



COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY STANDING
COMMITTEE**

on

PUBLIC WORKS

Reference: Expansion of international passenger terminal facilities, Sydney

SYDNEY

Wednesday, 21 May 1997

OFFICIAL HANSARD REPORT

CANBERRA

WITNESSES

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JOINT COMMITTEE ON PUBLIC WORKS

Expansion of international passenger terminal facilities, Sydney

SYDNEY

Wednesday, 21 May 1997

Present

Mr Andrew (Chairman)
Senator Calvert Mr Hatton
Senator Ferguson Mr Hollis

The committee met at 9.04 a.m.

Mr Andrew took the chair.

CHAIRMAN—I declare open this public hearing into the proposed Sydney airport international terminal Olympic upgrading project. The project, at an estimated cost of \$350 million, was referred to the Joint Committee on Public Works—for consideration and report to parliament—by His Excellency the Governor-General in council on 16 April 1997. In accordance with subsection 17(3) of the Public Works Committee Act 1969, in considering and reporting on a public work, the committee shall have regard to:

- (a) the stated purpose of the work and its suitability for that purpose;
- (b) the necessity for, or the advisability of, carrying out the work;
- (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
- (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
- (e) the present and prospective public value of the work.

On 31 January, in anticipation of the project being referred to it, the committee undertook an extensive inspection of the international terminal and was briefed on planning options then being considered for the expansion and refurbishment of terminal facilities. I should stress that the committee's examination will be focused on the Olympic upgrading project as detailed in the statement of evidence referred. While we are prepared to take evidence on matters raised by representatives of local government and community organisations, the provisions of the Public Works Committee Act require the consideration to be limited to the proposal itself.

In allowing a day and a half for this inquiry, we will be thorough and responsible in discharging our responsibilities to the parliament. Today and tomorrow the committee will hear evidence from the Federal Airports Corporation; Marrickville Council; the Municipality of Hunters Hill; the No Aircraft Noise Party; St Peters, Sydenham, Tempe Neighbourhood Centre; Lane Cove Airport Action Inc.; the Australian Quadriplegic Association; Rail Access Corporation; Sutherland Shire Council; the Leichhardt Airport Working Group; Ansett Australia and the International Air Transport Association. I now call representatives of the Federal Airports Corporation, who will be sworn in by the assistant secretary.

[9.07 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, Federal Airports Corporation, 241 O’Riordan Street, Mascot, New South Wales 2020

CHAIRMAN—Welcome, gentlemen. Mr Stuart, thank you for making this facility available for the hearing. We appreciate that accommodation. The committee has received a submission from the Federal Airports Corporation dated April 1997. Do you wish to propose any amendments?

Mr Stuart—No.

CHAIRMAN—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The document read as follows—

CHAIRMAN—I invite a representative of the Federal Airports Corporation to read its statement summary to the committee after which we will proceed to questions.

Mr Stuart—Thank you, Mr Chairman. With your permission, I would like to quickly remark on some of the key aspects of the terminal expansion project before my colleague Gregory Robinson outlines the evidence supporting our proposal.

The value of importance of Sydney airport to Australia cannot be overstated. As the nation's principal gateway, Sydney airport is the front door to one of the most significant cities and countries in the Asia-Pacific region and, indeed, the world. Clearly, the airport is a vital piece of Australia's transport infrastructure. The terminal proposal is about adding value to Australia's transport resources by delivering a quality airport journey experience to Australians and foreign visitors.

The New South Wales Chamber of Commerce has found that the airport is a major economic catalyst, supporting eight per cent of the state's work force and generating \$7.7 billion in revenue for New South Wales. We are very proud of our contribution to this country's prosperity and we look forward to increasing it through this project. Apart from the service we provide to the Australian tourism industry, Sydney airport also serves the business interests of Australia.

Currently, 56 per cent of travellers using Sydney airport are business people, many from Asia and Europe. Ensuring that they receive reliable and satisfying airport services is of great importance to many Australian organisations. This project is a tangible contribution to maintaining Australia's international reputation. As the country's key airport, Sydney supports Australia's exports by handling 35 per cent of all Australian airfreight, mostly in the belly of passenger aircraft. We know this area of freight and trade is expected to grow strongly. We know that more people will want to come to Australia for business and tourism in coming years. We also know that we need to ensure that Sydney and Australia have world-class airport services at Sydney airport to meet demand.

We are sensitive to the concerns of the possible environmental impact of this project. So, on the question of environmental issues, further to the advice in our statement of evidence, the corporation has decided, given the importance of the project, that it is desirable to refer this project to Environment Australia. The corporation will take into account any relevant issues arising out of today and tomorrow's hearings when referring this matter to Environment Australia.

The 2000 Olympics serves as a powerful motivation for us to deliver an upgraded terminal in an efficient and manageable fashion. Sydney airport will face an enormous number of incoming athletes, officials and visitors in 2000. If the Olympics were held tomorrow the airport would not be able to cope under the existing constraints of curfew and movement caps without appalling congestion and unacceptable service levels. The terminal proposal gets the airport ready in time to provide Sydney with efficient, reliable

airport facilities to ensure that passengers' first and lasting impression of Sydney is a good one.

Finally, Sydney and New South Wales are currently under the international spotlight. It is the attraction of this region, this country, that drives this demand. This project does not create that demand; it deals with it. I commend this project to the committee and call on Gregory Robinson to present our statement of evidence.

Mr Robinson—I wish to present you a summary of our evidence in support of our proposal to expand international facilities at Sydney (Kingsford Smith) Airport. The committee will recall a briefing by Sydney airport staff in respect of the conclusions of a recent study of the Sydney international terminal undertaken by the Sydney airport FAC. The purpose of this study was to determine planning options for the expansion and refurbishment of international facilities to meet the projected demand to 2003. This planning horizon has been adopted to provide a capacity buffer for the short-term peak demand expected during the Olympic Games in 2000 and allows for a no-build period from June 2000 to December 2001.

The requirement for additional international facilities has been generated by the current demand for aircraft gates and terminal facilities during peak periods. Analysis of aircraft gate utilisation in 1996 showed that all scheduled gates were essentially fully utilised during the morning peak period from 7.30 a.m. to 11 a.m. with limited opportunity existing for additional flights.

In 1995-96, 6.8 million international passengers used the Sydney international terminal. Corporation forecasts indicate that this figure will rise to nine million in 2000 and to over 11 million passengers in 2003. It is the mission of Sydney airport to advance Sydney and New South Wales by providing world-class airport services. Currently during peak periods the international terminal operates at capacity and further passenger growth will result in an unacceptable decrease in the level of service offered to passengers. In addition, the lack of available aircraft gates during the morning peak will severely restrict Sydney airport's ability to attract new airline customers.

The planning process adopted a series of planning options for the Sydney international terminal which sought to maximise opportunities within current physical and operational constraints. These options were evaluated against a series of planning objectives and a preferred planning option identified. The proposed development incorporates the following additional facilities that were identified by the planning study as being required to meet the expected demand in 2003: up to 10 additional active aircraft parking positions; extensions to the aircraft taxiway system adjacent to the terminal; relocated air side departure lounges and associated retail facilities at piers B and C; additional and upgraded check-in and baggage claim facilities and associated building works; and related engineering and building services improvements.

As a result of the identification of a preferred option, a long-term plan has been prepared, which is generally in accordance with the planning strategy for Sydney airport as set out in the Sydney airport draft planning strategy 1990 and supplement 1993.

A preliminary cost plan prepared for the project provides for a design and construction cost at completion of approximately \$350 million. Preliminary construction planning confirms that completion of the proposed works can be achieved by the end of 1999. Construction of new aircraft aprons and regrading of existing aprons are the single most critical activities in the overall program, and construction of these must commence in 1997 if the program is to be maintained.

Construction work will be carried out in such a way as to ensure that there is minimal disruption to passengers and other airport users. Detailed planning and staging of works will similarly seek to reduce the impact of construction works on airline operations.

Completion of the project will ensure that: expected airline industry demand will be accommodated through to 2003; the level of service provided to passengers will be equivalent to IATA level C, which is a good level of service, conditions of stable flow, acceptable delays and a good level of comfort; the development would ensure an appropriate return on investment; and the demands generated by the Olympic Games in 2000 can be successfully met. Thank you, Chairman.

CHAIRMAN—Thank you, Mr Robinson. Gentlemen, in the many referrals that this committee deals with—all of them, of course, referring to large sums of Commonwealth money—none have been as critical or as important as this one in the period of this parliament. I have a committee that is well briefed on the proposal and what its likely implications will be. But one of the things that remains a matter of some concern from my point of view and which has been raised in a number of the submissions made to the committee by local government authorities in the region is the degree to which this proposal defers the construction of a second international airport in Sydney. From FAC's point of view, is this proposal seen as merely putting off the construction of a second international airport?

Mr Stuart—I will take that question. May I please state that the corporation supports the development of a second Sydney airport. We do not believe that this will defer that project in any way. We believe that both airports are going to be required to serve the Sydney region. It is the corporation's view that a second Sydney airport is unlikely to be operating within the planning horizon catered for by this proposal.

CHAIRMAN—However, did the FAC anticipate that there would be a second Sydney airport up and running to cope with Olympic traffic prior to proposing this proposal?

Mr Robinson—Yes, we did. However, during the time of the planning—initial

planning on this project commenced in 1995—we were working on the basis that a second Sydney airport would be operational and the project was one of merely upgrading at that stage. The project has definitely been increased in scope as a result of the second Sydney airport not being available by the year 2000.

CHAIRMAN—The impression I have as chairman of this committee is that, even if the government were to agree to go ahead with the construction of a second Sydney airport, it would be difficult to meet the deadline for the Olympics. Is it, in fact, possible to do it in the remaining three years?

Mr Robinson—Our assessment of construction times would be that a second Sydney airport could not be constructed in time for 2000 to take the forecast demand in the Sydney basin.

CHAIRMAN—If then you expect a second Sydney airport to proceed, does the expenditure of \$350 million on KSA represent money that ultimately will prove to be poorly spent because the additional facilities will no longer be needed here?

Mr Stuart—There has been no government policy that I am aware of that this airport would not continue in some shape post the Olympics. We have to have a level of service at this airport which is commensurate with the demand in the next three to four years.

CHAIRMAN—Yes, but you have indicated that we are spending this sum of money in order to meet a demand that will exist in the year 2003 regardless of the Olympics. Does this mean that in the year 2005—and I pluck the year out of the air—with a second Sydney airport operative, that sort of expenditure will no longer be needed and we are therefore costing this \$350 million over an eight-year time frame?

Mr Stuart—This expenditure, which we believe is necessary, will be effective post-2000 because it will ensure that the airport can continue to cope with the level of service at that time. Clearly, future demand will be a government policy decision as to whether that future demand goes to the second airport.

CHAIRMAN—The proposal currently before the committee effectively recommends that there be on-ground facilities to cope with passenger movement, and you have projected passenger movement of up to 10 or 11 million people. Are we able within the present restrictions that apply to tarmac use and to take-off and landing restrictions to bring in that number of people; in other words, do the 80 flights an hour or the curfew still allow that number of people to be brought into the proposed terminals?

Mr Robinson—The proposal has been designed to be compatible with the various operational constraints at Sydney airport, including the curfew, the 80 scheduled movements per hour cap and the proposed slot control system. So from our analysis there

is sufficient room within those constraints to be able to cope with the additional arrivals and departures that are projected under the demand forecasts.

CHAIRMAN—But surely the additional arrivals and departures would mean, for example, additional aircraft noise over surrounding suburbs which has been a matter of some concern?

Mr Robinson—The number of aircraft movements which are projected at Sydney airport from 1995 to 2003 are the forecasts which we have been working to. So there will be an increase in aircraft movements during that period of time, which is a response to both international demand and domestic demand from passengers.

Mr Stuart—We have accepted that, during this planning time, Tourism Futures has indicated that there is both a passenger demand and a movements demand on this airport. This project does not necessarily mean an increase of aircraft movement demand, because the alternatives are a substitution from international movements to domestic movements or a similar level of movements coming into this airport and having to face considerable congestion and delays for the passengers to be processed through the terminal.

CHAIRMAN—Does the projected passenger movement for the year 2003 exceed the Olympic peak?

Mr Robinson—Yes, it does. In making that statement, the Olympic peak is a two-week event which has passenger processing busy hours within the terminal which would be greater than in the year 2003, and that is as a result of additional demand during that two-week period.

CHAIRMAN—Could I just clarify: you indicated that there will be more total passenger throughput in the year 2003 and a greater peak during the Olympics in the year 2000?

Mr McGrath—Yes. The figures given earlier in the evidence were in the order of nine million at the year 2000 and rising to 11 million in the year 2003.

Mr HOLLIS—Mr Stuart, when do you think this airport will reach saturation point?

Mr Stuart—That is a question which can only be answered with government policy in regard to constraints on this airport.

Mr HOLLIS—I thought that you as the manager here ought to have a good knowledge. I mean, some people say it is at saturation point already. Surely you would be advising the government of the day if in your view it had reached saturation point now. I

remember some years ago asking for the master plan for this airport and it was produced. Surely, if you people are working to a master plan, you must have an idea in your own mind—someone must have an idea—when we might reach saturation point if we keep building here at the current rate. Every time I come in here I see new stand areas for the aircraft. Soon we will have a lot of buildings and not too much airport itself.

Mr Robinson—Could I just respond to that. The draft planning strategy was based upon 350,000 aircraft movements. Currently, we have 260,000 movements. The long-term operating plan that is currently under review with Airservices Australia indicates that with the movement configurations 360,000 aircraft movements are still possible at Kingsford Smith. So our master planning is still in line with our original draft planning strategy, which is the ability to grow to 350,000 aircraft movements.

Mr HOLLIS—So when are we likely to reach that on current projections?

Mr Robinson—On current projections, we believe that will be around 2003.

Mr Stuart—Your question asked what is the definition of saturation—

Mr HOLLIS—No, I did not ask the definition of saturation; I said, ‘When will we reach saturation?’ I am not interested in the definition. It is for you to define that, not me.

Mr Stuart—I can only add that, to answer that question ourselves accurately, we have to decide what saturation is. If it is saturation of a terminal and a runway, I can point out that, by European standards and American standards, this airport has a considerably long way to go. It comes back to the balance between physical saturation and clearly community concerns. But in terms of physical saturation of this airport, as the new general manager of this airport, I would argue that it has a much longer life than indications have been here to date. If we are looking at physical saturation of runway and terminal capacity, Heathrow—as you well know—is a smaller airport of 2½ runways dealing with 50 million passengers.

Mr HOLLIS—One of the opening statements talked about the physical comfort of passengers and what you were aiming for. If you are drawing a comparison with some of the European airports, you may say that we have further to go but Heathrow, which I thought was the Airport of the World last year, was the most congested airport I have ever been in—dreadful. Trying to check in at Heathrow airport is a dreadful experience. Surely, in line with the opening statement about the comfort of passengers, you are not saying that is what we are aiming for here.

Mr Robinson—Heathrow was rated, as we understand it, around 23 under the IATA survey last year. It was Manchester airport which was rated as No. 1. We are continuing to develop facilities to a service standard, which is the industry accepted IATA level C. In my opening statement, I said that level C is a service standard which is defined

as having a good level of service, conditions of stable flow, acceptable delays and a good level of comfort.

Mr HOLLIS—As this airport is perceived as being one of the gems in the current government's fire sale approach to things and we keep being told how much cash the government is going to get when they flog off this airport and its facilities, will this \$350 million that you are asking this committee to recommend the parliament approve be added to the sale price that the government is asking for this airport or will that be just a little extra bonus of \$350 million that the eventual buyer will score? Is it going to be added to the sale price?

Mr Stuart—I think that it would be inappropriate for us to determine the financial and accounting policies of the government's asset sales. Clearly, an asset which is not performing will have a different price from an asset which is performing, and there will be a balance.

Mr HOLLIS—I see. I hope you understand that, because I don't. I thought my question was quite simple. If you cannot answer this, just say so. I understand that the government has set a price for this airport. We read in the newspapers that this is going to be one of the gems of the fire sale. All I am asking is: does that price that the government has set for this airport include the \$350 million that you are asking us to approve today? If it does not, will it be eventually added to it or will it be a bonus for the eventual buyer?

Mr Stuart—As far as I have been informed to date, the government has not set a price for this airport, nor has it actually given an intention as to when it is going to be sold. I cannot answer the question on accounting policies of this government in relation to the value of government assets for disposal.

Senator FERGUSON—In your submission at paragraph 4.1, you say:

As the primary international gateway to Australia, the FAC will produce a terminal of which Sydney and Australia can be proud. The design will combine the functional aspects of a world class terminal with exciting contemporary architecture.

Could you describe what you mean by 'exciting contemporary architecture'?

Mr Stuart—I will ask Greg Robinson to answer that.

Mr Robinson—The basis behind the planning work that we have done is that we believe that the image of the airport is one that is important, particularly the image of the international terminal. We believe that it is one that needs to be able to reflect our passengers, from whom we have spent a deal of time collecting research. We have a mix of passengers, with 56 per cent being business and the remainder being tourists. So we need to have a facility that is able to reflect both a business and a tourism environment which we believe needs to be friendly and needs to be comfortable so that it removes

anxiety. This we would see being reflected through the architecture. We would see that as being contemporary architecture.

Senator FERGUSON—You have not made it sound all that exciting though. With the sale of both the Brisbane and Melbourne airports, which are both curfew free, and with press reports that indicate that Brisbane is planning a second main runway, will Sydney always remain Australia's primary international gateway?

Mr Stuart—It is our intention that Sydney and the State of New South Wales be the primary entry point to Australia. Our mission statement is clearly to serve the city of Sydney and the State of New South Wales in ensuring that the demand for this region, for business and tourism, is the primary gateway to Australia. I am sure that other state governments and other cities have similar aspirations. It is certainly our intention to do everything we can as a corporate citizen of this city and this state to ensure that, within the state, we remain the primary gateway.

Senator FERGUSON—You may want that to happen, but when you have got other international airports that have no curfews, that do not have the same constraints on hourly movement rates, and that do not have stringent noise abatement procedures, is there not a chance that other main cities in Australia might actually attract aircraft in the same way that Manchester has attracted a lot of the business in the UK away from Heathrow?

Mr Stuart—In my experience of both airlines and airports—having worked in both—one thing I am absolutely clear on is that people do not fly to airports, they fly to cities. It is not the airport which is going to attract, it is the city of Sydney. The only time that I believe we will find more people travelling to Melbourne and Brisbane is when those cities are more attractive for business and tourism than this city. It is not the airport that people fly to; as I said, the airport is a gateway to what people fly to.

Senator FERGUSON—I would not have thought Manchester was all that attractive.

Mr Stuart—You obviously have not lived there recently.

Senator FERGUSON—I haven't. You are dead right. Thank you Mr Chairman.

Mr HATTON—In which case, if you do not fly to airports, why are we spending \$353 million to do this one up?

Members of the audience interjecting—

CHAIRMAN—If witnesses wish to participate they will be called to the table. Otherwise I would like them to refrain from the debate, thank you.

Mr Stuart—People fly to cities. This is the airport of this city and until government policy changes, as to where a second airport will be, my job is to ensure that people visiting this city and this state can come through this airport within the constraints which already apply in a safe, secure, friendly and efficient manner. This project does nothing more to ensure that we facilitate that over the next short horizon.

Mr HATTON—The point of the upgrading is not just the safety elements and so on. Isn't it to make it more marketable to overseas customers so that they come into a better airport that is brought into line, in terms of facilities, with something like Brisbane?

Mr Robinson—That is not the intention of the terminal upgrade project. The intention of the terminal upgrade project is to ensure that we are able to maintain IATA level C which is the desired level of service which passengers have come to expect from international terminals. We are upgrading to be consistent with the rest of the world.

Mr HATTON—The key point here is that this is an Olympic upgrading proposal. I might suggest that if we could take the Olympic part out, then essentially it is an upgrading proposal to deal with the needs of Sydney airport up to the year 2003. There is a core problem in terms of docking facilities for aircraft which needs to be addressed. That is the substantial part of this proposal.

If I could give a reasoning for that, given the briefing previously; the key problem with the Olympics will be when people leave—on the day after—not when they come in. Because in terms of the capacity of this airport to deal with people coming in over this two-week period, isn't it the case that, first, there will be fewer people coming normally as non-Olympic tourists and therefore demand for use of the airport by those normal passengers will drop and be made up by Olympic tourists, and, secondly, a large part of those coming for the Olympics will come on charter aircraft, outside the peak period.

Mr McGrath—The experience of recent Olympic cities has shown this substitution factor between business people who are normally destined for those cities at that time and who have been replaced by people coming to the city specifically for the Olympic Games. Your point about the number of charter services has been taken into account. In fact, in December last year the corporation held an extensive seminar with our airport partners here and also invited people from Barcelona—representatives of the airport and the air services system in Spain—and also representatives from Atlanta and the FAA of the United States.

In that seminar, the question of the ability of cities' airports to handle games traffic was addressed. I have to say that the people attending from Spain and the United States were impressed with the level of planning that Sydney had already put into facilitating the games through this airport. The question of charter aircraft to the Olympics certainly was an issue at Atlanta and something that they handled well. The question of charters is

something that can be managed within the constraints that this airport has and we have worked on that basis all along.

Mr HATTON—If nothing were done, if the works did not go ahead, how well would we be able to cope with the Olympics in terms of dealing with the number of people who would come here? What part of the upgrade is specific to the Olympics, apart from the demands of the airport otherwise?

Mr Stuart—The operating plan for the Olympics, which the minister for transport raised last week, is predicated on the integrated aspects of this development being complete by the time of the Olympics.

Mr HATTON—In what way?

Mr Robinson—It all comes back down to busy hour processing times. What we will find from this year onward is that, if we do not start to address not just the aircraft gate positions but also the upgrading of our terminal facilities, we will start to see increases in delays. From our planning study, what we have done is set service criteria which typically comes back to queuing theory, which is the times that passengers are expected to wait to process through the various facilitation elements. So if we are talking about check-in counters, it would be normal for a passenger to be processed within 2.3 minutes at a check-in counter. If our check-in counters are not upgraded and increased, we will find that that level of service will start to decline. The 2.4 minutes will exacerbate out to a point where we will be up to five minutes for check-in counter times by 2003 for our normal passenger loading.

So on top of that we will have the Olympic traffic—it is not correct to say that charters will all be outside of the peak; therefore, during the peak hour you will only need to deal with your normal busy hour traffic—during that busy hour which will compound those delays. We would expect there to be significant delays, with aircraft possibly waiting up to an hour or 1½ hours on taxiways to be able to get access to aircraft parking positions. Those who are queuing inside customs halls could be waiting for baggage reclaim for up to two hours.

Mr HATTON—If you do not undertake this development speedily—and the planning horizon is still 2003—the problem you will be faced with is that in the Olympic period you will be under great pressure because of the peak period problems. You would then have to undertake work during that period of time and have further problems.

Mr Robinson—That is correct. The intention of the planning study is that works will be delivered progressively between now and December 1999. We need to start adding additional aircraft parking positions as of December this year if we are able to cope with our busy hour and cope with the demand forecasts. If we are not starting to upgrade incrementally to provide facilities, we will see that this terminal will be heavily congested

and there will be excessive delays between now and 1999. So it is not just a case of needing to build just prior to that Olympic period. Delays will start now to increase at this airport from 1996 onward, and we need to be responsive to being able to deliver new facilities progressively during that time period.

Mr HATTON—Could you outline in a bit more detail the problems with peak periods, which will be the core problem that you will face? As I mentioned, the charter aircraft will be coming in predominantly in the afternoon in a period when you have lag times. The key problem from now to 2003 is capacity from 6 or 7 in the morning through to about 12.

Mr Robinson—That is correct.

Mr HATTON—Can you explain the problem that the airport has now in terms of it reaching its peak? Why do you see it as essential that you increase the number of gates to deal with the peak problem?

Mr Stuart—I will pass this to Greg for the moment, but we must recognise that we cannot control aircraft coming into Australia. We are talking about international services which have to fly across large distances and large times. We already have a curfew on. In so far as they cannot clearly come here in the middle of the night, by that very nature—short of not flying at all—if they want to do a turnaround, they have to come in at certain times, which invariably means first thing in the morning. It is a veritable fact of life when travelling between America, Europe and Australia.

We have, recognising the sensitivities with the community, seen that the curfew has been imposed on this airport, which does mean that there is clearly pressure on the mornings. Morning peaks are common across all airports around the world, because travellers tend to arrive and go early in the morning in order to do business. Airlines tend to try to ensure that, even without curfews, they do not arrive at 3 or 4 in the morning. Clearly it does not make sense for people to be arriving at hotels at that hour. So airlines clearly try to schedule to arrive in the mornings, and that is the same whether it be in the States or Europe.

We recognise that dealing with a peak is something which all airports do around the world. The art is to try to ensure by spreading, as much as possible where we can, charter services, regional services and international services which can come in at different times to do so. Sometimes these things are outside our control, because it comes back to the line of flying that that aircraft has to do as part of its travelling to and from Europe. Greg can talk about the specifics of the peak and how we will manage it.

Mr Robinson—Certainly. I will add to those comments. Our peak is between 7.30 a.m. and 11 a.m. It is the windows of the world that dictate to us how we receive international traffic. We work closely with tourism futures to forecast where our traffic is

going to come from. From our analysis, the predominance of growth for Sydney will be coming out of Asia, north Asia and North America. Again, these windows line up with that 7 a.m. to 11 a.m. period. So our growth forecasts or the demand for this region, not just for arriving passengers but certainly for departing passengers, is in that period. We do not have the ability, as Tony pointed out, to be able to force people outside of those peaks, because they just do not line up with the rest of the world and desired service times.

Mr HATTON—That is also affected by the fact that overseas airports have curfews as well—Hong Kong, for instance. So when they fly out of Hong Kong is determined by their curfew, and that directly relates to our problems.

Mr Stuart—Yes, that accelerates the problem. In the case of Hong Kong, as you may be aware, the curfew will shortly be lifted with the new airport. Nevertheless, we have to respect what time people arrive in the other countries as well as what time they arrive in Australia. Clearly there are considerable constraints. The first is the curfew, which we have mentioned. The second is the fact that we have a movement cap which has to provide for both regional services and domestic services, which leaves a proportion left for international. So the cap in itself will soon be full and will force spreading. So we already have two constraints on the peak, which some airports do not have.

Mr HATTON—Firstly, how well have you coped with trying to spread the period of that peak so far? Secondly, if these works are not undertaken, what would the situation be by 2003?

Mr Robinson—We have put some historical work together on what has happened in our peaks over the period from 1990 through to the current time. What we have found from our historical study is that, when we introduce additional capacity, we tend to find that our peak becomes what we would call spike. We would receive a spike in that area, because the airlines will reschedule aircraft where they had been out of the desirable peak back into the peak, if there is capacity on the aircraft gates.

So one of the objectives of the delivery of these facilities is to add gates incrementally so that we can continue to keep the peak spread as much as possible during the three-year period in absorbing up those new gate positions. If we were to deliver 10 gates on this airport tomorrow morning, we would find that scheduled services would start to congregate around the 9 o'clock time slot. We would have all the gates full at that time, and we would have very little utilisation on the gates at 7 a.m. and at 11 a.m. The objective is to continue to hold the demand curve so that we have this spreading and add these gates incrementally during the construction period.

Mr HATTON—What impact do you expect there to be with the wider bodied aircraft of the future and their capacity for greater passenger loads, if planned for, on your future gates? How do you expect that to impact on the peak situation? Will that lessen it

because you have more people coming in at once; or do you expect to still have a strong mixture of different aircraft types, and it will only partially ameliorate the problem?

Mr McGrath—If you have been reading the newspapers, the two major manufacturers, Boeing and Airbus, have been talking about these new larger aircraft. More recently Boeing has put on hold any iterative development of a new large aircraft, whereas Airbus is still pursuing it. Their time frame is in the order of 2003 for earliest delivery. Having said that, the proposal that we have put forward has been examined in the context of accommodating aircraft of a new large size, whether it be the Boeing derivative or the Airbus aircraft. The proposal does accommodate those aircraft on our aprons. The issue of the loadings and into the terminal itself is something that will be played out over the period of time that those aircraft will be developed.

Recently, the new Hong Kong airport authority has looked at how their terminal would cope, in detail, with new large aircraft loadings. They have adopted a plan of being able to do that. Similarly other airports, were they to be used by any large aircraft, would also have to be planned to accommodate those aircraft types.

Mr HATTON—So, not just in the docking area but in terms of customs and immigration, have you taken that into account in your planning? Are the changes you are making in those areas and the terminal facilities internally looking to take those kinds of problems into account?

Mr Robinson—Yes, we have. It comes down to some substitution. One of the things that we are doing during this terminal upgrade is that pier B, which is the pier we are sitting in now, was designed originally for 707 aircraft. One of the major constraints we currently have is in our baggage hall areas where we have baggage carousels which were designed for 707 aircraft. We currently have to allocate two carousels for a 747. What ends up happening is that you do have the facilities to be able to cater for these aircraft but, instead of having a purpose-built baggage carousel for a new large aircraft—the sort of passenger numbers that are projected are around the 600 mark and current 747 capacity is around 320, so it is almost a doubling of the 747 capacity—we would see that two carousels would need to be allocated for a new large aircraft.

On the docking of the gates, from the work we have done, we believe that two NLA aircraft will take up the space of three 747s. So you will have a physical constraint there with the new large aircraft that will not allow you to take additional 747s on the gates. What will end up happening is that you will use the existing facilities by doubling them up to cope with those additional loads.

We have also built in flexibility within the planning study to be able to bring on smaller building elements later to allow for things like additional sized gate lounges that would be required to service those aircraft. Also, we have carried out some preliminary planning on where dual aerobridges would be to be able to service them, so that we could

have a flexible mix of both the 747s and new large aircraft.

CHAIRMAN—What is the noise profile expected with these new large aircraft? Are they, by reason of the additional load, noisier than existing aircraft?

Mr McGrath—In the case of Boeing, it was their view that there would be no noise increase with the new large aircraft derivative of the 747; that was their design standard.

Mr HATTON—And with Airbus, which is the one that is going ahead with the plane?

Mr McGrath—I cannot answer that. But Pratt and Whitney, an engine supplier, is working with both of those manufacturers on the larger engines that are now going into the 777 aircraft and would also be of the type that would go into the new large aircraft. They are working on the basis of improved noise characteristics with those engines over the horizon of time that those aircraft would be introduced.

Senator CALVERT—When will the EIS—environmental impact statement—be ready?

Mr Stuart—I have seen a preliminary draft of the assessment of environment effects from my team. I have recognised that we may need to be sensitive to the possible impact on the environment, and I have made that decision to forward it to Environment Australia. It will be forwarded following this hearing, in order that we can incorporate any aspects relating to it which come up over the next two days.

Senator CALVERT—So we will have the statement over the next two days, will we?

Mr Stuart—No, it is being referred directly to Environment Australia.

Senator CALVERT—Do you think it is fair that we make a decision on a \$350 million project without an EIS? Whether we approve or disapprove of it, do you think it is fair that this committee should be placed in the position of making a decision—given the sensitivities of what has happened here over the last few years—without the benefit of advice from Environment Australia, for instance?

Mr McGrath—The assessment has been conducted in accordance with the requirements of the EPIP Act, the Environment Protection (Impact of Proposals) Act 1974, and its administrative procedures. As the proponent for that, as Tony has explained, the assessment covers economic, social, air and water quality, road traffic, noise and aircraft operation effects, both during construction and operation of the extended terminal. The proposal put forward is also examined in the context of the long-term operating plan of

Sydney airport. Under those administrative requirements, the measures that Tony has mentioned in relation to referring it to Environment Australia are strictly in accordance with those processes.

Senator CALVERT—But I get back to the point: we have not had the benefit of anything they might highlight in your proposals as being detrimental to surrounding areas or even to the terminal itself. I repeat: do you think it is fair that we should be asked to make a decision today, without the benefit of advice and being able to see the environmental impact statement? I know there is a need for haste in this project, or you seem to give us the impression there is. But even so, when will we have the benefit of that response from Environment Australia?

