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Submission To:

**INQUIRY INTO COMMERCIAL REGIONAL AVIATION
SERVICES IN AUSTRALIA AND TRANSPORT LINKS TO
MAJOR POPULATED ISLANDS**

Submission By:

Western Sydney Alliance

30 August 2002

STANDING COMMITTEE ON TRANSPORT AND REGIONAL SERVICES

INQUIRY INTO COMMERCIAL REGIONAL AVIATION SERVICES IN AUSTRALIA AND TRANSPORT LINKS TO MAJOR POPULATED ISLANDS

TERMS OF REFERENCE

- THE ADEQUACY OF COMMERCIAL AIR SERVICES IN REGIONAL AND RURAL AUSTRALIA.
- POLICIES AND MEASURES REQUIRED TO ASSIST IN THE DEVELOPMENT OF REGIONAL AIR SERVICES, INCLUDING:
 - REGIONAL HUB SERVICES;
 - SMALL SCALE OWNER-OPERATOR SERVICES; AND
 - THE DEPLOYMENT OF MOST SUITABLE AIRCRAFT TYPES.
- THE ADEQUACY OF COMMERCIAL AIR SERVICES TO MAJOR POPULATED ISLANDS AND THE ADEQUACY OF ALTERNATIVE SEA SERVICES.
- INTERCONNECTIVITY BETWEEN REGIONAL AIR TRANSPORT SYSTEMS, MAJOR NATIONAL AIR SERVICES AND INTERNATIONAL SERVICES (INCLUDING ON-CARRIAGE THROUGH TICKETING, FREIGHT HANDLING, TIMETABLING AND AIRPORT SLOTTING).
- THE ROLE OF ALL THREE LEVELS OF GOVERNMENT IN SUPPORTING AND ASSISTING THE DEVELOPMENT OF REGIONAL AIR SERVICES AND ISLAND TRANSPORT SYSTEMS.
- THE ROLE OF MAJOR AIR TRANSPORT CARRIERS IN PROVIDING REGIONAL SERVICES.

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EXECUTIVE SUMMARY

This document presents a submission from the Western Sydney Alliance to the House of Representatives Inquiry into Commercial Regional Aviation Services in Australia and Transport Links to Major Populated Islands.

The key elements of this Alliance submission are as follows:

1. **That** the continuing reservation of the Badgerys Creek site for prospective airport use is unsound in environmental, economic, operational and policy terms, and presents a serious impediment to the development and implementation of sustainable long term airport and aviation strategy, including access for regional air services to the Sydney area. The Alliance submits that the reservation of Badgerys Creek for airport use should be formally and unequivocally rejected as a matter of urgency;
2. **That**, subject to appropriate operational and environmental settings, Sydney's existing airports have the potential and capacity to provide continuing and convenient access to Sydney for regional aviation services, and for regional communities;
3. **That**, in very large part, the successful delivery of regional aviation access to Sydney in the medium to long term will depend on the provision of vastly improved, and effectively integrated, ground transport systems;
4. **That** the potential role of Bankstown Airport for regional aviation access to Sydney, as proposed by the Commonwealth, will require far greater analysis and assessment than has thus far been initiated, and that it is incumbent on the Commonwealth as a matter of urgency to:
 - Develop and provide full and appropriate detail in relation to the proposed use of Bankstown by regional aviation services;
 - Undertake a full and rigorous environmental and social impact assessment based on the proposed operating plan;
 - Link this consideration of regional aviation access to a prioritised and integrated study of the long term ground transport needs of the Sydney region, including the potential role of a new high speed trans urban train system for Sydney and adjoining regions; and
5. **That** the development and implementation of a sustainable strategy for regional aviation access to Sydney, and all associated studies and assessments, should be undertaken in full, cooperative and constructive consultation with the NSW Government, with Local Government, and with all interested local communities and stakeholders.

1 INTRODUCTION

The Western Sydney Alliance comprises the Mayors, Councils and Communities of Blacktown, Blue Mountains, Baulkham Hills, Campbelltown, Camden, Fairfield, Holroyd, Penrith, Parramatta, and Wollondilly.

The Alliance and its affiliated Councils and Communities represent a population of some one and a half million people from one of the fastest developing and most economically significant regions in Australia.

The Alliance has for many years campaigned against the proposal that an unsustainable and inappropriate airport be constructed at Badgerys Creek in western Sydney.

In support of this position, the Alliance has undertaken extensive research, and has made a number of substantial submissions to key stakeholders and decision-makers.

As part of this work, the Alliance has carefully considered the fundamental need to maintain viable and convenient regional aviation services, and to provide the most effective possible access to Sydney for such services.

This submission presents our views on a number of key issues related to the regional aviation issue, and therefore on issues of relevance to this Inquiry.

2 THE ALLIANCE POSITION

The emergence of Badgerys Creek as a prospective site for a second Sydney airport has been widely documented, and extensively debated.

Those promoting the once aggressive lobby for the construction of a major airport at Badgerys Creek sought justification on two main grounds. The first was the "aircraft noise argument", based on the dubious premise that a second major airport at Badgerys Creek would somehow reduce the noise impact of operations at Sydney's existing Kingsford Smith Airport. The fallacy in this argument has been well exposed.

The second key Badgerys rationale was that demand for airport capacity was so great, and growing so quickly, that KSA would be unable to satisfy aviation demand in even the short to medium term. The proposition first put was that Sydney would be unable to cope with the air transport demand imposed by the 2000 Olympics without a second airport. The second string to this now patently false demand argument was that, in any event, demand would exceed the capacity of KSA by 2004 at the very latest, regardless of the Games outcome.

