly accessing Kingsford Smith Airport in terms of private access 'meeters and greeters' and freight.

**CHAIRMAN**—We will be very happy to give you an opportunity to expand on that. In a sense, you are not seeking to amend what you have said to us but to elaborate on the points you made in the submission.

**Ms Barros**—I just want to draw it out as a particularly important impact, not just for noise-affected residents around the airport, but for people right across the Sydney basin.

**CHAIRMAN**—I understand. If there are no particular amendments that you wish to make, then it is proposed that the submission, as we have it, and the Federal Airports Corporation's response, be received, taken as read and incorporated in the transcript of evidence. Do members have any objection? There being no objection, it is so ordered.

*The documents read as follows—*

**CHAIRMAN**—I now invite you to make a short statement in support of the submission prior to our proceeding to questions.

**Ms Barros**—On the basis of research both here in Sydney and on airports and how they are run overseas, we have been researching to find out what constitutes world's best practice for the operational and environmental management of airports. We would advise that the expenditure as proposed for this project is not wise, and it does not appear to take into account serious and varied risks to the viability of this airport as a location for an airport in the longer term.

We also feel that this proposal covers only a very small part of what is being planned in terms of expansion for this airport site, which contravenes what the public have expressed at various meetings over the last several years to various government bodies. The public have been calling for a full explanation of everything that is planned for this airport, and the meeting of the Sydney region airport capacity needs. We have not had the pleasure of having the full picture presented as a whole. We have only ever been presented with small pieces, usually disjointed, and with incomplete information on each of those pieces.

Therefore, I feel that the public is being asked to respond to one part of the picture without being given the courtesy of understanding the full implications of it as a part of the big picture, or the big picture itself.

**CHAIRMAN**—Mr Hicks, did you wish to comment at this stage? We can proceed to questions so you will have the opportunity to elaborate in a moment.

**Mr Hicks**—No, I will make a general comment.

**CHAIRMAN**—I am happy to take a verbal submission prior to questions.

**Mr Hicks**—I just wanted to make reference to the nature of the permanency of this proposal. We, and many of the people who are our associates and residents affected by the environmental aspects and the noise from Kingsford Smith, would agree that this seems to be an opportunity that the FAC has taken to get hold of the Olympic Games and use it as a chance for them to expand Kingsford Smith in their own way. We believe that the organisers of the Olympic Games are calling for people in the Sydney community to make clever responses for Sydney to hold the Olympic Games. We do not think this is a clever response. We think this is an opportunity for the FAC to expand its operations at Kingsford Smith simply for their own reasons.

We think it would be clever if flights were directed to Melbourne, Brisbane and Canberra for the Olympic Games, and that people came to Sydney by other means rather than flying here internationally. If an advertising campaign was made to that effect, that could work. We do not think it is clever to build permanent and extremely expensive

expansions to this airport for the sake of 14 days of what we all agree is going to be a wonderful party. But if I am having a party in my house, I am not going to spend up to one-third of the total value of the house on refurbishing a few rooms to get the people in there for the party. That is our point.

**CHAIRMAN**—You have made the quite valid point that this is a ridiculous expenditure for 14 days—a point that you have illustrated by referring to a party in your house. But in the evidence given to this committee yesterday, the Olympic Games has very little bearing on this expenditure, as you would be aware. In fact, in the evidence that was submitted to us yesterday, if aircraft movements merely continue at their present expanded rate into Sydney—that is, business flights, forgetting about Olympic flights—then by the year 2003 this facility will be needed, anyway. What is your reaction to that?

**Ms Barros**—We believe that if New South Wales is going to conduct its airport operations at world's best practice, it will be looking at phasing out and closing down Kingsford Smith eventually and developing a really good world-class airport, similar to Schipol, just outside the Sydney basin. The expenditure should be directed towards the long-term solution rather than the short-term fixes that always end up in a disaster.

**CHAIRMAN**—Yes, I entirely agree. But also, on the evidence presented to us yesterday and the evidence we have to evaluate, on world's best practice it would take at least five years to build another airport, by which time the demand will exist for these facilities with or without the Olympics. That is the quandary we are in.

**Ms Barros**—Denver did not take five years. It took three to four years to build. I believe that we are just not trying hard enough. There is no reason why the operations of Kingsford Smith and the hubbing cannot be organised differently. It seems absurd to us that 49 per cent of all international arrivals come to Sydney. I suppose Sydney Kingsford Smith Airport will be influenced by the fact that Schipol will take over the operations of Brisbane airport. It is a serious contender for moving of the hub from Sydney to Brisbane, as is Heathrow at Melbourne. We do not see why the demand cannot be alleviated by moving the hubbing arrangements so that Brisbane gets a larger share of the arrivals.

**CHAIRMAN**—You are referring to the Olympic Games in this instance?

**Ms Barros**—No, I am not referring to the Olympic Games. I am referring to what exists at the moment. Sydney has a disproportionate share of international arrivals. I understand that some 27 per cent of passengers transit through Sydney and that is something that could be looked at as one of a number of mechanisms to alleviate the demand pressure on Sydney airport rather than just throwing more money at it.

**CHAIRMAN**—I can tell you that, as an Adelaide resident, what you say is music to my ears but I suspect that Mr Hatton on my left may have another view.

**Mr Hicks**—Has the committee considered that if this proposal goes ahead and Kingsford Smith expands, and the demand is met by this proposal in the year 2013, do you not think this process will then be repeated? Do you not think that the pressure will continue for demand for international flights into Sydney airport? Where do you draw the line? I am sure that is the question that you are trying to address here today. What we are saying is that it is time somebody drew the line. To add piecemeal to this airport—and to continue adding to the ability of this airport to bring flights into Sydney—has surely in the last four years been demonstrated to be something that the community of Sydney has an enormous say against. They do not want that to happen. We feel that there is some antagonism between various groups in the city and the tourism task force who want tourists to come here. Of course, we want people to come here. But we live in this city and we are going to live here beyond the Olympic Games. We think we want a solution to the problems that have beset this city. We do not want people to continue to peck away at the edges, which we believe is what this proposal really means. And it is an expensive peck, too.

**CHAIRMAN**—Mr Hicks, I am here to accumulate evidence, not to put a point of view particularly. I am not sure whether you or Ms Barros were here yesterday but I have to say that every person who sat at that table, including the FAC, made the point that this is not a solution to a second Sydney international airport. Even the FAC insisted that the second Sydney international airport ought to be fast-tracked.

**Ms Barros**—We disagree with their position very strongly. We see by the planning, by the proposals and by the EIS on the second airport option that they are looking at a Mirabel type option, which has failed.

**CHAIRMAN**—Sorry?

**Ms Barros**—Mirabel is an airport at Montreal. It was built as a split-hub airport in the early 1970s. It was built without appropriate access. It was not ever designed as a replacement airport. They could not get the traffic to go there as directed by the government. They are now phasing down. They are not closing it, but they are now phasing down Mirabel and they are going back to the original airport, Dorval, and expanding it and moving the international traffic back there. We do not want that to happen here. We are opposed to the split-hub option. We are pushing for a full phasing out and replacement of the airport to an appropriate site. Neither of the two sites that are being proposed are free of urban impact. They will have an urban impact similar to Sydney from day one of operation if they go ahead at any of the five options.

**CHAIRMAN**—I think Mr Hicks said, ‘Where is the line going to be drawn in the sand?’ As chairman of this committee, my impression was that the line had already been drawn in the sand, that no-one was suggesting that there would not be a second Sydney airport as a result of this work. That was the evidence given yesterday. However, as for the request that the Leichhardt Airport Working Group makes for the removal of air traffic

from KSA altogether, I would not pretend that was being contemplated.

**Ms Barros**—You will note from our submission that we pointed out that the proposal to expand Kingsford Smith in the fashion that has been outlined here actually pre-empts one of the options of the EIS, which is the do-nothing option. In fact, a number of those are already being carried out and this is part of it. We find it quite appalling that a process which has not yet been completed is being pre-empted in this fashion.

**CHAIRMAN**—There are just a couple of points I want to make and then I will open the committee to questions as well. You make the very valid point about traffic flow, a point that has been made by a number of the submissions that the Public Works Committee has received. However, I also noted in my pre-reading on this hearing that at least 50 per cent of the road traffic around this area is not related to the airport, and I accept that. That makes sense to me.

Therefore, I welcomed the evidence given yesterday by the Rail Access Corporation that they proposed to bring a rail link in here which would further reduce the road traffic. I just indicate that that is part of the evidence we are weighing up in terms of what happens in the next five years at KSA.

**Ms Barros**—We have looked into the issue of rail access. We have been researching, as I mentioned before, world's best practice. For that reason you will hear me mention Schipol quite often because it is a world leader on how to run an airport. Their government white paper on the future of Schipol airport states that they will be seeking 40 per cent public transport access to the airport at Schipol by 2015.

Frank Sweeney from the FAC said about 14 months ago at a meeting in North Sydney at which I was present that they expected seven or eight per cent of passengers to use the train. However, I believe that that figure was based on an assumption that the aircraft traffic growth at Kingsford Smith would grow at about 2½ per cent a year. Everyone knows that it is growing at three or four times that rate, so you would have to say that the percentage of rail traffic would be smaller than that seven or eight per cent.

When I look at this proposal and I see expansion of car parks and a number of other measures being undertaken, along with the Eastern Distributor and the M5 East, none of these projects are going to be worth anything to the people who are proposing them unless they can induce the most amount of private traffic onto them as possible, and freight as well.

We believe that with the sort of charge that they are going to put on that rail, the premium per passenger to access the domestic and international terminal, families who are coming to meet and greet will drive rather than take the train simply because it will be cheaper. Imagine a family of six paying \$6 a head premium to go to the airport and another \$6 a head premium to go from the airport, compared to a \$12 car park charge and



a bit of petrol.

**CHAIRMAN**—You will be pleased to know that was one of the issues we raised yesterday and the Rail Access Corporation indicated that was not their intention.

**Ms Barros**—We believe that the figure of usage of public transport access to the airport in the future is probably going to hover around the three or four per cent mark, compared to 40 per cent at Schipol. It is not world's best practice. As I mentioned in my opening remarks, it is also in contravention of the state policy on urban air pollution. It will increase urban air pollution which we all now know is linked to premature mortalities from particulates.

**Mr HOLLIS**—In relation to the Schipol example that you gave about car and transport usage, the other thing that we always have to bear in mind is that car ownership in the Netherlands is not as great as it is in Australia. You can understand why 40 per cent of people would come by train, say, from Amsterdam out to Schipol because, by the nature of the society in Amsterdam, many of the families do not have cars.

**Ms Barros**—Yes, you are probably right about the local community. However, they are not talking simply about the local community; it is a very big tourist destination as well. It is a major business centre; there is a flower market next door. There is a lot of freight attached to that airport, and that is one of their big income keepers.

The outlook appears to be that they wish to have an increased usage of trains and buses so that people can actually transit between airports in Europe; that is a slightly different situation, which is why I was not going to mention it. The policy of reducing the private car access is in line with the overall environmental policy in the Netherlands: that is, to reduce their pollution levels from the current levels down to 1990 levels, and to hold them at no worse than those levels from 2015 on. We would like to see the same sort of policy applied here.

If this proposal goes ahead—as it seems likely to do—it will inevitably lead to a worsening of our pollution situation in the Sydney basin. Unlike most European cities, Sydney is in a quite stable, almost completely closed, air basin. Most European cities do not have that unfortunate location for their major airports.

**Mr TED GRACE**—What evidence do you have on the difference in the pollution levels between here and Schipol Airport?

**Ms Barros**—I can get them for you, if you wish.

**Mr TED GRACE**—I believe that they are higher over there: is that right?

**Ms Barros**—The European study on the premature mortalities from particulates

has not been completed yet. I do have figures from the first part of that study, which relate to Paris and Lyons. Surprisingly, the figures were very close to those of Sydney: 350 to 360 deaths per year in Paris compared with 400 deaths per year in New South Wales. There were 50 to 60 deaths per year in Lyons, but I have not yet looked at a comparative city or town in Australia to get similar figures. Those figures are also very similar for similar sized cities in the United States.