Mr McGrath—Tony has mentioned that the referral will be done within the next 10 days, I believe. As he said, it would take into account issues coming forward both in the written responses that the committee has had from interested parties and also the proceedings over these two days.

Senator CALVERT—So further down the track, we as a committee, before we make a decision, will have the opportunity to look at what comments have been made?

Mr McGrath—Yes.

Senator CALVERT—Having circled this airport on more than one occasion, like my colleagues, I always thought that our delays in landing here had been caused by not being able to be slotted into or allocated landing times. But I got the impression that you were saying that a lot of the delays are caused by the lack of gates. Is that the case?

Mr Stuart—There are many reasons for delays, and every individual flight may have a different reason. Some of them are because of what is happening in the air, some because there have been operational delays of aircraft in front, others are to do with the runway configuration, and others are to do with the terminals. It is quite a matrix.

It is fair to say that there is already considerable pressure on this airport. I am not comfortable that this airport, as it stands today, can claim that it is free of delay and congestion. Indeed, many of the aspects of this proposal will ensure that what we have today is better and that it is not just meeting the demands of tomorrow. But those of you who have travelled through this airport on regular occasions know that it would be unwise for me to say that the current facilities here avoid delay and congestion.

Senator CALVERT—I think you said earlier that it was possible for this airport, as it currently stands, to cater for 360,000 runway movements a year. Is that right?

Mr Stuart—Yes.

Senator CALVERT—How many do you cater for now?

Mr McGrath—Two hundred and seventy thousand.

Senator CALVERT—What is the forecast for the time of the Olympic Games?

Mr Stuart—Movements have been forecast at between three and four per cent growth each year.

Mr McGrath—Using the department of transport's figures, that 350,000 figure would be reached in 2003 or 2004. In the year 2000, it would be some amount less than that.

Senator CALVERT—In the peak periods, what is the frequency of take-offs and landings? Is it every five minutes, every 10 minutes or every quarter of an hour?

Mr McGrath—I am not sure that I understand your question.

Senator CALVERT—Obviously you have seen planes queuing for take off and waiting for others to come in. What is your average time during peak time? In Heathrow, for instance, from my observation, you have a continual stream going out and a continual stream coming in. I thought Mr Stuart said earlier that Heathrow was a smaller airport than this one. I am trying to get a comparison.

Mr McGrath—If you assume that the parallel runways are operating, the individual runways could accommodate roughly 40 movements per hour each. If you assume that 20 of those are arrivals and 20 are departures, clearly you can make a quick assessment that there is about a minute and a half between each movement on each runway. To get down to specifics, though, the weight vortex separations that are required by standards between heavy, medium and light aircraft determine the actual spacing allowed by Airservices Australia for those aircraft movements.

Senator CALVERT—I have seen that many maps of movements and squiggly lines over the years with different runways, the third runway in particular. Were the pilots consulted about the best way to approach the airport and that sort of thing?

Mr McGrath—You may be aware that Airservices Australia has recently done an in-depth study which included a period for public comment and industry comment. Indeed, the Federal Airports Corporation commented on that plan. The long-term operating plan is currently with government for consideration.

Senator CALVERT—Perhaps I should ask Airservices whether they had consultations with international pilots.

Mr McGrath—I think it would be best to go into the detail with Airservices on that.

Senator CALVERT—In your project you talk about the level of service provided to passengers equivalent to IATA level C: that is, a good level of service, conditions of stable flow, acceptable delays and a good level of comfort. I do not see the word ‘excellent’ or ‘terrific’ or ‘wonderful’ in there at all. Where does level C sit on the level of excellence under IATA? Is C in the middle range?

Mr Robinson—The levels of service go from A through to E, and C is the central level of service. There are very few international terminals in the world which design their facilities at greater than IATA level C. Probably the most noted terminal which has designed its level of services between A and B is Changi airport in Singapore, which has over and above what would be required for level C. It is the corporation’s view that we have always designed our airports to IATA level C. In fact, in consultation with the airlines, the airlines expect us to provide that level of service. If we provide over and above that, we do not believe that that is prudent expenditure of money.

Senator CALVERT—Is Brisbane International a level C?

Mr Robinson—It was based on C, and so was Melbourne International, which was also recently completed.

Senator CALVERT—As \$350 million has been expended, and as it is the gateway to Australia for the Olympic Games, I would have thought we could have striven for C plus.

Mr Stuart—Whilst the physical level for cost is level C, the level of quality and customer service that I expect in this airport would be A plus. I have made it very clear to my team and our service partners that we intend to ensure that Sydney airport is considered as one of the top three airports in the world—indeed as the best in the world. That can be done without necessarily increasing the cost levels of C but by focusing on customer service and continuous improvement angles—the quality aspects as opposed to the physical aspects of a terminal.

Senator CALVERT—There is an international standard of excellence, is there not?

Mr McGrath—Yes, there are international standards of quality.

Senator CALVERT—There are only a couple of those airports in the world, and there is one in Australia. Do you remember which one that is?

Mr Stuart—Our friends from Tasmania, I believe.

Senator CALVERT—I know that Hobart International has this degree of excellence, and it does not get away from the fact that, regardless of where the airport is and what size it is, it is a standard that is set. Is Sydney looking to strive for that? I believe that Brisbane is.

Mr Stuart—We have focused on the standard of our primary passenger group, which is the airlines. Their industry body, IATA, has a ranking series which ranks some 22 different criteria of what makes a best practice airport. That includes everything: services, the facilities, the level of staff friendliness, signage, et cetera. We are in the top 10 in the world on that ranking and in that ranking we are very keen to find ourselves in the top three.

Senator CALVERT—I have trotted in and out of this airport on many occasions in the period that I have been a member of the Public Works Committee. It amazes me that on a previous occasion not all that long ago we were asked to approve a little bit out there somewhere and a little bit over there and a little bit extra here. When did you decide, even before the Olympic Games, that you should have a long-term plan not just for the terminal but also for the apron? It seems to me that is the part you are worried about and that is the part you want to start on first—the actual parking bays. In the domestic airport recently we had to approve some extra bits and pieces to try to park an extra plane or two. It seems to be a catch up situation all the time rather than a long-term plan that could have been started quite a few years ago perhaps.

Mr Stuart—Running an airport efficiently in terms of ensuring that its shareholders' moneys are spent prudently means that you have to continue to bring things on in steps. You cannot bring plans, particularly for things such as taxiways, into the equation too early because you are not getting the return for shareholders' funds. The art is to get it just on time as opposed to just too early. I will ask Greg to answer the specifics of your question.

Mr Robinson—We have a master plan for Sydney airport. It was the draft planning strategy with the supplement that I referred to in our opening remarks. We have been working within that however our planning on this project, which I mentioned before, commenced in 1995. During that time we have had several significant changes to the way our planning had originally been carried out. Since that time period, the east-west runway has been maintained fully operational, which has meant that we have not been able to carry out our original intention to increase our pier on pier C and to construct a pier D on the downgraded east-west runway.

As you would be aware, the operating plan for Sydney airport has just finished with public comment for Airservices Australia. We believe there were over 6,000 responses to that. We are finetuning our original planning to suit those changes. The changes we have taken on board have been the curfew, the cap and the slot regime.

I make the comment that the corporation supports the introduction of the slot system as a means by which we can effectively manage growth and reduce the delays in the cluster scheduling at Sydney airport, which were some of the original comments you made earlier about why aircraft are, on occasions, sitting up in the air instead of being brought down on the ground. As we understand it, the slot system is being introduced to improve those impacts.

The corporation has worked extensively and cooperatively with the Department of Transport and Regional Development and airlines in the development of that slot system framework. As we understand it, this framework is being released by the minister for public comment.

So we do have a master plan. We have been finetuning the master plan for the international terminal over the last two years. The main reason for our alteration in our original terminal design has been as a result of those impacts I have just spoken of.

Senator CALVERT—When you are doing all these works, do you have continuing discussions with the people who work here? It is just an observation that, over the last 10 years—and it does not matter which part of the airport you go to—there is always someone being inconvenienced whether it is people coming into the airport or people who actually work here.

In this place alone, you had to rip all the ceilings out for, I think, a new sprinkler system and then you moved stuff down the stairs. If you go over to the airport, you are putting in new approaches to the airport terminals, railways and all the rest of it. It is continuing, isn't it? I think you have admitted that. Do you have consultations with the people who work here to ensure that they are not inconvenienced?

Mr Robinson—We have a management structure in place where, in terms of the management of the international terminal, we have several consultative bodies to talk with different groups. We meet with our retail tenants on a monthly basis and discuss issues of change and things that are coming up. Typically, we would focus on any pending construction. We try to give them as much notice as possible of what we are intending to do so that they have sufficient time to comment on that and so that we can improve any works that we are going to do with their input.

We have consultation with the airlines through a number of committees. In fact, on this project, IATA have worked with us to set up an ACC working group with the airlines. We believe we are productively working with them to ensure that the solution we deliver out of this project is one that the airlines are comfortable with and meets their requirements.

So we are balancing issues specifically on this project with consultation groups. We do, however, as a management issue meet regularly with groups—in most cases

monthly—and we have a forum there in which we discuss not just long-term construction issues but day-to-day operational issues that affect and impact upon our tenants.

Senator CALVERT—So, for instance, the fact that you are going to bulldoze half Ansett's freight operation: you would have discussed that with them and made alternative arrangements for them at their cost or your cost?

Mr Robinson—We have been working with Ansett for some time. The process of the relocation of their freight facility is a long one. In terms of the lead time that we need to be able to get in place an alternative facility to replace the capacity that is going to be removed in those areas, this is something that we have been actively working on for some 12 months. We have conducted various freight studies which have involved the industry, not just Ansett and Australian Air Express. We gave notice on the leases that apply on those two facilities in June last year, and we have been actively discussing with them where we are moving to. But freight itself is a very complex issue; it is one that is also being examined by the National Competition Council at the moment. We are attempting to respond with a long-term strategic solution for Sydney that copes with the freight issues for international freight through to the same planning horizon of 2003.

Senator CALVERT—Getting back to the original question, is Ansett satisfied with what you are doing?

Mr Robinson—The submission that was made by Ansett certainly asked us to look at some modifications to our design to see if the Ansett facility could remain there for a longer period of time. We have taken that on board because it is also supported by the ACC working group with which we are working. We are actively looking at their alternative design solution for that end of the terminal to see whether or not we are able to cater for that. We have given an undertaking, however, to both Ansett and the ACC working group—it is not just Ansett; it is also Australian Air Express—that their facilities will not be removed until the capacity has been replaced on this airport.

CHAIRMAN—It strikes me that there are certain logistical problems with Sydney airport, even if we were to ignore for a moment the difficulties with noise in the surrounding suburbs. When I am on an aircraft at Sydney airport, the taxiing time sometimes leads me to wonder why I do not choose to drive to Canberra rather than fly. Is it true that there is a design error with the airport and that we will never get above rating C because of the relative taxiing times for both take-off and landing and the runway configuration?

Mr Stuart—I come back to Greg's point that much of this airport was designed for industry which is very different from today's industry. The 707s are different aircraft and there were different passenger needs at the time. Clearly we are in an industry which is not unlike other industries which recognise that change is a natural part of our development. Indeed, it is between us and ASA to try to improve on the whole area of air

services and taxiing way, just as it is for us to get ground transportation right—the other form of taxiway—the whole area of rail and road. We are striving to provide a better rail service to the city—in fact, the first rail service to the city—and much better ground transportation. These are ongoing issues. We have to upgrade these facilities and continue to upgrade them. Our commitment to this city and this state is to make certain—certainly over the next two or three years—that these standards are world class and that we are not letting the state or the city down.

CHAIRMAN—I understand that, Mr Stuart, but is the fundamental airport design in error, and do aircraft spend a longer time taxiing at Sydney than they would at Brisbane, for example?

Mr Robinson—I would not say ‘in error’—we are certainly within acceptable levels. However, they are not world best practice. We will not have the ability to achieve world best practice in terms of taxiing from the third runway back to either the international or domestic areas. Those taxiing distances can be improved by taxiway enhancements. There is a program, which is part of the long-term operating plan that Airservices is going through at the moment, which looks at those improvements. The result of that could possibly be that there will be a requirement for us to respond by building additional taxiways in the future to improve on the management of those runway systems.

CHAIRMAN—One of the things troubling me and other members of the committee is the amount of money we have been asked to expend on a facility that will, as you say, reach saturation point if we do not spend it. But, nonetheless, its duplication somewhere else in New South Wales makes the question of the wisdom of spending this money worth revisiting.

We are asked as a committee to, as I read in my opening remarks, look at a number of aspects of this work. Among those aspects, under section (d), we are asked to look at where the work purports to be of a revenue producing character—the amount of revenue that it may reasonably be expected to produce. Given the expenditure of \$350 million, can you comment on what you see as the revenue generating capacity of that \$350 million and how much we may reasonably expect to have returned on that investment?

Mr Robinson—Yes. We have, in the financial modelling for this project, looked at the recovery through to 2003. We have looked at the recovery from the time that we would continue to start delivering facilities, which is December of this year, through to 2003. We have looked at what that means in terms of additional aeronautical revenue and we have looked at it in terms of the passenger processing charge. The key area which we believe will be providing the returns for the corporation will come out of the improved retail and commercial trading within the terminal. We have put the project to our board on the basis that it meets the corporation’s hurdle rates for that period.

CHAIRMAN—Can you comment on the return expected on the investment?

Mr Robinson—As I say, we do use the corporation's hurdle rate which has been set by our shareholder. It ensures that that internal rate of return is achieved through to 2003. As far as specifics of the financial model go, I would take it on notice to provide those to the committee if the committee wanted that information.

CHAIRMAN—You can provide them in confidence if that is necessary in terms of the advice that you get.

Mr Robinson—Yes, I will do that.

CHAIRMAN—The other issue that bothers me about this revenue producing character of the proposal is that, as you have said, Mr Robinson, you are optimistic that much of this will come as a result of additional retail expenditure. Surely that occurs here then at the expense of other Sydney businesses or the CBD.

Mr Robinson—We have carried out extensive market research on our retail sales. We believe that there is some competition between us and other facilities within New South Wales. However, a considerable amount of the sales that we make, because they are duty and tax free, are unique to airports and to duty-free establishments. It is only in those areas that we would be providing pressure on retail.

Mr HATTON—I want to take up the retail element. In having a look around the place, it was fairly obvious that the international terminal knows how to turn a quid and that it knows how to do that in a better way than the domestic airport in terms of getting and capturing passengers and getting them to fork out money. I notice in these proposals you have continued that model. You have arranged it in such a way that passengers will have ample opportunity to buy before they go and that those seeing them off will also have an opportunity to continue to buy. How much expenditure will you be putting into those retail areas and how significant is that expenditure in terms of the overall cost of the project? If instead you denuded areas, what would be the impact on the bottom line here at Kingsford Smith?

Mr Robinson—You may need more clarification to this during my answer. I will take it the way that I think the question was put. In terms of the retail areas, the component which is being funded out of the \$350 million is the shell. That would be standard in normal shopping centres or retail developments.

The fit-out component of it, the capital, would be provided by the prospective tenant who would be taking up those areas. So, in terms of space, we have looked at increasing our retail component by some 9,000 square metres of additional shell space in this facility.

Mr HATTON—What is the extra cost in this \$350 million?

Mr Robinson—The cost of delivery of that sort of space would be somewhere in the region of \$1,500 a square metre.

Mr HATTON—And how many square metres have you got and what does it add up to?

Mr Stuart—From what I remember, I think we are talking about \$20 million from a shell point of view. If we provide a shell denuded, then we have two consequences. The first consequence is that the passengers do not believe this is an acceptable international airport by world standards and they may choose to buy at the other end. Why buy on the way out here; why buy in Australia; why not buy overseas?

The other consequence is that invariably it means more pressure on aeronautical charges. Airlines are particularly keen to keep the fares down to passengers and, as such, expect airports to play their part in reducing and holding aeronautical charges. The way in which progressive airports around the world have been able to provide the level of facilities to airline passengers and at the same time ensure that it is not at the expense of ever rising aeronautical charges is to ensure that there is a strong commercial component which pays for that envelope.

Mr HATTON—I do not know how you best put this: is it true that this has got the highest returning retail capacity in Sydney?

Mr Robinson—The sales that are undertaken within this terminal are currently around \$520 million. In comparative terms—and it is difficult to make direct comparisons between regional shopping centres and an airport shopping environment—if we take Westfield Parramatta, which currently is the centre that is doing the most sales in terms of a regional shopping centre, their sales are projected this year to be just under \$500 million. So in terms of just pure retail sales, we exceed that.

In that comparison, however, it is important to understand that a significant component of our sales are foreign exchange transactions, and in a regional shopping centre a significant component of their sales comes from heavily discounted space provided to majors and those two trade off against each other. Another comparison which is worth bearing in mind is that, in generating those sales, a regional shopping centre in terms of Westfield Parramatta will do that in approximately 140,000 square metres whereas the area which we occupy currently to do those \$520 million worth of sales is 12,000 square metres.

Mr HATTON—So we have an unheralded retail gem here at the airport currently. That is why you want to spend \$15 million to provide the shell space and to provide the undergirding for the airport's operations here. Do you see that as a very significant part of

running the airport?

Mr Stuart—The retail space clearly provides a return. Traditionally, airports without retail can only get their return from aeronautical charges. Indeed, there are some parts of the world where the airlines pay the full cost of an airport. I think what we have realised here is that retailing has to play its way in ensuring that aeronautical charges can be kept down.

Mr Robinson—If I can add an additional comment, certainly the \$15 million is very significantly recovered by the retail improvements that will be undertaken.

Mr HATTON—And not only of the airport but of the country because they are buying it here and not elsewhere.

Mr Stuart—Yes.

Mr HATTON—Thanks, Chair.

Senator CALVERT—On page 9, under planning and design objectives you talk about your IATA level C terminal being ‘a world-class terminal with exciting, contemporary architecture’. Yet in the report you have given us I do not see artist impressions or anything at all which shows us what you mean by this exciting, contemporary architecture. What sort of statement are you going to make to those people who are coming into Sydney; is it going to be an Australian statement, a neutral statement or what?

Mr Stuart—I will take that question—

CHAIRMAN—It seems more like an editorial question, if I might observe.

Senator CALVERT—We have been told by architects before about these sorts of statements.

Mr Stuart—I could turn that question back and ask what you would prefer. I am conscious that this airport as it stands today could be anywhere in the world because there is nothing architecturally different about this airport from many other airports in the world. In fact, there is very little statement to say that you have arrived in Sydney let alone Australia. One of the challenges which we have not appointed the architects yet is that they must recognise that we are not in Europe or America; that we are in Sydney, New South Wales and Australia. That architecture is not necessarily about large fabric steel or expensive exteriors, but how we can take the very essence of this airport to reflect on the country, state and the city which it is the gateway to. We see that being a clear criterion which we are going to set the architects and designers.

Senator CALVERT—Will we get a chance to have a look at some of those ideas before we approve it? You are quite right. When you fly into Bangkok you know you are in the orient because of the smell. If you come into Sydney perhaps we could pump some eucalyptus leaves through the airconditioning or something.

Mr Stuart—This will be worked up over the next two years and I would not want to think that this decision would take that time. I would invite a group of representatives from your committee and other interested parties to be part of a consultation process on the design and architecture, something which is close to my heart. I would be delighted to extend an invitation to any interested party in this room, including those who have an interest in seeing the holistic impact of this airport as part of the city and the state, to come to the consultation on the design concepts of this airport. I will find a way of making that happen.

Senator CALVERT—I am being serious now. In the past, when we have been asked to approve buildings worth \$10 million or \$20 million we usually have a model or glossy photographs of what is intended. In this particular case we are being asked to spend 350-odd million dollars and really all we have are designs looking down onto aircraft parking bays. That is the point I am trying to make.

Mr Robinson—There was a conscious reason for doing that which is that we have concentrated in the planning study works on solutions which are driven by facilitation requirements not by architectural statements. The second phase of this project, if it is approved, will be to start a proving phase which is where this planning study, which has been the evidence that has been put in front of you, would then start to be proved up in terms of architectural design and concept.

The secretary is passing down an image for you. We have produced an outline of what the building structure would look like as a result of the footprints that have been put inside the evidence. To go further at this stage into actually showing architectural impressions would be misleading given that the process that we would go through in design and development would see those images questioned, changed and challenged over the next six months to two years as the project evolves.

CHAIRMAN—One could be forgiven for observing that it looks more like a propeller which is scarcely of uniqueness to Australia than a boomerang.

Mr Stuart—I would point out that, as we are not effectively changing the envelope of the terminal and that it is pier extensions which traditionally are not great areas of architecture, it is the inside of the terminal which I will be asking this team to concentrate on. With many great airports in the world—and Singapore is one example—the outside of the airport is not something that people notice. In fact, I do not think you even see a photograph of the outside of the Singapore airport. Where they have really focused on is the internal side. I would like to ensure that when people arrive into this

airport and leave in this airport we concentrate on the interior architecture and design. As I said, I would be delighted to have public consultation and input into that process.

Mr HATTON—I was hoping that we were not going to extend the philosophy that was behind pier B into the new complex. That is, I think, part of what was driving the good senator's query.

Mr Robinson—During the planning assessment and the cost planning that has gone into the \$350 million, we have worked on the level of finish in pier C as being the standard that we would expect to be delivered. In fact, the project is looking at upgrading and refurbishing pier B so that it matches pier C and so that we have a consistency throughout the terminal. As you have rightly pointed out, there is currently a significant difference between the image and the level of finish between pier C and pier B.

Senator FERGUSON—Senator Calvert was going to suggest that we have some sheep grazing alongside the runway.

CHAIRMAN—Can I draw the hearing back to what I see as the nub of the concern the committee and, I think, the general public have. This is not a question I can fairly direct to Mr Stuart, because his parochial enthusiasm for Kingsford Smith is understood and commendable.

I as the committee chair would be seeking an assurance from the FAC, both Mr McGrath and Mr Robinson—remembering that you are under oath—that the enthusiasm the FAC has for a second airport in Sydney and the pressure put on the government to deliver on such a mammoth project are in no way being diluted or delayed by the proposal currently before us.

Mr Robinson—Again, we support a second Sydney airport. Our draft planning strategy always anticipated that a second Sydney airport would come online around 2003. By undertaking this development, we do not believe that we are doing anything more than coping with the demand of passengers and traffic in Sydney until such time as the second Sydney airport site has been identified and construction has started on it.

Mr HOLLIS—Many of us share the concerns of the chairman because we note with interest your commitment to a second Sydney airport. I must say, though, that you are fairly late converts to that thinking. Having chaired the original hearing on Badgerys Creek, I well recall—and I am not holding you responsible for what happened then, but it was not all that long ago—that the FAC was quite scathing in the concept of Badgerys Creek at that time. I note now that the enthusiasm is there for a second Sydney airport. You would not like to venture where you would be supporting it, I suppose?

CHAIRMAN—I do not believe it is a valid question, given the referral currently before the committee either, with the greatest respect, Mr Hollis.

Mr HOLLIS—Anyway, I note that your enthusiasm is there and that in no way is this going to diminish the push for a second Sydney airport.

Mr Robinson—I think we do not even understand the environment in which that second Sydney airport would be developed, whether it would be developed as part of the ongoing management of the airports in Sydney by the one organisation or whether it was to be in competition. Without knowledge of those things, we are unable to really comment to any great depth.

Mr McGrath—We do support the second Sydney airport. There has never been anyone in government saying that this airport will not be around in 2003. In fact, I should also draw the committee's attention to the department of transport forecasts of February this year, which show the Sydney basin's forecasts substantially beyond the capacity of this airport to handle. That is fundamentally why this airport supports the notion of a second Sydney airport to enable Sydney and New South Wales to cater for the expected demand.

Mr Stuart—Mr McGrath has reiterated my comments. Nobody has made it clear to my office that this airport will not be here in 2003 and, as such, I have a duty to my customers and passengers to ensure that they have a service standard at that time.

Mr HATTON—I gather that you would not support a second Sydney airport predicated on the assumption that Kingsford Smith would be abolished as an airport. Is that so?

Mr Stuart—It would be inappropriate for me to answer that question. Clearly, I would have to take a corporation view on that; that is something that would be best left to my board.

Mr HATTON—Is the question clear enough? There has been some speculation recently that a 24-hour-a-day, seven-day-a-week new Sydney airport could be put in on the basis that Kingsford Smith would be eventually done away with. Are you saying that you would have to consult the board in relation to that, or do you support the continued retention of Kingsford Smith?

Mr Stuart—The continued retention of Kingsford Smith is an issue for my shareholders. I am here to manage my shareholders' business. If you ask me for a personal opinion, that is a different matter.

CHAIRMAN—I think it fair to observe that the committee anticipates that this facility will remain. We would hope that its usage would certainly be capped and possibly reduced by the second facility. But the committee is taking its decision on the basis that the \$350 million will be spread over an expenditure period longer than to the year 2003, and that, on the evidence before us, we do not have a choice or we cannot choose to do

nothing between now and 2003.

Mr HATTON—The point of my question was that we are looking at a horizon here of 2003. If we are going to spend \$353 million on embedding an extension and the improvement of this airport, another proposal that might see this airport quickly closed early next century would have a definite impact on that. That is why I asked the question.

CHAIRMAN—I do not know if the FAC wishes to respond. As the chairman of this committee, I have presumed that it is anticipated that KSA will remain even if it is, hopefully, with fewer movements than are necessary in the year 2003.

Mr Stuart—I will make a comment. This is a great asset. Yes, it impacts on various parts of this state and this city in different ways—some positive and some negative. You are being asked to look at this and ensure that there is a balance. This asset is one that I would be disappointed if it was not to be continued past 2003 because I believe that, on balance, to this city and to this state this airport has a key role although it will probably be a different role with the second airport. That will be a decision that government will make at a later date.

Mr HOLLIS—You keep referring to your shareholders but really the shareholder is the government, or the taxpayer of Australia now. The airports have not been flogged off yet. You are not listed on the stock market or anything so you are just talking about the government as your shareholder.

CHAIRMAN—I am sorry, Mr Hollis. I had presumed that Mr Stuart was referring to you, me and everyone else when he used that term.

Mr HOLLIS—When someone refers to shareholders, I think of a company listed on the stock market that has a list of shareholders. My understanding of your shareholders here is the government and, through the government, the taxpayers of Australia.

Mr Stuart—The corporation is a government based enterprise owned by the government. I cannot talk for the government. I am here to manage this airport on world-class standards. When there are issues that reflect to the ownership/shareholders—if that will make it more comfortable rather than using ‘shareholding’—of this airport, clearly you are in a position to determine the policy of this airport. My job is to manage it for you until such time as you determine the future policy of this airport.

Senator FERGUSON—Perhaps ‘stakeholders’ might be a better word than ‘shareholders’.

Mr Stuart—Fine.

Mr HOLLIS—I still think at the moment that, being a member of the opposition,

I probably will not have the opportunity to determine the future of the airport.

CHAIRMAN—But, Mr Hollis, there have been numerous opportunities in the past that have been denied to some other members of the committee. As there are no other questions from the committee to the FAC, we will have a temporary adjournment. After that, I will call the Marrickville councillors to give evidence.

[11.04 a.m.]

COTTER, Mr Barry Noel, Mayor, Marrickville Council, Administration Centre, 2 Fisher Street, Petersham, New South Wales 2049

REFSHAUGE, Mr Michael Frank, Marrickville Council, Administration Centre, 2 Fisher Street, Petersham, New South Wales 2049

CHAIRMAN—Welcome. The committee has received a submission from Marrickville Council dated 9 May 1997. Do you wish to propose any amendment?

Mayor Cotter—No, I do not.

CHAIRMAN—Is it the wish of the committee that the submission and the Federal Airports Corporation response be received, taken as read and incorporated in the transcript of evidence? 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 your submission before we proceed to questions.

Mayor Cotter—Thank you. One preliminary point: you asked a question before about the taxiways being limited and you received a very convoluted answer. The answer is a very simple one. The decision to build the third runway made the operation of this airport that much harder and you cannot get a taxiway system that works properly because of the third runway, because the intersection of the cross-runways in the design is now totally dictated by the siting of that runway and it will be a limit on this airport forever and a day while ever this airport remains an airport.

Greg Robinson made a comment I chuckled about. He said that the windows of the world open for the morning peak. Well, the windows of Marrickville close for the morning peak, and that is the reason I am here. As those planes start thundering over at 6 o'clock in the morning—and, heaven forbid, if some people had their way they would be running all night—people get woken up, and most people therefore have to close their windows because the noise is such that you cannot sleep; you are just woken up by aircraft.

So that this committee is familiar with where Marrickville Council's area is, if you were to orient yourselves to the north-south runway, Marrickville is immediately beside the threshold of the north-south runway and we have people living within about 150 or 200 metres of that point. We stretch north accordingly.

Our submission draws on the fact that we are very severely affected by the operations of this airport. I might say that the representatives of the FAC who appeared before you clearly are here because it is their job to try and enhance the airport, and I would have to say that I am here before you to urge you not to allow that enhancement. In my comments I will come to a number of the points that some of you have raised as questions during their submission.

We have asked you to adopt three recommendations. Those recommendations are outlined in our report, but very quickly they are: we want this committee to acknowledge the detrimental impact the expansion of the international terminal and related developments at Sydney airport will have on the Marrickville Council area; we want you to carefully consider the proposal in the light of the disadvantage it may cause to the development of Sydney's second airport; and we want you to consider the proposal as one element of the wider plan for the development of the airport and require the preparation of an environmental impact statement prior to any work proceeding. Once again, you received a very equivocal answer on the issue of the EIS, and I will come back to that at a later stage.

There has been massive development in this airport in recent years and there will continue to be. We find a great irony in the fact that we sit here talking about this

particular development, and questions from members of the committee have gone to it, but you will note in our submission that there is a page and a half attachment, attachment 2, which is headed 'Sydney airport capital works projects'. One item of that is this item. The rest of that page and a half is enhancements and developments at this airport that will lead to massive expansion of its capacity, that will lead to the entrenching of this airport and must clearly be seen as being detrimental to the development of the second airport. Expenditure in excess of a billion dollars is being proposed or currently expended at this airport, and you are not just talking about \$350 million, you are talking about a great deal of work that goes past the year 2000 for this airport. These are capital works projects, and once again I point you to attachment 2 of our submission, which outlines the detail of that.

There has been a little bit of publicity recently about flight paths and the way in which planes come into or come out of this airport. The expansion of this international terminal will be integral to ensuring that the debate about those flight paths is irrelevant. I put that in this context. This airport was predicated on an EIS that said that there will be 303,000 movements. We heard from one of the representatives of the FAC that in fact it had been predicated on 350,000, and that was in the draft planning strategy. Unfortunately, the draft planning strategy was not the document on which construction of the third runway was based. The third runway was supposed to solve all of the long-term needs of this airport and take it through to 2010. It was based on 303,000 movements, not 350,000 movements. The EIS said that those movements would be achieved in the year 2010.

The members of the FAC were asked a question as to what they thought the forecast was going to be for the year 2000. On 5 February 1997 the Minister for Transport and Regional Development released forecasts indicating that the airport would handle 316,000 flights a year in the year 2000. The FAC were unable to give you that figure but, for the assistance of the committee, I would say that it is 316,000 in the year 2000. So it is already exceeding the forecast for 2010 which gave the approval, via the EIS process, for the third runway.

More importantly, from the point of view of every member of the parliament and from the point of view of the Prime Minister, if we accept the FAC's view about the airport and its capacity, they are essentially saying that the airport will not be coping in the year 2003. That was a direct response by an FAC representative. They then went on to say that, in terms of the airport coping, to enable it to cope they would need to use parallel operations. For those of you who do not understand the term, 'parallel operations' means using both the main north-south and the third runway.

If you have parallel operations, it makes the current debate that is occurring on the long-term operating plan for Sydney airport irrelevant because the long-term operating plan for Sydney airport—as we all know—is supposed to share the noise. The sharing of the noise is totally predicated on using all three runways. You cannot use all three runways if you are using the parallel system. The FAC unequivocally stated, in response to a question, that that is what they are going to have to do in the year 2003—use the

parallel system.

Accordingly, the long-term operating plan is irrelevant. Therefore, I do not know why there is a debate going on about it in other forums because it will not matter. These works that are being proposed are part of a plan to entrench this airport, to ensure its long-term operation as an airport and to ensure that the need for another airport is pushed back as far as possible.

These plans will entrench the operation of two runways at this airport and will make irrelevant the east-west runway because, operationally, it will not be possible to get the capacity that the FAC are telling you now that they can get—and which has been obvious to many of us for a long time—out of this airport. Currently, this airport is operating at 270,000 movements per year; it is capable of not 360,000 but 400,000 movements per year. The FAC have indicated that it is capable of 360,000 but it is capable of 400,000 movements—all on parallel operations and all entrenching the take-offs over the northern electorates of Grayndler, Lowe and further. That is what we are faced with in terms of the operation of this airport.

I emphasise that point because you cannot get away from the fact that this is part of a larger package of works, as outlined in the attachment to our submission. You cannot look at this in isolation and say that this is just one component of work that is being done and therefore we should give it a tick.

I go back to the issue of the environmental impact statement. The FAC indicated that they have prepared a statement of environmental effects. Let us not think that that is an EIS—it is not. It is a document prepared whereby they indicate whether they view an EIS as being necessary or not. Despite the fact that several of you asked questions, they never answered the obvious question, ‘Do you recommend an EIS in your statement of environmental effects?’ They did not give you a response to that and I pose the question to you again: do they intend to recommend an EIS for this work?

They are required by law to draw up a statement of environmental effects. They do not have any option on that—they have to do it. They are not required, by law, to come to a conclusion that an EIS is necessary. I urge you, as the committee, to say unequivocally that an EIS is required, because you cannot look at this one development in isolation: you must look at the total package of works that are being proposed for this airport. You must say you cannot just come along using the drip method—one drip today, one drip tomorrow, one drip the day after—and say, ‘Look at this, we’ve got a flood,’ in the year 2003. I put it to you that, for those of you who are concerned about the environmental impacts, the response has not been given to you yet as to whether or not there will be an EIS.

Chair, in terms of other issues that affect us, we are greatly affected by the traffic impact of this airport. The FAC have given us a reply to our submission in which they are

very dismissive of the traffic impact. The FAC must be the only group of people who believe that, as various other studies are being carried out about traffic impact in the vicinity of this airport. In particular, there has been an integrated study that relates to the Port Botany development and truck movements. That is being carried out by state government authorities. Those state government authorities have very clearly indicated that the airport is a major generator of traffic.

The airport being a major generator of traffic is evidenced by the fact that the FAC have been pressing to substantially increase the land available for car parking. It is not on this list, but the FAC have been pressing the state government to release some 10 hectares of land across the Alexandra Canal so that car parking can be provided for staff and as, they say, an overflow for the Olympics. The state government is not going to agree to the release of that land but, clearly, if they want to get an extra 10 hectares of land for car parking, either a bit of traffic generation is going on or they are just being very kind to their staff in giving them a car park that no-one is going to use. I do not believe the FAC builds anything that no-one is going to use.

So, Chair, I put it to you that traffic generation is a major issue. Not only will expanding the international capacity of the airport have a detrimental impact on the possibility of building a new airport; it will be of more detriment to residents in the Marrickville Council area.

The other point I would like to make is this: the forecasts that have been given by the FAC over the years have been flawed almost immediately they have been issued. The 1991 forecast for the third runway was so far out that, as I have indicated previously, the flight numbers that were expected to be achieved in the year 2010 will be achieved in 1999—11 years earlier. So it is not bad to be 50 per cent out in a 20-year forecast, given the impact that those forecasts have and given the significance of the decisions that are based on those forecasts.

We use this to emphasise the point that you must take a holistic approach to this airport. You cannot look at just one element. You cannot look at just the upgrading of the terminal; you must look at the big picture. You must look at the impact of all the developments because the growth patterns of this airport are significantly greater than what has been forecasted by the FAC and other authorities. They continue to grow, and they continue to cause great anguish to people surrounding this airport.

Another point I would like to make, Chair, is this: the FAC, when it suits them, will tell you that most of this expansion is because of the Olympics. If that is the real reason they are expanding the facilities in this airport, they should be putting temporary facilities in. You can make temporary facilities look quite acceptable for the purpose for which they are constructed but, quite frankly, that is not the reason. They are dressing up the expansion of this airport in Olympic uniforms because they see that as the one way of trying to stop any criticism and to deflect any attacks on the expansion of this airport and

the entrenchment of this airport as the only airport in Sydney. The Olympic uniform should not be worn because it is not relevant. The forecasts that I have indicated and tried to draw your attention to show quite clearly that all of this work is capacity driven and it is predicated on the fact that it is planned that this airport will not be downgraded after 2003. It is intended to be here a lot longer.

The final point I would like to make is this: in terms of the airport's impacts on other areas, I would indicate to you that you cannot spend \$1 billion—that is the amount of money that is proposed to be spent between now and the year 2000—on an airport if you think that it is going to be downgraded after the year 2003.

We had a comment made in relation to the airport by yourself, Chair. You asked, 'What will be happening with this airport in the year 2003? Will the capacity be capped or perhaps reduced?' The point I make to you is this: in the year 2003, as I have indicated, the capacity of this airport will be getting around the 350,000 mark. I indicate to you that if this is the case—if this airport is running at around 350,000—everyone needs to have a real long hard look at the politics of the long-term operating plan for this airport. The long-term operating plan at that capacity is irrelevant and will mean that planes are entrenched on one way of getting into and out of this airport because they cannot operate otherwise. You will have such minuscule use of the east-west runway as to make it virtually a white elephant.

We heard the FAC indicate to you before that it was the first time in many years that the FAC has had a setback. It wanted to change the threshold on the third runway. The reason it wanted to do that was to allow bigger and bigger planes to use it—once again, entrenching the north-south operation of this airport. That is what it was all about. By moving the threshold, you get bigger planes on it, you can increase capacity in the peak periods and, therefore, you can get more planes flying over the north-south approach.

That is the fear that I think this committee should have—that this airport is already operating at an unacceptably high level of capacity and at an inconvenience to the residents surrounding the airport. In the year 2000 it will be operating at an even higher level. By the year 2003 it will have effectively achieved the level contained in the EIS that was lodged for the third runway, which it was never supposed to achieve.

So that is my submission. The summary of it is easy: this development cannot be looked at in isolation; that this development prejudices the long-term operating plan for Sydney airport; and that this committee, I believe, has a responsibility to demand of the FAC that they do an environmental impact statement on these proposals.

CHAIRMAN—Your summary was quite compulsive, but I felt there was one point where you misrepresented the FAC—and I am not here to act in their defence, I am merely here as the person who was soaking up the information they were giving to me. The impression I had was that they stressed that the Olympics were far from the driving

force for this expansion but that aircraft movements by the year 2003 were the driving force. The Olympics merely meant that it ought to be delivered a little earlier because that would be a hiccup in the graph of aircraft movements prior to 2003. Clearly, during an international event such as the Olympics we need convenient passenger processing. My view was that they were in fact quite open about the fact that this was not Olympics driven but aircraft movement driven.

Mayor Cotter—In the letter they sent you in response to ours they say:

. . . which would not enhance the image of Sydney, the main international gateway into Australia, during the lead up to the Olympics and beyond.

I suppose when people write letters like that you just think—

CHAIRMAN—I just wanted to make sure. That picks up the second point you were making—that is, clearly what the committee is being asked to consider is a project that puts KSA in concrete beyond the year 2003. Were that not the case, frankly, I would have thought the expenditure would be difficult to justify. Would you also, as the Mayor of Marrickville Council, concede that FAC have stated under oath their commitment to a second airport?

Mayor Cotter—I have heard them state that. The difficulty is that they will not make the decision.

CHAIRMAN—I understand that.

Mayor Cotter—They may not even get the right to build it. They are going as hard as they can to promote and expand this airport. You can say what you want to about supporting a second airport. This is not a reflection on the individual, but they have a new general manager who is very intent on making this one of the top airports in the world. The only way you can do that is to make sure you crush the opposition. That is what they have to do over in England. They have to crush the opposition. The airports compete with each other. That is what they are about. They are about entrenching this airport in such a way as to make any second airport not viable, and, therefore, to keep the competition—to make it such that a second airport may exist in name but will not exist in reality. And the airline industry have also changed their tune in recent times, saying, ‘Yes, we support a new airport.’ They will not say when, where or what money they will expend to support such an airport.

CHAIRMAN—Given that, to quote you, the FAC have been 50 per cent out in their projected aircraft movements into KSA over a 20-year forecast, my reaction—being my bipartisan best—was more to blame John Brown for his effective tourist promotion than to blame FAC for anything they may have done because the figures have exceeded anything that any administration ever anticipated. In that context, I would have thought it

inevitable that the second airport facility proceed as rapidly as possible. The dilemma my committee faces is that doing nothing between now and the year 2003 is not an option for us.

Mayor Cotter—Far be it from me to criticise such a well-known person as John Brown but, unfortunately, it is people like you who are causing the problem—domestics. If you look at the forecast for the year 2010—this is when it was going to be 2003, but I would not want to pin them on their figures—domestic aircraft movements were going to be 167,000, international movements 57,960, commuters 55,770 and the total 303,560. So, no matter how hard John Brown goes, he is not responsible for it. It is the domestic growth that is going to be part of it and that is up from a 1995 forecast of only 40,000 for international. So it is a marginal increase up from 115,000 for domestic.

There are more tourists coming into Australia, but planes are getting bigger and the capacity to get those people in therefore increases. John Brown's success is often dressed up in many ways—never as a koala. But, nevertheless, it is the general operation of this airport and the fact that the internationals are the milking cow, and the FAC admitted that—it is the shopping centre they want to build here that is going to help to entrench this place. It is already one of the biggest retail outlets in Australia. If these plans go ahead, it will undoubtedly become the biggest retail outlet in Australia. And you are not about to go and close that down if you can get away with it. You are not about to let a new airport be built somewhere else that is going to take those dollars away from you. You are going to do all in your power to make sure that impact is minimised.

CHAIRMAN—But, with respect, the focus on John Brown has taken the attention away from my fundamental point. While I have done my best to give the credit to someone else, and you have said, 'No, you should not hand it to him,' the fundamental point is that, no matter who is responsible, this committee faces dramatically increased aircraft movements into Sydney, accelerated by the Olympic Games and the obligation to process those people. That obligation cannot be met by a second airport in time for the Olympic Games. You must appreciate that is the rock and the hard place, as far as this referral and the expenditure of these moneys is concerned.

Mayor Cotter—I understand the point you make about the rock and the hard place, but the point I am putting to you is this: if there is a genuine commitment to construct a new airport, let that decision be taken and let there be a diversion of the funding proposed for here. We have the general manager of this airport doing his job quite correctly, saying, 'We might be spending the money to make this category C or group C or level C or whatever, but we want it to be A plus in service delivery.' What that is about is entrenching this airport and enhancing it in such a way as to make it so powerful that any new airport will not be able to compete with it.

I say, 'Okay, if you do have to make sure people get down, safety is something we all have to look at.' We all have to look at the way safety operates. The reason I raised

with you the fact that the taxiways do not work is that the very people who are the proponents of building the third runway designed and put forward the proposition to build that runway, effectively emasculating this airport for taxiway purposes. They are the people who came up with the idea. It was not John Brown or me who came up with the idea.

So what I say to you is that there is a vested interest in the FAC to say to everyone, 'We've got this terrible demand,' and it is true, there is a demand. But, until they come up with propositions that say, 'We are putting temporary measures in place looking down the horizon,' that is when they would show their genuine support for a second airport. They would show they were fair dinkum when they said, 'We're not putting Rolls Royces into Sydney airport. We're putting Mini Minors in to make sure the maximum amount of money can be expended on resourcing the new airport for Sydney.' That is when I would say to you that I believe the FAC is genuine in its support for a new runway. But they are not. They are saying they want Rolls Royces at Sydney airport.

CHAIRMAN—I may be misreading your analogy. I would have thought it was in Marrickville's interests to have half a dozen Rolls Royces rather than 20 Mini Minors to shift the same number of passengers.

Mayor Cotter—No, you are misreading my analogy. You indicated to me that the capacity issue is such that you have to expand these facilities at the airport. I say to you that that may well be so. At some stage, people have to be able to get off a plane, get processed and get out of the place. We all accept that that has to happen.

What I am saying to you is that you do not need to do the level of works that is being proposed. If the proposition that was coming along now was for the bare minimum necessary to get us through to the time horizon to meet the new forecasts that are now coming forward, I would believe that the FAC were genuine in supporting a new airport. Then I would not be here saying to you that these works are designed to crush any new airport once it is constructed, because this airport would be so entrenched at operating at world-class levels that it would defeat the objective of having a second airport.

Maybe a recommendation that this committee could make is that airlines be directed to use any new airport. That would be a very good way for this committee to send a message.

CHAIRMAN—I understand. You are reflecting on the manufacturing capacity of British Leyland having made Mini Minors rather more temporary than the permanent Rolls Royce?

Mayor Cotter—Indeed, and they still got you from point A to point B.

CHAIRMAN—We will not go into the mechanics of all of that at this stage. The

other thing that struck me, though, as I read through the Marrickville Council submission prior to this hearing was that understandably, given the dynamics of the Marrickville area, it was an entirely, if I may say, negative submission for this proposal. I would have thought there were some advantages in having KSA here, particularly in employment generation.

Mayor Cotter—I do not have figures before me as to the number of people who live in Marrickville and work at the airport. I do know that there are a number of people who work here. We do not deny that. I also know that there are some businesses that operate out of the Marrickville area that service this airport. It is natural when you are so close.

But I would have to say that, while we support those businesses and we are happy that those residents have jobs, the negative impacts from those businesses through truck movements constantly impact on us and the negative impacts of this airport through noise constantly impact on us, and Marrickville would be a far happier and nicer place if we did not have this airport. That is why we have negative comments—because the airport has a very detrimental effect on us.

I might say that Marrickville Council's position is not to go out and close this airport tomorrow. We would see that on a long-term basis this airport should close. We would certainly see in the medium term that this airport should turn into a domestic airport so that you substantially downgrade its operation. We do not see minuscule reductions in this airport. We see major reductions in this airport's capacity and usage into the future. So that is where we come from.

We are not in the school that says, 'Close it down tomorrow.' We do believe this airport should be closed at some time in the future. We do believe that should be a matter of debate and a matter of decision in the near future. Our position is not to say that the airport should just disappear tomorrow but to say that the negative impacts of this airport far outweigh the positives.

Senator CALVERT—In attachment 1 to your submission—I presume it is your policy objective—you talk about the risk of an air disaster. Do you think that would be increased by the proposed plans for the number of gates and increased movements or is that just something that is with us all the time?

Mayor Cotter—It is with us all the time but obviously, as the capacity increases, the capacity for an air disaster increases. The separations that are being run get smaller and smaller in terms of planes operating and there is increased pressure with the parallel operations. Air traffic controllers have a lot to say about this in terms of the pressure it puts them under in their work.

Clearly, no-one ever wants an air disaster to occur, but in Marrickville Council we

are very conscious of the prospects of an air disaster because, if something goes wrong, we are real close. We are the third most densely populated local government area in Australia. Therefore, if a plane or bits of a plane were to come down in our area, there is no doubt that a lot of people would be hurt or killed. Therefore, we are very conscious of air disasters and the potential of air disasters.

I cannot remember the figure off the top of my head but there was some research done during the third runway debate that showed, on world standards, that one accident was likely every 10 years. So, clearly, as you increase the numbers, that number will come down.

Senator CALVERT—But that has not happened in the UK, has it? They probably have twice or three times as many movements as you have coming into Sydney, with a similar operation—parallel runways and all that sort of thing.

Mayor Cotter—I cannot profess to having any knowledge of air accidents in the UK, so I cannot help you.

Senator CALVERT—A lot of money and time has been spent on noise remediation measures on housing in your area. Has that been effective?

Mayor Cotter—I believe, on balance, that it has had a positive impact. There have been some elements of that that have not been as satisfactory as they should have been. The majority of people are better off. I would put it in this context: there are very significant deficiencies because of an artificial cap that has been imposed by the government on the works on peoples' homes—that is, there is a \$45,000 limit and some homes simply cannot be effectively insulated for that quantity of money.

Secondly, while I acknowledge that there is a benefit to people, you have to look at the lifestyle issue of living in a home that is sealed off to the outside world. Your world becomes the walls within which you live and you cannot insulate the backyard so your kids can play, or you can play in a park. Yes, there is definitely a benefit. I remain an advocate of and support the insulation program, but I would like to make the point that it does have its limits. A very key limit is the government imposed cap of \$45,000 on the homes to achieve the insulation levels.

Senator CALVERT—Do you have any recent figures on housing prices and valuations in the area? Is there any trend upwards or downwards over a period of time?

Mayor Cotter—From recollection, Marrickville Council moved pretty much in line with the Sydney-wide market.

Senator CALVERT—If that is the case, one would have thought, given what you have said about the detrimental effect of noise and whatever, that there would have been a

lowering of prices, surely.

Mayor Cotter—I was about to indicate why that is so. That has been driven effectively by prices in Newtown and then on the other side of Marrickville—around the South Marrickville-Dulwich Hill area—which at the moment is unaffected. I say ‘at the moment’ because under some proposals in the long-term operating plan, Marrickville Council will go from being 60 per cent affected to 100 per cent affected. At the moment 60 per cent of the population is affected by aircraft noise. Under some of the scenarios possible under the long-term operating plan, we would be 100 per cent affected.

Being an inner city suburb and with Sydney people becoming increasingly happy to live in the inner city, there have been quite dramatic increases in prices in some areas but there have been quite stagnant prices in others. They have clearly been in areas most badly affected by aircraft noise. I would have to say that there is probably a little bit of speculation based on the insulation program. People are thinking, ‘Once the houses are insulated, life will be nice and therefore we are willing to buy homes in that area.’

Senator CALVERT—Obviously the proposals that we are looking at today have not been publicised all that widely in your area. But would you expect the value of houses to drop once it becomes known what is going to happen and with the increased numbers of traffic movements and even what you suggested about the parallel runway situation? Do you think that is something we could expect?

Mayor Cotter—I think the Sydney real estate market is going up at the moment and it is not just Marrickville Council area. For instance, prices in Hunters Hill plummeted with the opening of the third runway because of the noise. I think at the moment there is a psychology that says that things are better and things are quieter and, therefore, it is now safe to buy houses again in the area. I have no doubt whatsoever that when the reality of the situation sinks into people there will be an impact. When people realise that the current arrangements are doomed to have a short-term future, they will suddenly realise that this means entrenching the north-south operations, that people living north of the airport will once again suffer pressure on the value of their investment or their home in terms of real estate.

Senator FERGUSON—Mr Cotter, I am working on the presumption that you still want Sydney to be the preferred international gateway for international tourists to come into Australia?

Mayor Cotter—Indeed.

Senator FERGUSON—I have to really get back to the Mini Minors and Rolls Royces, I am afraid. To cater for the increase in traffic, there have to be some changes made to the airport. You are suggesting that they should be of a more temporary nature rather than permanent but, when you look at the works that are planned, you cannot

increase the apron size on a temporary basis. That has to be permanent—or the same amount of money would have to be expended. Where would the savings be, or have you got any idea of how great the savings would be, if the work was done on what you would call a more temporary basis and not the Rolls Royce version that you say is being proposed? How much savings would there be? I mean, some things just have to be done.

Mayor Cotter—I can say two things. I am a mere mayor, I am not a cost account or anything else.

Senator FERGUSON—Neither are we.

Mayor Cotter—But out of the 1993 strategy, which proposed expenditure of \$1.407 billion dollars, only \$319 million were proposed for airfield enhancements. The balance of the money was designed for passenger terminals, cargo—ground access, because that is not airfield—commercial development and urban design. Only \$319 million out of \$1.407 billion was designed for airfield. I think that gives you a very good feel that less than 20 per cent in fact is airfield enhancement. The rest is non-airfield enhancement, and goes to every point I have made.

Senator FERGUSON—But, in fact, the reference that we have refers to the expenditure of some \$350 million, which is to do with aprons, enhancing the terminal to enable passengers to be processed, et cetera, as well as, of course, some provision for shops. Have you had a look to see how much savings there really would be if you put in what you would call more temporary arrangements to cater for the Olympics and beyond so that the money could be spent on a second airport, because some of the work in this \$350 million cannot be of a temporary nature? It has to be of a permanent nature.

Mayor Cotter—I am sorry, I cannot give you that because I am not qualified to make that assessment, but I can say two things to you. I believe that it is incumbent upon the FAC, in fact, as the proponent to come to you and to say, ‘Well, we can do the Mini Minor version or we can do maybe not a Rolls Royce version—it might be a Bentley version.’ Nevertheless, it is incumbent upon the FAC to put up some of those options. I have not doubt whatsoever that the FAC would say, ‘Oh, there is very little difference. We are sorry about what we said before. In fact, Mini Minors are very expensive to build these days.’ Nevertheless, it is up to them to do that.

Coming back to another analogy, I see that you were a farmer. If one was to build the dam and watch the water dripping in, drip by drip, and the levels going up, you would make calculations as to how big you would build your dam because you will know that there is going to be a certain amount of water coming in and you will get that capacity. What these works are about is making sure—

Senator FERGUSON—We would be thankful for a few drips just at present.

Mayor Cotter—Exactly; we had a few down here on the weekend. Someone told me a joke about it actually. It had rained so much up at Cooper Pedy that they had to throw dust in the sheep's eyes because they were not used to being clear. I do not know whether or not that was true. We are not the proponents of this work. Surely, we are not the ones who have to set out what the costs are. But it is quite clear, from the FAC's submissions, that they are proposing to establish world-class facilities at this airport. That is okay; that is their aspiration.

We are saying to you, as the committee with responsibility, that you should do two things. You should not look at just this element of the works; you should recognise that, in attachment 2, there are a billion dollars worth of works. You have just asked me a question and I will give you a 1993 figure of \$1.4 billion of works. They are not our figures, they are someone else's. You, I believe, need to go beyond just this work. If you feel constrained from looking at this work you have to say, 'It is all well and good for you to propose \$350 million worth but what can you do to just process those passengers in a competent and professional manner? How much work do you need to do to do that?' The FAC need to give you that information.

Senator FERGUSON—I understand that but, if you want Sydney to be the premier entry point in Australia for international tourists, I would have thought you would also want to create an impression that is worthy of the place.

Mayor Cotter—I do. I want that at the new Sydney international airport.

Senator FERGUSON—But that is some time away, isn't it? You do not care about the next six years?

Mayor Cotter—The one thing I have been consistent on is that I have been coming to hearings like this since about 1988. I was elected to the council in 1987. I have supported a new airport for Sydney since the 1970s. I actually went to the MANS hearings in the 1970s, which were held in Goulburn Street in Sydney when the Department of Civil Aviation—they were not the FAC in those days—had hearings. I have a degree of consistency and interest in this issue and I have been one of the people who has been putting their hand up. Unfortunately, you guys get to vote on whether there is going to be a new airport—I do not. If I got to vote on it you blokes would not have to be here because we would have a new airport already. Unfortunately, we do not.

It really is within the hands of the parliament to make the decision to build a new airport and to start building it now. That is something we have been urging for a long time and it would make all of these debates irrelevant. What I say to you, as the committee, is that you should be trying to limit this expenditure. The government have stated, unequivocally, that they are in support of a new airport being built and that they have been delayed in making a decision but they are going to make a decision this year. Let us get on with building it and spend every dollar we can building that airport.

Mr HATTON—You indicated that you do not have the figures with you about the number of people from Marrickville who are employed at the airport or about the economic impact.

Mayor Cotter—We do not and, quite frankly, we would have no way of knowing the number of people who are actually employed at the airport. The airport employs, I think, about 25,000 people directly and indirectly—I am sorry, the director indicates to me that that figure is not correct. I would not want to try to speculate on it because I am not able to tell you. But what we do know is that, within the Marrickville Council area of employed persons, something like 40 per cent work in the local area—which means none of that 40 per cent work here—and that a significant number have to travel long distances to their work. We have done studies that tell us that but no study has been so specific as to say the number of people that work at the airport.

Mr HATTON—Have you done a study on the economic impact of the airport on the Marrickville area?

Mayor Cotter—We have done a study to this extent: we have studied the truck movements that occur throughout the council area. We are also presently collating a list of every business in the area, the purpose for which that business was established and the type of business it carries out. That will give us, in the longer term, the big picture of where people do their business and the types of business. That study is not, as yet, complete.

We have certainly carried out a more micro-study and that involved the impact of the airport on, for instance, somewhere like Sydenham. Most of the businesses there have now collapsed as a consequence of the program to demolish the houses in Sydenham. There is a claim for compensation by those businesses before the government at the moment that we have advocated and supported. That is documented. The government is considering it and has been considering it for some time. Unfortunately, we are not in a position to be able to give you the information today on the businesses. Let us hope that we are not back here in a year's time considering further things. But, in about a year's time, we will have that study completed.

Mr HATTON—Given that Kingsford Smith has been here a long time, Marrickville has been where it is for a long time and there has been concern within Marrickville Council about the negative impacts of Kingsford Smith on the city of Marrickville itself, is it true to say that in all of that time there has been no study of the positive economic impact of the airport?

Mayor Cotter—In those bald terms, that is true, yes. I come back to the question the chairman asked. We have always acknowledged that some of our residents are employed at this airport. We have always acknowledged that there are some industries that service this airport. But the impacts that come out of that are manifested by the fact that

60 per cent of the population are currently affected by aircraft noise and that we have unacceptably high levels of truck and motor vehicle movements, not related to the Marrickville area, generated by both Port Botany and this development. Those impacts are so overwhelming for the residents and so much greater than the positives in their scope as to almost make the positives insignificant.

I do not like using too many analogies, but when the ship is sinking you do not necessarily wander around trying to find the cause; you look to try to stop it sinking. In the global way, you do not go and see if it is a small or a big hole; you know there is a hole. That is the problem for us with this airport. This airport has a massive impact on the residents. Some members of the parliament—from all parties—have visited the area to see what the impact is in terms of the planes.

CHAIRMAN—Including this committee.

Mayor Cotter—Yes. It pervades every bit of your life.

Mr HATTON—There have been changes to the flight path patterns, the spaghetti pattern, coming into Sydney. Also, Airservices Australia has changed the limits for aircraft coming in. Previously the bottom limit when approaching through the western suburbs to Parramatta and down here was 1,500 to 3,000 feet; I understand that was changed to a bottom limit of about 12,000 feet in about June 1996. As a result of the change in flight patterns into and out of the airport and of the change in altitude that aircraft have to adopt in approach, has there been a change in the level of aircraft noise experienced by people in the Marrickville area?

Mayor Cotter—On the altitude issue, I am not sure of the figures you are giving me there, but the glide path stays the same. It is a three or four per cent glide path on approach. The answer I can give you is this: there has been a reduction in the frequency of flights going over the Marrickville area. We acknowledge that. The difficulty comes down to the fact that in the peak period that reduction is irrelevant if the north-south airport orientation is occurring because there is a plane every minute and a half. It is very difficult to convince someone that the environment is much quieter when, for three or four hours in the morning, one plane after another—at intervals of a minute and a half—flies over their home making a lot of noise.

Secondly, I go to the issue of noise. There were questions asked about the new generation of aircraft. People keep telling me that planes are getting quieter. All I know is that, when I look at the list of noise generation by aircraft, the latest generation of 747s is louder than a 737 or a 767. So it does not matter how quiet the planes are getting. Because they have very big engines on them, they still make a lot of noise. That noise gets as high as 100 decibels when you are getting down into Sydenham. Even at Leichhardt, it is as high as 75 and 80 decibels. That is very loud.

One of the difficulties laypeople have is that they look at this map and see these things called ANEF contours. On the map, they are a work of art. They go down the middle of a street. Unfortunately, the noise does not stop when it sees that map. The noise does not relate to the fact that it is ANEF 25 or 30 or 40; the noise is still there.

I give a long answer to your question, but it needs to be a long answer. How do you rate noise by saying, 'Aren't we fantastically well off. We were getting X number of movements. We are now getting X minus Y but we are still getting a plane every minute and a half in peak hour?' And by the FAC's admission, the peak hour is not a peak hour. It is a long period that lasts for three hours in the morning and four hours in the afternoon. So people are still subjected to unacceptably high levels of noise.

Mr HATTON—Have you put the argument to Airservices Australia that they should be looking at the glide paths of planes into the airport landing from the north, as they have prior to the third runway coming in, and that that should be a far more extensive glide path? My understanding is that back in the 1960s and 1970s there was a longer glide path used and there was not as much impact on some of the areas of Marrickville as there has been in the past decade.

Mayor Cotter—We have been advocates for changing the manner in which planes operate. Pilots, I understand, call it 'flying dirty'. To put it in another analogy, the way in which planes basically come into Sydney at the moment is with one foot on the break and one foot on the accelerator because they are just jamming them in as much as they can. It is all capacity driven. If you want to have high levels of capacity you have to 'fly dirty'. If you want to have a long glide path where you lock in and basically just drift into the airport, you need bigger separations, otherwise one plane will run into the back of another plane. So we advocate and have advocated for a long time—in fact, the chair of a former consultative committee advocated—changing the manner in which planes come in. But the FAC and Airservices Australia oppose that because it has, in their view, capacity constraints. We support that because it can clearly lead to reductions in noise and can clearly lead to a safer operation of the airport.

Mr HATTON—I am interested in a seeming contradiction. You are supportive of this airport losing its international capacity and developing into simply a domestic airport. Is that correct?

Mayor Cotter—No. Our longer term position is that we believe the airport should be closed. But we believe we are being realistic saying that in the immediate term this airport should be a domestic airport. We say that because, quite frankly, we believe that the tourist industry and people in the country, for instance, would not support the relocation of the airport unless there was some facility for people to fly into Sydney. If someone wants to fly from Bathurst to Sydney they do not want to go via Williamtown or they do not want to go via Holsworthy because they may as well just drive down. They may want to go via Badgerys Creek. Who knows where the new airport is going to be.

That is why we acknowledge that there needs to be some period that allows for a transition to occur and for the airport to be phased down and that allows for alternatives.

At the moment, there is none of that long-term planning being discussed, and we see that as a great defect in the airport debate. We are taking a broader picture and that broader picture is trying to take account of the rights of country people in New South Wales, for instance, to be able to reach the capital city. A great deal of the debate has just ignored their needs, ignored the fact that commuter aircraft, those small aircraft that fly from the country, are going to have to have an airport they can land in closer to the Sydney metropolitan area, otherwise what is the use of flying to those small regional centres?

Mr HATTON—Unless we adopt a hub system so that they fly to a hub in regional New South Wales and then fly in a larger aircraft into Sydney and, therefore, cut down the number of flights from country areas.

Mayor Cotter—I would not argue with the fact that that proposition should be examined, and it may well be the way to go. Our position is that that is not being debated at the moment, is not part of the consideration of the second Sydney airport at the moment. We have consulted very widely on airport related issues. We have consulted with the Local Government Association and with the Shires Association, which represents the rural councils in New South Wales, and they have unanimously supported the position we have adopted on the airport. Part of that support comes from the fact that, being blunt about it, we have taken a pragmatic view of this airport. We have not tried to take what we believe is an unrealistic view that this airport should close tomorrow. We do that because we believe we have to have credibility in the positions we are putting.

CHAIRMAN—Given, that in your submission to us you have called, not unreasonably, for the phasing out of chapter 2 aircraft, isn't it possible that the commuter aircraft would have a greater proportion of chapter 2 aircraft among them than recently constructed international aircraft?

Mayor Cotter—No. Of the commuter aircraft, there are no chapter 2 aircraft currently flying in Australia.

CHAIRMAN—By 'commuter' I was referring to the sort of aircraft, though, that Mr Hatton was referring to as hubbing people in.

Mayor Cotter—Sorry, there may be if the hub system comes in. But, for instance, Hazeltons, which are the major regional airline in New South Wales, do not fly chapter 2 aircraft on those routes. Ansett are the only airline of the domestic airlines, I believe, that operate chapter 2 aircraft. I think there are a few international carriers who are operating chapter 2 aircraft.