**Mr HATTON**—What is the causal connection here?

**Ms Barros**—You may be aware that, in the January edition of the *British Journal of Epidemiology and Community Health*, a link—

**Mr HATTON**—No, I have not read that journal.

**Ms Barros**—It was reported in the news; it was on Reuters.

**Mr HATTON**—Yes, but I am asking for a causal connection.

**Ms Barros**—Researchers from Birmingham University have found—and others have found the same thing—a link in the clustering of childhood deaths from cancer—predominantly lung cancers. The figures are up to 20 per cent higher along major roads, next to airports and next to the usual suspects: petrochemical refineries and so forth. The clustering is connected to any site where there is a disproportionate share of combustion engine usage. I am happy to supply material on that. We have extensive supplies of material on many issues: health, noise in schools—there is research which has come out on those. Research into sleep is quite disturbing. We all know that we need a certain amount of sleep, but we are being presented with a proposal which will lead inevitably back to parallel runway operations, and that is a major impost for sleep deprivation.

**CHAIRMAN**—That point was made on a number of occasions yesterday, and it is understood. I suspect that the dilemma facing everyone in Australia is the increased movements into Sydney. Forget about Kingsford Smith airport for a moment; between now and the year 2003, forget about the Olympics. The question that we are really dealing with is whether this dilemma is best handled by increased expenditure on this airport. I am not dismissive of your understandable environmental concerns and I am very happy to take that evidence as part of the permanence of KSA; but we also face this dilemma of what we do between now and 2005.

**Ms Barros**—As we mentioned before, we believe that there are substantial measures which do not involve this very high expenditure on the expansion of the terminal facilities and people movers, et cetera, around Kingsford Smith airport. If the high-speed train from Canberra to Sydney were to go ahead, I certainly would not recommend the expenditure on expansion if Kingsford Smith airport were to remain forever in its present location, because it would have even worse impacts.

The high-speed train would replace the third busiest leg of traffic from this airport, which is the Sydney-Canberra run. If that and the hubbing arrangement which I referred to earlier were taken into account, you would have a 15 or so per cent drop in the traffic demand on Sydney overnight. That could be achieved before 2003, along with the other measures, and that would buy the extra year or two required to build the new airport.

**CHAIRMAN**—Yes. I must say that, on all the evidence we have, your year or two is an optimistic figure, but we will not go into a debate on that.

**Ms Barros**—I do not mean a year or two from now; I mean a year or two on top of the five or six years that you mentioned before.

**CHAIRMAN**—I understand.

**Mr TED GRACE**—One of the problems with the provenance of an extra fast train is that people are not quite sure that the trade would be there. I think you would be aware—I think you have mentioned it—that everybody wants to come to Sydney, whether we like it or not. If you have studied the booking arrangements overseas, you will see that it is no good saying, ‘We can get you into Brisbane and on a train, if there is one running, from Brisbane to Sydney,’ because they will not want to come—they will go somewhere else. Hence, you are not going to get people to put the money up for a fast train, even from Canberra through Goulburn, for instance, because they are not convinced that the trade would be there.

**Ms Barros**—I really enjoy this argument, and I am not being facetious. It is an interesting argument. It requires one to think a little outside the box. It is quite obvious that putting an eventual replacement airport on the fast train’s route would put many passengers onto it. That cancels out the argument that there would not be enough traffic on it. One of the proponents to whom we have spoken directly feels that it is viable even without a replacement airport on it. They are very keen to get going with the project. But, without a replacement airport on it, I am almost inclined to agree with you.

**CHAIRMAN**—I would like to draw your attention to the fact that we may one day be back here dealing with a public works inquiry into the very fast train: life is like that.

**Mr TED GRACE**—Sorry.

**CHAIRMAN**—I am quite happy for Ms Barros and Mr Grace to engage in a discussion on additional information about the very fast train. But we need to get back to the wisdom of spending money on KSA, given the projected air movements with or without the Olympics, between now and, loosely, the years 2005 or 2010.

**Mr Hicks**—With respect to studying overseas, there are several airports around the

world which are expanding. They call it expansion and they mean what they say, which is different from what happens here. If you study the number of airports overseas where very fast trains have connected remote airports, or even the average distance between the airport and the centre of population that it serves, you will find several examples that show that this is the trend amongst populations that need better quality air service. Janette might like to comment on those airports that are expanding in respect to, and in comparison with, this proposal.

**Ms Barros**—After we have finished our presentation, I will table a three-page paper compiled by the Denver International Airport which, as you are probably all aware, is a successful replacement airport. In it, there is a list of comparative expenditure on replacements versus expansions of airports. We noted that at the airports which are constrained by virtue of their urban locations—in cities where there simply is not anywhere else to go, unlike Sydney—the sort of expenditure on expansions of passenger terminals and of people movers turns out to be very close to the expenditure on a replacement airport itself. I will table that information without going into detail now.

We believe that this sort of expenditure is unwise, because it does not solve anything. In fact, it buys further trouble. I believe that because it is expansion, regardless of however anyone wants to describes it, and it really means fewer smaller aircraft, more jets, more passengers, more cars on the roads, more pollution and more noise, it will buy—I am afraid to say from our research—civil unrest. I do not think this is good in a community. We certainly think that this will result in much more trouble than Sydney Kingsford Smith Airport is in already.

**CHAIRMAN**—It is certainly fair to say that all the evidence presented to this committee over the last 24 hours does mean more passengers. There is no way I could justify the expenditure of one more dollar if there were not more passengers involved—I cannot pretend otherwise—and probably more jets, depending on whether these new generation aircraft twice the size of the existing ones bring in more people. They will burn more fuel doing so. I am not wanting to enter into a debate about that. It does mean more passengers.

I do have to make the point that, if I am to be objective about this, I cannot actually accuse the FAC of coming to us with a piecemeal operation. Your criticism that development in the past has been piecemeal may be well founded. I have not been involved in these inquiries before. Certainly, what they have put to us today, I would suspect, is that you can go no further within the understandable and entirely defensible constraints existing on KSA, once you are moving this number of people. I do not know that I see it as simply one more slice in an expansion of KSA. I am really—

**Ms Barros**—You may have been given more information than we have. We have had to research it out. In fact, the information that we have, and how we have worked out what is the future of the airport, has not been told to us direct by the FAC. The FAC has

been remarkably unforthcoming with information, to the point of telling us we cannot have information because of the sale of Kingsford Smith Airport, which as you know is not on the agenda yet, although it is probably on another agenda. It is just not on the public agenda.

We have been told all sorts of things and given information, which on checking, has turned out to be quite incorrect. We have not been told the full picture. The public has not been told that, if the high speed train goes ahead, it will replace that section of traffic which will remove those smaller planes from the slot system, and they will inevitably be replaced with bigger jets. This is what this is all about and this is what we do not want.

**CHAIRMAN**—Yes, Mrs Barros. I merely wanted to reinforce that, in the evidence given to us, this was seen as more than a piecemeal operation to pick up your earlier evidence, and to say that at no stage had we been given the impression by anybody that this was seen as an alternative to a second airport, as I said earlier.

**Mr Hicks**—I was just going to say that we did not mean that this proposal itself was piecemeal. We meant that there is no overbearing body to view the whole transport environment and economic situation of changing the nature of air transport into Sydney generally over the next 10, 20, 30 or even 50 years. There is not a 50-year plan. I am saying that we in the community that is affected by aircraft noise have suffered and continue to suffer. You have not been through this before, but we have experienced the EIS into the third runway. We want our money back from that frankly, because the Australian people deserve their money back from that. It was an unmitigated disaster. I am sure people have told you this before.

You can understand our scepticism when it comes to a proposal like this for another \$800 million. That is what we hear in the press, but I notice that in the advertisement it is \$350 million. I am not exactly sure how much money is going to be spent here. All I can say is that, to the ordinary bloke in the street, it seems like an awful lot of money for very little genuine return.

**CHAIRMAN**—I can reassure you that the reference we have is for \$353 million.

**Ms Barros**—We have been asking for the final master plan for Kingsford Smith for many years now and we have not received it. As I said before, this is one part of the jigsaw. We have never been presented with the full picture.

**Mr HATTON**—This is a very aggressive submission. It is aggressive to the FAC, to KSA. It is also aggressive to this committee. One of the things that you have noted three times in speaking now and twice in the submission is that we have got virtually no right to make a decision in relation to what has been put before us, because it is tied up with the EIS into the second airport, and you note that it is the ‘do nothing’ option. Whenever any Commonwealth entity is going to build anything worth more than \$6

million, they have to put the proposal to Public Works and we have to consider it, whatever people think it is tied up to. I cannot see that this is tied in any way to the second Sydney airport, whether it is the do nothing option, or whatever else.

At present, we do not have a second Sydney airport. We have the start of that process with Badgerys Creek. We now have two EISs going on, and there will be some result from that, we think, later in the year. But we have not got that. We have a submission which says, 'In spite of the creation of a second Sydney airport, the FAC has put a submission forward which says that we need to spend \$353 million for this airport out to the year 2003.' So it is not based on a do nothing approach and we are not prohibited from making a decision. We are actually bound to make a decision in relation to that. I can understand where you are coming from in terms of the argument; you do not want the airport here. You might rather that it was sylvan glades—lots of groups do; that it was just back to sylvan glades when the cows and sheep were first here in 1788.

**Ms Barros**—That is not our position all.

**Mr HATTON**—All right. Do you want to see the airport completely moved and closed down?

**Ms Barros**—Eventually, yes. It has to.

**Mr Hicks**—But not necessarily straight away. We are not idealists on that point. We think a downgrading is warranted and we think the order of downgrading should be jets out first, then the rest of the traffic should be over the water, as is being considered now in the long-term operating plan. We believe that if Sydney (Kingsford Smith) Airport operated according to over the water modes, which is another question altogether, a lot of the complaint and a lot of the problems that have existed for so long would disappear.

**Mr HATTON**—You have a proposal for during the Olympics period. What I established in my first questions yesterday was that this really has nothing to do with the Olympics. It is about capacity to 2003. What came through in evidence yesterday was that during the Olympics period we would end up with about the same amount of traffic into Sydney in the peak period, because business traffic and other traffic would fall off to be replaced by tourists coming for the Olympics, and charter aircraft would come in during the day. They are really looking at capacity up to 2003.

You have suggested, as another group did yesterday, that they fly into other places and then use road transport. If they fly into Melbourne or Brisbane and then use road or rail from there, how attractive do you think that would be to people coming to Australia for the Olympics, when the games are in Sydney and we are telling them to go to either of those cities and then add to their costs to come here?

**Ms Barros**—I do not believe that we have suggested that they would fly into

Brisbane, Melbourne or Adelaide, or wherever, and catch the bus or the train. What we are suggesting is that if they are arriving at peak hour, when the airport is already very close to 80 movements an hour, they transfer onto a domestic flight and arrive at a non-peak hour. Or, if they come in to Canberra, or if Williamtown or an airport like that could be used for that period of time as a temporary measure, then from those locations, yes, train or bus would be appropriate. Or they could transfer on to a regional airline which would be good for the regional airline—they are getting a pounding out of this whole airport fiasco. That is what we suggest and we know that Ansett and Qantas have already made some moves towards handling the traffic in that way. We believe that that is feasible. After all, we are talking about a 14-day sporting event; we are not talking about anything else.

What we are really opposed to is this—and I am sorry to go back to it. I have got here the draft EIS guidelines, the revised guidelines, and it stands out very clearly. The options and alternatives for this second airport that you referred to earlier cannot be separated from this issue—they are part and parcel of the whole, regardless of your role—and as a community member and chair of a group representing a very large area of very badly affected residents, the first option is not proceeding with the proposed development with no change to the current arrangements for managing Sydney's airport capacity needs. This is what this proposal is about. It is about no change to the way airport needs have always been handled in the past. The option, however, which is not being addressed is the development of an airport to cater for all Sydney's international, domestic and regional traffic with the long-term possibility of closing KSA.

The reasons that our suspicions have been awakened is the fact that that option has not been covered in the EIS at all, even though it is part of the guidelines. The option to do a number of things, such as introducing slot control mechanisms is being not only addressed in the EIS, but is actually being implemented. Surely, that might point out to anyone who is awake, that the system is being pre-empted.