Mr HATTON—I will come to the point finally of this seeming contradiction. When you were dealing with the demand situation up to 2003, and the point was made about international tourism, you argued that the prime demand push was coming from domestic flights and not international flights. We have seen in the last 10 years a revolution in domestic aviation in Australia in terms of the number of normal, ordinary people who could previously not afford to fly choosing to fly and to do that on a very regular basis. So, if this were to turn into a domestic operation, given the amount of demand push that there has been over the past decade from ordinary working people to fly at cheaper rates, would that not be a significant problem still for your community and the areas around this airport?

Mayor Cotter—We do not at all deny that this airport would continue to be a problem for us, because it will generate noise. My position on the internationals was to make the point that in fact the numbers of international flights, while increasing, are not as great in number as the domestic airport. Our position—I will just restate it—is not to say that this airport should be here forever and a day. Our position is very clearly that there should be a downgrading.

It is not to say that every domestic movement will stay here, because the airline industry make the obvious point that, when a plane arrives from London, not everyone—despite what we think—is going to stay in Sydney; a lot of them are going to get on another plane and go somewhere else. Every major airport in the world has domestic connections of some sort that operate out of it. So, firstly, the full scale of domestic operation by definition would not continue to operate out of this airport. So that is the practical impact of having a new airport.

Secondly, the period should be used, we say, to plan for the eventual closure of this airport. The one thing that is not hard to do is to work out that this airport is actually worth more as residential accommodation than it is as an airport. This airport, depending on whom you believe, is worth about \$9 billion as a residential development. You have some pretty wonderful shopping centres built already. You have some pretty wonderful other facilities built already at this airport.

So this airport is actually worth more money to the shareholder—and I have already said to Tony that, as a shareholder, I do not like my dividend that comes out of this airport. But this airport is actually worth more money to this community, whether it be the government or it be the taxpayer, as a residential development than it is as an airport. But, for obvious reasons, Sydney has to have an airport. Just as a very practical reason, people have to get around. But, more importantly, tourism obviously is a major generator.

So our position is not to in any way support ongoing detriment to our residents; it is to put forward a practical approach to try to deal with the airport noise issue and to say that we take a reasonable position, that we do not take an extreme position. If you wanted

us to put more detail in our submission, I could have given you a much more detailed submission in relation to what our position is and the forecasts and the passenger movements, but I did not come prepared for that today.

Mr HATTON—Stockholm still has Bromma airport, like Kingsford Smith, hanging in there. Lots of people want to get rid of it, but it is a significant airport that has not gone away, despite the fact that Alanda has opened up 40 kilometres away as an international airport. So that is still there as a major domestic airport and it has not simply withered, as you could not expect Kingsford Smith to either. If the FAC has presented flawed forecasts in the past and if they have been 50 per cent out over that 20-year period and if the majority of that demand has been domestic demand, then, even if this changed into a domestic airport only, couldn't we expect that their forecast for the future might be equally out and that we could still be dealing with the situation where we had the same number of domestic flights in and out of Kingsford Smith as we have now in total?

Mayor Cotter—You could indeed, but I will just go back to the actual figures. If this airport was scaled back tomorrow to a domestic airport, we would go, if one used the forecasts, from 270,000 movements we have got today to somewhere around 150,000 movements. So we would be looking at an immediate reduction—if you had a purely domestic operation (and I am not advocating that it should be purely domestic)—of about 45 per cent in the number of planes coming in. So that is very real relief in terms of the people surrounding this airport, whether they be in Marrickville or any other local government area.

But that reduction in reality would be greater than that because any international airport that is established, as I indicated before, will take some domestic operations with it. It just has to. You cannot have internationals dropping in and then somehow people getting from one side to the other. London is the best example of it where Gatwick has domestic and international, Heathrow has domestic and international, and Stansted, which is the new airport that I do not know a great deal about, is in fact being squeezed by the competition such that it has been a fairly unsuccessful airport, because Heathrow, which people kept on saying has reached capacity, miraculously keeps on pumping more and more people into the place.

So we were very well familiar with the fact that airport operators around the world are very creative in terms of getting more and more planes into the place. We are not here to advocate that Sydney continues to have a major airport on the fringe of its domestic areas. We are here to say that we have an approach that is a realistic approach and one that is pragmatic and one that says that there has to be a phasing-out period and that the agenda has to be changed to incorporate thinking about how this is going to happen and that in the longer term this airport should cease to be an airport.

Mr HATTON—You have argued against the expenditure of this money because it would be a greater and further entrenchment of this as an international airport and of the

whole complex as an international and domestic airport. I do not think that FAC is in a position to determine government policy, as they have indicated, in relation to what would happen with the second Sydney airport or the future of this. Given that they have outlined their case for the period up until the year 2003 at minimum and that they cannot determine whether or not this airport will close or whether any other airport will open, are they not under the impact of the necessity of providing the most appropriate and the best environment here and the best facilities that they can up to 2003? They are not the determinants of what happens with a second airport or a second international airport.

Mayor Cotter—The FAC have never needed any encouragement to suggest that they should put the best or the biggest in terms of this airport. They have always seen this as their premier airport and they have always seen this as being where they should pump most of their money. The reason is pretty simple. This airport until recently has subsidised the airport system in Australia because it makes so much money. So the FAC have never needed any encouragement in that department. What we say is that as good servants of their employer of course they will advocate that. But what we equally say is that if the parliament is to allow that to continue, the parliament must do that in the full knowledge that it is entrenching this airport to the detriment of any new airport.

I have already indicated that I do not get a vote on whether there is going to be a new airport. You people do, and to date, with respect, everyone keeps saying, 'We are all in favour of a new airport,' but people are starting to die waiting. That is the truth.

The MANS study was in 1977. That was 20 years ago. That is 20 years of saying there will be a new airport. There is not one still. So our communities—whether they be Marrickville, Sutherland, Randwick or Hunters Hill—suffer because of that lack of a decision.

You cannot say, 'We're the Public Works Committee. Sorry, we can't help the fact there has not been an airport. We are solely charged with the responsibility of seeing whether the expansion of Sydney airport is a fair thing.' You cannot do that. Surely there is a responsibility on you as representatives of the people to have a bigger picture approach and to say, 'This has just got to stop.' This has been the way in which this airport has been constantly expanded for 20 years, by people running basically a Nuremberg defence—'Somebody else is in charge. I'm just doing what I'm told.'

Someone take charge. Someone say, 'There is going to be a new airport and we are going to stop spending money on Kingsford Smith and we are going to start spending it on a new airport.'

Mr HOLLIS—We did that four years ago and there was a change of government. We recommended exactly what you are saying.

CHAIRMAN—Can I just come to the committee's defence and say that, as Mayor

Cotter well knows as a local government person, we also have a charter that we are obliged to report to the parliament on. We may well have views across this table that agree with you—and it does not mean we are going to walk away from the challenge—but right now the task I have as the chairman is to report on a specific project, as you well understand.

Mayor Cotter—I invite you to make your name!

Mr HATTON—I will make one comment and then a further run-on. One is that the fast tracking of Badgerys Creek to the tune of over \$600 million was put into place by the previous government. That was stopped in the Senate in about September 1995. So that is one reason why we do not have a second airport well on the way to completion.

The second is this, though, and it links into the general situation. If we agree with your proposition and agree to temporary facilities, whether they are Dodgy Brothers facilities or good quality temporary facilities, that would leave the committee in a situation where it was making policy, I would think, about whether or not we have a second Sydney airport and a second Sydney international airport elsewhere. It is linked into the notion that you are putting forward—that for the Olympics there should only be something temporary and that it is not in the committee's power to determine policy in relation to the second Sydney airport. It is in the government's power to do that and not the committee's.

CHAIRMAN—Can I respond and say that, after all, the responsibility we have is to determine how wisely we are going to be the stewards of \$350 million, Mr Hatton. That will be the decision we make and it will be predicated on whether or not we think the money will be retrieved from expansion here or better placed—as Mayor Cotter has asked us to consider—as part of the development money for a new project. Yes, we will influence policy in that sense, and I do not walk away from that.

Mr HATTON—But not in terms of the final determination.

CHAIRMAN—No, of course not.

Mayor Cotter—I obviously acknowledge the fact that you as representatives of the parliament do not have the power to make that decision. I can only endorse the chairman's remarks—that you as representatives of the parliament can make recommendations, that you as representatives of the parliament on this committee can say it is your belief that expansion should not be allowed to go ahead and that the money should be spent on the new airport. That is four square within your terms of reference and I am inviting you to do that.

Mr HATTON—I understand that.

CHAIRMAN—I must say in defence of the former chairman, Mr Hollis, that the

decision has been made in the past to the taxpayers' advantage. There is just one other comment I want to make. Mayor Cotter, you made a comment or two about your concern about the absence of an EIS and challenged the committee to do something about it. It would not be quite fair to leave the *Hansard* record incomplete.

Environment Australia has written in response to an invitation from the committee, and I think I ought to just read Environment Australia's statement into the record while you are present. In one letter dated 8 May and signed by a member of Environment Australia's Biodiversity Group, one of the paragraphs says:

We understand this area has been subject to environmental surveys—

they are talking about KSA, of course—

in the past. The area was previously of significance for the nationally listed little tern. We are unaware of any current environmental issues of concern to this group.

Five days later Environment Australia says:

The Federal Airports Corporation has indicated its intention to refer this project to Environment Australia in accordance with the administrative procedures of the Environment Protection (Impact of Proposals) Act 1974.

This is an act that I think you were referring to, Mr Cotter. It continues:

This will require the Minister for the Environment to determine whether a public assessment in the form of an environmental impact statement or a public environment report is necessary. If the minister determines that no further assessment is required, he may make recommendations for the protection of the environment. It is unlikely that Environment Australia will be able to review the information and provide the minister with advice in time for a decision to be made before the PWC hearing—

that is, before today. It goes on:

We will advise the PWC—

that is, Environment Australia—

of the outcome of this process as soon as the minister has made his decision.

I place that on the record to indicate that the matter had not been ignored in total.

Mayor Cotter—I was not saying that it had been ignored. You clearly misunderstood my point. The FAC, in response to questions from members of the committee, dodged the direct question of whether there is going to be an EIS by talking

about an environmental effect. They are different beasts.

What I am saying is that the FAC have it solely within their power. They can relieve the minister of a great deal of worry and pressure by saying, 'We think there should be an EIS.' It makes the decision making process very simple if they say they think there should be an EIS—the minister just gives it a tick. But if they just put in a document, that then puts into play the very processes you are talking about where it has to be assessed by Environment Australia and the minister has to give consideration to it. It is very simple for the FAC to say, 'We acknowledge that this airport has a very big impact on people and there should be an environmental impact statement.' That is what we urge.

CHAIRMAN—I really wanted for the record to indicate what procedure had been adopted at this point in time. If there are no other questions, I thank the representatives of Marrickville Council for appearing before the committee this morning.

[12.18 p.m.]

GOLLAN, Mr William Edward, Councillor, Hunters Hill Council, Alexandra Street, Hunters Hill, New South Wales 2110

LIDBETTER, Mr David William, Member, Sydney Airport Community Forum, 124 St Georges Crescent, Drummoyne, New South Wales 2047

CHAIRMAN—Welcome. The committee has received a submission from the mayor of the municipality of Hunters Hill and an additional submission which has been added to it this morning. Do you wish to propose any amendments to those submissions?

Mr Gollan—No, thanks.

CHAIRMAN—It is proposed that the submissions 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 submissions read as follows—

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

Mr Gollan—Thank you for allowing me to stand here at the eleventh hour for the deputy mayor, who was originally scheduled to appear. She was called away. Thank you also for allowing Mr Lidbetter to appear. He has advised council on various matters in relation to the airport.

The submission that I will speak to is the one that I handed in this morning. Hunters Hill is a small municipality. It is probably one of the few municipalities in which there is no part which is not affected by aircraft noise. Some parts are worse affected than others. Consequently, Hunters Hill Council opposes this terminal expansion plan for a number of reasons.

The first one is that it entrenches operations at Sydney airport, which already has impacts inconsistent with existing land use, as set out in AS2021. Table 22.10 of the third runway EIS shows in excess of 10,000 dwellings in a zone unacceptable for residential occupation and a further 18,000 dwellings in a zone requiring noise insulation. Any project which entrenches an airport with impacts on that scale is totally unacceptable.

Further to that point, community groups have measured noise in Hunters Hill and what they have found is that the third runway EIS was wildly inaccurate in terms of the projected noise impact. There were equivalent estimated ANEF figures showing that 27 ANEF extended far further north of the Gladesville Bridge whereas the ANEF estimates in the third runway EIS predicted that 25 would stop well short of the Gladesville Bridge. I think it is worth while to note that the impacts projected have been underestimated.

The second reason that we would oppose this proposal is that to justify a major investment at the airport on the basis of the 2000 Olympics represents poor urban planning and poor management of an item of infrastructure with the sort of off-site impacts that we have seen associated with the airport to date. The off-site impacts will be exacerbated by the increasing proportion of heavier international jets operating into and out of Sydney airport. The proportion of the fleet mix made up of jumbo jets is trending towards an increase in the proportion. If you go back five, six or seven years the proportion of jumbo jets using the airport was about 15 per cent of the fleet mix. That figure now—the last figure that I saw—is around 18 per cent. That is 18 per cent of a larger number of movements.

When you are talking about movements you have to specify what sort of movements you are referring to. When the fleet mix was 15 per cent jumbo jets, about 60 per cent of the total noise generated from the airport came from those aircraft. As the number of jumbo jets increases, the noise impact will also go up. In addition to the fact that that trend is occurring, by entrenching this airport with further infrastructure investment on this scale you will only be increasing the amount of traffic using it, the

effect on urban pollution, congestion, et cetera from roads servicing the airport. In addition, the risk to residents of Sydney of an air crash, which is already high compared with other cities, will go up as well.

The third reason why we would oppose this project relates to the FAC's measurement of the rate of return. If you measure the commercial viability of this project against the FAC's required internal rate of return, and you do not include the social costs imposed upon residents around the city, then you have a flawed process. The statistics shown in the first point that I raised about the number of dwellings in a zone unacceptable for residential occupation and 18,000 in a zone requiring noise insulation, according to the third runway EIS, highlight the tremendous social cost being imposed on residents of Sydney. If the significant social costs that are currently being imposed on the affected residents by the airport were internalised in the FAC's costing of the airport and the project, the evaluation of the commercial viability of the project would yield an entirely different outcome.

Fourthly, the economic significance of Sydney airport we do not contest. However, as part of its justification for the project, the FAC uses statistics from a report on the economic significance of Sydney airport carried out by the Institute of Transport Studies in 1966. This report makes no evaluation of the economic benefits of an alternative site. Each of the contributions identified in the report in regard to employment, benefits to business and export earnings from tourism could be achieved and may even be exceeded by a more efficient, better planned airport and environmentally acceptable location. If the federal government's current plan is to sell Sydney airport, the money spent on the project, if that sale occurs, will very likely represent a free gift from the public to a future purchaser.

We believe that the overall conclusion always will be, from any viewpoint, that Sydney airport should not continue to be expanded ad infinitum, ad nauseam and that a second Sydney airport must be built. We do not advocate closing Kingsford Smith overnight. We know that there are challenges and problems, but to keep expanding the airport in its present location is imposing such an enormous cost on residents that are affected by the noise that it must not be allowed to continue. I would urge the committee to reject the proposal. The airport has a political shelf life. There are people out in the community now who are hurting extremely badly because of what has been going on.

I conclude by saying that we believe that, whatever the difficulties of phasing out operations at Kingsford Smith, as far as the future of Sydney is concerned, that must be the way of the future. Sydney is still a good place to live—better in some places than in others. It is not as good a place to live as it was 20 years ago. It will not be as good a place in 20 years time as it is today if these sorts of projects are allowed to continue ad hoc. With your permission, I ask Mr Lidbetter to make a statement.

CHAIRMAN—Yes.

Mr Lidbetter—First of all, thank you for accommodating me at short notice today. I appreciate it very much.

CHAIRMAN—For the purpose of the record, I should point out that, in fact, it is the shire that has done the accommodating rather than me, Mr Lidbetter, because they have invited you to be a part of their panel.

Mr Lidbetter—I appreciate it just the same. Could I just make a comment in response to the discussion with Mayor Cotter previously. Mr Hatton made a statement which I would just like to correct and that was in relation to a change having occurred to the air space management of Sydney airport, KSA, in June 1996 which changed the pattern of arrivals, I think he said, from 3,000 to 12,000 feet. In fact that did not occur and that has not occurred. The long-term operating plan provides that there will be changes to the glide path procedures once that is implemented. Of course, the plan has not been implemented. It has not been cleared by the minister yet and so that change has not occurred. They still fly dirty, as Councillor Cotter pointed out, and they fly over some 80 kilometres of Sydney residential area before they actually arrive on the northern 16 direction runway. I would just like to make that statement because it did appear as if there had been an improvement. In fact, there has not.

I will start by saying that it is government stated policy to build a second Sydney airport, as has been discussed extensively today, and it is also government policy to solve the aircraft noise problem that is associated with this airport with Kingsford Smith. The government's solution to the noise problem is the long-term operating plan and that plan is the one I have just alluded to, which is, hopefully, to be progressively implemented at some stage in the future. That plan is essentially predicated on the existing level of movements of this airport and it does make a statement that perhaps it could operate up to 360,000 movements, although, having been a member of that committee, I have to say that the confidence level is not particularly high that, at that level of capacity, the noise alleviation that is proposed will, in fact, be achieved.

The very serious risk that exists above 300,000 movements, as Mayor Cotter pointed out in his evidence, is that this airport will revert to parallel runway operations as the only means by which the airport capacity can be met. It is important for this committee to understand that it is the parallel runway operations that have created the total dissent relating to this airport, or most of the total dissent, for the last 2½ years. It is the reason that Sydney airport is constantly on the political agenda. Until that problem is resolved—until the noise problem is resolved—Sydney airport is going to be, as the government recognises, I suspect, an environmental disaster. It is today and the likelihood is that, within a matter of three or four or five years, it is going to revert to that status if the airport is to be continued to be expanded.

I would like to comment in relation to why I say that. The long-term operating plan basically starts to break down above 70 runway movements per hour, and it starts to

break down because many of the noise ameliorating runway modes are not capable of reaching that level of capacity, so progressively the airport will revert. In the 7.30 to 11 a.m. period, which has been covered extensively by the FAC, we are already running this airport up to 77 movements per hour in that period of time. You might argue that, in that period of time, it is at capacity. The long-term operating plan requires that, in that time, parallel runways must operate.

Here we have today a proposal from the FAC which is all about expanding the capacity of the airport to cope on an expansion of that maximum 7.30 to 11 a.m. period. That represents 20 per cent of the time of Sydney airport daily operations—3½ hours out of 17 hours of operations. The FAC claims that it is at capacity in terms of gates in that period of time as of now. But what it is proposing is an over 40 per cent increase in those gates in this proposal which, if that was simply extrapolated across the expansion of Kingsford Smith, puts this airport, as was pointed out by an earlier witness, to be over 400,000 movements.

That is the scale of expansion that we are talking about here. It might be a sector of the airport, but it is a sector of the airport that, if the airport were expanded consistent with that, means that Kingsford Smith would be operating at some 400,000 movements per annum. The government recognises that it cannot cope in 1997 with the peak hour period, so it is proposing to introduce a slot system. The idea, as I understand the slot system, is to force the utilisation upwards in the periods outside this 3½ hours—that is, the periods from 11 o'clock through to 11 at night. That too would be consistent with lifting the total capacity of this airport.

But this submission is all about concentrating on those 3½ hours and saying, 'We have no capacity left now, and we need to expand by 40-odd per cent simply to keep pace for the next five or six years.' I am suggesting that it is a proposal to totally expand the 17 hours per day of operations of the international terminal to a much greater extent than that. I believe this expansion will cater for periods well in excess of 2003—in fact, probably 2010 plus—and it seems to me that is in total contradiction of stated government policy. As I understand it, the government policy is that Sydney airport is an environmental disaster, it has to be resolved, noisewise, the solution is a new Sydney major international airport—that is the way in which the government, prior to coming to government, expressed itself: 'a major international airport'—and the expansion here is in contradiction to that policy.

It is not only in contradiction: if we do see this go ahead in this way and if unbridled expansion of this type continues at Sydney airport, what we face is a complete breakdown of the long-term operating plan. That means that we revert to parallel runways and a problem that is of a scale far greater than the scale that existed after the opening of the third runway. It amazes me that the FAC has come forward with this scale of expansion because, as has been suggested previously, the alternative is that they could have come forward with a minimalist proposal that says, 'We have congestion and

problems, and we have to cope for five or six years until a second airport is available, so we will do the minimum.' That would be consistent with good business logic, unless the business logic is that we are going to be here for a long time and we are going to expand the business.

I can sympathise with the new general manager. He has come from Manchester, and today he—or his colleagues—told us that Manchester is the No. 1 airport in the world and they would like to see Sydney in that situation. From a community point of view, I would put it to you that there are many people in the community of Manchester who see Manchester airport in a very different light. Those of you who saw the international news overnight would know that, as of yesterday, there is major rioting and confrontation at Manchester airport, trying to stop the runway expansion. There has been bloodshed too. That is the sort of thing that we would be better off not having to face at Sydney airport.

One way of avoiding facing it is to make sure that any expansion of KSA is the minimum required to cope with the need. This, as it is proposed, amounts to unbridled expansion, and that expansion is being cloaked in the Olympics deception. There is an opportunity for this committee to consider the alternative of saying, 'We believe it is too much and we should reject it and ask the FAC to do their work again and have another crack at this and come up with proposals that take account of the fact that 80 per cent of the day is not fully utilised as of now, that the slot system and the LTOP are all part of this total package and that the FAC should endeavour to run the airport so that it only continues to expand until we have a second airport.' From that point on, if the opportunity to downsize occurs, that is fine and that could be part of the government policy.

I agree with all the other responsible comments—nobody wants to see the airport unable to cope. But the alternative is that unbridled expansion is going to create a community problem around Sydney that will be untenable. Various governments have had to face that, and this government is going to have to face it on a greater scale.

CHAIRMAN—I will allow some time for questions. I do not want to compress this into a pre-lunch period. I will open questions, and then we will see how many questions there are to be asked and determine whether we wish to continue this after lunch. It strikes me that the evidence you have given us largely parallels that given by the Marrickville City Council and that you are saying much the same thing.

Mr Lidbetter—Yes, indeed.

CHAIRMAN—I do not want to misquote you. Am I right in presuming that, on behalf of the Hunters Hill residents, you are saying that you recognise that some expansion is inevitable, simply because of the commitment we have to the Olympic Games?

Mr Lidbetter—I am not qualifying my comments to Hunters Hill. I am talking about the community of Sydney—which is those people who are affected by aircraft noise. There are opportunities to alleviate noise in the short term—and they are being addressed—but, if Kingsford Smith is expanded on the scale of this expansion of the international terminal, the end result will be that the noise alleviating activities will be rendered useless. They will not apply at this airport. And this risk may happen in a privatised environment, which is a rather different environment from the current situation. By the time the scenario I am outlining occurs, it could well be that Sydney airport has been offered for privatisation. I am not commenting on that specifically, but it could well be that the airport is another step away from government in terms of noise management.

CHAIRMAN—Nonetheless, in the evidence you have presented, I have the impression that, not ideally but realistically, you are saying, ‘Some expansion here is inevitable, because of the reality of the Olympic Games, but we want that minimised to that which is necessary to the Olympic Games and whatever is the optimum’—and I use the word deliberately—‘air traffic flow prior to the construction, as a matter of urgency, of an alternative site’?

Mr Gollan—In relation to Hunters Hill’s position, our position would be that we would oppose the expansion. We understand that the FAC is saying that they need the expansion, but we would oppose it. I know you said to a previous witness that the driving force, as outlined by the FAC, was not the Olympics, but in a letter that I have here that was signed by Mr Stuart and dated 9 May he said ‘whilst it is not intended to provide additional facilities just for the Olympics’. That would appear to me that the Olympics is being used as some justification for the expansion. We win the Olympics; then we say that we need the expansion and use that as a part justification; cabinet decides to build the third runway and then decides that we need an EIS. Our position would be that we oppose that philosophy of getting ourselves, as it were, into a position where something has to be done. So, yes, Hunters Hill opposes the expansion of the terminal.

CHAIRMAN—But I am saying to Hunters Hill that this committee is caught because no matter what the decision of the government is—let us presume that the government would decide at the next sitting of parliament to go straight ahead with a second Sydney airport on a nominated site or perhaps I should more accurately say a principal Sydney international airport on a nominated site—there would still be a five-year construction period, and I am obviously being generous, which would put pressure on the existing facilities at Kingsford Smith, and no government would have any choice but to spend some money in anticipation of the Olympic traffic and in anticipation of what the airport through-traffic is going to be in five years anyway.

Mr Lidbetter—That may be so, but perhaps the key point that has not come out in all of these discussions is, to my knowledge, that 80 per cent of the time the gates, for example, are not at capacity. The government is proposing a slot system presumably to lift the utilisation for that 80 per cent of the time. It seems to me that this process is going

ahead in the absence of careful consideration of the alternatives. The committee covered this much earlier in the day with the FAC when you or one of your committee talked about there being an opportunity in the Olympics to spread arrivals and departures right across the day. That has to be done as a matter of course anyway with this airport. When you measure that, you find the inherent expansion of capacity in this proposal is very much greater than that which appears on the surface.

CHAIRMAN—Without delaying this, Mr Lidbetter, I was not talking about the expansion involving the \$350 million, I was saying some expansion is inevitable, and that is the dilemma this committee faces.

Mr HATTON—Mr Lidbetter, on a point of clarification, in December 1995 I think it was RAPAC which recommended to Airservices Australia, and Airservices Australia agreed, that the minimum heights for planes coming into Sydney and approaching it should be increased from 1,500 to 3,000 up to 12,000. I was otherwise involved in June. That was when it was supposed to come into operation. Despite the decision being taken then, they said they could not actually bring it into being until after the election because it would take six months to do all the new maps and so on for the pilots, whereas it could have in fact been brought in in December 1995 simply by an instruction, a memo, to pilots.

I have observed the traffic. You have three lanes of traffic coming from the south up to the north, and all the stuff that goes north to the south goes right over the top of Bankstown. It has been divided into three lanes. They bank them in close, mid and further. So we have had all of that aircraft traffic, and I have had it at 1,500 feet for a long period.

Mr Lidbetter—It is still down that low, I would think.

Mr HATTON—No, it is much higher. So observably in our area there has been a change. There has been a change not only in the spaghetti patterns but also in the minimum heights that are operating there. That is from my observation. I am interested that it does not seem to be the case in the Hunters Hill area at all.

Mr Lidbetter—I just reiterate that there has been no major change. The changes that occurred after the change of government related to the opening of the east-west runway and the utilisation of that. That did change the airspace management to some extent, but basically it was a minor change. Much of the problem and the inability to implement the three-runway program at a faster rate is the need to completely remodel the airspace around KSA. That is still projected to happen.

But there are many sectors west of Sydney where you still have those aircraft coming up from the south at about 3,000 or 4,000 feet all the way up north, turning south and coming back down over Hunters Hill and Sydenham and right into the airport. But,

from that point onwards, they are on their three-degree glide path. But flying dirty is still the name of the game around Sydney at the present time. Hopefully, that will be improved with the LTOP. But, of course, if the expansion continues, the LTOP will not be relevant to noise saving.

Mr Gollan—Mr Hatton, do I understand your question to ask whether there has been a change in the noise that is experienced in Hunters Hill due to operational changes?

Mr HATTON—Yes.

Mr Gollan—The community groups in Hunters Hill have been measuring the noise with a noise level metre since October last year. There is no, as far as I understand, official noise monitoring station north of Leichhardt. Drummoyne Council has one on the roof of their council, but Leichhardt, I think, is the northernmost extent of the official noise monitoring station.

The information they have given is that, from six or so weeks of measurements around about October last year, they were estimating the ANEF equivalent north of the Gladesville Bridge at 27. Twenty-five was predicted to be in 2005, I think, well south of the Gladesville Bridge. Since this year, the noise estimates have shown at different locations somewhere between a two and a 1½ drop in the estimated ANEF noise measured there.

There has been a reduction in noise, but it is hardly heartening for the future because the airport operations just will not allow reductions to a significant extent. What you find is that you get hammered very hard for a few hours a day, then there is a lull and then you get hammered again. Some days when the winds are in some directions you are hammered all day almost. So there has been somewhat of a reduction, but it is not very significant.

Senator CALVERT—Councillor Gollan, in point 5 of your council's submission you make the point that the money spent on this project, if this sale continues, will very likely represent a free gift from the public to a future purchaser. I am afraid I would have to disagree with you on that. Given the evidence we had this morning about the effect of the upgrade here if it goes ahead, making it a more efficient and better airport with better facilities and more gates would surely add to the sale price, whatever it is. It is a bit like saying that, in your own home, if you were going to upgrade your kitchen or build a room on, you would not get any benefit when you sold the house. I find it a bit confusing. You are not the only person who said that this morning; someone else did. I think it might have been Mr Hollis, actually.

Mr Gollan—I guess we will have to wait and see what occurs there. If the sale does go ahead, I think we can be pretty well assured that nobody spends the amount of money on a piece of infrastructure such as this without the aim of expanding it. I do not

know whether anybody that buys it, whatever the price, includes that amount of money as a free gift or not from the public. They will be aiming to recoup whatever their outlay is by expansion. As far as I know, people do not buy businesses of that size to keep them at the same level. So, as I said, I guess we will have to wait and see what does happen there.

Senator CALVERT—The other aspect raised was about the value of the retail outlets. That may have more effect on the value of it than perhaps even the additional parking bays.

Mr Gollan—Are you asking a question on that?

Senator CALVERT—No, I am just making an observation.

Mr Gollan—I am sure that will be a very attractive part of the piece of infrastructure—the income from the captive greeters and meeters and the people that are moving through the airport.

Senator CALVERT—That seems to be the reason that has been expressed in the recent sales of other airports as to why they were above what the expectations were. I think it is the retail side of it that seemed to be the—

Mr Gollan—Whatever is going on in the retail side, the fate of this airport will be more backsides on seats, more planes and more noise. We heard earlier from somebody saying that the new breed of Boeing aircraft, I think it was, are no noisier. But what was not brought out was that they will be larger. They will carry heavier payloads. Larger planes need more thrust and more thrust means more noise. So that is what we are looking down the barrel at here. Whatever the retail et cetera, the community is looking hard in the face of that for the future.

CHAIRMAN—One could make the observation that, if the people of Sydney were to choose to purchase this airport, were it put up for sale, and then subdivide it for housing, as recommended by the Marrickville City Council, that would confuse the issue no end.

Mr Gollan—If the government would give us that money, I am sure we would be happy to do it.

CHAIRMAN—If there are no other questions, I thank the representatives of the Hunters Hill Council and their nominees for appearing before the committee.

Luncheon adjournment

[1.41 p.m.]

REES, Councillor Allan Hugh, Vice-President, No Aircraft Noise Party, 102 Salisbury Road, Camperdown, New South Wales 2050

CHAIRMAN—I welcome the representative from the No Aircraft Noise Party. The committee has received a submission from the No Aircraft Noise Party dated 6 May 1997. Do you wish to propose any amendments?

Councillor Rees—Just the addition of some overheads which I will show now and which I will make available to the committee.

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

The documents read as follows—

CHAIRMAN—Mr Rees, I now invite you to make a short statement in support of your submission before we proceed to questions.

Overhead transparencies were then shown—

Councillor Rees—There are two reasons you should refuse this proposal. The first is that this airport has already exceeded its environmental limits. What you see on the overhead is a composite map from the areas over 70 decibels on the various flight paths for the long-term operating plan. As you can see, it covers a vast area of Sydney. There are 1.2 million people living within those contours. That is the area over 70 decibels. Inside noise levels would be 60 decibels. For sleeping or recreation areas inside a house you should have 50 decibels. The New South Wales limit that was enforced at Luna Park was 65 decibels. The impact of this airport is extraordinary on this city. As you have heard earlier, the intention of the operators is to expand it.

The other reason you should refuse this proposal is that you would be endorsing investment to an inefficient airport. This is a hopeless airport. It is a dud airport. It is a dud layout. The only feasible and practical path to the future is to manage the existing situation until you have a replacement airport, which should be done at the earliest possible time, then replace this one and close it. There can be no further enhancement of the capacity at this airport because it is surrounded by housing and hazardous industries. It is a cramped and inefficient site. It cannot operate without a curfew because of its inner city location.

The stated purpose of the work is to construct an airport before the Olympics in the year 2000 and to cater for the year 2003. Increased people handling has a direct environmental effect on this city because the more people that go through the more or the bigger the aircraft and, consequently, the more noise the more risk and the more air pollution suffered by the people of this city.

The amount of revenue it will produce should be looked at very carefully because the basis for calculating the return on the investment for the FAC does not include a realistic value of the site value of this airport. Consequently, the nominated return on this airport is ridiculous and is based on a false evaluation of the site. Continuing to expend money on an investment which is past its effective use-by date represents poor economic planning. The FAC, however, want to maximise this airport. This will result in the minimum size of the second airport.

Their aim is to move small aircraft out of this airport, which will result in an all-jet and eventually an all-big jet airport on this site. This set-up will have the worst environmental impact possible. They boast about their low air-side charges but, by keeping aeronautical charges well down, they are failing to make an adequate return on the real estate value of this site and they are failing to provide an adequate income stream to finance a replacement airport. This represents an enormous hidden subsidy to the airlines

and airport users.

Air-side operations are subsidised by retail returns, with the FAC becoming a major shopping centre operator. This transfers shopping from other sites in Sydney and removes retail activity from state and local planning controls. The economic benefits claimed by the FAC for this airport can be realised and exceeded at a new and more efficient airport that replaces this one. I was very pleased to hear the FAC say that people travel to a city; they do not travel to an airport. The airport is merely the gateway, merely the link, to a city. The criteria are that it should have rapid access to the city, which is best provided by a rail link, and that it have an adequate buffer zone to avoid the offside environmental costs that this airport imposes.

Questions were raised earlier about the economic benefit to Marrickville. As a Marrickville council member, I know some of the economic drawbacks: we have had a suburb ripped apart, we have had businesses fail and people have had to leave their homes and relocate. Also, a lot of aircrew live in Marrickville, partly because of its location close to the airport. But many have told me they are prepared to travel, particularly if there is a train link, to a new airport. In fact, one of the Ansett crew told me that KSA is a joke to aircrew from other cities, and they are always getting teased about how hopeless this airport is. Of course, in redeveloping this site, we would also be seeking to have employment generated here and seeking to have appropriate industry as well as housing in this area.

The airport is not paying for the economic impost of the site. Firstly, there are the risks that are borne by residents because of the hazardous industry which surrounds this site. The risk in Sydenham once the third runway became operational was 100 times the New South Wales standard for off-site risk to the public through industrial activities. Secondly, there are costs associated with land being made unavailable for urban consolidation as housing as a result of large areas being above 25 ANEF. Sixty per cent of the council that I am on is in this zone which is designated unsuitable for housing even with noise insulation. Thirdly, there are the health costs. Recent studies by the University of Western Sydney and from overseas indicate that airports—and this airport—are imposing health burdens on the population affected by them. There is also the loss of enjoyment and people affected by the airport will suffer from a loss of property values.

They are not paying for the off-site costs. The noise insulation which has been discussed would provide insulation for about 10 per cent of the homes that are above 20 ANEF. That is based on the latest figures I have which relate to the 360,000 ultimate airport capacity that Laurie Brereton was proposing in the previous government. The number of houses above 20 ANEF will expand considerably because of the 'share the noise, spread the noise' methods. The inefficient airport creates a high operating cost.

Could I have the second overhead showing the airport map put up. As has been remarked, the layout of the airport is ridiculous and inefficient and fails to provide a

practical modern airport for a major city. The international terminal is to the top left. The domestic terminal and Qantas facilities are on the top right. You see the north-south runway is the main one heading out into the bay, and the third runway. As has been explained to you, the higher the capacity utilisation the more the airport must return to the use of the two parallel runways. As you can see from that layout, there is a long taxi distance from the south end of the third runway back to the terminals. This results in a high operating cost for this airport. The greater the utilisation of the third runway, the worse the inefficiency of this airport becomes. The third runway also has a problem in that it is too close, in a lateral direction, to the main north-south runway to allow independent operations in all weather conditions. But of course this airport has grown by bits and pieces and there has been a repeated failure by governments to grasp the nettle and replace it with a modern one.

There have to be alternatives to this proposal, and what we say is that, until a replacement airport is constructed, the international traffic has to be managed. The first thing you look at, of course, is slot management to spread demand. You look at hubbing of movements in other cities and avoid movements that come in—say, Asia-Sydney-Melbourne-Sydney-Asia or this kind of thing because that happens a lot with domestic movements. There is a lot of hubbing through Sydney which clutters up this airport.

The other thing is that there have to be diversions to other cities for land arrivals and departures during the Olympic periods where there will be tourist packages developed by which people land in another city and come into or leave Sydney by land.

This airport planning has been plagued by absurd planning horizons. In 1990 the third runway was being planned on a planning horizon of just 20 years to 2010. With this one you are being asked to look at a planning horizon of 2003. Of course, the shorter the planning horizon then the less you are able to make valid long-term decisions about what is an appropriate investment. In its passenger growth forecasts for the third runway, the FAC predicted there would be 30 million passengers per annum in the year 2010. Now they are saying it will be 40 million. I believe the FAC deliberately underestimated the rate of growth in their third runway proposal in order to justify continuing to expand on this site and not start on a second airport.

Interestingly, their recent 40 million prediction agrees with the medium forecast by a community group, the Second Sydney Airport Coalition, which was prepared in January 1995. But, if growth continues as the FAC now forecasts, there would be 60 million passengers per annum in 2020 and 120 million passengers per annum in 2030. Since a massive increase in airport capacity is required, to make this expenditure here at KSA, which clearly cannot cope with this kind of traffic, is at best profligate and at worst futile.

Another point on retail activities is that the prominence of retail income in the FAC accounts places great pressure to retain airport facilities downtown where the balance

sheet looks good but increasing congestion and environmental damage are on the off-account books of such an airport policy.

The thing is that this airport is inefficient and it has a very restricted site. To do this proposal they have to demolish existing Ansett freight facilities and rebuild them elsewhere. There are great restrictions on new entrants to this site, caused by both the lease conditions that Qantas and Ansett got before the privatisation of airlines and the failure of the FAC to build a common-user domestic terminal. This airport represents a restriction on trade and a restraint of trade. It actually prevents reaching the goal of keeping Sydney as the major gateway. So business interests throughout Australia would be best served by the development of a replacement airport for this airport since the increased capacity at a lower unit rate of throughput would benefit the greater business community and not just the retail trade and the existing operators at this site.

So a replacement airport is required. This is a dud. It is not an efficient airport. It should not be a site for further investment. It is an environmental disaster. The FAC has not been a good neighbour for the people of Sydney and has continued to develop a site with immense off-site airport costs. People are very angry about this. The six meetings that were held in the public consultation process on the long-term operating plan, that is, every meeting on all sides of this airport in every affected area—and this is going quite a distance out—angrily rejected the plan and the suggestion that their area should be subjected to the kinds of noises that they were going to get in the spread-the-noise plan. Further, we say that the environmental impact process has not been satisfactory in judging the impact or in coming to a satisfactory decision on the third runway. We would prefer to see a public inquiry into this. That was resisted in the environmental impact process for the third runway.

But the environmental impact process also has great problems with the ability of the Minister for the Environment to administratively circumvent the need for an EIS to grant exemptions to works which, by the change of the flight paths here and the reopening of the east-west runway, have major impacts on the environment. Yet, administratively, they are beyond challenge. They are acceptable under the act, but this act is not protecting the environmental amenity of this city and the airport is a major environmental and urban planning disaster for this city.

The longer it is left to make a replacement the worse this disaster becomes, the worse the congestion at this airport becomes and the greater the likelihood there is of an accident affecting large numbers of people or the hazardous industries like the ICI chemical works, the LPG at Port Botany or the major New South Wales petrol refinery at Kurnell. This is the worst possible site in Sydney where you could locate an airport and you should not seek to continue expanding it.

CHAIRMAN—In your submission before the committee you said, and I quote under paragraph 1:

The plan of bringing forward airport expansion for a two-week event is not a prudent method of dealing with a short-term peak demand on airport capacity.

Given the evidence presented to the committee this morning, do you concede that this plan has very little to do with a two-week event?

Councillor Rees—Not entirely because the Olympics is being used as the Trojan Horse. Before this committee they are saying, ‘We want all this expansion to 2003 and we want to bring that forward to before 2000.’ So they are saying, ‘Lock in, in 1999, the next four years growth.’ What we say is that you have got to move to a replacement. You do not invest further in what you know is inefficient and should not continue to operate in the long term. You manage the interim period, and that includes managing the Olympics.

CHAIR—I put it to you that far from being an imprudent action, given that any replacement will take at least five years, doing nothing for those five years would be even more foolish than the proposal before us in your eyes.

Councillor Rees—No. The thing is that they are operating on the basis that they can handle the biggest peak hour. They are saying, ‘We will continue to operate the biggest peak hour in that 7.30 to 11 slot.’ We are saying that they have to examine the alternatives in spreading that peak hour, in changing destinations and hubbing practices within Australia and in managing the airport until they have a replacement airport.

We do not want further investment here. The previous major upgrade reached its stated capacity years before it was supposed to. They are saying that in 2003 they will reach their claimed capacity—they are right on the end. The only way to go beyond that is by pushing out the smaller aircraft and going to an all-jet airport, and we can tell you the environment costs are not acceptable.

CHAIRMAN—I notice that both in that reply and in your submission you are critical of the FAC’s projections and of the inaccuracy inherent in the FAC’s projections. Given that the FAC suggested that we would be dealing with a 30 million passenger throughput in 2010 and you suggested that it was more likely to be closer to 40 million—

Councillor Rees—Yes, and they say that now, too.

CHAIRMAN—With a projection of 120 million by the year 2030, it would strike me that by the year 2030 one other international airport, certainly not this one, would scarcely cope with the demand even if married to the KSA.

Councillor Rees—I doubt that because the trend to two-airport operations has been very strongly resisted by both the FAC and the airport. It has proved to be a failure in cities like London and Montreal, and I think that Stockholm was mentioned. Split operations are anathema to the industry. It is much better for the industry to get the size of

site needed, to get the kind of layout and the kind of ground area needed and to do a single airport. Having operations at two sites in the one city is inefficient. Those in the industry do not like the duplication. They do not like the problems of transferring passengers between flights originating from or arriving at two separate airports. We agree with them, but the thing is that this one cannot do it, this one is in the wrong location and this one is not paying its way. It ought to be managed in the interim and replaced at the earliest possible date.

Senator FERGUSON—You said two airports do not work. I would like to see how you could justify the fact that Gatwick and Heathrow, which are both in the same city, are not both very successful airports working together.

Councillor Rees—My comment on that would be that, despite vociferous opposition by residents of the western side of London, Heathrow airport is continuing to be expanded with currently a terminal 5 and that the growth in traffic is not going to Gatwick; it is continuing to grow at Heathrow. The previous government's plans for Badgerys Creek and KSA to operate in tandem had a similar situation where the passenger numbers here would continue to expand while they grew at Badgerys Creek. The thing is that this airport has already exceeded its satisfactory environmental impact. It is way above any satisfactory urban living standards. So we cannot countenance further expansion.

Senator FERGUSON—I question your remarks about Gatwick and Heathrow because Gatwick is a very successful airport as well.

Councillor Rees—Sure, but it is not successful in the terms that we are looking for and they are that it replaces capacity at Heathrow. Heathrow continues to expand and, like KSA, there is a big urban population near Heathrow, which is objecting very strongly to the further expansion of that airport.

Senator FERGUSON—I am not sure that the role of Gatwick was to expand at the expense of Heathrow. You have got to have the facts right.

Councillor Rees—The thing is that two airport systems mean different things to different people. Some of the Labor Party people in the inner city were arguing that we needed a two-airport system in order to reduce the noise impact in the city. We are saying that does not happen. That is our criterion for saying a two-airport system does not work. If you read the responses to the third runway EIS by the airlines and by the FAC, you will see that essentially they are saying that they do not want a two-airport system because they do not want the duplication, the inefficiencies and the passenger transfer problems that a two-airport system brings. It is a different criterion that we are operating on but one, nevertheless, that you should consider in this context.

Senator FERGUSON—In the course of your presentation, I think you used the

words 'hopeless', 'dud' and 'inefficient' to describe this airport. In the light of judgments that are made on this airport by others around the world—I think that at one stage it was rated third and is now ninth or fifth—what comments would you make on all those international airports around the world that actually rank below Sydney?

Councillor Rees—I think the context of the rating related to the passenger terminals, the experience of passengers getting on and off the aircraft, the kinds of facilities they had in the terminals and the baggage handling and that kind of thing. What I am talking about is the basic infrastructure of the airport: the layout of the runways, the position of the terminals—the total site area. This is a dud. Nobody would plan a new airport to resemble anything like what we have on this site.

Senator FERGUSON—Certainly no-one would plan to have one here—

Councillor Rees—Or even this layout.

Senator FERGUSON—But the fact is that it is already here and has been operating efficiently as an airport for a long time. Yet you continue to say that it is a dud and it is hopeless. It handles an enormous number of passengers a year.

Councillor Rees—But at what cost and at what operating cost? I have mentioned the off-site costs, only a fraction of which are being paid for. But, as for the on-site costs, that long taxiing distance, that operating time, represents a large impost on the industry and a large inefficiency in the operation of this airport. The chairman spoke of experiencing the time taken to taxi from the third runway. This is not an efficient layout. It is a very inefficient layout. So far as handling aircraft goes, the basic starting point is wide spaced parallel runways with terminals in between. It is not a system where one runway, which is one of the two parallel runways, is way off and remote from the terminals.

Senator FERGUSON—I tried to write down what you said word for word as you said it, and I think I can accurately reflect what you said, and that is that the more people going through will result in bigger aircraft.

Councillor Rees—I said that it would result in more aircraft or bigger aircraft or a combination of that. It is merely logic. With a similar capacity factor, as you increase the number of people you increase either the number of aircraft or the size of the aircraft—actually both are occurring—and that results in more noise. There is a greater number of flights than there are flights by larger aircraft.

Senator FERGUSON—I will be keen to read the *Hansard* because I am not sure that is what you said before. But you have clarified it now.

Councillor Rees—I am sorry. If I said differently, my explanation is what I

intended.

Senator FERGUSON—The other thing that you said, talking about the retail centre here resulting in a reduction of costs to aircraft using this airport, is that it is actually a hidden subsidy to airlines. I put it to you that I would think that it is more a subsidy to the fare paying public. Because of competition through this place—the large number of international airlines in particular—the lower costs of landing here make it possible for the fare paying public to actually get a cheaper fare. I understand that in Manchester the landing costs are so much cheaper than landing at Heathrow, and that has enabled them to attract more airlines to that place. The market determines the eventual price. You say that it is a hidden subsidy to the airlines. I think it would be more correct, if you want to call it a subsidy, to say that it is subsidising fare paying passengers.

Councillor Rees—That may be so, but the point I am seeking to make is that with the large retail activity here—I believe Perth also has a very large retail activity—you have to ask when does it start affecting what the downtown retail activity is or what the regional retail activity in the inner-west is and whether rents made from shopping activities ought to be applied to air fares or whether they should more generally be applied to the city or whatever. Everything that happens on this site is out of the control of the retailers and the New South Wales government and the councils, which would normally be determining authorities for retail activity.

The other side of it is that the low charges on the air side are failing to provide an adequate rate of return on the public's ownership of this site and are failing to provide an adequate income stream to replace this airport. So it looks all right on the books, but because of the low site valuation and because of the need to replace the airport it is not being funded by the existing users.

Senator FERGUSON—I think it is also fair to say that when you are talking about retail activity in an international terminal it is retail activity that probably would not take place in other areas because of the fact that there is waiting time and duty-free shops where people are actually spending money while they wait for a plane or when they are get off a plane rather than spending it at a genuine retail activity that you would find downtown.

Councillor Rees—A lot of duty free and that kind of shopping does go on downtown, but the comment is that they are seeking to have major retailers there. Perhaps where I should go further from that is that these economic benefits from retail activity and from airport activity—we do not dispute the need for an airport—are all available at a new site; they are all available at a replacement site and they will be available at a much better unit cost of operation of that site because it will be a more efficient layout and they will be also taking place on a site of much less land value because they will be inner city sites. So again the return in that sense will be better.

Mr HATTON—I am puzzled. We have the Olympics coming up and you have

just suggested that we should not have international flights coming in through KSA for those Olympics they should land elsewhere and we should then get those people on those packages to come to Sydney by road. Is that a fair representation of what you are saying?

Councillor Rees—It is only a partial representation. What I am saying is that in relation to excess to the capacity that is available at present we should be seeking a diversion strategy. This is not unique to us. It is commonly floated that there will be a necessity to bring international flights in to other airports in order to cope with the Olympic situation. What we are saying is that rather than expand the capacity of an airport that we do not want expanded, for all the reasons I have given, you should look at how you can manage it. Part of that managing is finding other arrival and departure points.

Mr HATTON—You would have heard the comments from the FAC this morning in the questioning I undertook with them that primarily they think that a lot of Olympic traffic will come through charter and outside the peak period from 7.30 to 11. They will be ensuring that they are slotted into the afternoon period because they are able to do that with those charter flights and that there will be a drop in the normal business travel as in most other places. In terms of the capacity of the airport to handle it, there should not be a large call on landing at Brisbane or Melbourne and then having people take a bus or train or whatever else—

Councillor Rees—Or Newcastle or Parkes.

Mr HATTON—where they have not got the capacity.

Councillor Rees—Because of the possibility of using the middle of the day for charter aircraft during that two-week period, which will have a big impact on living conditions in Sydney but nothing like, for instance, dropping the curfew, because a lot of people would be subject to sleep deprivation, it may well be that your committee could decide that the Olympics is no justification for this airport expansion and you can say the Olympics can be managed by all the means you have discussed—and I have suggested without recourse to this further terminal expansion. Then you have to say, ‘Is it prudent to do all the 2003 expansion and allow them to retain an existing peak hour morning operation?’ If they say in 2003 that they are full and they have reached their planned limit and they absolutely need another airport at that stage, the question then is: do you give them a big bulk of increase in capacity right on the end of its operational limit?

Mr HATTON—You have outlined what you think would be the benefits of doing away with KSA in the end and having a second greenfields airport to take its place entirely—outside the Sydney basin?

Councillor Rees—Not necessarily but you have to have proper environmental criteria for a replacement airport, which includes getting a sufficient buffer zone around where you do not have residential development, providing rail and motorway access and

being prepared to purchase or insulate all homes within the relevant ANEF zones—not 10 per cent which is all they feel they can do for people around this area. So far as No Aircraft Noise Party is concerned, that would not necessarily have to be outside the Sydney basin.

Mr HATTON—There has been a fairly heavy push for that, though, by a number of the groups who have been against Badgerys Creek.

Councillor Rees—Yes, sure. But to comment on one of the proposals, I do not think Goulburn is practical as a replacement airport for this airport because it is far too far away. We would be looking at the nearest site outside the built-up areas, with rail and road access and where you could establish a sensible buffer zone. You would also need to protect that buffer zone from residential encroachment in the future—something which has been a problem on Tullamarine and Badgerys Creek, for instance.

Mr HATTON—You mentioned a number of disbenefits to the airport. In terms of local benefits, it seems as though Marrickville Council has never done any study of the positive benefits of the airport. But I know there is at least one other council in Sydney that is supportive of Badgerys Creek and that understands there would be great positive benefits to having an airport in their area, and that is why they have supported it over a long period of time. Do you wish to comment on why Marrickville only seems to see the negative and not the positive?

Councillor Rees—The No Aircraft Noise Party has a different policy to Marrickville Council. While I am a councillor, I have a difference with the current policy of the Marrickville Council, and we support a replacement airport rather than the two-stage process that the Marrickville mayor outlined to you before. But I think you are referring to Liverpool City Council, which has supported Badgerys Creek for a long time. They supported that proposal on the basis that they could maintain an adequate buffer zone around that airport and, having done that, that the airport would provide employment in that region.

Unfortunately, there has been encroachment towards the Badgerys side but, basically, it is a valid approach. If you can control an adequate buffer zone from residential housing, hospitals, schools and dangerous industry around an airport, then communities which are well connected by transport will benefit in terms of employment opportunities. There will always be industry associated with an airport in terms of cargo handling, manufacturing that might relate to high value export or whatever, where being adjacent to the airport is of value for their operation.

Mr HATTON—We are seeing another current great surge in the prices being paid for inner city housing relatively close to the airport. So despite all of the problems with aircraft noise, that does not seem to have dampened the housing market in the inner part of Sydney. Given that you have outlined a range of disbenefits with the current aircraft

noise that we have and the fact that you think this airport should go and that the area which it covers should be given over to residential and commercial redevelopment, would you have any way of estimating the capital gain to the residents of the people of the inner city, and particularly the residents of the Marrickville area, from the dissolution of that airport and the creation of probably the best marina site in Australia with those two runways jutting out into the bay? You have calculated that the costs of the airport are not related to the real benefit and net worth of the airport and it is just a site.

Councillor Rees—Absolutely.

Mr HATTON—If it was converted into an inner city redevelopment as we have around Moore Park and so on, what kind of capital gain are we looking at there, if that is wiped out at a capital cost to the investment that people of the Commonwealth have already put into this place?

Councillor Rees—I do not know. To take the point of first interest first: you may say it like that; however, there are standards, both the Australian standard that has been referred to—AS2021—and the former Civil Aviation Authority's advice on those standards, which indicated areas that were unsuitable for human habitation even with insulation and a further area where it was conditional on insulation being provided.

Overhead transparencies were then shown—

Councillor Rees—This shows the kind of area that was in those zones in the year 1988. There are also standards, which I referred to, in terms of New South Wales environment law which have been able to be enforced by just a few hundred residents at Luna Park. The map headed '1988' gives you an idea of the area within Sydney that was inside 20 ANEF in 1988, nine years ago, and that was using the east-west and existing north-south runways.

The property market is interesting: at present we are in a bit of a lull north of the airport. There is a bit of a reduction. There are all sorts of other values in the inner city; property values are marked up and marked down for all kinds of reasons. There is no doubt that access to the city, enjoying the life in terms of cafes, being close to work and being able to walk to shops—all of that kind of thing—improve property values in that area. Equally, the aircraft noise—particularly if it increases—is a reduction in that. But to say that if people are restored to a decent environment it is a capital gain and should be put in—I do not think so.

This has been a residential area in this city for a very long time. In the area I live in, most of the housing was built around 1902, and that was before any successful aircraft. So it has been a residential area. This is the newcomer; this is the new environmental impact. My parents' generation and their previous generation remember going outside and watching as a plane went over because it was such a novelty; they came from here, but it

was not the current incredible impact that we have had.

Equally, this site will not be owned by the residents of Marrickville. You might well place a marina out there, but it will be the government that is making the capital gain from the site.

Mr HATTON—Do you fly domestically and internationally?

Councillor Rees—Maybe half a dozen to a dozen times in total. But I do not think that is an issue because—

CHAIRMAN—Maybe you could put that question in context because I know Mr Hatton too well to think he was about to drop you in for your frequency of flights or anything like that.

Mr HATTON—The point is that it is related to a convenience factor. Goulburn has been hit on the head by many people for a long time because it is too far away. A number of people are pushing for an airport totally outside the Sydney basin. But I think it is still a social habit for many people: they drive people to the airport, they go to see people off and they go to pick them up when they are coming from overseas.

For the people out in the far western suburbs of Sydney, the northern suburbs of Sydney and through into the south-west, they have a very long haul to do those sorts of things. So one of the factors in favour of KSA in terms of location factors is simply its proximity to the city and its proximity to a lot of the population. Could you comment on the fact that it is not very far away when you have to go and do those social things that you have to do—not only get on a plane but actually, in a family sense, be part of those travels.

Councillor Rees—It is also in the most congested part of the city so that for people out of the city—in the eastern and southern suburbs—it is a nuisance and difficult to get here. In relation to ideas of airports off down the line towards Canberra, people in western Sydney tell me that their times to Goulburn are comparable to their times to get to KSA or well on the way to here. This was put to me as an argument for Goulburn. In fact, the centre of population of Sydney is west of Parramatta. It is the business domestic travellers who want the downtown airport but, as I say, they are not prepared to pay. They are not prepared to pay for the environmental impost that this airport creates.

The insulation proposals are absurdly limited in terms of the Australian standards. They meet 10 per cent of it. They do not meet the standards. There are problems, as you heard, about cost limits on houses. So if there is a larger house, a weatherboard house or a fibro house, people get told: ‘Well, that is as good as we are going to do for \$45,000,’ and ‘too bad about the bathroom’ or ‘too bad, it is not so quiet in your bedroom.’

Mr HATTON—But, increasingly we have ordinary working-class Australian people in the last decade for whom it has become possible to buy air tickets to take their holidays in Australia or overseas—increasingly, we hope, in Australia—and they have been doing it in droves. That has been driving airport demand more than the business demand—because of the rapid expansion and development of that domestic market.

Councillor Rees—Sure, and that is fine. In fact, the holiday market and the tourist market does not rely on a very short time to and from the airport into the central business district because, if it is an annual holiday, the time to and from the airport is not a major factor. As you heard from the FAC, it is the city that creates the destination; the airport does not create the destination. People come to or from here for holidays. They do not come because they have got an airport situated seven kilometres from the middle of the city; they come here because of what a beautiful city it is.

Mr HATTON—But for working people who need the 17½ per cent bonus when they are going on their holidays, not having to have the really high costs to actually get to the airport to add to the cost of the trip is also a significant factor. If you get into a taxi these days, it is not going to cost you five bucks to go from one part of Sydney to another; you are going to be forking out closer to \$30 or \$40. If you have a family, you are in a situation where you may need to take buses instead of a taxi or rely on the family. So the costs are not just the package and the fact they are going for a long period of time, but they are on a knife edge in terms of their total budget. So the location of the airport is also a factor in budgeting for that holiday, I would think.

CHAIRMAN—I think we have spent some time on this, and it would be appropriate to keep moving.

Councillor Rees—Fine, I will just respond briefly. We do not support way out of the city options that would have long travelling times to them; we support good public transport to the airport site. Without that, you are going to continue a lot of the pollution associated with an airport because a lot of it is the motor vehicle traffic to and from the airport. There should also be good road access. As people in western Sydney tell me, they can get to Mittagong more quickly than they can get here. It is a heck of a big city and this airport is off on the eastern edge of it.

Senator CALVERT—I want to clarify a couple of issues and it was some time ago when we spoke about it: are you saying that your group is not in favour of two airports?

Councillor Rees—Absolutely. We are in favour of a replacement airport at the nearest environmentally acceptable site that we can get to the city.

Senator CALVERT—Even though the projected figures are from 30 million in 2010 up to 120 million in 2030, are you still in favour?

Councillor Rees—Absolutely, yes—

Senator CALVERT—Why? I mean, Sydney is one of the largest cities in the world and the other large cities in the world like Paris, Tokyo and New York all have two airports—are they all wrong and you are right or?

Councillor Rees—The thing is that you have to look at the longer planning horizon but, even if you do, you cannot justify keeping this one. Even if you do say that you do a second airport after a new airport, you would not do it here. This is absolutely the worst place for an airport.

To get the best economic value out of an airport, you have to push the most traffic through it and, to do that, you create unacceptable noise for the community and unacceptable crash risk on the environment. If a second airport is needed after you do a replacement airport it may be possible, but it is always very much better to do it at the one site. As you have heard, there is also work continuing on larger aircraft than the current size—

Senator CALVERT—Can I just interrupt there: if, when the new airport is built at Badgerys Creek or wherever, that were to significantly reduce the air traffic movements at KSA, would the No Aircraft Noise Party still say that it would eventually want KSA closed?

Councillor Rees—Absolutely and there are both environmental and economic reasons for doing that.

Senator CALVERT—Even when there was less usage of the airport it did not seem to create the concerns that it does now.

Councillor Rees—No, the airport has created concerns for a long time.

Senator CALVERT—For how long?

Councillor Rees—Thirty years. I know people on councils 25 years ago who were involved in trying to stop this airport being expanded and, as others have referred to, there was the MANS study back in the 1970s and all this kind of thing. The airport is way above what is acceptable to residents in this area. But, of course, it is the big expansions that create the big opposition. So the third runway, which resulted in huge expansion in the noise to the north, created a huge uproar about the excess noise and ditto the reopening of the east-west runway. But the thing is it has not been accepted by the people of this region for a very long time.

Senator CALVERT—The other thing I wanted to clarify is that there seems to have been conflicting evidence from the same council about property values. I asked a

question this morning of the mayor about whether the increase in aircraft noise had decreased property values and he said no but you say it has. I think you mentioned that property values were affected.

Councillor Rees—Well, it has been different in different suburbs—

Senator CALVERT—No, we are talking about Marrickville.

Councillor Rees—There was a flattening off immediately the third runway opened, but it has picked up again in recent times.

Senator CALVERT—Why? Obviously the noise is not affecting property values then, is it?

Councillor Rees—No, it does but it is only one of the factors in the value of a house. It does not reduce the value to nil but it does affect it. You can get an effect where it flattens off and then it keeps going up again because it has been discounted for the noise impact. We are getting a bit of a lull for the moment but we know that the higher the operation rates of this airport, the more the traffic is concentrated over Marrickville. We are not fooled about the long-term prospects.

Senator CALVERT—I would be interested to see some comparisons between property values and how they rise and fall in comparison to other suburbs. I suppose we could get that information from the Real Estate Institute if we wished—

Councillor Rees—We do not base much of our argument on property values because, basically, we like where we are and we do not wish to move—

Senator CALVERT—I thought that was one of your major objections earlier.

Councillor Rees—Not for us. No, we want decent living conditions here. Your property value is a criterion if you are going to move. The other way to look at it which has been put to me is that people's property value is their life savings and that, for most Australians, their home is their only ever major asset. So things which are taking away from the value of people's homes are in fact diminishing their life savings.

Senator CALVERT—But given, as you say, property values are now rising again, surely if those people who have lived there all their lives wish to relocate away from the noise they would be in a better position to do so because their property values have risen again.

Councillor Rees—Yes, that is true. But, as I pointed out, 1.2 million people in Sydney are going to be over 70 decibels. You cannot move 1.2 million people—

Senator CALVERT—They can come and live in Tasmania if they want to come down there. There is no noise down there.

Councillor Rees—That is true but you also have high unemployment, and it is a lot colder.

CHAIRMAN—Anything else, Senator Calvert?

Senator CALVERT—No.

CHAIRMAN—If there are no other questions, thank you, Councillor Rees, for appearing before the committee. We will break for five minutes as afternoon tea has arrived.

[2.41 p.m.]

CLINTON, Mr Andrew Peter, Vice President, St Peters, Sydenham, Tempe Neighbourhood Centre Inc., St Peters Town Hall, 39 Unwins Bridge Road, Sydenham, New South Wales 2044

CHAIRMAN—I reconvene this public hearing and call the representative of the St Peters, Sydenham, Tempe Neighbourhood Centre. The committee has received two submissions from you dated 12 May and 13 May 1997. Do you wish to propose any amendments?

Mr Clinton—There is just one slight typographical error in the submission of 12 May where we have the St Peters, Tempe, Sydenham Neighbourhood Centre instead of the St Peters, Sydenham, Tempe Neighbourhood Centre. We have the suburbs back-to-front. But, no, nothing other than that.

CHAIRMAN—It is proposed that the submissions, with the minor amendment, and the Federal Airport Corporation's response be received, taken as read and incorporated in the transcript of evidence. There being no objections it is so ordered.

The documents read as follows—

CHAIRMAN—Mr Clinton, I now invite you to make a short statement in support of your submission before we proceed to questions.