**Mr HATTON**—I am quite awake and I am quite aware of what is happening in the EIS process and what is happening with Holsworthy and at Badgerys Creek and the impact of aircraft over my electorate of Blaxland and Bankstown. I am extremely aware of all of that. But we have not got a result out of that process yet, nor have we got an answer to the baggage handling problems here at KSA as they exist, nor the people movement problems with people coming in and out of the airport, checking in, and so on, all of which are part of this proposal. All of that is part of this proposal, as well. The way in which the terminal complexes work, rather than the number of flights in and out is central to this proposal to a rejigging and remaking of those facilities in the airport to take it to 2003 and beyond because the EIS, as far as I have looked at it, is not looking primarily at a replacement of this.

**Ms Barros**—It is only looking at some of the options that are covered in the guidelines.

**Mr HATTON**—It is looking at the series of the options, but there are no determinations. We have got a current problem that has been put to this committee. At this stage, it is not the signal that this places closes down now, or fairly soon—there is a capacity problem up to 2003—but there are also direct administrative problems and problems in terms of dealing with the people who already come in. There needs to be a renovation of the facilities that are here to deal with those problems. It is not simply a question of how many docking stations there are, or how many flights are coming in, all of which have been flagged before.

**Ms Barros**—Regardless, the issue of the capacity of Sydney airport has been on the agenda since the early 1970s with the same stories being told, ‘Sorry, we are going to have to expand because we have not quite made the decision yet on a real solution.’ And it is time to stop because the more you do, the harder it is and the more expensive it becomes in terms of people saying, ‘We have invested so much money here now on the airport that we cannot possibly move.’ Are you aware of the Airports Council International? Do you know that body?

**Mr HATTON**—No.

**CHAIRMAN**—We had evidence yesterday from IATA, so I am aware of whom you are talking about. We have not ignored international considerations.

**Ms Barros**—The Airports Council International in 1995 put out—and I am holding it here—the *Environment Handbook* for European airports. Have any of you had a chance to have a look into what they say?

**CHAIRMAN**—I am not familiar with it.

**Ms Barros**—I am happy to provide the committee with a copy of this, if you wish.

**CHAIRMAN**—Thank you.

**Ms Barros**—I want to read a sentence from this—part of it refers to something else—and you will read the rest when I give you the original. It states:

In order to ensure that future growth is not constrained and that environmental capacity is not reached before infrastructure capacity, some airports have invested considerably in staff technology and operational practices which reflect a very sophisticated understanding of the subject.

In other places the Vice-President of the ACI has said that environmental constraints will govern the future of airports and that senior management of airports must understand and resolve these problems of the environment if they are going to have a viable and successful airport operation.



The credit ratings group, Standard and Poor's, has also pointed this out. *The Economist* magazine has pointed it out. You may notice that Heathrow has problems with environmental pressure on it. Its ratings are slipping back, whereas Schipol's are surging forward. This is a real consideration. I noticed in the paper from the FAC on this proposal that the environment, as usual, got a very fleeting glance.

It is time to stop thinking that the environment can be taken for granted—and I am talking about health as much as anything else. It is time to realise and properly account for the damage that these projects do and to look at the airport as a system which has all of its component parts associated—like the road traffic and all the pollution that involves—and the cost to the community of the road traffic congestion which over the Sydney basin is running at about \$2 billion a year. It is time to look at all the impacts and actually think of them not just as a bit of noise from a few aircraft that people have to learn to put up with because it is good for someone else's economy. It is time to stop the madness.

**CHAIRMAN**—Ms Barros, you are actually doing this committee and the parliament—I say the parliament, not the government—a gross disservice—

**Ms Barros**—That is not my intention. I am trying to get across in a short space of time what we, the community, perceive as the reality. It may not be the same as you perceive it—and I do not intend, nor do I mean, any disservice. I am trying to put across in a brief period of time the concepts that we have realised through many unpaid hours of research that you may not have had the advantage of hearing.

**CHAIRMAN**—I am one of six people at this table whose continued involvement in a job I enjoy depends entirely on reflecting, so far as I am able, the majority view. The majority view is the view that you have espoused, which is that the environment ought to have a higher rating. I have teenage children who are constantly on at me about it and it is very much to the education department and their mother's credit that they are. I just say that to suggest that we are prepared to treat glibly environmental issues is to do us and the parliament something of a disservice because—and I do not want this misconstrued—there is not a parliamentarian, certainly federally, who could not be called green. It is not a popular view, but it is my firmly held view. It has become a major issue.

It is for that reason that this committee yesterday over and over again sought from all of the witnesses an assurance that what was proposed between now and the year 2003—to quote Mr Hatton—of necessity because of the attraction of Sydney, was not an alternative to a second airport. I do understand the need to get the pressure off KSA. I want to reassure you, as do all of the witnesses that have appeared before us today, including—astonishing as it may seem—the FAC—

**Ms Barros**—I would like to reiterate that I do not intend any disservice to this committee; it was never intended. Our experience over many years in Sydney has been

being told one thing and having a different thing happen to us. Our trust in the system has been very badly eroded. In fact, we have no faith in the EIS system; more than 99 per cent of projects that are subjected to an EIS go ahead.

**CHAIRMAN**—I regret that that has been your experience. I merely point to you the uncomfortable fact for me that an emerging generation of young Australians are much more sympathetic to what you are saying than what you allege I have been saying.

**Ms Barros**—I am really referring—and we have always been referring—to what has happened in the past. I think we are afraid of a repeat of what has happened in the past, which has actually led us deeper into the mire than we were when we started out.

**CHAIRMAN**—I can only restate that this is not seen as an alternative to a relocated airport. I do not know that the evidence that I have received to date—I now speak personally—would persuade me to totally move the activities from KSA, which is what you desire. It is perfectly legitimate for you to put that claim. I am merely wanting to be equally frank with you in my assessment. But the fact that KSA cannot continue to expand is well understood by this committee. We do however, as has been said over and over again, face the dilemma about what happens between now and the realistic construction time for another airport.

**Mr HATTON**—Let us say we got rid of KSA altogether, took away this industry and all of the jobs that are associated with it. We have not heard from the Marrickville Council so we do not know what the situation is in Leichhardt, whether there are positive economic benefits for the local people of the area. We know all about the negatives and the disbenefits but zip about the positive benefits, how many people actually work here and how much this airport generates for them. Even if we picked it up and took it to Parkes, and transferred all of those jobs and the business there, we would still have the city of Sydney. We would still have road traffic. We would still have rail. We would still have the impacts of people on this environment. If we shoved it out to Parkes, where it was way out beyond the Sydney basin, and then transferred people in by other methods of transport, that would still impact on the Sydney area as a whole, would it not?

**Ms Barros**—I totally agree with you. In fact, Parkes is not proposing itself as a replacement airport. It is proposing itself as a stand-alone freight airport.

**Mr HATTON**—I know that. I am just suggesting that wherever we put the second airport, whether it be to Parkes, Timbuktu, Goulburn or wherever, there will be economic, social and environmental impacts. No matter how green the site, there would still be impacts. We cannot turn Sydney back to what it was in 1788. We live in a modern, complex, heavily industrialised city and we would still have impacts from all that activity, even without the airport being here at all.

**Ms Barros**—Your scenario is vastly different from ours. Ours is a very practical,

tight scenario. It does not involve anything that is impractical. We would agree with you that Parkes and Goulburn are a long way away and quite impractical.

**Mr HATTON**—The point is that even without an airport here at all—say we just vaporised it—we would still live in an advanced industrialised city where there are a lots of impacts on people from the nature of the industry and the living.

**Ms Barros**—We have spoken to a merchant bank which is very keen to get its hands on the land and redevelop it as a residential area by the sea. The cost of redeveloping this area, for using its economic rent as residential redevelopment, is worth a couple of times the value of its current usage. Also, the cost of redeveloping housing for this area is very much cheaper—to the tune of about \$400,000 per dwelling—than to establish those same dwellings on the fringes of the city.

**Mr TED GRACE**—And bring all the pollution into the area by car. It is just not practical.

**Ms Barros**—No. What we are proposing—and this is outside the terms of reference of this inquiry. May I continue?

**CHAIRMAN**—You certainly may because Mr Grace has invited you to do so and it would be unfair for me not to allow you to continue.

**Ms Barros**—Mr Grace, we are very happy to talk to you at length. I find talking about such a very complicated issue in this environment is not very workable but we are very happy to talk to you at length. We have gone into this issue in great detail. We believe that a number of solutions that we have come up with are very workable and, in fact, very desirable.

If you were to relocate Sydney Kingsford Smith Airport and run it exactly the same way as it is being run now, I would agree with you. However, we are looking at running a new airport on the lines of world's best practice. At the moment, the airport is generating eight to 10 tonnes of nitrogen oxides a day. We are looking at removing that source out of the basin. We are looking at 40 to 50 per cent public transport access. We are looking—in the long-term—at getting 100,000 to 200,000 cars, a day, off the roads.

**CHAIRMAN**—Can I interrupt at this point. While this has been a very interesting exchange about the environment, and I am as guilty as anybody else on the committee, we need to get back to the fundamental issue which is the expenditure of \$353 million on projected airport movements to the year 2000, 2003 or 2005. Senator Calvert has been ignored in this question process.

**Senator CALVERT**—I don't mind being ignored; that happens all of the time! Part of the executive summary concerns me a little and it is something we have not had a

lot of evidence about nor have we spoken about it at any great length. You say that the proposals ignore the unacceptably high current risk of aircraft crash in urban Sydney. I want to go back to Tasmania this afternoon and I want to know, from the information that you have, what the risk factor is. By how much do you think this proposal would increase that risk factor?

**Ms Barros**—I would like to state that the open public discussion about air safety related to Kingsford Smith over the last 2½ years has essentially been restricted to what happens at the intersecting runways. When we talk about air safety, we are talking about the impact over residential areas and that is quite distinct.

By way of example, I would refer you to the submission from the Kurnell refinery to the Senate inquiry into aircraft noise in Sydney, and also to Professor Jean Cross and Dr Fred Bell's work on air safety. There is a risk of a crash over residential areas under parallel runway operations. You must understand that for this proposal to be successful it will inevitably result in a return to parallel operations. The long-term operating plan, as it is described by the federal government, is not sustainable in the long-term and it will come back to parallel runways with or without this proposal. But it will come back to parallels quicker under this proposal than otherwise would be the case.

Under parallel operations, the risk of a crash over residential areas is higher. It went up quite considerably after the opening of the third runway. The incidence of breakdowns of separation virtually did not change from going to full east-west operations to third runway. I think there were 14 after and 15 before so it is almost the same. But the incidence of pilots misunderstanding instructions shot up. There but for the grace of God went we.

**CHAIRMAN**—So Senator Calvert should be catching a steamer!

**Senator CALVERT**—I note the comment: 'Would any of the committee members be willing to take personal responsibility for a major crash in the suburbs?' I certainly would not and I know that my colleagues would not. We had evidence yesterday that one of the reasons for the bank up of traffic is because there are not enough gates to handle the traffic at certain times. You can see out there now that it is pretty hectic. These are the sorts of questions that we should be asking the experts who we will be here later today or maybe we are not.

**CHAIRMAN**—There is a report from the FAC.

**Senator CALVERT**—Those are some of the things that we can ask them. Could you put a figure on what you call the 'high current risk of aircraft crash' when, in fact, there have not been any, and I hope there never will be?

**Ms Barros**—I am sorry, there have been. On average, there has been one every

eight years. We have been very fortunate that they have gone into the bay or into a golf course and so forth. There but for the grace of God we are so fortunate that nothing has landed on a residential area.

In terms of what you just said, could I make the comment that it is not so much the holding patterns that we are concerned about—the majority of accidents happen on landing—but rather the approach path over the suburbs.

**Mr HOLLIS**—When we are talking about crashes and things like that, it can happen anywhere. You cannot draw a comparison and say that this is going to happen. Take the present Hong Kong airport which practically goes through the street, it always—

**Ms Barros**—It is being replaced.

**Mr HOLLIS**—Yes, I know it is being replaced, but it always amazes me that there are not more crashes there. For the last two days everyone has been using Schipol as an example for whatever they want to prove. Well, one of the greatest disasters recently was at Schipol when the plane there went through a block of flats. You can pick whatever example you like. Everyone deplores any crash wherever it may appear, but I do not think that it proves very much. You said yourself that our record here is one in eight years. I think a lot of people would envy that sort of record.

**Ms Barros**—We have the very strong impression that when you know that the parallel runways increase the crash risk to residents at either end of the parallel runways, and you point those parallel runways straight at the city instead of by-passing the city like at Frankfurt, it is really not such a great idea. If you take the crash history of the 737 aircraft since the early 1970s, out of the 45 fatal mishaps—there might have been a few more than that—21 of those happened on landing.

**CHAIRMAN**—Can I once again say that while this is of interest, and I mean that—

**Ms Barros**—We understand that.

**CHAIRMAN**—But it bears no direct relevance to the decision we must make about what happens to aircraft movements in Sydney for the next 10 years. I use the figure loosely.

**Ms Barros**—Indeed. The reason why we made the comment is because this proposal will lead to a return to parallels which increases the crash risk.

**CHAIRMAN**—Thank you, Ms Barros. In fact, I made a note of that and thought I ought to raise it with the FAC.

**Senator FERGUSON**—We had five groups yesterday who gave us evidence that they did not want the extensions to go ahead. However, you are the first people who have come before this committee suggesting that you do not want Sydney to be the premier international air gateway to Australia. Even those groups that came along yesterday still wanted Sydney to be the premier destination and the premier air destination of tourists coming into Australia.

**Ms Barros**—You may have slightly misheard us. What I meant to say, if I did not, was that we believe that there is room in the current operations to look at that 27 or so per cent of passengers that transit through Sydney to see whether that is absolutely necessary and whether the hubbing arrangements can be altered in order to take some of the pressure off Kingsford Smith for unnecessary arrivals here, and also that there are other programs like the high speed train from Sydney to Canberra that also could be used to take pressure off Kingsford Smith in the interim, until 2003, while a real solution is achieved.

**Senator FERGUSON**—You also said if I remember rightly, and I do not want to misquote you, that for the period of the Olympics that Brisbane and Melbourne could be used and people could come here by other means. Could I suggest that if the Olympics were held in London four years afterwards and a number of people from Australia wanted to go to the Olympics but were told, ‘I am sorry, you cannot land at Heathrow, you can go to Prestwick and get on a Saab or something else and then go to London,’ are you suggesting that would not deter people from going?

**Ms Barros**—I believe that if there is no room at the inn they have to stay somewhere else.

**Senator FERGUSON**—You did not answer my question. I am talking about—

**Ms Barros**—I do not believe it is an issue. I believe that people would have to be very bloody-minded and very callous to insist on what you are proposing.

**Senator FERGUSON**—I do not know very many people who have travelled for 20-odd hours on an aeroplane, who wanted to get to a destination in order to see a certain event, who would be prepared to go somewhere else and then get on another plane to go there.

**Ms Barros**—If it were a medical emergency, an extreme business case or something like that, I would agree with you, but not for a sporting event.

**Mr Hicks**—I do not think it would deter people at all. I think the size of the event, the motivation for people to come for that event, very often can override what you are suggesting—that the main interest is landing, to take the extreme case, in the arena for the opening ceremony of the Olympic Games. People coming to the Olympic Games expect to travel some distances. They are spending a large amount of money to come. I think if the

Olympic committee or the planning people put real effort into it, they could find a way for people to get from remote locations to Sydney that they would find enjoyable and they would not be deterred by the fact that they cannot fly straight to the centre of the games.

**Senator FERGUSON**—A lot of people would come for just two or three days, and I am sure they would not want to spend one of those days landing in Brisbane.

**CHAIRMAN**—Once again, can I say we do not want to bog down on these sorts of niceties. I think the point that you are making, Senator Ferguson, and the response of the Leichhardt Airport Working Group, has been noted. Are there any other questions?

**Mr HATTON**—I note that we have now got a rail or donkey version as well as hubbing into Brisbane or Melbourne. Are you arguing that they should not be flying in during the later part of the day? Should they be coming in by other means of transport?

**Ms Barros**—I am not quite sure what it is that you are saying.

**Mr HATTON**—Originally, you said that they should fly in to Brisbane or Melbourne.

**Ms Barros**—I am talking about the excess to the existing capacity, which is 80 movements an hour—or it will be at that time.

**Mr HATTON**—From the evidence we have got from the FAC we will not have excess to that. If past experience with Olympic Games operates, the business people will stay away during that period and other travellers will stay away, and the normal peak is when people will come in; the overload will come in on charter flights outside the peak times. So their expectation is that they will not need to do any hubbing, that they will not need to send people to Brisbane or Melbourne and then reshuffle them, that within the normal parameters they will be able to deal with that Olympic load, but a hubbing proposal is another part. I understood Mr Hicks, in the last response he gave, was saying that other means of transport might need to be used. I just wanted to clarify that.

**Mr Hicks**—That is exactly what I meant. I do not necessarily think that everybody has to fly to the Olympic Games.

**Ms Barros**—We have had a lot of advice on the hubbing arrangements, actually from the minister's office, who said there is no problem with the Olympic Games, that the major airlines have already, some time ago, put their plans in place to do precisely what we are saying.

**Mr HATTON**—I have not got any difficulty with the hubbing. What I wanted to get to was the fact that Mr Hicks was talking about people not hubbing and not flying but going by road or rail.

**Ms Barros**—That is when we said the closer airports—perhaps for people who want to come from a closer international or domestic location. If they want to come in during peak hour when all the 80 slots are taken, they either come in during a non-peak hour or they hub to another location and come in from there, on whatever transport they wish.

**CHAIRMAN**—I must once again draw this to a conclusion, because the Olympics are not pivotal to the decision before us. That is the point.

**Mr HATTON**—With regard to the very fast train, lots of people have put up the very fast train as the answer to just about everything, whether it is a fast train from Sydney to Melbourne, with Canberra as a stop, or a fast train for a new airport at Goulburn and then shunting people backwards and forwards between Sydney and there. What information do you have, or what assessments have you made, about the economic cost to the taxpayers of Australia of the proposals that have been put up recently or in the past, because this is a connection with the economic cost of this airport or other proposals where you link a fast train service into that? Do you have any view about that and what has been said?

**Ms Barros**—Yes, we do. I would support the comments that I heard Dr Garry Smith make earlier from the Sutherland environment centre, in that we have never had a proper cost benefit analysis done on Kingsford Smith Airport. It was not done for the third runway exercise; it does not appear to be being done now. We would like to see a proper cost-benefit analysis done on the do nothing option—we see it as being part of that, even if no-one else does—the split-hub option, which, as you know, we do not agree with, and an eventual replacement option. We believe it is in the interests of the overall Australian community and the Sydney regional community to do such an analysis, because how can we know whether we are choosing the right option if we do not do the numbers on it? I believe it is essential to do the numbers.

**Mr HATTON**—In relation to proposals that have been put forward about the very fast train, and you are suggesting that as an alternative to having an airport here, have you any view in relation to the probable cost to the taxpayers of those kinds of proposals?

**Ms Barros**—We have had some advice from various sources about the possible cost. I believe that a lot of the cost of the construction of the high speed train option is to be borne by the private sector. I go back to the point of a cost-benefit analysis: it is too simplistic to look at it as just a simple one-off cost of the building of a high-speed train route. We believe that it is essential to count the externalities. For example, if Sydney airport was eventually replaced to Wilton, which was the runner-up site in the EIS process—many people say that it performed much better than Badgerys Creek, anyway—or to another location, you have to build in the benefits that that accrues and offset them against the cost.



There is also the benefit accrued from the higher economic rent achieved by redeveloping this site as residential land. We understand it is in the order of about \$5 billion or thereabouts. Without doing a proper cost-benefit analysis, I do not think any of us can say for sure which is the best option. At the moment, the do nothing option seems to be the easiest path for authorities to take. But it is not what the public wants.

**Mr HATTON**—I note that in the former EIS, Badgerys Creek came out No. 1, despite the view that you and others may have chosen to take in relation to Wilton. In the past proposals for a high speed train between Sydney and Melbourne—not these current ones on the table but ones a few years ago—the cost to the Commonwealth would have been in the billions of dollars. Those entities did not want to pay out of their pocket, they wanted the cost of that to come out of the pockets of the taxpayers of the Commonwealth because they were chancy ventures. The solution of the fast train access to substitute for aircraft is not as simple as it looks, I am suggesting.

**Ms Barros**—Qantas seems to think it is pretty good, because they want to operate it.

**Mr HATTON**—That is where I think you are correct in terms of all of that needing a very close analysis—not just an analysis based on wanting to substitute it, but on what the real cost to Australia would be. That analysis would also have to include an analysis of the environmental impact of that, which would not be naked and negative.

**CHAIRMAN**—I understand clearly the importance of the very fast train project relative to what we are considering, but I think we have given it a fair sort of airing. If there are no further questions, I thank the Leichhardt Airport Working Group for appearing before the committee this morning and can I suggest that it would be appropriate for us to have a 15 minute adjournment.

**Ms Barros**—Thank you very much for inviting us and giving us the opportunity to talk to you.

[10.50 a.m.]

**McGRATH, Mr Jeremy Michael, Manager Project Services, Sydney Airport, Federal Airports Corporation, 241 O’Riordan Street, Mascot, New South Wales 2020**

**ROBINSON, Mr Gregory Francis, Manager Commercial Development, Federal Airports Corporation, 241 O’Riordan Street, Mascot, New South Wales 2020**

**STUART, Mr Anthony, General Manager, Sydney Airport, Level 10, Airport Central, 241 O’Riordan Street, Mascot, New South Wales 2020**

**CHAIR**—Welcome. Mr Stuart, Mr Robinson or Mr McGrath, do you wish to make a statement or two before we proceed to further questions?

**Mr Stuart**—I would like Mr Robinson to read out a prepared statement.

**Mr Robinson**—Mr Chairman, we are endeavouring to pick up and clarify some of the issues that have been raised over the past two days; actually to take on notice some of the points that have been raised; and to put a position that the corporation has on those.

The first thing we wanted to talk about was consultation. The terminal journey experience is an important one for us. It starts on the entry roads outside of the airport and ends, in our view, in the air. It also starts in the air and ends back on the same road system, as people leave the boundaries of the airport—or in the rail system, as they leave the boundary.

The groups who are involved in this range of activities are the bus companies, the rail access corporation, the taxi council, the rent-a-car companies, groups like Australian Protective Services, the retailers who provide a service within the terminal, NSW Tourism, the airlines, Australian Customs Services and Australian Quarantine Inspection Services, just to name a few. These groups are vital in the consultation for any terminal development plans that we would undertake.

Consultation with stakeholders, including the community, via the Sydney Airport Consultative Committee has been undertaken over the past 10 years and, in terms of this terminal, will continue throughout the planning and design phase of the project, to ensure that user requirements are incorporated into the terminal’s functions and aesthetic design. The corporation takes a strong view on needing user groups’ ownership in development, to ensure that it builds good quality user-friendly facilities, as has been carried out in recent developments at both Brisbane and Melbourne airports. It is the intention of the corporation to hold user group meetings with passengers, airlines, meeters and greeters, terminal users and the broader community, to ensure that the subtlety required for design development is extracted before things are built.

Consultation will be vital in the preparation and acceptance of the terminal operating plan to ensure optimum utilisation of terminal facilities. It is important to bear in mind that different views will be held by various groups and that the corporation at the end of the day will need to make decisions, because it will ultimately be accountable for whatever is built.

In the preparation of the proposal before you, the corporation has, over two years, prepared 14 issue papers. These issue papers were compiled on the various facilitation elements of the terminal. They looked at aspects such as check-in counters, immigration, baggage handling systems, security, gate demands, forecasts, international benchmarking and other critical aspects of terminal design. These papers were compiled in consultation with user groups, ranging from the government owned agencies to individual airlines.

An example of the consultation already taking place is in the area of baggage handling systems, in which the corporation has undertaken \$3 million worth of improvements over the past two years, which have been managed and driven by the people who operate the system. This group is made up of both FAC and airline representatives, and they have been responsible for the preparation of the brief and the commissioning of URS Greiner, a consultancy firm, to undertake a detailed design of the new system required to satisfy the needs of this project. The corporation is serious about using the stakeholders within the terminal and those who use the terminal as part of the essential design briefs that will go to developing the terminal in the future.