Mr Clinton—I live in a house that is 4.2 kilometres and 270 metres to the sideline of the northern end of the main north-south runway. I have lived in that house for nearly four years now. I have become acutely aware of the effect that this airport has created on the lifestyle of me and my family. About two years ago I thought I got lucky. My house was selected as part of the pilot project for the insulation process. Since then, I have discovered a lot of problems not only with that process but also with the airport in general. As a result of that, I have become quite actively involved in the neighbourhood centre down at Sydenham.

We are more than just a neighbourhood centre. We also run the local dementia and home visiting service. We look after a number of elderly non-English speaking residents that live in the area. As such, I have personally been able to witness the problems that this construction, this airport, causes to people in the area.

I am a user of the airport myself. The maximum number of boarding passes I have collected myself in a 12-month period is 72. So I think I have been a fairly high user of aircraft. I actually quite like where I live because it is only a \$15 to \$20 taxi fare from the airport.

I invite members of this committee, if they would like to, to come to our neighbourhood centre and to our houses to see the conditions under which we live and the effects this airport has on our lives and our lifestyles. I think if you came along for a few hours and saw what we had to put up with you really would understand why resident after resident, person after person, council after council, group after group come along and say, 'This is not good enough.'

I am personally well aware of the nature of the dangers that are surrounded by aircraft. My mother, my father and my grandmother were all standing on the tarmac and watched an aircraft crash killing my great aunt. My father lives on Norfolk Island. My inheritance and his business is totally based on tourism. He has a car rental company. I am well aware of the economic benefits generated by an airport to a lot of people in this community.

I want to take up with Mr Hatton one of his earlier points. He commented on house values in the area. When I bought my house I paid \$167,000 for it. It is now worth about \$250,000 to \$260,000. I probably spent some \$20,000 to \$30,000 renovating it myself. At the same time, a very good friend of mine bought a house in Mosman on perhaps the third or fourth busiest street in Mosman—Belmont Road. He paid \$340,000. It is now worth something in the order of \$600,000 to \$700,000.

The house next door to me was sold about four weeks before the airport third

runway opened. It sold for \$240,000. Within six months it was revalued again at below \$200,000. They did attempt to sell it but it was passed in at auction because the price was too low. So my personal experience with the housing is that there has been a drop-off in value. The value of the houses in the area is moving up again but from a diminished base.

CHAIRMAN—Is that over a period of four years? You said you have been there four years.

Mr Clinton—The third runway was opened at the end of 1995. This house next door to me was—

CHAIRMAN—No, I am talking about your house. You said you have been there four years and you paid \$167,000 for it and it is now worth \$260,000.

Mr Clinton—Yes.

CHAIRMAN—I tell you what, that is not a bad capital gain.

Mr Clinton—During which I spent \$30,000 on renovations myself.

CHAIRMAN—That has clarified the point.

Mr Clinton—In my other life I do have a job. I have spent a lot of time measuring aircraft noise. I have personally sat under the flight path and measured the best part of 5,000 aircraft with a noise metre and a tape recorder and done massive analyses of the noise generated by aircraft to try to come up with a true picture of what is going on.

I am basically here today on behalf of the residents who are living to the north of the airport—and we are very much affected by this aircraft noise insulation project—to say that there are a set of Australian standards that relate to a number of issues about the building of this new terminal. There is an Australian standard relating to the internal noise of inhabitable rooms. I for one would be extremely pleased if my bedroom could be as void as this room is from aircraft noise. I would be extremely pleased if the air conditioner in my house provided as much cooling as the air conditioner in this building. I would be more than happy if my entire house was insulated and the bathroom was not left out.

You may well ask what the significance of the bathroom is. I have two young children. They are now aged six and four, but when they first insulated the house they were four and two. The problem with my youngest daughter was that she physically could not open the big bulkhead door between the house and the bathroom and toilet training had become a problem. Frankly, I got annoyed at picking up the puddles of piddle because she could not open the door. Now she has the physical strength to open the door but she does not have the mental ability to understand to close it behind her. So we still have this

problem of having to get up and chase after her after she has gone to the toilet and come back.

But these are issues that relate to the insulation project. You ask: what is the relationship of the insulation project surrounding the airport to this proposed development of the terminal? The nexus is quite simple: there will no doubt be proposals to build this terminal in accordance with the relevant Australian standards. In fact, we have a letter to that effect from the airport general manager—that all the relevant Australian standards would apply.

If it is good enough for the FAC to build their house to the Australian standards, it should be good enough for us to have our houses insulated to the Australian standards. But we are told no. We are told that there is a money problem and that there is a limit of \$45,000 per house. So what do they do instead? They turn around and insulate our houses to something less than the Australian standards. I am asking the question: if it is good enough for us to have our house insulated to a level that is lower than the Australian standards in the name of saving money—and this committee is about not wasting money; this committee is about making money be spent effectively and efficiently—why can't the FAC build their house to the same standards as we are having our houses being built to?

We are both sticking our hands into the same pocket of the fare-paying public. Ours is coming through a landing tax. Every time I see a jumbo land I say, 'You beauty, another thousand dollars.' Every time I see a 767 land I say, 'Oh, someone might get a new door out of that.' Mr Thompson, who was then the acting general manager of the airport, at the meeting held at airport central for the FAC a couple of months ago stood up and said, 'The government is not paying a cent for this, it is all coming out of the flying public.' That is the nexus of my argument. Why can't we both be on a level playing field?

If you want to save money you can literally save millions of dollars in building the terminal to the same standards as you are building our houses. Let me explain. If you look out through here, look out to the terminal from this window, there is a vast expanse of cliplock roof. I am in the process of trying to rebuild the back of my house, which is going to be a skillion construction of the same nature. I can get my roof rebuilt—and when I say rebuilt, that includes steel beams, insulation material, ceilings, fluff and tin—for somewhere between \$150 and \$200 a square metre. So we put down \$200 a square metre for the roof.

When we talk about air conditioning it, the air conditioner in my house is worth \$10,000 installed. My house is 100 square metres. That is about \$100 a square metre for air conditioning. So we now have \$200 for the roof and \$100 for the air conditioner per square metre. Then we start talking about the glass. In the area where I live, I am lucky. I get my secondary window upgraded with 6.38 millimetre glass put in front of the window I have at the moment. But this is a high noise area. It is near the airport and the insulation program allows for areas of this much noise level a 5 millimetre sheet of glass with a

10.38 millimetre sheet of laminated glass. That costs you in the order of \$130 a square metre. You have to put a window frame around this, so let us call that \$200 a square meter for the windows. The ratio of window to floor is not going to be one to one, but let us just say for each metre of floor or ceiling you have a meter of window. So here we are talking about this structure being built and insulated to the resident's standards costing roughly \$500 a square metre.

I was not here this morning for the FAC submission, but I am told that they are talking about \$1,500 per square metre for construction costs of the shell of the building. So there are huge amounts of money that can be saved in the construction of this building if this committee would like to ask the FAC to produce their building to the same standards as the residents around the airport are having their houses insulated to.

Let me finish off by trying to express to the committee the feeling of the residents to the north of the airport about the airport. To that end, with the chairman's permission, I would like to table and read into *Hansard* the lyrics of the song *Sydney Airports Coming to Town*.

CHAIRMAN—Given the hour, I would prefer to guarantee that every member will read it. We can photocopy it and make it available tomorrow. We could have it incorporated; you do not necessarily have to read it.

Mr Clinton—I would just like to read a couple of lines:

The FACs got plans, superb
They've got their sights on the whole suburb—
Sydney airports buying uptown!

You'd better sit tight, you'd better not roam
Or they'll build a new terminal over your home
Sydney airports running the town.

You'd better get ready to shed a few tears
When your house is a hangar in a couple of years
Sydney airports coming to town.

You'd better watch out, better run and hide
The monsters coming to suck you inside
Sydney airports gobbling up town.

Thank you.

CHAIRMAN—I have been very distressed by the evidence you have given. I fail to see how we can draw any parallel between a public building built to standards that are meant to ensure that the public has wide open access and all of that sort of thing so that there are fewer internal walls and the purchase or construction cost of a private dwelling.

This committee is always asking itself: in a project like this or in a defence project, why is it that a hangar, in the case of a defence project, costs so much more than a farm shed? It costs so much more because it is a public building built to specifications that are not demanded of a hay shed. I would suspect that precisely the same analogy applies in what is currently before us. Your comparison with a private dwelling is a rather inept one, if I may say so.

Mr Clinton—Fine, I hear what you are saying. As for the roofing cost number, the methodology for the construction of the Brisbane terminal was used using the products on which I based the analogy. It is a product called Austech EasiBatt. That product is also used for vast areas of the Ansett terminal just across the other side of the runway. The manufacturers of that particular product, and I did ask them, are of the opinion that the cost of materials to do a large open expanse roof alone as an insulated roof is in the order of \$150 to \$200 a square metre.

CHAIRMAN—I am certainly happy to follow those figures up but our experience over and over again is that the construction of public buildings, which is a matter of considerable frustration to us, cannot fairly be compared with the construction of a private dwelling because the spans are shorter and there are all of those sorts of constraints that you would appreciate.

Mr Clinton—I understand. Might I also say that the allowance within the aircraft noise insulation project for roof insulation in a domestic dwelling is somewhere between \$80 and \$100 a square metre. So I based the figures on double what they say they do domestic dwellings for to take into account the span length and other issues.

CHAIRMAN—I was also mystified by your comments that we ought to expect the FAC to apply precisely the same standards to ‘their house’, so-called, as are applied to yours. I am a little indignant at that. After all, I know nothing about the sorts of houses that Mr McGrath, Mr Stuart or Mr Robinson live in. Mr McGrath, Mr Stuart and Mr Robinson have to live somewhere. So I do not think it is quite fair to consider this as ‘their house’. We are talking about a public building to which Australians will have ready access. That sort of access to his own private residence, I would have thought as a rough rule of thumb, Mr McGrath would choose to deny to some Australians—at least I would hope so.

I do not think we should draw any comparison between ‘their house’ and this public facility we are talking about the construction of. In fact, I was a little surprised when you were critical of the noise attenuation program, initiated by the government and approved by this committee, for houses around the airport. Far from the government setting a ceiling of \$45,000 on private residences, for example, the government merely said, ‘The maximum amount we are prepared to compensate people is \$45,000; you can choose to spend as much as you wish in order to achieve the noise attenuation you may desire.’

If that seems unfair, let me draw my own parallel. My colleague Senator Ferguson happens to be a constituent in my electorate. I have no doubt, given the location of his house on a farm on Yorke Peninsula, that his wife would gladly have him spend some additional money dust proofing that house. I have no intention of subsidising that dust proofing at all. Yet you are telling me that a house that you chose to buy in an area exposed to noise four years ago, and for which you have rightly been granted particular compensation, is seen as inadequate. I put it to you that there is nothing to prevent you from further upgrading that noise attenuation if you believe it to be inadequate. You, after all, purchased that house in knowledge of its proximity to the airport.

Mr Clinton—That is correct. However, when I purchased the house, I did a considerable amount of research as to the effects that the airport was going to have on my lifestyle. I went to the trouble of getting copies of the EIS, the noise and air quality management plan and ANEF charts. I came and stood in the area on many occasions and was aware of what was happening. Where I live, the problem is the take-offs. The take-offs really, really grate our nerves. The landings are not a problem; it is the take-offs that really upset us. We were told that we were getting three to four per cent take-offs at the present and that it would go to 14 per cent. When the third runway opened it went to 40 per cent. So I thought I diligently went out of my way and relied on the best available records to try and draw my own conclusion as to what was going to happen about the take-offs.

As the time came that it was dawning upon me that the airport third runway was about to open, I managed to obtain a copy of the draft noise management plan. The draft noise management plan did set out the parameters within which the insulation project was going to be applied. There were recommendations in the draft noise management plan. I examined those parameters. I had the decision to move again or to stay. I had felt that what was purportedly going to be the benchmark set in the draft noise management plan would have adequately covered the impost of the extra aircraft noise I was going to receive.

Furthermore, in the budget papers which came out two budgets ago, the then minister for transport, the Hon. Laurie Brereton, said that world's best practice in noise amelioration would apply. So I felt that all through these processes I was going to be adequately covered, and I made conscious choices to decide to stay because of the other convenience factors of where I live; it is eight kilometres from the GPO, 250 metres from a railway station, 100 metres from a bus, 10 to 15 minutes in off-peak hours to the airport. So I felt that I should have got a better deal than I got. What I am saying is that as the standards have been lowered for the residences, I feel that the same standards should possibly apply to the airport building.

Also, might I point out to the chairman of the committee that, in the insulation project, the public buildings—by that I mean the schools, the hospitals, the child-care centres—have all been insulated to the Australian standards. So there appears to be this

problem: with public buildings, you are right; with residences, you are not. My daughter goes to a school which has been insulated. Yes, it is a lot quieter than my house. There are plenty of calls before this committee to build temporary structures, limited airports.

If the committee was deeming to try and find a way to reduce costs in this construction, a benchmark methodology of doing it would be to reduce the level of noise insulation provided to this building to that of the residences to the north of the airport. I present this as an opportunity for the committee to save money.

CHAIRMAN—I hear what you are saying. As you have gathered, I do not particularly warm to the idea, because I think I also have responsibility to build a front gate to Australia that makes people feel that we actually have something that we are proud of. But I hear what you have given in evidence. Does my dusty friend at the end wish to ask a question?

Senator FERGUSON—Mr Clinton, where did you live prior to four years ago?

Mr Clinton—In Mosman.

Senator FERGUSON—Where there was no aircraft noise to speak of.

Mr Clinton—None.

Senator FERGUSON—Why did you choose to go to where you now live? What were the reasons behind your choice?

Mr Clinton—Because I had a \$200,000 mortgage and I got sick to death of the gut feeling about the 15th of each month trying to find the repayments. I woke up one morning and said, 'No, forget this.' Instead of finding the cash, I found the agent and I live in a house without a mortgage.

Senator FERGUSON—But you were aware, at the time, that you were 4.2 kilometres from the airport and that it was—

Mr Clinton—Absolutely.

Senator FERGUSON—270 metres off the line.

Mr Clinton—Yes.

Senator FERGUSON—And you were prepared to put up with 14 take-offs—

Mr Clinton—Yes.

Senator FERGUSON—in an uninsulated home.

Mr Clinton—Yes. I knew the home was going to be in the insulation zone. I knew it was coming when I bought it.

Senator FERGUSON—Even if there had been only 14 take-offs?

Mr Clinton—Yes. Yes, 14 per cent. I knew the insulation program was part of the long-term scenario of the airport. I actually went to the trouble of trying to find what houses were in this. I could have bought a house on the other side of the street, on the other side of the back fence, literally, which was not going to be insulated. But I moved to this side of the fence knowing full well that someone was going to come and take the noise out of the house for me.

Senator FERGUSON—You could understand if I felt more sympathy for people who had been living in a house for 30 or 40 years in that area—

Mr Clinton—Absolutely.

Senator FERGUSON—who, through no fault of their own, were gradually overcome with aircraft noise rather than someone who chose to buy in that area knowing that there were some risks involved.

Mr Clinton—As I have said in my submission, I am on a committee with a lot of residents who live down in that area. For example, there is one woman in particular whose grandfather built the house in 1902 and she is still living in it. Another lady, who is unfortunately in hospital at the moment, can remember—she was born towards the end of the First World War—as a young child her mother being approached by the airport authorities asking whether they could build an airport here. So yes, in my personal case, I have made a conscious decision to come there. But there are thousands—

Senator FERGUSON—I understand that.

Mr Clinton—There are hundreds of thousands of other residents that have had this thing sneak up on them slowly.

Senator FERGUSON—Thank you, Mr Chairman.

Mr HOLLIS—My question is identical to the one that my colleague has asked. I was very interested in where you lived before you came here. I must say—I do not want to harp on it—I think you make the point well that there are many other people affected. But as someone who travels through Sydenham quite a lot, because I live on the south coast, I tell you from my own personal view that there is absolutely no way I would have bought a house in this region four years ago, regardless of what my mortgage was. You

made a conscious decision and you got it wrong. Tough.

Mr Clinton—I had plenty of options to change my mind. I thought I had performed due diligence in researching and I was given documentation that proved to be less than accurate. If I may digress with the permission of the Chairman, for instance, I refer to this number of 14 per cent of the take-offs to the north. Evidence came out in the Parer committee as to how they came up with that number.

They actually got the histogram of the wind movements of the last 50 years. They picked the 10 lowest contiguous years and said, ‘You beauty! This is the long-term average’—which, I think, suffers from being able to be described at the lesser end of the scale as an unfortunate mistake to being described as scientific fraud at the other end of the scale. But this was then the best available documentation that I had.

Senator CALVERT—I was going to disagree with my colleague when he said that you had made the wrong decision. I think the fact that you made a capital gain of \$60,000 on your property in four years is a pretty good financial decision, and I understand the market is now starting to move up again. I was going to ask you this. I have been sitting here totally engrossed by the movement of planes in and out of this place today, and I have noticed that, since about 11.45 this morning until just recently, most of the take-offs and landings seem to be on the east-west runway. Has that made any difference to the noise of your particular residence?

Mr Clinton—The current mode of the operation at the airport in reality is that during the evenings during the week—Monday, Tuesday, Wednesday, Thursday—we tend to have the planes using the east-west runway, subject to the weather. We only get two regulars that fly over our houses at night. One is the DHL727 that goes to Auckland and the other one is the Qantas plane going to Japan. When they fly over, you know it is time to go to bed, because every night you can almost guarantee it. We used to have an alarm clock but we would wait for the BA9.

Senator CALVERT—I have the same situation where I live in Tasmania, believe it or not. If the 6.45 leaves and I am not on it, it usually wakes me up.

Mr Clinton—The thing is that during the week we tend to have east-west runway operations between midday and 3 p.m., except on Fridays. On Saturdays, we can get usually east-west operations from about midday through to stumps—11 o’clock. On Sundays, we probably get three hours of relief during the middle of the day. The problem with this is that the numbers of movements keep on creeping upwards. There are levels at which these modes are not operating. There was this great big panic in the second week of February that all of a sudden the airport movements went up. We went from expecting a 10 per cent use of the east-west runway down to four per cent. They now have that figure back up to about 12 or 13 by moving the goal posts. It is all movement based.

The problem is—and a lot of people have said this—that as the airport gets busier and busier, there is a limit to the number of movements you can have in noise saving modes. For the long-term operating plan to work, you need to limit the airport to something like 42 movements between 6 o'clock and 7.30 in the morning and then whatever you like through to about 10.30. Then from about 10.30 in the morning for the rest of the day, the most movements you should be allowed to schedule in my opinion is 56 movements. If you start going beyond those limits, you will find that you are reverting to parallels all the time, and the 17 per cent of the movements to the north that we have been promised will not occur. If you multiply all of those numbers out, you end up with about 350,000 movements per annum, which should be enough to cope with the projected growth of this airport until, hopefully, a new one is built quickly.

Senator CALVERT—Just to refresh my memory, what are the hours of the curfew?

Mr Clinton—The hours of the curfew are 11 p.m. to 6 a.m. About eight per cent of all airport movements occur during curfew hours.

Senator CALVERT—So there are still planes coming in and out during that period?

Mr Clinton—Yes. If you read the ministerial briefing notes, about one in 12 movements happen in the middle of the night.

CHAIRMAN—Are they movements of which you are conscious?

Mr Clinton—We occasionally get movements to the north. We are told on many an occasion that these are medical emergencies. A number of residents to the north of the airport are of the opinion that the New South Wales ambulance runs a timetable, because we seem to get the same medical emergency at roughly the same time on the same nights.

CHAIRMAN—That is quite easily checked, of course.

Senator CALVERT—Sydney is a busy city. My colleagues and I who stayed in the city last night can tell you there were quite a few movements of fire engines and police cars around Kings Cross last night, too. It was rather noisy.

CHAIRMAN—Unrelated to your presence there.

Senator CALVERT—Absolutely.

CHAIRMAN—As there are no other questions, thank you, Mr Clinton, for your appearance before the committee.

[3.17 p.m.]

OHANA, Ms Judith, Chairperson, Lane Cove Airport Action Inc., PO Box 723, Lane Cove, New South Wales 2066

McDONNELL, Mr James, Vice Chairperson, Lane Cove Airport Action Inc., PO Box 723, Lane Cove, New South Wales 2066

CHAIRMAN—I welcome representatives of the Lane Cove Airport Action Inc. The committee has received a submission from Lane Cove Action Inc. dated 6 May 1997. Do you wish to propose any amendments?

Ms Ohana—No.

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. 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 your submission before we proceed to questions.

Ms Ohana—In deference to the fact that you have been sitting here for many hours, I will keep it fairly brief. For the benefit of those members of the committee who are not from New South Wales, I point out that Lane Cove is a rather beautiful suburb situated between 15 and 20 kilometres from the airport and, prior the opening of the third runway, was only very minimally affected by aircraft noise and pollution. We were given both verbal and written assurances in our area that the area would be substantially unaffected. We were outside the famous ANEF contours.

I would also like to say that the Lane Cove Municipal Council is very concerned about this issue. While it has not appeared here today, it has submitted a submission to your group. The mayor, to whom I was speaking yesterday, asked me to outline the seriousness with which the Lane Cove council views the problem of aircraft noise for its area. Just briefly to quote from its submission, it states:

The council maintains that the expansion of any facilities at Kingsford Smith Airport is not in the best interest of the community.

It maintains that all resources should be put towards the construction of a second airport for Sydney and that the continuous expansion of facilities at Kingsford Smith as proposed only serves to undermine that objective.

On reading the FAC's submission, I found it inadequate in many respects, particularly in regard to the analysis of cost benefits of the proposed expansion of the international terminal facilities as well as the failure to consult with the communities affected by the airport's operations. You will note at the end of the FAC's submission that it lists a whole range of government bodies with whom it has consulted, but there is no mention of consultation with any community groups, of which there is a large number in the Sydney area.

I am the spokesperson for the coalition of airport action groups in Sydney, which is a loose coalition of over 20 community groups which have sprung up since the opening of the third runway. James will deal with some of the difficulties we have with the FAC analysis. In addition to their submission, I found that their response to our submission was very facile and did not address the very serious concerns which we raised. For example, they talk about this proposal being an appropriate response to meeting the needs of the travelling public. We were addressing the needs of the residents of Sydney. Nowhere have they addressed that issue. They also talk about enhancing the image of Sydney. What about enhancing the lives of residents of Sydney? In other words, I believe they have not shown any intention of seriously listening to the concerns of the residents of Sydney.

James will deal with our major points in a moment, but I have one short thing to

say. To me the bottom line is that the FAC is planning these works on the basis that the current facilities are not adequate. In other words, they want to spend money on extensions. I know that Mr Andrew is not happy with analogies between airport buildings and houses, but I will go ahead. Planning to spend money on upgrading these facilities reminds me of the situation of a family living in a house which is far too small, on a tiny block in the wrong area, surrounded by congested streets with difficult access and whose goings on cause great annoyance to their neighbours. How many times have we seen this happen? What do people do? They try to make things better by adding an extra storey, doing an extension out the back, putting in a new driveway, thinking that will fix the problem. But surely it will not.

The money that they spend we would call in a private sphere overcapitalisation because the house is in the wrong location. My view and the view of many hundreds of thousands of residents of Sydney is that Sydney airport is in the wrong location. We are normal rational people who do not like getting out in the streets and demonstrating. We all have full-time jobs. We do not want to spend our time fighting this issue, but it is our view that Sydney airport is in the wrong location. It is constrained, as you probably heard today, by its small area. It is only roughly one-third the size of the Brisbane and Melbourne airports. It cannot operate on a 24-hour basis like any decent international airport because it is in the centre of a city. It causes noise and air pollution and crash risks to hundreds of thousands of people. Do I need to go on?

What I would like to you gentlemen to consider—even if the FAC and the department of transport cannot see it—is that spending millions of dollars on the airport is just a bandaid solution and ultimately a waste of money. Please report back to the parliament that further expenditure on KSA should be curtailed and that all other resources should be put towards the construction of a new airport for Sydney.

In case you think this is just a small issue, I have been involved for several years prior to the construction of the third runway when I saw the problems coming, despite assurances. I have been heavily involved for two years. Almost every day, as you have probably seen yet again in today's paper, the airport issue in Sydney is causing great public distress and dismay. The excuse for this expansion is supposedly the Olympics. The Olympics is a short-term thing. The residents of Sydney live here for life. Forget the short-term thing; let us look at the bigger issues. Even for the Olympics I believe, unless this airport issue is solved, there is likely to be massive public unrest, particularly as the chairman of the International Olympic Committee is calling for the lifting of the curfew. If that happens, rather than being a bonus for the Olympics, I believe Sydney airport will be a major liability.

CHAIRMAN—Thank you. Mr McDonnell, would you like to make an opening statement?

Mr McDonnell—Thank you. I would like to reiterate the five points made in our

submission. The main point I want to make today is that your committee has a very difficult task. I do not believe the proponents of this proposal, the FAC, have given you enough information on which to make your decision. I see your committee as having a much broader interest in this issue than the narrow agency interest of the FAC. Some of the public policy issues are on the agenda at the moment, as you know.

The chairman of the Sydney airport community forum, one of your colleagues, Joe Hockey, has called for a downgrading of the use of Kingsford Smith airport. An environmental impact study is about to be released which will comment significantly on the relationship between the new airport and the future role for KSA. The airports act, authorising privatisation of KSA and the new airport, is also an issue. A Senate select committee looked at the airport issue in Sydney and concluded that the third runway was an environmental and social tragedy. In the context of all those public policy issues, it is quite a challenge for your committee to take those issues into consideration. The fifth point in our submission was that the cost effectiveness of the proposal is one of your specific terms of reference. We feel that the FAC's submission fails entirely to address that issue.

You may be aware that the federal Department of Finance issued a paper in March 1992 on the cost-benefit analysis. It is a detailed document which makes the point that the project costs need to be valued in terms of the claims they make on the economy and the community as a whole so that the perspective is a global one rather than that of any particular organisation. In the FAC report, no social costs are admitted whatsoever. There are no external costs identified in the FAC submission, yet they are prepared to suggest that there are social benefits. These intangible costs and benefits are nowhere quantified in the FAC submission. Previous presenters have mentioned issues such as a loss in property values. I want to give one brief example. In 1996 in Lane Cove the valuer-general indicated to Lane Cove council that, in determining valuations for Lane Cove, a differential was included for parts of Lane Cove under the flight path and parts of Lane Cove not under the flight path. That was a five per cent differential in terms of increases in property values. So there is basis for the allegation that aircraft noise has an impact on property values. That sort of thing can be quantified if the proponent of this proposal were prepared to take on that task.

CHAIRMAN—Thank you. Ms Ohana, I would like to add to your analogy. Let us say that I am the head of a household currently living in a single fronted cottage with near neighbours in a congested part of Sydney—almost the picture you have painted. My position as head of the household—and I do not use the term in a sexist way—is somewhat complicated by the fact that I have to make a decision. My partner is pregnant with triplets, and the children already have a reputation for being tearaways. We intend to move into a much larger residence and we have the resources to do so, but it will take three years to build because it will be on a block of land that is not that easily levelled for building.

The decision I face now is: what do I do knowing that, in nine months time, I am going to have triplets in a single-fronted terrace house? The answer is that I choose to spend a little bit of money so we can go into the attic and have a bedroom for the triplets while the new house is being built, three years down the track, on a block of land selected for the purpose. I think that is a closer analogy to what we are facing than the one you endeavoured to paint. The question I am asking myself and the question the committee is asking itself is: do we actually choose not to build the attic, not do we choose not to build the larger residence?

Ms Ohana—Firstly, I congratulate you on your very rational decision to move house and I hope that the FAC eventually makes this same decision because—

CHAIRMAN—I have not quite finished my analogy, mind you.

Ms Ohana—Sorry.

Senator CALVERT—You just had a pregnant pause.

CHAIRMAN—I am aware that the existing members of the family and maybe the triplets will want to attend a private school so I think I will retain the single-fronted terrace house so that I can continue to use it in conjunction with the larger one. That was the end of the analogy.

Ms Ohana—So you are talking about space to meet short-term demand for capacity?

CHAIRMAN—But not dismissing the need to—

Ms Ohana—You are also talking about convenience?

CHAIRMAN—Yes.

Ms Ohana—If we use this analogy, perhaps a small amount of money may need to be spent in the very short term. I do not know what your family budget is like but \$350 million plus—and the Minister for Transport and Regional Development announced last week that there would be another \$41 million to be spent on the domestic terminals; I have heard the figure of \$1 billion in total planned for expansion—is not a little bit of money in the interim. This, to me, is a large amount of money that will serve to entrench your residence in that single-fronted cottage. This is excessive. I accept that you might need to extend one of the bedrooms but I do not accept the need for major expenditure.

On the issue of convenience—being close to the private schools and all the benefits—I would say that a properly located international airport will give major benefits to the whole of Sydney. The issues that are frequently raised are things like tourism,

employment and the economy: all those benefits can equally well be had by a better located airport outside the city area.

CHAIRMAN—I must stress that, in all of the evidence given by every witness to this committee today, everyone has stressed the need for a better located airport outside the city area. There has not been anyone demurring from that. In spite of the accusations made by some, not even the FAC—and they will be recalled tomorrow—have suggested that this expenditure should be an alternative.

For us, the question, the fundamental issue, is whether or not \$350 million is being wisely spent. Contrary to popular opinion, even on a parliamentary salary that is a large amount of money. We do not intend to see it wasted. However, it is a relatively small amount of money beside the money outlaid on a new and completed international airport, which is essential. So the question that this committee faces, I am sure you are aware, is: how do we best ensure that Sydney keeps its reputation as Australia's front door? As a someone who is not from New South Wales it is quite an admission for me that should Sydney keep its reputation as Australia's front door in the face of rising tourist numbers. That is the question we are endeavouring to come to terms with. But we do not want to be unsympathetic to the dilemma that face either you as Lane Cove residents or anyone of the other groups that have appeared before us.

Ms Ohana—I appreciate your dilemma but I make the point again that the more money spent on Sydney (Kingsford Smith) Airport, in our view, will only serve to delay the construction of a proper international airport and will obviously empty the public coffers to that extent. It is a question of getting that balance and looking at the longer term picture. My colleague, James, mentioned the cost to the community in terms of loss of property values but I am sure today you have heard the incredible costs that are broader than that, such as the costs of sleep disturbance. A Kuringai group did a survey which found that people in Kuringai—and we are looking 25 or 30 kilometres from the airport—are, on average, losing two hours sleep a week because of the operation of the airport.

CHAIRMAN—We have had a submission from them, as a matter of fact.

Ms Ohana—Then you have got the issues of the health costs and they are difficult to quantify. A lot of the medical specialists spoke to the Senate committee of inquiry and said that these adverse health impacts often take years to be shown. But there is mounting evidence. The World Health Organisation is actually tightening up its restrictions on the operation of airports because of concerns about the health implications. All these costs have to be kept in mind. Therefore, I am asking you to look at the bigger picture, not just at what we can do for the next three years.

That is a real problem and it is problem that the FAC faces. There may be ways of getting around that—by greater use of Brisbane and Melbourne airports—and there may be other ways of dealing with it. I am hoping that you gentlemen, finally someone, for the

first time in 50 years—because this whole issue of a second Sydney airport has been on the table for 50 years—will grasp the nettle and say, ‘Yes, that is where our money needs to go,’ not into propping up—and that is what it would be—and possibly entrenching an airport that is basically in the wrong location.

CHAIRMAN—I must just restate—as I said, I suspect, when you were not here—that frankly the recommendation for a second airport will not come from this committee, not because we are washing our hands of it or do not want to be associated with. All of the evidence that we have had from everybody reinforces that. Our responsibility is how do we wisely prepare for the traffic flow through this airport between now and the year 2003 or 2005, whatever would be the time constraint necessary for the construction of a second airport.

Senator CALVERT—Coming from a small state, I have been absolutely staggered by the growth figures that have been quoted here today. When we look just at the airport itself having to cope with a million people a month in 30 years time and something like 30 million people a year in another 10 or 12 years time, it does make the mind boggle somewhat. When you think of all the other planning decisions that have to be made around Sydney for housing and whatever, it is certainly going to be an interesting time, and I wish all those people who are doing the planning the best of luck.