The second issue that we wanted to clarify was to do with freight facilities on Sydney airport. The proposal put forward requires the future relocation of capacity for international freight which is currently delivered by Ansett and Australian Air Express from cargo terminal operations adjacent to the international terminal. Both of these terminal operations have operating leases which expire in mid-1998.

The corporation has given an undertaking that these facilities will not be demolished until replacement capacity has been provided on the airport. Any future facilities would need to be able to cope with the growth of freight that is expected through to 2003 and beyond. Current facilities are under pressure to cope with current day demand, and the corporation is looking at a long-term freight solution. Part of this freight solution has been to call expressions of interest from the marketplace from operators who believe that they are able to provide world's best practice in freight handling facilities.

Ansett and Australian Air Express will have to apply for and demonstrate to the corporation by this process that they are the best people to provide the desired solution for future demand. It is important to point out that they are two of some 20 applications that have been received from industry to undertake the desired freight activity of providing capacity.

Australian Air Express is a 50 per cent owned subsidiary of Qantas, and the

international freight facilities offered currently are those of a duopoly. The corporation is looking at the ability for choice to be provided to international carriers who do not wish to be aligned to this duopoly. This clarification is provided so that no misunderstanding is left with the committee in regard to there being an obligation to relocate existing facilities. It is existing capacity that will be relocated prior to those facilities being demolished to allow for additional open parking.

The cost of providing the facilities are to be recovered by aeronautical and commercial revenues from growth of passengers and movements to 2003 at the corporation's internal rate of return. The proposal balances cost return and the level of service expectations that is based on IATA level C of our customers. The committee has been offered a copy of the financial model under confidentiality to assure themselves of the project's feasibility. The additional facilities proposed are based on increased productivity and utilisation rates to be gained from improved operating performance which will be required from our service delivery partners, namely, the airlines, government agencies and other terminal users.

The proposal contains a series of options which would only be built based on a cost-benefit analysis demonstrating that value is being added. The project manager to be appointed to design and develop the proposal will have to use value engineering techniques to deliver the most cost-effective solution.

In regard to the environment, there seems to have been some confusion over the corporation's obligations under the administrative procedures made under the Environment Protection (Impact of Proposals) Act 1974 and the current position regarding the application of those procedures.

The corporation is obliged to consider whether an action is an environmentally significant action, administrative procedures 1.2.1(a), or, whether it is for other reasons desirable in order to achieve the objective of the act to designate a proponent and notify the proposed action to Environment Australia, administrative procedures 1.2.1(b).

The corporation is in the final stages of collecting information on possible environmental effects which might be associated with either the construction or operation of the proposal. To date the corporation has not formed a view one way or the other as to whether the proposal is an environmentally significant action. However, given the widespread public interest in major development activity at the airport, the corporation considers it is desirable to designate itself as a proponent for the proposal, and to notify Environment Australia. This is likely to occur as soon as the corporation has finished collecting information about possible environmental effects associated with the proposal including considering any relevant issues raised during this hearing.

Contrary to some suggestions made by other witnesses before the committee, it is not up to the corporation to determine whether there is to be an EIS, and it does not have

this power under the administrative procedures. Once the proposal has been notified to Environment Australia, it will then be a matter of Environment Australia, or the Minister for the Environment, to decide whether an EIS or a public environment report, or neither, is required.

The proposal has a number of key benefits to passengers in areas which are already under pressure in terms of improved operation and passenger processing. By way of example, the project is designed to increase the provision of gates with aerobridges from the current 66 per cent towards an objective of 90 per cent. This will reduce the need for passengers to walk across the open and utilise mobile stairs to access aircraft.

Improvements to the current check-in queuing congestion experienced by passengers during busy periods will be reduced by the addition and respacing of check-in counters in pier B. The project looks at the introduction of state-of-the-art passenger processing, utilising the latest information technology. These advancements will be seen across all areas of the terminal, but none so pronounced as those within the customs, immigration and quarantine areas.

The project proposes improvements to the baggage claim area in pier B to provide a level of service for passengers claiming their luggage equivalent to that currently provided in pier C in terms of space and access to baggage claim units. As stated previously, pier B was designed for 707 aircraft which no longer fly into Sydney and the upgrade to 747 standard is well overdue.

In terms of master planning for Sydney airport, the draft Sydney planning strategy published in 1990, the supplement to this, which was published in 1993, together, form the master plan for the airport. Both these documents were made publicly available and were the subject of public consultation.

In terms of the current capacity of the airport at 80 movements during the peak hour being saturated, we make the following comment. Current records show that our average peak daily movements have reached 67 movements. On a few limited occasions, due to weather and delays, it has been recorded above this, with a maximum of 76. With a slot control system, the management of the movement system will be improved but will not be able to exceed 80. That concludes our statement of issues.

**CHAIRMAN**—Thank you, Mr Robinson. In the evidence given to the committee over the last day and a half, there has been some concern expressed, particularly from community groups, about the level of consultation. You have referred to the Airport Consultative Committee—could you elaborate on the way in which it works and on the consultation that has been offered to community groups? I note that one of the civic groups indicated that they were unaware of this hearing, for example—which may be a matter that the Public Works Committee needs to look at—but comments on the level of consultation with community groups would be helpful.

**Mr Robinson**—The way I propose to undertake the response to that would be to go through the various groups which we have consulted with and to list those groups so that you have an understanding of whom we have made presentations to and whom we have talked to.

Firstly, there is the Sydney Airport Community Forum, which had a detailed presentation from the corporation on 21 February this year, and they are the group who, as you would be aware, have been formed as being the consultative group to look into issues on Kingsford Smith airport.

The other group that I mentioned earlier is the Sydney Airport Community Consultation Group, which is made up of a variety of different members, including airlines and agencies within the airport as well as local community groups around the airport. The details of those we can provide to you on notice. I do not have them with me at the moment, and I am not the person who has made presentations to those groups over that time.

**CHAIRMAN**—Given the criticism, I would appreciate those details being made available, thank you.

**Mr Robinson**—The presentation was made during March and we will get a list of those whilst we are here.

**CHAIRMAN**—Thank you.

**Mr Robinson**—We have made presentations to SOCOG and to OCA. We had a public olympic seminar last year in November which was open to all groups, in which we looked at the issues of the whole of Sydney airport being able to cope with the Olympics and what would be required by all user groups to be able to ensure the facilitation of the Olympics.

We have given presentations to our four local council mayors and their general managers. We have talked with state bodies and made presentations to them, including the RTA, state and regional development, the Department of Urban Affairs and Planning, the Cabinet Office and the Department of Transport.

We have made presentations to AOC, which is the local airline operating community, and to FAL, which is a facilitation group who specifically look at the way that terminal facilities operate. We conducted market research within the terminal where we undertook a passenger survey of some 2,000 passengers—1,000 inbound and 1,000 outbound—in which we asked a series of questions across the whole-journey experience as to what their expectations and needs were.

We have made presentations to and are a member of the BEC, the local Botany

Enterprise Group, which was formed to look at activities within the Botany area. We have made presentations to the Sydney Port Club and to various Rotary groups. We have actively made presentations in conjunction with the state Chamber of Commerce and the Tourism Task Force. We have carried out detailed briefings of journalists and, as we said previously, we have been consulting with IATA and the airline consultative committee which was formed to specifically look at this project.

**CHAIRMAN**—Given the comments made earlier today by the Leichhardt Airport Working Group and your recent response referring to the airport master plan, is the proposed expansion currently being considered by this committee on that master plan?

**Mr Robinson**—The master plan was looking at the international terminal in terms of its expansion to 2010. That expansion considered in the planning strategy was to go to 41 international aircraft gates. We currently have 22 active gates, and this proposal looks at increasing them by between eight and 10. The cost of going to the full scale, 41-gate solution, which was contemplated under the planning strategy, would be around the billion dollars.

**Mr Stuart**—I would like to point out, in relation to the analogy yesterday of the Rolls Royce and the Morris Minor, that when I arrived here I saw the Rolls Royce version which was the 41 gates and was something between \$900 million and a billion. There has been substantial cost cutting and measures internally to ensure that this scheme is not a Rolls Royce, but is indeed an Australian Commodore.

**CHAIRMAN**—Perhaps, then, the question to you, Mr Stuart, should be: do you see the development of a second Sydney international airport as inevitable?

**Mr Stuart**—I believe that all major cities in the world need at least two airports. When, where and how is up to the expertise of the government and its advisers. The expertise that this organisation has is the management team which is responsible for running an airport. We are not the policy arm of government on these issues.

**CHAIRMAN**—I understand that. My question was: do you see a second airport as inevitable?

**Mr Stuart**—If you were asking me, in my capacity, if I see the second airport as inevitable, the answer is yes.

**CHAIRMAN**—Given the evidence that we have had that in the case of two airports at major cities one variably fails, how would you respond to that?

**Mr Stuart**—I think that is unfounded. Gatwick is an outstanding success in the UK. Gatwick is immensely profitable. I think it would be a slur on the BAA to argue that Gatwick has failed. I know that airport very well, as does any informed member of the

aviation airport management community. It has been very prosperous, along with Heathrow. London has three airports, but the second airport has worked very well. I noticed recently that British Airways is moving its flights to Charles Orly, the second airport in France.

**CHAIRMAN**—Evidence has also been given that the proposal before us will inevitably see an increased use of the parallel runway option and, therefore, air safety will be put at a greater level of risk than exists presently. Would you care to comment, please?

**Mr Stuart**—The operation of the flight paths and runways is the responsibility of ASA. It is not something that I am in a position to determine.

**Mr McGrath**—The long-term operating plan addresses that issue and Airservices Australia, as you know, has been centrally involved in that. The matter is with government at the moment.

**CHAIRMAN**—Perhaps I should rephrase that question. Do you see flying into KSA as being a riskier option than flying into, for example, Brisbane, which is the most recently internationally designed airport?

**Mr McGrath**—I think safe operation is a matter for Airservices Australia and they conduct their operations in line with international standards of separation and design of the airfield and so on. If I could elaborate, the design of the airfield is in accordance with the international standards that we are obliged to meet as well.

**Mr HATTON**—We have had a lot of criticism based on the proposition that, with this expansion which you are putting forward, inevitably the actual use of the runways will run to using the parallel runways more than they are used now. We do not have Airservices available here, but it has been argued that there is a direct connection between this redevelopment, gate usage, the increasing number of flights in and use of this terminal and the way in which the usage of the runways would have to operate. Can we elucidate any more in relation to the connection?

**Mr Stuart**—The usage of the runways is determined by the long-term operating plan currently before the minister. You are assuming there is a direct correlation between the usage of the runways and the international terminal. Should the international terminal not proceed at this rate but indeed the domestic services double or triple, the runway movements would still be the same. The correlation between the international terminal and the runways is not a direct correlation. I think Greg wanted to take this one further on.

**Mr Robinson**—Our understanding of LTOPs is that, and it was confirmed yesterday by Mr Lidbetter in the evidence that he gave, the LTOPs plan allows for 360,000 movements in the configurations that are currently being considered and that have been put out for consultation by Airservices. We are working within that range of



movements as far as LTOPs go. Again, we would refer this to Airservices Australia who have received something like 6,000 responses to the public hearings on LTOPs. We have not been privy to the information that has been provided there and therefore we cannot make detailed comment.

**Mr HATTON**—To pursue the point Mr Stuart made and linking back to evidence that we had yesterday, a large part of the increase in demand here has been on the domestic side and not the international side.

**Mr Stuart**—Yes. As you are aware we are operating under environmental constraints such as a movements cap. If international services do not take that up, other services will. You want to be quite clear that the recent facility that Qantas have built for the domestic has the facility to have 747 domestics. Already an Australian domestic to Perth is substantially larger than most international services in Europe where they are one-to two-hour services. This is a nation larger than Europe and we should not forget that international services means that there are substantial size aircraft too.

**Mr HATTON**—What is your response to the arguments that were put forward yesterday that a second Sydney airport should be a greenfields airport and should be fully international and that this airport should be devoted to domestic services and then a downgrading of those domestic services?

**Mr Robinson**—One of the things about the second Sydney airport is it seems as though people have the view that it is a new agenda item and it is something that has not been considered. The master plan for Sydney airport has always considered that a second Sydney airport would come into play and that there would be a bleed of traffic to that second airport. The issue on policy is how that second airport is developed. What we do know, as prudent airport operators, is that there are synergies that exist between regional, domestic and international services at an airport and that passengers want to have convenient on-carriage between those services. They do not want to have to get off a regional service and then catch a train for an hour or an hour and a half and transfer through another system back onto an aircraft. They expect, when they go to an airport, that they will have access to inter, intra and international traffic. The draft planning strategy always considered that the second airport would be one which would grow with a mix of services across inter, intra and international.

**Mr HATTON**—This is a little off the point but, as to the question of New South Wales in particular and the small regional airlines that are flying into here, there have been proposals previously in terms of hubbing those and then sending in larger aircraft in their place. Do you have any views in relation to that, and the impact which that would have here? I know that is primarily domestic but it is also something that has been looked at in terms of a rearrangement.

**Mr Stuart**—In time that would have to be an option anyway because of slots. All

of us live under an environmental constraint; it is not an operational constraint. The airport can handle, operationally, on an unconstrained basis, substantially more movements than 80 per hour, as witnessed by overseas airports with similar configurations. Greg may be closer to the regional airlines.

**Mr Robinson**—There are growing regional airlines outside of Sydney which are developing a hub system. One in particular is Impulse Airlines based in Newcastle. Impulse uses Sydney for very few of its services—in fact, it is growing routes now which bypass Sydney. It recently announced even more routes where it will do Newcastle-Goulburn and Newcastle-Brisbane as some of its services. As it grows, it will use Newcastle as a hub to then bring passengers back into Sydney.

On the issue of regionals, our understanding of the slot proposal is that there will be a ring fence in terms of the number of slots which will be allocated for regionals. There will always be the ability for regionals. The Air Traffic Council in New South Wales has been looking at deregulation of the regional market. We have actively been supporting them with information on how that hubbing could be brought into effect so that larger-sized aircraft were coming into Sydney airport from the regionals in lieu of some of the smaller.

**Mr HATTON**—As an add-on to the hubbing thing in terms of the Olympic preparations, the evidence you gave us yesterday and the briefings indicated that, with business traffic going down and other tourist traffic going down, most of that traffic could be accommodated in the peak period, and also with charter flights in the afternoons, and you have already been making preparations looking at hubbing from Melbourne or Brisbane and having people arrive in the afternoon as an addition to that.

**Mr Robinson**—We do not believe that all of the traffic is going to necessarily come into Sydney for the Olympics. There will be a considerable amount of domestic traffic which will be associated with that. All of our Olympic planning has been in consideration of the curfew and the cap, as Tony has pointed out on several occasions this morning, and those constraints effectively ensure that we cannot bring those aircraft in through the peak hour. So they are going to have to come in outside of the peak. The two choices then are either by charter operations being international charters or that they come through the domestic network system.

**Mr HATTON**—You put forward a Commodore \$353 million proposal instead of a \$1 billion proposal for the 42 gates—

**CHAIRMAN**—Probably the Caprice.

**Mr HATTON**—Yes, the full version. In my first question yesterday we discounted the effect of the Olympics except for not having to work through that period and disrupt it. If we did no work on the terminals, no work on the baggage handling, and no work on

the refurbishing of pier B which is built for the 707s and not for the 747s, what kind of impact do you think that would have during that Olympic period in terms of showcasing the city and the airport?

**Mr Stuart**—If we did no work I think we would have a travel disaster on our hands at Sydney airport because we need to be able to lift the levels of services. We know that Atlanta was criticised for travel. Australia made a promise to the world at Monaco that it could provide the level of facilities in conjunction with the states, the federal government and the community. We are not here before you asking for our Caprice. In an unconstrained environment, I would be here today asking for \$1 billion worth of expenditure for a 2020 year horizon as other constrained airports do with their boards. We are not asking for that. We are asking for something which will allow the investment and the level of service over the next five years, and given that this year is a year of planning and that really nothing would start till next year, we are talking between 1998 and 2003.

With or without the Olympics, we will have a significant problem in that time. The Olympics will just exacerbate it because, whilst the rest of the world may not notice it and only the passengers who come through the airport will notice it over the next five years, clearly the rest of the world will notice that we are not prepared to invest in our standards nor to provide an alternative to the world within the next three years. When you think that the Olympics are, effectively, three years away and you put planning and design into that and a no-build in 2000, we are talking about a very short period.

**Mr HATTON**—Pier C is a response to a lot of criticism previously that Sydney international did not have proper facilities for people, that we are still stuck with pier B as a 707. So part of that criticism has been dealt with with pier C. But if we do not redevelop pier B, then we have a significant problem. Given that you have gone from a minimal solution—a Commodore instead of the Caprice—people argued yesterday that the solution should either be temporary or totally minimalised. Is there an absolute bottom line in terms of what needs to be done to the terminal gates and facilities and the baggage area, or is this the bottom line?

**Mr Stuart**—If we look at the picture on the screen which has been on our left for the last few days, this is a minimal solution. This is not an extension of the terminal proper—the white area in the background between the two yellow areas. This is not an extension of two or three more piers—you can see the one pier coming out and two satellites. By international standards for something of our airport scale, this is not a major development of a terminal. We are putting something together which we believe is consistent with the uncertainty of our future and the need to look at an investment over the next five years. We do not come before you with something which is about a long-term solution which in any way could predicate another alternative. I cannot see how we could achieve some form of temporary solution without really shutting up shop now.

The demand is there. We are here to serve a demand which is not just about

incoming tourists; it is about the community of Sydney which travels through this airport. Perhaps we can shut the tourists off to other parts of Australia. Let me just pick up a remark that I was going to make in closing. This airport serves 21 or 22 million—it should be 22 by the end of the year—of which only four million are foreign visitors. An awful lot of the Australian public use this airport. Indeed, a substantial part of the Sydney community use this airport. Unless they are going to stop using air travel over the next few years until there is an alternative, there is no temporary solution.

**Mr HATTON**—So you have gone for the Commodore. We are still looking at \$647 million that you did not spend. Does this solution still allow for future spending to integrate with the preferred option?

**Mr Robinson**—Let me just point you to page 16 of our summary of evidence. This solution is what we would call the northern concourse which is the area to the north of the terminal that comes off the current pier B. That is a temporary concourse. That is built so that ultimate flexibility could be maintained with the area to the north. The reason we have maintained that ultimate flexibility is so that we are not locking in decisions now as to what might be the future land use in that area.

We have considered a variety of planning options—in fact, six have been indicated here. We have considered in detail some 24 options which are various iterations of these, but these are the family of options that are still available in terms of achieving 41 aircraft parking positions should they be required if, in the future, that was the best use of that land to the north. Given the circumstances, it would be considered after 2003.

**CHAIRMAN**—Thanks. I will return to Senator Calvert. He in fact has indicated that he is still prepared to fly out of KSA and he has to do so shortly after noon, so I invite him to ask questions.

**Senator CALVERT**—I want to ask about a couple of things for clarification. First of all, in the notes I have taken down over the last two days, there is something I have not found out and which I should know: what is a chapter 2 aircraft?

**Mr McGrath**—A chapter 2 aircraft is basically an old generation aircraft like a 727, 737-200 series, of which we have only rare examples left in Australia now. They are more prevalent in the United States and Europe.

**CHAIRMAN**—That also applies, I presume, to smaller aircraft, does it? An F28 would fit into that category?

**Mr McGrath**—The F28 would also.

**CHAIRMAN**—What about Chieftains or something like that. Do they fit into a chapter 2 category?

**Mr McGrath**—I cannot get down to the smaller varieties to be precise for you there, but we could provide that information for the committee on notice.

**CHAIRMAN**—It is determined by the noise level, is it?

**Mr McGrath**—Yes.

**Senator CALVERT**—I am a bit interested in this slot system we have been talking about. Perhaps you could explain the difference between the slot system and flying dirty, as was said yesterday. I would like to know—and in the absence of technical experts—whether the slot system will have the effect of letting the international incoming jumbos and whatever have a longer glide path and, therefore, as was explained to me by one of the Qantas captains, as happens in the UK, there is a possibility of reducing the noise because they do not have to do all the manoeuvring and whatever they have to do when they are flying dirty—I think one foot on the brake and one on the accelerator was the expression used. So can just explain to me briefly about the slot system and whether it will not only make the airport more efficient but also safer.

**Mr Stuart**—I will ask Jeremy to answer that but, in doing so, we would like to point out to the committee that we are also relatively new to the slot system. It is not here at the moment, it is not at an airport like Schiphol, for example. It is in the UK. We are extensively researching it and have been part of the background. I think Jeremy was in a position to answer, but the expertise on slots management lies with other member groups that have been before you today and yesterday. As I said, we are still on a learning curve ourselves but we will answer this the best we can.

**Mr McGrath**—The reason that we support slots is that it gives us the ability to manage growth and reduce delays in cluster scheduling whereby airlines might all set their departure arrival times at a clock hour, for example. The proposal that is still being worked up by the Department of Transport and Regional Development involves the system of using the cap of 80 movements an hour and having a coordinated schedule where aircraft would arrive and depart into and out of Sydney in a way that was organised and planned rather than one that was somewhat haphazard and determined by the operator's whim more than the airport's ability to handle it.

Once you get a planned situation like that, the ability for air traffic services—and this goes well outside Sydney airport's terminal area—can be better managed so that flows of aircraft can be brought into an airport like Sydney in a more orderly manner. When you get closer to the airport, aircraft are more able to fly clean, as you put it, because they are coming in at a rate which is understood by the air services operators, and they can bring those aircraft in more cleanly than they would be able to in an unconstrained situation. I hope that has answered the question.

**Senator CALVERT**—Yes. With the slot system, it sounds great in theory, and

everybody flies on a designated time, but we all have experienced time delays and aircraft that have slight mechanical problems and are delayed. What does that do to the slot system? I suppose they slot someone else in—I do not know. It certainly sounds an interesting concept. I presume that by having that, and a more regular approach to an airport, it should increase rather than decrease safety. Also, it should allay some of the concerns, in the short term anyway, about pollution and noise. I see someone in the background shaking their head, so perhaps it does not work that way.

**Mr McGrath**—Can I just state that at a recent meeting a presentation was given to the Sydney Airport Community Forum by the Department of Transport and Regional Development about slots. So there has been a system of consultation on slots with the community group. With regard to the issue of off schedule movements, without going into the detail of it, there are weather and mechanical problem issues that you might have with any specific aircraft, and those issues are taken into account and managed within the slot system.

**Mr Stuart**—If you would prefer, Senator, we could take this on notice. I think the IATA scheduling coordinator was before you yesterday. We could prepare for the committee a summary of the impact of slots on these issues that you raised, such as flying dirty and the safety issues.

**Senator CALVERT**—Two of the issues that concern me most are the noise pollution and safety issues. What effect the proposals that we are looking at have on those particular matters is basically where I am coming from, and that is why I am interested in the slot system.

**CHAIRMAN**—This would be a more comprehensive hearing and the evidence before it would be more complete if we could have that information, Mr Stuart.

**Mr Stuart**—We will take that on notice.

**CHAIRMAN**—Thank you.

**Senator FERGUSON**—Going back to your page 16, where you have given six options, were each of those options costed?

**Mr Robinson**—We have done what I would call broad-brush costing of those. There are some significant differences in the dollars between various options, and there are significant differences in the service standards and the way that each of those options performs. Each one has its own set of advantages and disadvantages in terms of whether or not it is beneficial commercially or operationally, or neither, and what that impact is back into costs.

**Senator FERGUSON**—Were any of those options cheaper than the \$353 million

proposal that we have got at present, or were they all more expensive?