But nobody has mentioned today—and I am not just mentioning this just as a throwaway line—that, 20-odd years ago, the planes that flew in here were much noisier, had propellers, and 30 years ago they were noisier again. Even a few years ago, the 727s that have gone out of service were much noisier. Who is to say, as we move forward to the new airport and early into the year 2000, early in the next decade, that aircraft will not be quieter. It has already been said today that they may be larger, therefore carrying more people and fewer airport movements will occur. But for the life of me, I cannot see that we as a committee have got too many options—in the short term anyway—other than to look at what is happening here at this airport and to make things as efficient as possible. As the chairman has said, I am surprised and I would like to know when the problems started at Lane Cove. Was it as a result of the third runway?

Ms Ohana—Yes, it was. We live where we live because I do not particularly like noise and so we chose a house at the end of a cul-de-sac with no road traffic overlooking the bush. In those 20 years—we are not under the main flight path—we did see planes in the distance and we heard the occasional plane. And it was more of a novelty then, and that is exactly what has happened—with Kingsford Smith at the beginning it becomes a novelty.

Certainly, in our case in Lane Cove, it was almost overnight that we went from maybe a couple of planes a day that we noticed to up to 400 flights a day. And it was an incredible impact. As a psychologist—and that is my profession—when we have run a few street stalls up in the plaza, I have had a few people come up to me in tears and on the

verge of breakdown, particularly early on, because they could not sleep. They did not know what had happened to them. It was a major impact to an area which had been relatively quiet up until then.

On the issue of noise and planes getting quieter, I have done a lot of reading and attended a lot of seminars and certainly that is something that comes up as 'maybe the problem will all go away with technology and the planes will not make any noise'. From the engineers that I have spoken to and various talks I have been to, it appears that there is a limit to the quietness. In other words, no matter what they do, they believe there will still be a certain amount of noise that a plane will make by the very fact that it is passing through the air. Noise is not just the issue, Senator Calvert. It is a bit of a bogey in a way. Noise is what alerts you to it, but it is also the air pollution, the crash risk, and all those things can only increase with further air traffic.

Senator CALVERT—I could put in a commercial for Tasmania, but I will not.

Ms Ohana—I visited Tasmania last year and we even considered moving down. We thought it was beautiful.

Senator CALVERT—I have asked other witnesses this question too: have there been any changes since the east-west runway has been opened as far as Lane Cove is concerned?

Ms Ohana—Yes. There has been some improvement because, going from a point when the Bennelong funnel was in full operation, as I said, all the planes basically overflow Lane Cove to land and overflow Lane Cove as they took off. We were getting 400 planes a day. Since the reopening of the east-west runway there are actually some quiet periods. Depending on the winds, we still get up to 40 flights an hour at times, but there has been some improvement. Once again, as has been mentioned, we are fearful that this is a short-term improvement because, once the capacity of the airport increases and it gets towards the 80 flights an hour, the parallel runways are the only option. They are the only mode that is capable of taking that sort of traffic. So we are fearful that we will be back to the bad old days as the airport capacity increases.

Senator CALVERT—The chairman has probably explained on more than one occasion today that our committee really is the Public Works Committee and looks at public works rather than revisits all the previous committees which have been looking into aircraft noise. No doubt we expected the matter would be raised today. I am looking forward to asking something of other experts—and it will not be in this forum. You, no doubt, have been to cities like London and other large cities. As a casual observer, with the amount of aircraft they have, there does not seem to be the noise problem that occurs in Sydney. I want to find out why.

Ms Ohana—I would like to correct you on that one because we are in contact, via

the Internet, with other airport noise groups around the world. There is a very active group in London. In fact, there were some recent articles in the press about demonstrations against the aircraft using the airport there.

Senator CALVERT—Was that London or Manchester?

Ms Ohana—It was London, Heathrow. Also, there have been examples around the world where people have taken the right decisions and instead of spending more money on upgrading an inadequately located airport, they have closed it down and moved out. That was the case, for example, in Munich, where their new airport operates very efficiently outside the city.

Mr HATTON—I would like to make a comment, if I may.

CHAIRMAN—A brief comment.

Mr HATTON—Yes, Mr Chairman. Ms Ohana, I thought you had won the analogy stakes by a number of lengths until the chairman indicated that the race was still on and it is neck and neck. In terms of the change to the noise that you have experienced, as I understand it, when they closed the east-west runway and we had three lanes of traffic coming up from the south—

Ms Ohana—There are only two that I know of.

Mr HATTON—There are three: the inner, middle and outer where they came up from the south when the east-west runway closed.

Ms Ohana—From the south, yes.

Mr HATTON—Yes, and 25 to 30 per cent thrust. When they turned at North Parramatta they went to about 75 per cent thrust and that was the same situation when they turned again in over Hunters Hill and Lane Cove. Did you experience that problem before with loud aircraft noise, because of the turning going both ways, and since the east-west runway has been back in operation and we have gone to the spaghetti pattern, has that situation changed much?

Ms Ohana—We did experience a problem with the additional noise due to the turning because the planes tended to turn over Lane Cove and Hunters Hill. So that added to the noise. There has been some minor improvement simply because there are fewer aircraft and also they are spreading out a little more. But if you look at the flight tracks available from Airservices Australia, there is still a funnel very much in place with the majority of planes taking off still coming up as far as Lane Cove before turning.

Mr HATTON—One of the things that was put into place was that the aircraft

taking off to the north had to take off way down there at the end of the runway and reach altitude very quickly. From some of my observations towards the end of 1995 I could see that they do that and then around Hunters Hill-Lane Cove as they were turning they would actually go down to make their turn and then go around. Have you noticed a difference over time with the aircraft taking off to the north? Are they staying higher and is there less impact because of that?

Ms Ohana—I do not sit at home watching the aircraft every day, and the pattern does seem to vary. Certainly there was a mild improvement when they took off further to the south of the runway. There was also a mild improvement when they were given instructions to take off at a sharper angle. That was an improvement for us, but my sympathies went out to the people of the inner city because, of course, if they take off at a sharper angle that makes more noise for the inner city. But basically these are all changes that just fiddle around the edges. The basic issue is that the airport has unacceptable environmental consequences for the residents of Sydney. That airport must be moved. No matter what little changes you make, with the increased capacity of the airport and the ever increasing numbers of planes, those minor benefits will be quickly eroded.

Mr HATTON—You said that ‘historically’ when we just had the north-south and east-west ones running, the north-south funnel was very direct, the east-west one was as well and that the older noisier planes rolling through Banksia and Rockdale for 30 to 40 years certainly had a dramatic impact on the lives of those people. They did not have any compensation for it in terms of any let off. With the third runway coming in and the change in the patterns there has been a dispersal of it, but in the past it was heavily concentrated around two funnels for most of the history of this airport and the aircraft used then made more noise, in fact, than a lot of the ones that are around now.

Senator CALVERT—I was going to try to draw this closer to the—

Mr HATTON—Yes, I know, but it varies. It is something that came up previously. I know we are not on noise, but it is a question of what is practically happening out there as a result of the changes.

CHAIRMAN—I appreciate the fact that decisions that are made to accommodate additional use of this facility impact on the noise for every Sydneysider. I just want to compress the exchange because of the time available.

Senator FERGUSON—You mentioned Mr Hockey. In the first paragraph you said that, as chairman, he agreed that the best solution was a new international airport and to downgrade the use of Kingsford Smith, and yet at the end of your submission you say that Sydney airport has no future. Do you believe that there is no future for Kingsford Smith or would you be happy with a downgrading or a lessening of the use of Kingsford Smith? I want to be clear what your group believes.

Ms Ohana—I guess it is question of time frames. We believe that, in the longer term, it has no future and that it should be closed. In the shorter term we appreciate that it needs to continue operating, but ideally we would like to see that downgrading occur as the new airport comes into operation.

Senator FERGUSON—It has been suggested that, even with the new airport in operation, there would still be a role for Kingsford Smith to play. I do not know what your opinion is. Do you believe this should no longer be an operative airport once the new airport comes into play? It would appear from evidence that it is not feasible for that to happen.

Ms Ohana—The official position of our group is that it should be downgraded to a domestic airport, and preferably an intrastate airport servicing traffic within the state.

Mr HATTON—Unless I misheard you, one of the comments you made at the end—this is why I pursued the noise thing—was that noise is not really the issue here.

Ms Ohana—It is one of the issues. It is a very important issue, but it is not the only issue. I think the discussion often gets focused on the noise issue alone. I just wanted to make the point that there are some other very serious concerns such as air pollution and the crash risk over such a densely populated area. It is a significant issue, but it is not the only issue.

Mr McDonnell—I just want to ask the committee how you propose to prove the cost effectiveness of the proposal.

CHAIRMAN—We will ask the FAC to further elaborate on where the money is being spent. Frankly, it is what this committee is frequently asked to do on a number of projects, including defence projects, and the question for us ultimately is: what are the alternatives to spending \$350 million? We have in our files a confidential cost estimate, so we know what money is being spent in which area. We expect on all projects that each of these will be open to competitive tender to minimise the risk of there being any collusion in the way in which the money is spent. We are therefore dependent on the market deciding that the job has been done competitively and the information allowing us to determine what is or is not essential in order to meet the traffic demand projected for the year 2005 or 2010.

Mr McDonnell—Could I just suggest to the committee that they might ask the FAC to refer to the Department of Finance document of March 1992 which says that when a project is so large in scale it is important to be fully aware of its wider economic effects. I really feel that the FAC submission as presently drafted is totally inadequate for you to make that decision. So it might be something that you may consider the FAC should do some more work on, to have a look at that external cost. The FAC is very keen to introduce external benefits such as the tourism industry, social benefits, but nowhere

have they mentioned social costs or any external costs. I really feel that they should at least make an attempt to identify them, even if they have difficulty quantifying them.

CHAIRMAN—I accept your comment. To pick up your last remark, I believe it is possible for them to be identified. Quantifying them may be more difficult because it always is with social costs, as you would be aware and particularly Ms Ohana would be well aware, given her profession.

Mr HATTON—On any cost-benefit analysis—you have criticised this one—if we followed the proposal you put, that KSA be downgraded to an intrastate domestic airport, any cost-benefit analysis of that, I would think, would end up with lots of negatives, because simply to run Hazelton and the other regional airlines and have Qantas and Ansett run in New South Wales only with this site and the infrastructure that is here surely is not an economic proposition, on any cost-benefit analysis.

Ms Ohana—It is even less of a proposition to spend more money on the infrastructure when we believe that inevitably Kingsford Smith will be downgraded.

CHAIRMAN—But spending no money is also a problem. That is the point I must make. If we are to be responsible not only in terms of the Olympics but air movements in and out of Sydney in the next 10 years, spending nothing is also a difficult option from our point of view.

Mr McDonnell—I want to raise one final point. The FAC submission seems to draw very heavily on input from the tourism/Olympics agenda. Particularly for those members who are not from Sydney, you do need to be aware that there is some growing debate about the social and environmental cost of tourism. I just draw attention to a couple of press items. Journalist Leo Schofield, who is well known and writes for the *Sydney Morning Herald*, on 22 June 1996 said that Sydney will begin to question the social and environmental cost of a hell-bent pursuit of the tourist dollar. So quite well-known, independent people are starting to flag that governments need to not let the pursuit of one industry, people friendly as it may purport to be, override the broader community interest.

Mr HATTON—Did Leo write that just before he flew off to Salzburg, Vienna or London?

Ms Ohana—Can I say that we do not hate aeroplanes or airports. We are not fanatics. I travel frequently. My own husband has a pilot's licence. We do not have a pathological hatred of aircraft or airports. We simply point out that this one is particularly poorly located and that the expenditure of large sums of money on this airport will in fact entrench it and cause significant social and environmental cost to the population of Sydney.

CHAIRMAN—Thank you, Ms Ohana and Mr McDonnell.

[3.55 p.m.]

RELF, Mr Mark Stephen, Deputy Chief Executive Officer, Australian Quadriplegic Association, PO Box 397, Matraville, New South Wales 2036

CHAIRMAN—The committee has received a submission from the Australian Quadriplegic Association dated 9 May 1997. Mr Relf, do you propose any amendments to it?

Mr Relf—No.

CHAIRMAN—It is proposed that the submission and the Federal Airports Corporation's response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

CHAIRMAN—Mr Relf, I invite you to make a short statement in support of your submission before we proceed to questions.

Mr Relf—Thank you. You are probably fascinated as to why AQA has decided to come forward on such a matter as this airport facility. We observe a number of transport infrastructure projects and public works projects being designed and built by various governments at all levels. Continually we have been dismayed at the number of times that we have been given assurances that the buildings will be accessible by all people, including those with physical and other disabilities, only to be saddened to see, as the end result, a product that is partially accessible or accessible only with the assistance of other staff and people of different facilities.

I can think of one immediate example that is happening with the light rail project here in Sydney whereby assurances were written into the requirements of the tender specifications where they would conform with relevant standards that would make all the aspects of that project accessible. However, we are now faced with a situation where at least two of the eight platform stops will not be accessible and will need either some further adjustment or amendment or the assistance of the operators to actually enable people who use a wheelchair to get on and off the rail carriages. So we get a little frustrated and impatient as time goes on that governments and others do not get it right. We just want to put it on record that we do not want to see any facility that might be modified or extended in any way here at Mascot become partially accessible in its nature.

In addition, the number of options that were put forward in the FAC submission indicated that a number of aircraft would be parked away from a main building and would therefore require some other form of assistance to get you on and off them. For years and years, people with severe physical disabilities have battled to get on and off aircraft—the smaller the aircraft, the bigger the problem, of course. Even with the jets that we have today, people who are required to use electric wheelchairs quite often find themselves in the difficult position of wanting to get right up to the front door of the aircraft and then have a transfer onto a narrow aisle chair to get onto the aircraft. However, they are being told, ‘You can’t do that. If you want to stay in your electric wheelchair, we will take you on a forklift or some other sort of cargo loading device and take you through another entrance. Then we will be able to take your electric wheelchair down to the cargo hold.’

So to be taken through a cargo entrance on a forklift clearly lacks the dignity that other passengers are afforded in being able to get on and off their aircraft. I have been on forklifts before to get onto aircraft, and I find that intolerable to have to continue doing that as we move forward into this next millennium. I would like to get some assurances so that this will no longer be the case.

CHAIRMAN—Thank you for appearing before us. I suspect that your assurances may be more difficult for us or the FAC to deliver in regard to aircraft design, for example. Certainly, in terms of the facilities that are before this committee, that is a very

valid request. I would have thought that the building code that applies in Australia demands of buildings a standard that would be at world-best practice for quadriplegic access. Am I right or wrong?

Mr Relf—You are wrong. It is publicly acknowledged that the building code of Australia, in its present form, has many discriminatory elements in terms of both physical access and lack of attention to sensory impairments—hearing and sight impairments. The Australian building code board is seeking to review that, although there is a number of opposition forces to changing that in the substantive way that we would want to see happen. In addition, the draft accessible public transport standards, which are currently before the Commonwealth Attorney-General, are receiving similar opposition from transport providers throughout this country to such an extent that the transport infrastructure providers are seeking to have the suggested 20-year time frame for implementation extended to 50 years or exclude certain aspects of wheelchair accessibility in the transport standards. So we are deeply concerned that, whilst we have the Disability Discrimination Act in place to provide some protection for people with disabilities in Australia, the rhetoric is not followed through by governments at all levels as well as the commercial sector.

CHAIRMAN—Just for my information, can you tell me what countries do it better than us?

Mr Relf—The United States of America, with its Americans with Disabilities Act, certainly does it better than we do. There would be a number of European examples where transport services and transport infrastructure are way beyond what is currently available in Australia.

CHAIRMAN—I would also comment that in the response that the FAC gave to your submission they indicated a sympathy with your approach. I suspect that the word ‘sympathy’ is the very word they do not want me to use and you do not want to hear, but I wanted to indicate that they were not in opposition to the submission you had made.

Mr Relf—That is true. They pointed out that it is expected that these aircraft positions, the parking bays, would be where aircraft unloaded at only aerobridges and then be towed away. When they use words like ‘it is expected’—this is consistent with other experiences we have had—once a facility goes beyond the design and into the construction phase, operationally things change. It is just like saying, ‘We’ll have this wonderful glossy marble floor and then on rainy days we will employ someone to come along and mop it so that people do not slip over,’ or, ‘We hope that this platform is going to be wheelchair accessible but, oh, there’s a six-inch step now. We’ll employ an attendant to come along with a ramp, put it down and help people on and off that transport conveyance.’ So, operationally, what they might say in a tender specification or in some other assurance such as this letter we have today is not always carried through.

CHAIRMAN—Nonetheless, they have not ruled out your valid concern, whereas 20 years ago that would have happened.

Mr Relf—That may be the case, yes.

Senator FERGUSON—Mr Relf, how often is your organisation consulted when it comes to either being involved in or looking at buildings that may be built in the future by any organisation? Do you get a lot of consultation?

Mr Relf—It is a growing area of interest. A number of corporations and governments are increasingly coming forward and asking AQA or similar bodies, but it has been a fairly fragmented lobby group, I guess, in the past, even though we represent something like as much as 10 per cent of the population. Looking at the figures from the Australian Bureau of Statistics, people with disabilities who have a mobility impairment or handicap represent almost 10 per cent—9.7 per cent, or something of that nature—of the population. So it is a significant group and it is one that will grow as our population in Australia in general lives longer and becomes less mobile.

Senator FERGUSON—The only reason I ask is I have a very good friend who is a paraplegic—the chairman probably knows her as well—who has been on a crusade of trying to upgrade in country areas accessibility by wheelchairs. I do remember her going into one of the top hotels in Adelaide where management was very proud to show off its wheelchair accessible room for people. She had been in the room for 15 seconds when she asked, ‘Where should I hang my clothes? How do I reach the kettle?’ The normal railing was up for hanging clothes. Obviously, the room was designed without specific consultation with people who have a disability, particularly in relation to accessibility. How often are you consulted and are you ever asked about the construction of airport buildings?

Mr Relf—We are asked. AQA spends a considerable amount of its energy as an advocacy group to support access committees in local governments throughout Australia and, in particular, in New South Wales. We try as best we can to knock on people’s doors and talk to them about access. Even when we are consulted, it is not always that we are listened to and that what we say is followed through. They will think, ‘That would be nice but maybe it is just a little bit too difficult to do.’

Senator FERGUSON—If a point of accessibility is so rarely used, is it better for them to provide some other method of doing it on a cost-effective basis? Is there a dividing line?

Mr Relf—AS1428, part 1 has been developed on the concept of the A80 rule, which means that theoretically 80 per cent of all wheelchair users would be able to manoeuvre and get around a facility that was constructed to A80 or AS1428, part 1. It would be wonderful if we could get that in place but that is not being put in place. There

are many instances where infrastructure facilities do not comply with that.

It is difficult to look at the plans in this particular profile because of the nature of the photocopying and the lack of detail. It is difficult to say whether these would conform to AS1428 or not. I question that seriously. I would want to look at something in much more detail. The FAC seems to want to afford me that opportunity at some stage in the future. We will have to wait and see.

CHAIRMAN—What is the relationship between your organisation and ACROD, which has been regarded as the peak lobby organisation?

Mr Relf—We are members of ACROD. I am chair of the ACROD access committee here in New South Wales.

CHAIRMAN—So in a sense you are also here representing ACROD?

Mr Relf—Yes.

Mr HATTON—I will declare an interest: my brother was a quadriplegic and is a paraplegic, so I can understand the problems that you have and that all people with similar disabilities have in getting around. Did FAC approach you in relation to Brisbane International Airport—the building of that and any provision of facilities for disabled people?

Mr Relf—They did not approach AQA. I have no idea whether they approached ACROD or the Paraplegic and Quadriplegic Association of Queensland. I am not sure.

Mr HATTON—The reason I make the point is that we were there recently and the way they have modified most of Brisbane International Airport for people using it will mean it will be a lot easier for disabled people to use all the facilities in that airport. So it is possible, when you are doing the redesign, to do it in such a way that you can accommodate everyone using it, including the 10 per cent of people who are disabled, just by thinking it through the right way. Brisbane is an excellent example of that and of the fact that it would not necessarily add too much to the cost factor.

Have you had any consultation with the Paralympic Organising Committee? Obviously after the games we have the Paralympics and there is even more significance to the issues that you are bringing up because of that. But, of course, the real significance is the ongoing use by everyone using this airport. Has there been any consultation?

Mr Relf—A member of the ACROD access committee is on the access advisory committee for SOCOG. That is proving to be a fairly effective communication link. I paid a visit to the Olympic site some weeks ago. Whilst the Sydney International Athletics Centre was built some years back, I was astonished to find that there was not one

designated wheelchair accessible seating space in that stadium and that the only place you could possibly view any of the events would be by sitting in a fairly draughty passageway whilst everyone else had a comfortable seat somewhere in the stadium.

Mr HATTON—It has been a while since the Year of the Disabled and a lot of people have forgotten it, obviously.

Mr Relf—That is true.

Senator CALVERT—Did your organisation or you have any consultation with the State Rail Authority? As you realise, part of the proposition is to have access to the rail authority both in the domestic and in the international terminal. Did you have any input into that and have your problems been accommodated and the problems of disabled people?

Mr Relf—It appears, from looking at the plans for the underground southern rail link, as though it will be accessible. We are endeavouring to keep tabs on that project and hoping that it does come to fruition.

Senator CALVERT—It certainly would be during the Paralympics, I would suspect, one of the more favoured modes of transport between here and wherever they are staying.

Mr Relf—That is true, yes. At this point in time there is not accessible transfers between this terminal and the domestic terminal, for instance. I think there might be one wheelchair accessible bus now. I am not entirely certain whether it is actually in place or whether it is coming in a month's time.

Senator CALVERT—I hope the FAC take that on board.

Mr HATTON—Entirely off the topic, but is the new light rail coming to Sydney going to be wheelchair accessible?

Mr Relf—That was what I was talking about earlier. It is meant to be, but two of the stations are not at this stage. They are having trouble trying to overcome some problems with gaps between the carriage and the platform.

CHAIRMAN—If there are no further questions, that would be an appropriate point at which I should call the Rail Access Corporation. I thank you, Mr Relf, for appearing before the committee this day.

Mr Relf—Thank you.

[4.13 p.m.]

HERBERT, Mr Christopher Parry, Project Manager, New Southern Railway, Kinhill Engineers Pty Ltd, Unit D, 42 Church Avenue, Mascot, New South Wales

CHAIRMAN—Welcome. Do you have any comments to make on the capacity in which you appear?

Mr Herbert—I appear as project manager on behalf of the State Rail Authority and the Rail Access Corporation for the construction of the new southern railway. For the record, I am a resident of the municipality of Lane Cove.

CHAIRMAN—Thank you, Mr Herbert. The committee has received the submission from the Rail Access Corporation dated 9 May 1997. Do you wish to propose any amendment?

Mr Herbert—No amendments.

CHAIRMAN—It is proposed that the submission and the Federal Airports Corporation response be received, taken as read and incorporated into the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

CHAIRMAN—Mr Herbert, I now invite you to make a short statement in support of your submission before we proceed to questions.

Mr Herbert—Thank you. I would just like this opportunity to amplify some of the points I made in the submission. I deliberately kept it fairly short and succinct, given the opportunity to appear before you gentlemen. I really have two subjects to cover in a fairly straightforward manner. One is the need for expansion of the airport as it pertains to the rail and the other one is the actual terminal planning. I would just like to table this set of drawings.

Overhead transparencies were then shown—

Mr Herbert—The first overhead transparency I would like to draw to your attention is the description of the whole of the Sydney network. For the purposes of this afternoon, it is fairly expansive. It covers Hornsby to the north down towards Illawarra in the south. It covers Parramatta and Richmond down to Campbelltown.

The new southern railway will provide a quadruplication of the link from Central out towards Campbelltown. At the moment, the trains come into Sydenham and go up the line and come into Central. That particular area is extremely congested from Sydenham north through into the city centre. The new southern railway adds two additional tracks. So from the city network you can go down, and it is shown there on the transparency in red. The transparency also shows future expansion. It goes down and picks up two stations on the way to the airport at locations known as Green Square and Mascot. The third station on the network is at domestic. The fourth station is here at the international terminal. The fifth station is an interchange, and you can see the red line which crosses the main southern line, which goes down the south coast.

In all, the investment in the project is some \$900 million. It is being done jointly between the government and private enterprise. The state government is doing capital works. It is investing at the outturn cost in the order of \$670 million to construct all of the tunnels and tracks and the interchange station at Illawarra. The private sector will actually construct and build the four stations on the route from Green Square through to the international airport. The all-up cost, including finance charges, of that is some \$230 million at completion. If you put the two together, it is \$900 million infrastructure.

The purpose behind this infrastructure is essentially twofold: No. 1 to give extra capacity to the western Sydney region by another two lines into the city, and No. 2 to provide a rail network to the south-east section of Sydney. I mentioned the first part earlier. The state government is funding the capital works, the tunnels and tracks, which will be \$670 million.

The crucial aspect of this, where NSR interfaces with Sydney airport, is that the four privately built stations are funded by a surcharge fare for all passengers who use the

four stations. All of the funding for this has been raised in the private sector and it relies on—it is put down very simply in paragraph 10 in my submission—the financial viability of this project. The NSR project is highly dependent upon the growth of Sydney airport.

Of the four stations on the route, there will be a surcharge in the order of \$1.50 on the normal train fare at Mascot and Green Square stations, but there will be a surcharge of about \$6 for passengers using the two airport stations. The lion's share of the debt to be repaid for this project comes from the revenues earned from the two airport stations. This is all about market demand, that the air traveller is happy to pay an additional \$6 on his \$2 train fare or whatever it is to get to the city or, if he likes, he can get out to Campbelltown. This \$230 million I mentioned, which is the all-up cost including finance charges of the four stations, is almost wholly recouped from Sydney airport.

I mentioned in paragraph 11 that the feasibility study for the new southern railway line is based on passenger figures through Sydney airport of 19 million in 1998—I understand it is about 20 million at the moment—growing through to 32 million passengers in that 13-year time frame that had been mentioned in earlier submissions to you.

This particular terminal expansion only goes through to the demand for the year 2003 and takes Sydney airport from its 20-odd million through to whatever it will be in 2003—I am not familiar with that number. It is the first vital step in the growth of Sydney airport which underpins the financial viability of the new southern railway. The position of the State Rail Authority is that it is absolutely paramount that this terminal expansion proceed as planned, which covers only the growth through to 2003.

From the point of view of the committee, people's hype about it just being an Olympic project overlooks the fact that it is not an Olympic project; it is brought on in an Olympic time frame but it is a 2003 project. Our NSR will be operational by the year 2000. It is wholly designed to get in front and capture all of the Olympic transport so it can provide that infrastructure required for the Olympics. That was the first part—to reinforce to you gentlemen the absolute need for this Sydney airport expansion project to go as planned through to 2003, which is the first launch of the growth upon which the whole new southern railway viability is based.

The second part I would like to explain is the planning aspect. I briefly mentioned in paragraph 13 of the submission that there are a couple of options: the bread and butter option and the belt and braces option. One of the general objectives of any rail system is to maximise the rail percentage of all land transport planners.

To capture the maximum number of people that we can for rail as distinct from going by cab, bus or private car, we have to have an appealing station. It has to look good, it has to feel good for passengers and it has to work. With regard to the international station, you can see the top diagram is simply a footprint of the station. Up

in the top left-hand corner of the diagram is a corridor which would connect to the international terminal if the bread and butter option were built. So the passengers would come to the station and go down that narrow corridor to get into the terminal.

That option is not very appealing when compared with the option that we recommend in paragraph 13, which is to integrate the station into the terminal. This can be done two ways: build a station in the terminal or build a terminal over the station. Gentlemen, if you look outside the balcony over here, you will see our station. The station box is, in fact, finished and it has been sited there. The decision was taken so that the most cost-efficient manner was to integrate it into the terminal expansion. So we are putting forward very strongly on the planning side that the committee endorse the option we put as the favoured option, which is that option which integrates our station into the terminal building.

If I could say a word about costs. State Rail has dealt with the Federal Airports Corporation since the start of this project. We had to enter into a development agreement with them. It was a very tough thing to negotiate. We have been dealing with the FAC for some 2½ years now on this project. We believe them to be commercially astute. It would be my view, for the benefit of committee, that they will get good value for money in the Federal Airports Corporation by spending the \$350 million as proposed on this project. By way of clarification of my submission to you, that is all I propose to put.

CHAIRMAN—Thank you, Mr Herbert. I can certainly observe that, if you do not spend the \$350 million, then the rail corporation will not get good value for money.

Mr Herbert—That is so true. We will be in financial trouble.

CHAIRMAN—If I were a Sydney resident arriving from overseas and my family chose to meet me at the new upgraded international terminal, they could catch the train from Central or Campbelltown to the international terminal for \$2—I gather that is the general idea of the figure—but it would cost me \$6 to get home. Is that right?

Mr Herbert—It would cost you \$6 to use the station. If you were a traveller who went from Campbelltown into the city on a train that went through these stations but you did not get off at these stations, you would be paying the normal SRA fare component. To get off at the airport stations, you would be paying what is called the airport surcharge, which is the extra, say, \$6.

CHAIRMAN—So my family would pay the extra \$6 to meet me at the airport?

Mr Herbert—In a sense, yes. But the \$6 is directed towards the air traveller. There may be family tickets. The fare structures have not been quite organised. But, if you take an individual who goes from Campbelltown, your comment about \$6 is correct.

CHAIRMAN—I do not have a problem with an individual paying \$6 to get out of the international airport. I thought you might like to consider the additional use that could be made of rail and the reduced congestion on the road that would follow, making it more attractive for a welcoming family—as referred to by Mr Hatton—to feel that this was a more attractive option than any of the other ways of travelling to the airport.

Mr Herbert—The fare structure itself will be set by the airport link company, which put in a submission to you. They are the owner and operator. They have a concession for 30 years. And in 30 years they give the stations back to State Rail. It would not be appropriate for me to comment on the fare structure, other than to explain its essential viability to underpin the project.

CHAIRMAN—I thought it appropriate for me to make an observation about the way in which it might be a more attractive option.

Senator FERGUSON—That would be a disincentive, wouldn't it? If you have a family of four or five who come to see another family member off and they have to pay five lots of \$6 or four lots of \$6, you are encouraging them to use a motor vehicle.

CHAIRMAN—Mr Herbert said there may well be a family ticket available.

Senator FERGUSON—But, if there were no family ticket, you could see that it would be a disincentive.

Mr Herbert—Absolutely. So the objective of the airport link company, as I would see it—and they have to speak for themselves—would be to structure their fares to capture the maximum use of the market yet keep that balance between attaining the adequate revenue that is needed to service the whole funding requirements of the project.

Senator FERGUSON—If you were to construct the sort of station you wanted, would you envisage a Heathrow underground situation, where a person would come straight out of the airport and onto the train as part of the building?

Mr Herbert—A good example would be Zurich, because it is connected directly to the terminal building. If I could call for the next slide, I would like to show the way the vertical transportation would work and then make a comment about how we handle disabled people, which you may well be interested in. This is slide No. 3.

Mr HOLLIS—Another good example would be Schiphol in Amsterdam, which is right there and you walk straight off. I think Heathrow is appalling.

Mr Herbert—Yes. Schiphol is a very similar example.

CHAIRMAN—I regret that I am unable to give examples the way my colleagues are. They are well travelled.

Mr Herbert—If we look at the overhead there, that is a cross-section through the station. If we go from the left-hand end, the left-hand end shows you the lifts that have been designed. The top of the drawing shows ground level. The lift going up into nowhere will be ‘a stairway going nowhere, built for fun’ if you do not endorse this project and it is not the preferred option. Because what it shows is the lift which would go to departures level. That is based on the fact that the terminal would be built over the station.

Senator FERGUSON—Like *Fiddler on the Roof*.

Mr Herbert—Exactly that.

Senator FERGUSON—There is ‘one going nowhere just for show’.