**Mr Robinson**—In terms of these options, we have gone for a very simple option, which is to have a temporary concourse which does not preclude us from going to any of the options. So each one of these schemes is consistent, as you will see, in terms of the need to upgrade pier B and to increase the capacity airside of pier C. The amount of work that is being done to the north, in the northern concourse, is temporary and limited. It is only the apron pavement areas that would be effectively permanent, in terms of being able to go to future solutions. We have attempted to keep maximum flexibility to analyse better at a point in time, if we need to, what solution would be adopted. If you are also asking if all of these schemes are more expensive than the current one, the answer is yes.

**Senator FERGUSON**—I assumed that. I was looking at option 5 actually, which looks as though it is basically what you are proposing to us, with a further extension of that circular hub on the end where a number of other aircraft can be put around it. I presume that by choosing the option we have there, it would not preclude option 5 being a completion of that pier.

**Mr Robinson**—No, that is correct. You may well get some salvage out of the northern concourse if you were to go to that. But the terminal depth is the important thing that gets decided on in any of these future options. That is the area where we would be putting additional baggage carousels, check-in counters, to be able to cope with added gates to the north.

**Senator FERGUSON**—In fact, in option 5 the addition to the terminal is in a different place from the addition that you are putting there, isn't it, or is that still part of it? On the left hand end of that screen you have got the new terminal part in yellow. That does not exist in option 5, does it?

**Mr Robinson**—Yes, it does. At this stage we have not defined the architecture of what the hub will look like on the end of pier C; it is just an increase to the square meterage on the pier C air side to take up three additional aircraft positions. That would be resolved in the design development phase—whether it was semi-circular or as depicted on the overhead.

**Mr HATTON**—I want to take up what Senator Calvert was asking about—the slot system—and the associated matter of glide paths and the wonderful joys of what ASA has or has not done with that. You may have noted that I spoke about that a bit yesterday. One of the people from Hunters Hill, Mr Lidbetter, argued that nothing much had changed in the past. Because we are at Bankstown, we are affected in my electorate not only by our own local airport, which is the busiest general aviation airport in Australia, but also by the operations of this airport.

When the east-west runway was closed, Airservices Australia brought in what I see

as a flying dirty proposal. They brought aircraft from the south to land up from the south, through Bankstown, Liverpool and those areas, up to North Parramatta, then to Hunters Hill and Lane Cove, to fly in here and to maximise the number of planes that could be brought in, when they went to three lanes, with a tight turn, a mid-turn and a wider turn to come in from the north, and the same sort of proposition going out, they were flying at a minimum height of 1,500 to 3,000 feet, which meant that they had to have 25 to 30 per cent power through most of that path. When they turned at North Parramatta and then Hunters Hill and Lane Cove, with the loss of the lift, they would have to go to 75 per cent power and fly very dirtily and spread a great deal of noise.

I understand that in part the operations at Sydney airport had been constrained because of the existence of Nowra and the RAAF base at Richmond; that about a third of the air space around Sydney has not been available to Kingsford Smith and that has constrained the use of a straight glide path—instead of going through the mountains and well up and beyond, turning away where there is no-one and then coming in, using the benefit of a slot system in the future but on a long glide path, we could be back to the situation that we had; that the impact felt by people around the airport should be associated very closely to the airport and not over most of the areas of Sydney, and under the impress of flying extremely dirtily because of the change that Airservices Australia made. You may or may not be able to answer that but I would like to ask you whether you have any comments on that because the noise impacts on Sydney from this airport, I would think, are directly connected to the way people perceive it and the way they perceive its continuing existence.

**Mr McGrath**—This links into LTOPs and Airservices' involvement with that. I understand that the consultation and the proposals that they were putting forward under LTOPs involved almost a herringbone approach from the north to the main runway at least, and that would be different from what has happened in the past. When I say a herringbone, aircraft could come in on a parallel track, then divert in to pick up the actual extended centre-line glide path and then follow that in. But they could do that at various stages down that path. That was all designed to meet the government's objectives of spreading the noise.

**Mr HATTON**—So you see the situation as having changed. Once we went to spaghetti pattern, it has changed from what was operating after the east-west closed. When that opened up again, there has still been noise impact throughout Sydney, but it has spread on the herringbone or spaghetti pattern. Are those three lanes still running, in your experience?

**Mr McGrath**—I cannot comment on the three lanes, but my knowledge of the LTOP proposal is that this was a part of the proposal to have that herringbone approach.

**Mr HATTON**—Do you know what the situation is in regard to Richmond RAAF base and the opening up of airspace for the use of civil aircraft? Previously, there was



virtually no use of that RAAF airspace and that absolutely constrained entry to, and exit from, KSA. I understand there have been some changes, but I do not know how great—

**Mr McGrath**—I cannot say to what extent the military airspace was changed, but I do know that it was taken into account in the review of the long-term operating plan.

**Mr HATTON**—The Quadriplegic Association indicated that they would certainly be very willing to be involved in a consultation program. Do you know offhand whether or not organisations for the disabled were consulted in relation to the development of the facilities at Brisbane? Given that there does not seem to have been much consultation to this point, will you be including them in the planning of the facilities here?

**Mr Robinson**—Yes, they will be. They have already been invited, in the written response that we gave to them. In the case of Brisbane, they were consulted very heavily. We have checked that since the evidence given by the association yesterday. We will certainly be having a user group who will be looking at the design, as it is developed, to give us specific comment.

We do, as a matter of course, design within the Australian standards. We took on board the comments that were made yesterday. A similar experience was derived out of Brisbane, in that the current Australian codes do not cater adequately for people with disabilities. In the case of Brisbane, the corporation did exceed the Australian standards. It is our intention to consult with that group and, wherever possible, to exceed the standards in terms of their requirements in this terminal upgrade and development.

**Mr Stuart**—Over and above what we would normally be doing—which I would like to think is above the standards set in Australia, because the Federal Airports Corporation has a reputation in this area—there is the Paralympics after the Olympics and we are involved in working committees for that. We believe that it is important that we make that as much of a success as the Olympics, but in many ways it is going to be substantially more challenging for us as an airport operator.

**Mr HATTON**—In Brisbane, a feature that really stood out was the redesign of table heights, and so on, which directly helped people who were disabled and also normal human beings who had to use the facilities, and it was not as intimidating an environment. Would that sort of thinking be included in the design concepts here as well?

**Mr Robinson**—I think the areas that you are referring to are in the lounge facilities that have been provided airside in Brisbane. Certainly some of the work that we have already looked at is to pick up those benefits. In any of the work that we would do, we look at best practice that has gone on at other terminals. We have spent a considerable amount of time reviewing Brisbane and the successes there so that we can adopt the good things from it as standards for the terminal upgrade work here. Those sorts of things would be considered as a matter of course.

**Mr HATTON**—You have mentioned that you intend to do a cost-benefit analysis of this proposal. A number of groups have argued that that cost-benefit analysis should be broader than probably what you intend, and should take in the environmental and social effects of the airport and of the changes that would be inherent in this proposal. Do you have any response to those arguments?

**Mr Stuart**—We have put before this committee how we intend to manage the environmental impacts. We have explained the position with ourselves and Environment Australia. That, in itself, will look at the cost benefit of this proposal. We have a financial analysis and a commercial decision to take with our own board once the detailed costs are there with internal rates of return which we have agreed we will forward for you. It is those two strategies which we are working on.

Over and above that, as I said, we have had consultation on this. The cost-benefit analysis has to look at the benefit to the total community. The total community is a substantial community given the popularity of this airport. We cannot weigh it only against the communities on which it directly impacts which we have heard about today. It is a very difficult matter these days with regard to airports: who is the airport community? That is a discussion all in itself. Is it the users of the airport, because virtually all the citizens of New South Wales could argue that this is their airport.

**Mr HATTON**—In terms of the impact of this airport on the local area, I noted yesterday that the Marrickville Council knows a lot about the disbenefits and the negative effects of the airport but they do not seem to have tried to work out what the positive impacts of the airport will be in terms of employment generation, amenity and economic significance for their region. Can I turn it around and ask: have you ever undertaken studies which have not only looked at that broad economic benefit to New South Wales or Sydney-wide but to actually focus on the areas around the airport and direct economic benefit or disbenefit to them?

**Mr McGrath**—There has been a study that we referenced in our presentations to you about the economic benefits of the airport, more recently updated only about a year ago. We have not broken that down into local government areas, but I am sure we would be interested to do that, so that the airport could demonstrate its value in employment generation in those particular areas.

**Mr Robinson**—We do have some information that we extracted from two documents in terms of people who reside in the area around the airport and who work here. I will quote two of those. One was from work carried out by Kin hills on the parallel runway EIS which indicated that 70 per cent of Qantas employees live within 20 kilometres of the airport. Dr Hooper, in the economic significance study into Sydney airport, notes that discussions that were held throughout his research with staff in the airport showed that the majority lived within a 20-kilometre radius of the airport. The report goes on to draw benefits to 66,000 people who both directly and indirectly receive

their employment from Sydney airport.

**Mr TED GRACE**—All the questions that I was going to ask have been asked by my colleague, so I would only be asking you to repeat yourself. I have just got one question for Mr Robinson. Would you verify that no request has been denied to any community group regarding the forward plans of Sydney airport?

**Mr Robinson**—I can only speak on my personal behalf. In any case where—

**Mr TED GRACE**—I want it on the FAC's behalf, actually.

**Mr Robinson**—I will need to be careful that I do not make a misrepresentation here because I do not know where officers of the corporation may have indiscreetly knocked somebody back for a presentation on the project.

**Mr TED GRACE**—I think you are dodging the issue.

**Mr Robinson**—I am trying not to dodge the issue. I am trying to be specifically clear—

**Mr TED GRACE**—I just want a specific answer as to—

**CHAIRMAN**—To be fair to Mr Robinson, I think what he is trying to say is that he does not know what happened in all aspects of the FAC, so he may—

**Mr TED GRACE**—I am asking about the FAC's policy.

**Mr Robinson**—I have had carriage of this project for two years. Our policy has been to be open and to make presentations to anyone who has requested them, and we continue to make those presentations. I did say that I would come back to the committee and indicate who the membership of the Sydney Airport Consultative Committee were, to give you an idea of the group that we talked about, and if it was appropriate, I could give you the names of the groups who participated in that group. But anyone who has approached me for presentations on this project has been given detailed presentations.

**Mr TED GRACE**—So you could supply us with the names of everybody who has made a request—

**Mr Robinson**—All the ones that I have made presentations to, yes. I went through a significant list earlier of groups who had asked for presentations. We have given a number of public addresses in various forums that have been talking about this project and, in particular, the Olympics. It is a topic that a considerable number of groups ask us for presentations on to understand how we are dealing with Sydney airport and the move towards the Olympics in 2000.

**Mr TED GRACE**—The obvious reason for my question is that the list you read out does not include some of the people and some of the community groups. I am not carrying a torch for any of them, but I just want it to be above board. The list that you read out does not include some of the people who are claiming that they requested the FAC for the forward plans of Sydney airport.

**Mr Robinson**—As I pointed out earlier, the draft planning strategy is a public document. It is part of our marketing brochures on the airport. Anyone who comes to Sydney airport is openly given a copy of the master plan for Sydney airport. It is a document which has been available to anyone since the master plan was completed.

**Mr TED GRACE**—So the answer would be no, that nobody has been refused?

**Mr Robinson**—In my knowledge—and I can only speak on my own behalf—no.

**Mr Stuart**—I have been with the corporation for the last three months and in that time I have had no correspondence, nor has my predecessor or my chairman told me that there was outstanding correspondence, between an organisation and the FAC over the FAC's inability to give a presentation. I would assume that if one part of the FAC had denied a local community group consultation, they would take it up with the managing director of the FAC, or myself as the general manager. I am unaware that that correspondence exists.

**Mr McGrath**—The draft planning strategy has been in the public domain since 1990 and its supplement since 1993. We have been very open about that. Most recently, I gave a briefing to the Sydney Airport Community Forum in the company of a number of my colleagues who were in part talking about this development. Specifically, I was talking about the planning strategy and the fact that it had been in the public domain since 1990 and 1993 respectively. I did offer copies of the document—and I see a copy of it on your table here—and copies were made available for people to take away at that time.

**Mr TED GRACE**—But you can see the reason I asked the question, because as members of the committee we are going to be accused later on of not asking these questions. With all due respect, I am not quite convinced, in spite of your answers, that certain people have not been negated in the process. But I am happy with your answers, that it is on the public record that I have asked the questions and you have given me the answers.