Mr Herbert—Those lifts are in there for easy access: that is the whole point. State Rail has an easy access policy for disabled people. Our definition of disabled is probably a little broader than that of the colleague who was here in front of me, because we include the elderly, passengers with too much baggage for them to handle, mothers with children, and the like. Our design broadly is based on 15 per cent of people being disabled being able to use the lifts. So we would want people in the lifts to go from the departures level, horizontally to the lift door, straight down to the concourse level of the station, through the concourse, which is the paid/unpaid barrier, and down to the platform level.

CHAIRMAN—I have two questions. One is unrelated to this inquiry. Do you want very briefly to respond to Mr Relf’s comments that the cooperation he had hoped to get from State Rail had not been as comprehensive as he had first anticipated?

Mr Herbert—I would certainly be pleased to do that. With State Rail’s easy access policy, all new stations are built for total disabled capacity, and over a matter of time other stations will be upgraded to be able to take the disabled. So our brief to the Airport Link Company did require the provision of disabled access, and it is being provided and that is an example. So I would think all disabled people would be well satisfied with the provision of facilities that we are putting in. It is a specific part of our requirement.

CHAIRMAN—My second question was this. You indicated in your opening remarks that you were confident that the FAC were being good stewards of the taxpayers’ money and that in fact they were the sorts of stewards that any economic rationalist government ought to be proud of. Given that is the case, have they also responded warmly to this proposal from you?

Mr Herbert—Yes. In fact, the FAC’s response to our submission was that they

will work with us to try to achieve this objective.

Mr HOLLIS—On the lines that we saw before on the first slide, are the trains travelling on those the normal trains?

Mr Herbert—Yes, they are. They are normal city rail stock.

Mr HOLLIS—I know it is very early days yet, but as we are flaunting our international travel I have always had one problem with catching the tube to or from Heathrow. On a flight from Australia, I come with a great pile of luggage. It is all very well when you get on the tube at Heathrow and only a few other passengers get on with their suitcases, but by the time you reach central London—especially if it is that 6.30 flight in the morning—you have all the commuters trying to get on and you are trying to watch your luggage and you cannot take it with you.

It is the same if you get on at Piccadilly and go out to Heathrow, as I have to when I come from there. If your flight is at 8 o'clock at night and you are trying to get on a tube at Piccadilly—after you have gone down two lots of escalators with a great suitcase—it is almost impossible. In fact, I have let tubes go while I have waited on others and then got on and got the wrath of the Poms as I pushed them with my suitcases.

I know it is very early days and this is only the gleam in some designer's eye, but I would put a particular plea in for those trains that are coming there—if we are going the Continental way, with the French trains and that—to have at the end of the corridors places where you can leave your luggage. That is an early plea that I put in.

Mr Herbert—It is an observation that I absolutely share your frustrations on because I have been subjected to the same problems myself. My solution, which does not help here, was to take my family with me through Europe. We travelled everywhere by train and I had plenty of hands to handle things. But, yes, that is the difficulty with the heavily loaded passenger on rail. There is no simple solution, unfortunately.

Step by step, hopefully over the ensuing future, stations will be upgraded to enable reasonable access for people with luggage, and the same thing with trains. So we are starting by doing it at our stations.

Senator CALVERT—You stress most strongly in your submission that it is all dependent upon the expansion of Sydney airport. Have you factored into your calculations the fact that a new airport will be built at another location yet to be announced, with the likelihood of the number of people being reduced here?

Mr Herbert—When the feasibility of the project was done, it was done, as I said, fundamentally on the basis of the growth of Sydney airport. It is a matter of record that, in putting forward these projects, there has to be an analysis of all the risks for all state

government projects. One of the risks to this project is, in fact, that beyond a certain time there will be no growth in Sydney airport. It will be out somewhere else.

The summary of contracts was tabled in the New South Wales parliament just prior to Christmas last year and then subject to the scrutiny of Auditor-General Harris. He really picked on this particular point because, in effect, it introduces a regime whereby the financial structure between the parties changes. That is called a significant event. If and when that happens the arrangements set up for this project will, in fact, face the prospect. There is a formula to handle that. Nevertheless, it would be expected in the general greater public transport scheme that there is a new airport either at Badgerys or Holsworthy. Holsworthy, particularly, would be directly on this rail line.

Senator CALVERT—Wherever the airport is—at Badgerys Creek, Holsworthy or Hobart—would you be connecting this particular terminal with the new terminal to allow ease of access?

Mr Herbert—When the early studies were done on Badgerys—it is some time back so I cannot speak authoritatively—it was certainly intended that rail line be constructed to Badgerys. There is no question that at Holsworthy it is a given because Holsworthy is just a spur line off this rail line as it continues west. The line to the west to Campbelltown is already being quadruplicated. That is another project being undertaken by the rail access corporation. I think it is a given that Holsworthy would be connected here. It requires probably a bit more effort, work and funding for Badgerys Creek to be connected.

Senator CALVERT—I was thinking of the opportunity for people travelling internationally to hook up with domestic without having bus, car or taxi.

Mr Herbert—Intra-airport transport: another thing which comes to mind from the quadriplegics is that we were talking about the fact that there is no reasonable way for wheelchair people to get from here over to domestic. They will be able to do it by that: departures, down the lift, on the train, up the other end.

Senator CALVERT—This will stop here, stop at domestic and then straight through. When is it likely to be finished?

Mr Herbert—Present planning is March 2000.

Senator CALVERT—Domestic?

Mr Herbert—No, for the whole lot as a network because nothing starts until all the lines and all the stations are completed and commissioned.

Mr HATTON—It is pretty revealing when you get to the rail bits. I have a sense that this could be the trans-Siberian option because all the members of the Public Works

Committee could play Russian roulette with the fact that this is costing the State Rail Authority and Airport Link \$900 million. You have been dealing with FAC for 2½ years and we now have a station plonked down so that we could either have an escalator to nowhere or a railway to nowhere unless we come up, as you suggest, with the best option—the belt and braces one. It is almost as if we are being shoved into Margaret Thatcher's 'TINA'—there is no alternative—despite the fact that when we look at the background to this a large number of options have been put forward. What you are saying is that there is one best option for the total integration.

Mr Herbert—Yes, there is no question of that. I have a minor correction: the funding of the project is \$670 million from the government sector and \$230 million from the private sector.

Mr HATTON—If, down the track, Kingsford Smith disappeared into Botany Bay and you did not have Greenbank and the domestic and the international operators here, is there some kind of commercial-in-confidence deal, as we have seen with the harbour tunnel and the monorail, between state rail and the Airport Link Company where they would be compensated?

Mr Herbert—A disclosed mechanism in the contract that was tabled in parliament in December shows the steps that go into place if this became an activity that led to the downgrading of Sydney airport. The corollary is, of course, that it could be Sydney's greatest housing estate. But the line would never close.

Senator CALVERT—Right.

Mr Herbert—The first station is Green Square, and that is a large growth area presently going from an industrial area through to a residential area. There is Mascot, which is a new commercial area growing up. Each of those stations will have about the same throughput of passengers as do broadly the two airport stations. When we start, we expect about 46,000 passengers a day to be going in and out of the stations. In 2013 we expect something like 64,000; in airport terms, that is equivalent to about 12 or 13 million growing to about 18 million passengers per year through those four stations. So it will always be there as part of a public transport network.

Mr HATTON—So there is a bayside residential development solution, if the airport goes down the chute in the future.

Mr Herbert—Yes, not that we have thought of it, but that is the sort of thing that would happen.

Mr HATTON—It is interesting that you looked at your most preferred one and made the point about Zurich, because Zurich works extremely well. In terms of not only rail access but the entire integration of all the retail network, Zurich airport is exceptional

and similar to Brisbane and to what is operating here. As a functioning integrated unit, all of it makes economic sense. If you did the bread and butter operation, what significant difficulties would there be for you? Certainly there would be difficulties for the passengers, but what about with the operation of the rail link?

Mr Herbert—In terms of just operating the station, it would have only a marginal effect. The key aspect though in terms of the effectiveness of the station to attract passengers is that it has to be visible. Zurich, as an example, is extremely visible. When you walk through the departures area, you see the entrance to the station; you see the way to the station. That is what really makes it work. If you have a station remote, a lot of people will walk out the door and catch a cab. That is the real difference.

Mr HATTON—My last point relates directly to Airport Link, but for my money it would relate to one of the problems that Senator Ferguson and I addressed before—and that is the cost to people. You noted that in that 2½ years the FAC's financial acuity was quite apparent to you. You can be fairly certain that spending \$353 million though would reap that back in terms of the way they manage this facility. One of the ways in which they reap it back is the car park.

When people come to pick people up or see them off, the car park charges are really quite high. It is \$6 a head one way or both ways, whichever you are talking about—and I will break that up into two. You have airport passengers, individuals and family groups. But beyond those it has been the social thing in Sydney, as in most other places, to have people come to the airport to meet and greet, whether people are arriving and departing internationally or domestically. So, if it is \$6 one way, for a family group of six who are not travelling but just coming to meet and greet, that amounts to \$36 having to be paid out, instead of their travelling in a car and then copping the airport costs in terms of parking. So as you understand it, at this stage there is no differential; that would be up to the Airport Link Company?

Mr Herbert—Yes, but I would just like to comment: the guy who has to fork out \$36 would take the car. Our patronage is largely based on attracting a greater proportion of people off bus, replacing bus services; a substantial number of people off private vehicles, not wholeheartedly; and a lesser number of people off cabs. It varies depending on the user groups. That is who would use the system.

With respect to the costs of it, state rail charges the airport rail link what is called a network access fee. So we get our money as they get their money. In fact, over the longer period of time, the state rail gets the greater proportion of the money which, in turn, gives it the economic return on its project; it gives it direct financial return. So the project has a direct cost-benefit analysis based on the sorts of numbers that we are talking about. The government eventually recoups its investment. Basically, that is how the whole deal was set up.

Mr HATTON—I would just suggest here that there is a real synergy between FAC's problems in the future, with car parking, road access and providing facilities for people, and also what happens with rail. If families are able to come to the airport to see their families off or to collect people, if they are able to do it from Campbelltown through to here or through the other parts of the network to here, without having to battle their way through the traffic, at reasonable cost, at a discount cost, I would suggest that probably for once they would pick rail, rather than having to battle through the whole way. There is a good possibility of that.

Mr Herbert—As I said earlier, in terms of total land transport users, the whole attraction is to get greater proportion into rail. That is what it is all about.

CHAIRMAN—As there are no other questions, I thank Mr Herbert for appearing before the committee.

It was the committee's intention to conclude not at 5 o'clock but at 5.30 p.m. Both Ansett Australia and the International Air Transport Association have agreed to appear together. This will take some pressure off tomorrow morning's hearing, particularly as some committee members have flights scheduled for 12 noon, and we would not want to unnecessarily compress any final remarks that may be made tomorrow morning. So I intend to call both Ansett and the International Air Transport Association together since they are saying the same thing. If at 5.30 p.m. they feel they have had an adequate hearing, that is fine; if not, we will recall them tomorrow morning.

[4.47 p.m.]

KROLKE, Mr Ernst Jurgen, Chairman, Scheduling Procedures Committee, International Air Transport Association, c/- Qantas Airways Ltd, 203 Coward Street, Mascot, New South Wales 2020

LANGFORD, Mr John Richard, Manager, Airports Development and Planning, International Air Transport Association Consultative Committee, Ansett Australia, 501 Swanston Street, Melbourne, Victoria 3001

MILLET, Mr Graham John, Chairman, International Air Transport Association, c/- Qantas Airways Ltd, 203 Coward Street, Mascot, New South Wales 2020

SHARP, Mr Derek Richard Granville, Member, International Air Transport Association, Airports Consultative Committee, c/- Qantas Airways Ltd, 203 Coward Street, Mascot, New South Wales 2020

CHAIRMAN—Welcome. The committee has received a submission from Ansett Australia and from the International Air Transport Association, dated 9 May 1997. Do you wish to propose, either on behalf of Ansett Australia or on behalf of IATA, any amendment?

Mr Millet—On behalf of IATA, no amendments are proposed.

Mr Langford—Nor on behalf of Ansett.

CHAIRMAN—It is proposed that the submissions received from both of your organisations and the Federal Airports Corporation response be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

CHAIRMAN—I now invite you separately to make a short statement in support of your submissions before we proceed to questions. Mr Millet, would you care to lead?

Mr Millet—The international airlines operating into Sydney support the FAC in its efforts to further develop international facilities at Sydney (Kingsford Smith) Airport to match forecast demand in general terms and, in particular, to provide a capacity buffer for the traffic arising from irregular peaks in demand. The airlines believe that FAC's traffic growth forecasts, particularly in relation to the busy hour, are conservative and that improvements are possible to the conceptual plans put forward by the FAC to date. The airlines will continue to work with the FAC via the medium of the International Air Transport Association Airport Consultative Committee, otherwise known as ACC, for Sydney to develop a scheme which is mutually agreeable and which will see Sydney airport well placed to maintain its high reputation amongst international airports.

The International Air Transport Association stresses the absolute necessity for any development of Sydney airport to be cost effective and for all airline charges to be transparent. IATA is comforted by FAC's written submission and assurances given to the committee this morning that current aerocharges—and we would include all other airline charges such as rental payments—are not expected to rise, and that funding of the proposed development will be recovered through growth in the number of aircraft movements and growth in retail revenue. In granting any approvals of the FAC proposals now before it, we would ask the committee to endorse the process of further meaningful consultations between the airlines and the FAC via the International Air Transport Association Airport Consultative Committee for Sydney, with a view to maximising efficiency for the substantial investments required.

CHAIRMAN—I invite Mr Langford to make a statement because Ansett indicated in their written submission to us that there were some things that particularly impacted on their existing arrangements that they would like considered.

Mr Langford—Really there were two objectives for Ansett putting in evidence. One was to support the ACC's approach to the committee, both in general as one of the many airlines interested—it just so happened that we were chosen to actually say something, but there are, of course, many other airlines interested who have presumably approached you—but also to support the ACC's proposal from the specific Ansett experience, and that particularly refers to the freight relocation issue that Mr Robinson mentioned during the FAC's presentation.

The second objective was to describe certain, what I would call, next level of detail issues to ensure that they continue on the agenda to the next stage that Mr Millet has referred to. Finally, we just note and welcome the undertakings from the FAC to ensure that the ACC's proposal, Ansett's own concerns with respect to freight and what I have called the next level of detail items will be thoroughly reviewed and resolved in the next stage.

CHAIRMAN—Mr Langford, I might in the first instance direct some questions to you. Would you care to elaborate, particularly for the purpose of the *Hansard* record and for the information of all here, on what Ansett sees as the disadvantages they will face as a result of the relocation of the freight depot and of those considerations they would like borne in mind by the FAC as part of that relocation?

Mr Langford—There are two parts to that answer. One is the timing issue, which is behind the ACC's concern. The FAC's timetable for its proposal for the redevelopment of this terminal depends upon the relocation of the freight facilities, not only Ansett's freight facility but also the Australian Air Express facility, within a tight time frame. I think in our evidence I referred to us as being sceptical that they could meet that time frame. That is one element of concern.

The other element of concern is, presuming that the facilities do have to move—and, for example, we recognise the lapse of the lease on the facilities—the places to which the facilities are to be relocated do have some shortcomings in our view. We need to resolve those shortcomings and have the time to resolve those shortcomings. Again I refer to Mr Robinson's undertaking that those concerns will be resolved.

The concerns—the shortcomings as I have referred to them—have been expressed to the FAC in their expressions of interest process where they publicly asked for the expressions of interest for freight and ground handling at the airport and demonstrations of those expressing interest of their ability to undertake those operations. Part of that expression of interest process was the nomination of the sites to where the facilities would be relocated. We have concerns about the size of the site to which the facilities would be relocated and the access to the site that the facilities would be relocated to. Finally, we have a concern that not all the international freight facilities will be relocated to that area. Some will stay in the existing area much nearer to the terminal operation. Those points are reflected in the written evidence.

CHAIRMAN—I presume your latter concern revolves around this being a split operation, does it?

Mr Langford—Not so much a split operation, but that the various operators on the airport are in different locations—not that Ansett's operation or anybody else's operation would be split; rather, they are unevenly dispersed.

CHAIRMAN—The other question I wish to direct to Mr Millet or anyone who wishes to respond on behalf of the International Air Transport Association is: given the international experience you have as an association, could you comment to the Public Works Committee on what you see as the feasibility of totally relocating Sydney Kingsford Smith somewhere else? Clearly, the amount of money that is to be spent here depends somewhat on the feasibility of an airport being maintained in this location.

Mr Millet—I think we would all participate in the answer, but perhaps if I could begin. The International Air Transport Association in considering the issue of this particular proposal for Sydney airport has based all its deliberations upon the expectation that Sydney airport would continue to operate at the maximum capacity allowable under government policy not just to the year 2003 but well beyond. That is based upon the benefits that Sydney airport bestows upon the community—notwithstanding any of the disbenefits that we have heard today—and is also based upon the substantial investments that the various airlines have here at Sydney airport.

Mr HOLLIS—Just to follow that through a little further though, you mentioned the disbenefits that we have heard today. We have heard lots of disbenefits. We have heard that this airport is a disaster, that it is too small. When we are having hearings, especially with airports, we always get a lot of conflicting evidence and we have got to weigh it up. Is it as bad as people say?

Mr Millet—From the perspective of the International Air Transport Association and its members, we believe that the quality of Sydney airport is well reflected in the standing which you have heard today bestowed on it in the various surveys that have been done around the world. In fact, I believe it is currently one of the top 10 airports. Notwithstanding the minor objections we would have to operational disefficiencies that occur not just here in Sydney but in any number of airports around the world, we believe that it operates well from an airport perspective.

Mr HOLLIS—One of the witnesses here today was talking about the size of the airport. Very early this morning I asked a question about when it is going to reach saturation point. As a couple of us have said, we often come here and there is always more building or there is more space. One of the witnesses today drew a comparison between Melbourne and Brisbane and seemed to make much of the fact that this airport was smaller in area than the airports in Brisbane and Melbourne. Does that matter? Is that an important thing? I took note that you said that you expected it to go on past 2003. What is being put to us is that it will eventually become so small and so overcrowded—it is a disaster—and that you will have to move out sooner or later and turn it into a housing development. Most of the submissions today have made the point that, instead of spending \$350 million on this now, why not put it towards a new airport?

Mr Millet—At some stage, unquestionably, Sydney airport will reach a limit to its capacity. At that stage, growth will need to be accommodated elsewhere. However, within the time frame in which we have been conducting our deliberations for this particular project, the ability of any authority to construct an airport would be—I think as you have indicated yourself—approximately at the five-year mark. You still need to accommodate not just existing traffic but also growth in traffic at an airport within that time frame, and Sydney is the only option.

Senator CALVERT—Has IATA had direct involvement with the design of the

terminal itself? We heard this morning that there was going to be contemporary architecture and all that sort of thing. You guys are the experts; you are the ones that have to put the passengers through. Obviously both Qantas and Ansett and the other airlines would be aware of the shortfalls and shortcomings that occur at international airports. Do you have much input into this?

Mr Millet—To date the Federal Airports Corporation here at Sydney airport has presented to us what it has put forward as conceptual plans only. In relation to detailed plans, we have not seen any to date and we believe there are not any to date. However, we would certainly hope the committee would endorse the continuing, active involvement of both the IATA committee—as what we believe to be experts in the field—and individual airlines in the design process as it continues.

Senator CALVERT—When the alterations and changes were made here and when Brisbane and Melbourne airports were built, were you consulted by the FAC as to the design and those types of things?

Mr Millet—Yes, we were.

Senator CALVERT—One of the things that struck me with Brisbane was the concept where you could look straight through the building and see the amount of glass used and the height of the counters. They are the sorts of things that perhaps architects and even the FAC might overlook because they are not the actual experts in that particular field. Do you go as far as actually consulting with the pilots, the flight attendants, the bag handlers and those sorts of people? They are the people who really have to do the work. Do they get involved in the actual planning?

Mr Millet—They do not get involved at a detail level, Senator. But, as an example, some issues have arisen during our analysis of the conceptual plans whereby we needed the input of flight operations staff within the airlines. We were able to gather that input and provide it to the Federal Airports Corporation.

Senator CALVERT—Sometimes somebody might come up with a bright idea that could be worth looking at. I just wonder whether there is a process in which you have a two-way exchange of ideas.

Mr Sharp—Particularly in the case of Brisbane, we were consulted and the airlines were consulted, and we did have a large input, with FAC's cooperation, into things like baggage design because it is our staff who work down there. So we went through all the normal in-house union arrangements and consultation in conjunction with FAC. So I do not think many things now are presented to the workers or the users as a surprise. Everybody knows what is coming up.

Senator CALVERT—I must say the committee was greatly impressed with

Brisbane. We did have a chance to look at it. When I see young girls lifting heavy suitcases and throwing them around I sometimes wonder whether there are other ideas as to how they could do it.

Mr Millet—Senator, the very issue you raise of bags having to be lifted, to date, on to conveyors is one of the issues that we are addressing, with low-step heights on to conveyor belts, for example, to ease the burden on staff.

CHAIRMAN—How very chivalrous of you, Senator.

Mr HATTON—Mr Langford, in relation to your submission, I gather that Ansett uses pier C. Do you think that this proposal might dud you?

Mr Langford—No. The evidence asks that the concerns that are raised continue into the next stage. One of the things that has not been mentioned specifically in what we have said so far is the need to see what is called a terminal operating plan, which is the FAC-led idea of how the terminal will operate, which includes the dispersion of airlines activity throughout the terminal.

Clearly, because of the capacity issues, no airline can expect to have absolutely all their operations all at the same place every day. But obviously, as I mentioned in the evidence, there are certain aspects of the terminal layout and development that tend to have airlines—not just Ansett but all airlines—wishing to be in certain areas. Given that we are there, the picture is more about making efficient use of what is already there in capacity terms and getting the most out of that part of the terminal.

To go back to the way I summarised things at the start, it was really just to make sure, through the good offices of the committee, that those issues remained on the agenda through to the next, more detailed design stage. Does that answer your question?

Mr HATTON—If you look at the location factors, you have two zones—piers B and C. You have been advantaged by the building and upgrade of C. With this proposal as it stands, and with just the nature of the land that is available, the location or centre will probably shift to the north—

Mr Langford—In due course.

Mr HATTON—and that could provide a disadvantage to those that are using pier C. So you would want that taken into account. That may be a misrepresentation.

Mr Langford—It is not an entire misrepresentation. I will just refer to what I said on that issue about becoming less central over time. That is where I mentioned the terminal operating plan. So it is really only that the plan needs to address that issue. That is not to say that an airline is not prepared, to use the Ansett example, to increasingly over

time move some of its activity out of pier C or have a greater proportion outside pier C as pier C becomes full up. But it is an operation plan. It is not saying that there is actually going to be a disadvantage, rather 'Let's get a terminal operating plan.'

Mr HATTON—Over time, if it runs to this basic conception, are the IATA members and Ansett happy with what is laid out in terms of this vision or something like it in terms of the way a hub system will be used—so that you use that hub, people are collected there, they spend their dough—so that we extract as much as we can from them while they are waiting around, rather than, for instance, with Ansett in the domestic terminal where there is that long walkway from here to eternity. I know Ansett may be thinking of changing a little bit of that. But does that hub system to you seem to work well, having that central holding area, and does it use the space that is available in the best way?

Mr Millet—From an airline operating perspective, there are some difficulties with that concept. One of the key issues we are in discussion with the FAC over involves gate lounges and the size of gate lounges vis-a-vis their alternate use for retail space. Airlines use gate lounges for a very specific purpose, and that is to ensure that passengers are nearby the aircraft as soon as possible so that those passengers can be facilitated onto the aircraft and the aircraft can make an on-time departure. The concern that we have at this stage, which I stress we are discussing with FAC, is that if those passengers are wandering around retail shops it is more difficult to get them on the aircraft in time for a scheduled departure.

Mr HATTON—And yet at Brisbane international, because of the way they have constructed that, the retail is very important in terms of the viability of the whole thing. They have done it in an almost transparent way: they are there and they can still shop even though they are in the gate lounges.

Just to emphasise the nuts and bolts of this proposal, from what I can see two of the things we have not discussed enough today are baggage handling facilities and the change to the check-in facilities; a lot of money there is to be spent on those most important elements of getting people in and out of the airport. Would you like to comment on what you see as the significance of that in terms of how your customers will benefit from those changes?

Mr Sharp—Handling baggage first, when pier C was built I think it was recognised by everybody that the new baggage system that went into pier C that also handled pier B could not really accept too much more baggage from developments to the north. So FAC assures us—and it is in their plan and they have already appointed consultants—that there will in fact be baggage system developments to take care of the additional aircraft that will be to the north. We have yet to see the detail—FAC is not to that stage yet—but I am sure when they get to that stage we will have access to all their plans.

On check-in, the FAC plans show a reallocation of the location of the check-in counters so that they are better distributed through the building. It is an expensive part of the whole exercise because existing counters have to be respaced. But, given that the check-in process for a lot of customers is one that they like to get through in a hurry and be well serviced by the airlines, it is important that the facilities provided there be up to airline standards so that airlines can provide the service to customers that they would want. A lot of the check-in counters in the current terminal are old and may not be consistent with the expanded baggage system. So we do support the notion that better check-in facilities be provided.

Mr HATTON—We have got a number of options in terms of getting people through Customs and Immigration and then through into those baggage areas. Do you have any preferences in relation to what has been laid out so far, even though it is notional at this stage?

Mr Sharp—In the original planning discussions with FAC we opposed the idea of a single central outwards government processing zone because it meant that the existing facilities that were in the piers were then not being utilised properly. We still like the idea of there being two zones at least for outwards processing. That is about as far as we have gone.

Mr HATTON—I have just skimmed the Airservices Australia information; they are not giving evidence to us. I suppose their eminence grise is part of the airport operation. They make some comments about taxiway operation and so on. They then go on to make a point about the glide path into the airport and that, if some options were taken, they would affect the glide path and make that fairly inoperational. Have you had the benefit of seeing any of this material or had any discussions with Airservices Australia in relation to that?

Mr Millet—I have not seen any of that material.

Mr HATTON—Apparently we only received it yesterday.

CHAIRMAN—This question is probably best directed in the first instance to IATA. The evidence that FAC have given us suggests that they are optimistic that, by using the slot technique, they can spread the arrivals time—like squashing the graph, it seems to me. Do you think they were being falsely optimistic about the extent to which they can squash the graph and push arrivals or departures into a time slot that suits them better in order to ensure that the 80 flights an hour is not excessively constricting airport activity?

Mr Krolke—The slot system that has been talked about refers to runway movements for the total airport operation. The international terminal itself, with its limited apron and terminal facilities, has been under IATA guidelines since 1971. The facilities

are, at the moment, already spread out. We have taken some of the peaks away because we do not have sufficient gates to put more aircraft on in the peak periods. So we have already done a natural spreading.

CHAIRMAN—Mr Langford, I would like to be sure that, from your point of view, Ansett feels that they have had an adequate hearing with FAC over this terminal and freight location and if we have an assurance from FAC that, in their response to the PWC, they will once again address this and deal with issues, do you feel it has been adequately covered, from your company's point of view?

Mr Langford—The expressions of interest process that I referred to before is yet young. It was only at the end of April that expressions of interest closed with, I think, a four-week period for the corporation then to respond. So it is only at the stage of us having expressed our concerns. I imagine the follow-up will now occur.

CHAIRMAN—We will endeavour to be part of that follow-up, as you would want us to be. We want to be sure that you too feel that it had been adequately addressed at this stage.

Mr Langford—The group generally has said that what we are really after is the support for us to go forward into the consultation process in the next stage with the FAC. That is what we are all on about.

Mr Millet—We do have some concerns, which are outlined in our submission to the committee, relating to the conceptual designs that we have seen to date, particularly in relation to the time frame for the project that FAC are proposing. As Mr Langford indicated, one of the key elements in that is the relocation of the freight facilities to accommodate the extension proposed by FAC.

We have proposed an alternative to the Federal Airports Corporation, which we will be pursuing with them, that we believe not only overcomes that difficulty but also overcomes the further difficulty that I alluded to earlier about the growth estimates used by FAC, particularly the busy hour, being conservative. I believe FAC are planning for 10 additional gates as part of this project; our deliberations suggest that 13 new gates will be required.

Mr Langford—Just to clarify my answer to your question before, the answer I gave was about when the move comes—that set of concerns. It was not about the concern of the timing of the move, which Mr Millet has just pointed out. The ACC's proposal is one that recognises that it is going to be very difficult to achieve that move in time.

CHAIRMAN—There have been questions asked about the environmental impact statement and the obligations we have, and we will be calling on the FAC to respond to that. Also on the record are your concerns as tabled with us about the freight depot; we

will ensure that the FAC will be asked to respond to that too and to see that you are happy with that.

Mr Langford—Yes, of both elements.

CHAIRMAN—We will go to Mr Hatton's questions.

Mr HATTON—Thank you, Chairman; I have found the piece from the Airservices document. It says:

Full implementation of option 5 would have the following impact:

1. The displacement of the glide path for the instrument landing system on runway 16R. This is a potentially serious problem as there are currently few options for re-establishment of the glide path and its non-availability would have a direct impact on landing capacities, capacity and conditions of reduced visibility.

Airservices say that the work on that taxiway should not go ahead until a solution has been identified and we can get back to full operational capability. They mention that in the future new technology may have to be introduced—a global navigation satellite system. Is anyone in a position to comment on that? You may not be, given that we have only just got the information.

Mr Millet—Mr Hatton, I regret to say that we are not in a position to be able to respond to your question at this stage.

Mr HATTON—It probably caught my eye because it has got glide paths attached to it. I have had my battles in the past with Airservices Australia. We have had the impact in my area and in other areas of Sydney with their three-lane tight turn, medium turn and extended turn approach to get as many planes in as quickly as possible that they can. I do not happen to be enamoured of that approach. Is there still a problem, given that in the old system of east-west and north-south—when we just had those two runways—it was possible to configure the aircraft to come in and effectively glide in, so that from the northern approach the noise impact would be basically Sydenham and from Sydenham through, because they could come in on a 50-mile approach and be keyed up on that, with a similar proposition on the east-west runways? Is it the case that the restrictions to the use of the airspace around Sydney occasioned by the military airfields are still there and still a problem in terms of being able to get aircraft in and out? I know that there have been some changes and that there is some sharing of those facilities at Richmond, but in the past that has been a significant problem. A third of the airspace around Sydney was in the area of the Nowra base and then Richmond and there were the problems with Williamtown and so on.

Mr Millet—Mr Hatton, I would have to take your question on notice. I would be quite prepared to get back to the committee in writing on that matter.

Mr Langford—Just to clarify, I think that the Airservices advice refers to a piece of equipment as opposed to the path of glide. It refers to an instrument landing system. I think you will find that the corporation will be able to give you an answer about how they have taken that into account in their longer term planning.

CHAIRMAN—Between IATA, Ansett and the corporation, we may expect to be able to develop that tomorrow.

Mr HATTON—Given that the rail corporation thinks that it is going to be here for a while, not only the window to 2003 but much longer than that—state rail has indicated that and FAC has as well—I would expect that Ansett, Qantas and IATA would expect to see KSA continue to be a major international airport, both international and domestic. In your future prospects if there is the introduction of a second airport in Sydney, you would expect that to be a duality rather than a complete replacement for Kingsford Smith?

Mr Millet—That is our expectation.

Mr HATTON—And therefore this \$350 million that is being proposed to take us through to 2003 is still an investment that will bear its fruit well into the future?

Mr Millet—That is our view.

CHAIRMAN—If there are no other questions, this being slightly shorter than we intended, can I presume that Mr Millet, Mr Krolke, Mr Sharp and Mr Langford feel that they have had ample opportunity to submit what evidence they wish to the Public Works Committee?

Mr Millet—Yes, thank you, Chairman.

CHAIRMAN—If there are no other questions and no other issues that you wish to raise, thank you for your attendance here today. Thank you, ladies and gentlemen, for your attendance. I will conclude this day's public hearing. The hearing will be resumed at 9 a.m. tomorrow morning.

Committee adjourned at 5.20 p.m.