**Mr Stuart**—Remember, there are two Sydney airport consultative groups, the consultative committee and the consultative forum. The latter, I think, is chaired by Joe Hockey MP. In the case of the forum, virtually all of the community groups are represented on it. Certainly he has not advised me that any of his members have been denied an individual presentation. Jeremy presented it to the group. Clearly, like all meetings, there may have been people who were unable to attend. As I said, I have met

the chairman of that group and, in my time at this airport, he has never mentioned that his members have been denied individual presentations or that maybe people who are not his members, but that he is aware of, have been denied access.

**Senator FERGUSON**—If the proposed works do go ahead, have you taken into account the disruption that will be caused to existing services while construction is under way; and how great is that disruption likely to be?

**Mr Stuart**—I will ask Greg to answer in some detail because it is an area I have charged him with. Clearly, one of the main concerns for me is the smooth operation of this airport, and a greenfields terminal or runway is substantially an easier project to accomplish. This is a major challenge for us, which we have had groups working on and looking at its implications. Greg can give you some details.

**Mr Robinson**—Senator, it is a difficult thing. From my personal experience, I have worked in the major redevelopment of shopping centres, which is likened to the sort of development problems that will be encountered during this project. What we have undertaken is to engage a group, who have remained as a third party independent group to review our staging and methodology for construction. That group is Colin Ging and Partners. They have been involved with the planning for the Olympics and also on the building of Governor Phillip and Macquarie Towers. They have gone through a number of construction sequences which allows us to go through with minimal disruption.

We are working with the ACC to come up with a set of guidelines in terms of the level of service that we will have to maintain throughout. One of the things we have set as an objective for the contractors who are currently tendering for this project is that they need to be able to keep normal operations within the terminal throughout the duration of the project, and that includes ensuring that we maximise our average access in and out of the terminal and that bussing to remote stands is a last option.

**Senator FERGUSON**—It is just that in the busy periods you seem to be almost totally using the capacity of the airport now, and it stands to reason that during construction at least a portion of the gates that are available are going to be out of action for some of the time because of the design of the buildings.

**Mr Stuart**—We have been asked to look at contingency plans, which may mean moving aircraft to different stands or it may mean bussing. This is one of the few occasions where a terminal operator almost welcomes the curfew because you have a period of time during the night where you can instruct the contractors to do the noisy work, something which is difficult when you are running a 24-hour airport. What we are asking our people to do is to focus on minimal disruption during the busy hour and to try to plan the work around the quietest periods of operation.

**Mr Robinson**—To pick up that point a little bit further: one of the things in the

planning is to increase area first before we take area. So we would look at increasing gate positions first before we take any away. Inside the terminal, we would look at bringing out the front of the terminal first to increase the space available in the terminal, and then start to take back area and refurbish it by stages. It is a long and detailed complex staging sequence to do that. That is why refurbishment and redevelopment work is often more expensive and time consuming than normal greenfield construction.

**CHAIRMAN**—Before I turn to Mr Hatton, we have just had a chat—which I regret Mr Grace and Senator Ferguson have not been party to—and we think it would be appropriate for us to invite Airservices Australia to meet with us next Thursday in Canberra—since they are Canberra based—to allow us to pursue some of the safety issues that have been raised by people. I would say to those present that, while the chat next Thursday will not be a public hearing, you should note that the committee feels they are matters that ought to be resolved before it can deliberate constructively on this proposal.

**Mr McGrath**—Mr Chairman, if I may, we only received a copy of the Airservices submission yesterday. We will be making a response to that, as we have for the other submissions.

**CHAIRMAN**—We understood that, Mr McGrath, and so did we. We felt that we did not want to be unnecessarily delaying a decision on this but nor do we want to make any decision without having an opportunity to speak to people who are directly involved in the safety aspects that have been raised by a number of witnesses—and next Thursday would allow it to happen without undue delay.

**Mr HATTON**—I would just like to draw on Mr Stuart's experience—the others may not know about this. I have flown into Arlanda, Stockholm's major airport, and had the longest bus ride in history to actually get into the city—it seemed like that. But I have noted recently in the travel section that the Bromma airport, the original airport in Stockholm, is still operating and is still popular. A lot of people want to get rid of it, but it is something that does not seem to go away. Do you have any experience with Stockholm and the way in which those two airports intersect?

**Mr Stuart**—Yes, I am very familiar with Stockholm actually because I spent a lot of time in Sweden during my previous employment. I am familiar with the fact that Arlanda Airport is at least 45 to 55 minutes from town. Stockholm is very similar to Washington where you have Dulles and National. Again, the airport was considerably out of town but the inner airport still had a key role to play. I think it comes back to a lot of issues to do with hubbing and the ability to make services connect. As was mentioned yesterday I think with regional services, if you are flying 40 minutes from one part of the state and then travelling for an hour, you start to ask yourself why you are not travelling by another means all the time.

The history is that, where there are two airports—London City is a very good

example and something which I do not think has been mentioned at this hearing is the emergence of London City as an airport in the docklands—there seems to be a role for airports, one at a distance from the city of one scale and another substantially closer to the CBD on a more constrained scale.

**Mr HATTON**—The last point is probably fairly easy to answer. There has been a great deal of economic input into this airport over a long period of time. If you are looking at forward planning—the FAC has been criticised heavily in the past for getting the numbers wrong. It is almost as if they deliberately got the numbers wrong with the previous EIS and so on. I would just hazard a guess that if you had done a forward plan in 1926 for 50 years for this airport and its operation, that forward plan would have been pretty way out of whack. Therefore, in the plans that you have put forward previously and the current ones, the event horizons are fairly close in terms of what is predictable.

I know that Treasury has a great difficulty with economic forecasts and they are accused of not getting them right. What is your reaction to all the criticism there has been; and is it the reality that life is a messy business and that it is fairly incremental?

**Mr Stuart**—Yes, the aviation industry is not an easy industry to have forward planning. Indeed, our airlines that I have been directly involved with find it very difficult to do plans outside of three years for a variety of reasons. Airports, when looking at their planning from five to 15 years, have to account for substantial changes in the customers' technology, which is aircraft, and the fact that we were designed for 707s. I am not sure that we are going to be flying in 2010, irrespective of where the airport is. What sort of aircraft Australia is going to see in 2010 to 2030 is really beyond a lot of airport operators right now.

We also have to recognise that high technology is coming our way. I do not know whether passports will be with us for 20 years plus, which is a very simple part of customs. Things are changing continually. What we cannot do is invest substantially in the future on one set of assumptions, only to find that time moves by and we have been caught putting too much investment in which is inappropriate. Hence, I think airports have to look at an envelope, which is what this airport has done both in 1990 and in 1993, and to adjust that envelope with fine tuning within a foreseeable future which is realistic. We are looking at a five-year horizon here. That is the demand levels that we are looking for. We are not coming before you with a 50-year proposal.

**Mr HATTON**—I think location factors are very important. It has often been said that one of the reasons people like to come to Sydney airport, and the people in New South Wales use it, is its proximity to the city. A number of proposals have been put up in the wider debate to get rid of airports totally out of the Sydney basin and to have a new airport replacing what is here which is outside the Sydney basin altogether. I would think that, if you remove the airport from its customers and if you move the airport a long way away from where the people who work at it actually are, you run into severe problems in

terms of location factors. Do you have any comments on that?

**Mr Stuart**—My first comment is that, by taking an airport from one location and putting it in another, it is not likely to mean that there is going to be no adverse impact at the second location, which is the issue facing the Sydney Basin at the moment. Wherever you put an airport, there will be a different set of problems. The location of the airport is an important factor because clearly people are here to come for business and travel. At the end of the day, air travel is about saving time. If time were not a factor, then possibly we would all travel by car or we would all take a boat abroad—which in many ways may be a more pleasant experience. But that is not the case: time is an important factor in both leisure and business life; and airlines are in the business of saving time. Airports are part of that journey experience which is about creating a time value.

**Mr HATTON**—And you respond to the demand from the people of Sydney and the people of New South Wales heavily because of the demand is there from them to undertake that travel; is that right

**Mr Stuart**—Yes. If this were a city and state going backwards, if nobody could afford to travel and if there were no international investment nor tourism economy, then it is very unlikely that we would be here before you today.

**Mr HATTON**—Thank you, Mr Stuart.

**CHAIRMAN**—If there are no other questions—

**Mr Stuart**—May I please ask your permission to make some closing remarks.

**CHAIRMAN**—If there are no other questions, I invite Mr Stuart to make some closing remarks. Mr Stuart, were you proposing closing remarks in excess of five minutes? I am not putting a restraint on you but I do have committee members who were about to leave to catch flights.

**Mr Stuart**—I will be two to three minutes at the most.

**CHAIRMAN**—Please continue.

**Mr Stuart**—Members of the committee: we will take on board and carefully consider the submissions that we have heard over the last few days. The long term future of KSA is uncertain; on that, I think we can all agree. We are not trying to predicate a long-term solution. We are here before you requesting the ability to invest in servicing the future demand over the next five years between 1998 and 2003. We do not believe that this is an unreasonable request for an airport that has served Sydney and this state for the last 75 years here at KSA.



To summarise the corporation's position, the international terminal proposal will equip Sydney airport to adequately service the demand to 2003. This proposal is therefore a responsible method of meeting the needs of the travelling public and of helping to sustain the attraction and competitiveness of the state and the city. The project is part of improving the total journey airport experience for passengers and airlines at Sydney. Currently, this journey experience is already slipping in the standards expected of the world-class airport. In the next few years, it will only get worse.

In spite of various community concerns expressed at this hearing, Sydney airport remains an immensely popular airport with the travelling community. Currently, 21 million passengers use the airport and some 16 million of those are Australians. Aviation is an integral part of Australia's heritage and will be of its future. The price of air travel has consistently reduced in real terms, enabling it to be within the ability of the majority of the community to travel either across Australia or abroad. The increasing desire of the community to travel across the world, combined with the increasing desirability of Sydney in the state of New South Wales as a destination, is why we are here before you today.

The existing international terminal here is at its capacity, particularly in the peak periods. If the airport does not upgrade and invest in new service standards, our current standards will fall and we will have increased delays and congestion, damaging Australia's reputation with or without the Olympics. It would also force those international movements that could not be accommodated here to divert to other airports where some passengers will be transferred into additional domestic movements to this airport.

Environmental constraints already govern the present and future operation of KSA. The proposal that we have submitted to the committee has been designed to be compatible with these various environmental and operational constraints. These include the curfew, the 80 movement cap and the proposed slot control system—none of which are at airports such as Schipol, which was quoted recently, which has a 24-hour operation located at a similar distance from the city and also surrounded by a residential community.

The corporation is supportive of a second Sydney airport and believes that both airports are required to serve the Sydney region over the long term. It is the corporation's view that a second Sydney airport is unlikely to be operational within the planning period catered for by this proposal. In this period, the solution is not to strangle Kingsford-Smith with increased terminal congestion, delays and standards below that of other international airports. Thank you for the opportunity to appear before you, gentlemen.

**CHAIRMAN**—I thank everyone who has been involved in this hearing. The committee has received items of correspondence. Is it the wish of the committee that the documents be incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The documents read as follows—*

**CHAIRMAN**—Before I formally close the hearing, I would like to thank the witnesses who appeared before us both today and yesterday. I would also like to thank the general public who have been very responsible in the way in which they have participated in this hearing. We knew that this was a potentially fractious hearing, but the Australian characteristics of tolerance and accommodation that we have been hearing so much of more recently in the political debate have been very evident in the way in which both the witnesses and the public have conducted themselves over the last two days. As chairman of the committee I am grateful for that.

As I said, I am grateful to the witnesses, to my committee members who have been here today, to the *Hansard* staff for their support and to the PWC secretariat. Can I indicate to the FAC—it is always difficult at hearings because invariably the hearings are held at the location of the proposal, whether it be FAC, Defence or anyone else—that, while not wanting to be in any sense in at their beck and call, we are grateful to them for the use of this facility and for the hospitality they have extended both to the committee and to the general public.

Resolved (on motion by **Senator Ferguson**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

**Committee adjourned at 12.14 p.m.**