Both arguments disintegrated in the light of reality. We now see a privatised KSA with significant spare capacity, variously estimated by the new operator, the airport management, and the Commonwealth, at between twenty and forty years.

To have proceeded with the construction of a second major airport at Badgerys Creek would have been to commit the nation to a white elephant with a price tag of between six and eight billion dollars, on the Commonwealth's own estimates.

Given the economic realities of privatisation, such an airport would also inevitably have been promoted as the "base" for regional services. This would have placed regional airlines and regional communities in a position of great disadvantage in respect of access to Sydney, compared to continued access to KSA, and perhaps in due course access in part to a suitably reconfigures and appropriately "connected" Bankstown Airport.

This submission argues that the important question of regional aviation access to Sydney must be addressed and resolved in a practical and effective way, and in a way that continues to underwrite fairness and equity for regional communities. It is the view of the Alliance that regional aviation access must be maintained and developed as part of a sustainable and fully integrated transport strategy binding both Sydney and regional NSW. Badgerys Creek has no logical or reasonable place in such a strategy, and the discredited proposal for an airport there should be promptly and unequivocally rejected.

3 COMMONWEALTH AVIATION STRATEGY

Following a lengthy assessment process, in effect political as well as environmental and operational, the Commonwealth announced its "policy position" on Badgerys Creek, and the more general and pertinent question of Sydney's longer term aviation strategy, in December 2000. Transport Minister Anderson subsequently formally restated this position in June 2001 during an address to the Australian Airports Association (AAA) in Sydney. The current Commonwealth position includes the following key elements:

- KSA to be privatised, as has now happened, with the privatisation of Bankstown and Sydney's other general aviation airports – Camden and Hoxton Park – to follow within an estimated twelve month period;
- The privatised KSA to remain Sydney's principal airport gateway in the long term;
- KSA to progress to maximum efficiency and capacity – subject to the existing regulatory curfew and movement "cap" constraints;
- Bankstown to be developed as an "overflow" airport, primarily for regional services;
- The Badgerys Creek site to be retained as a reserved "second airport" option, subject to further review in 2005; and
- The Commonwealth to undertake an East Coast VHST study.

4 THE PRIVATISATION OF KSA

The recently announced privatisation of KSA has a number of important implications:

- The new private operator of KSA will seek to maximise performance and efficiency at the airport in order to provide an adequate return on the higher than anticipated "purchase" price of \$5.6 billion.
- Under the privatisation arrangements, the new private operator is understood to have been granted "first right of refusal" to construct any second major airport within 100km of the Sydney CBD".

- For obvious commercial reasons, the new private operator of KSA can be expected to take all available commercial, operational and political steps to avoid the need for a new second airport, at Badgerys Creek or elsewhere.
- Operationally, it is now acknowledged that KSA has a minimum of 20 Years capacity on current demand trends. In media interviews, the new private operator has indicated a potential airport capacity of up to forty years.
- KSA capacity is currently limited by statute, and not by physical constraints. Movements are currently limited to 80 per hour, including small aircraft.
- The advent of bigger, quieter, jets, and the introduction of less community intrusive flight paths, could very substantially increase the capacity of KSA.

The privatisation of KSA is now a reality. For that reality to generate a commercially viable outcome, increased efficiencies and improved performance will progressively and inevitably apply in all areas of the airport's operations. A commercial millstone in the form of an inefficient and underutilised airport at Badgerys Creek will not form part of KSA's, or Sydney's, aviation future.

5 BANKSTOWN

The Bankstown Airport complex forms a very vital part of the economies of both Sydney, and Western Sydney. The airport complex in its entirety employs 2,300 people directly, and 6,300 indirectly. It represents 8% of the economy of the City of Bankstown, and a significant 1.1% of the economic powerhouse that is Western Sydney. Bankstown Airport contributes a very significant 252 million dollars per annum to local household incomes.

The potential role of Bankstown Airport in Sydney's aviation future, and in the future access of regional air services to Sydney, is both contentious and significant.

It must be said at the outset that the Alliance is fully supportive of Bankstown Council, and its communities, in the very serious concern and objections that have been expressed in relation to any inappropriate changes to the operation of Bankstown. The Alliance shares the concerns of Bankstown Council and its communities in relation to the increased and inappropriate environmental and social impacts that could be caused by any such changes.

This said, however, the Commonwealth has flagged a changed role for Bankstown. Subject to stringent and appropriate environmental and social assessments, just what that role might be now needs to be carefully considered. Having introducing Bankstown into the broader aviation equation, it is now incumbent on the Commonwealth to ensure that any reassessment of Bankstown's role is properly and responsibly undertaken. This means, in simple terms, that the Commonwealth must now provide full detail of the role it sees for Bankstown, particularly in relation to regional aviation services, and the processes by which it intends that that role will be fully and rigorously assessed.

These processes must be undertaken in full, open and constructive partnership with the local Councils at interest, with stakeholders, and most importantly with the community. In the absence of such a process, one based on honest evaluation and not pre-judgement, it is unlikely that any significant or constructive change in the role of Bankstown will be achieved.

Given a proper and mutually agreed process, it may well be that Bankstown Airport could play a significant role in the future of regional aviation in NSW, and beyond.

6 AN URBAN HIGH SPEED TRAIN SYSTEM

An integral part of the airport "package" announced by the Commonwealth in December 2000 was the commissioning of a study into the commercial and operational viability of a future east coast "Very High Speed Train" (VHST) system.

In March of this year, the Commonwealth announced that this study was to be terminated, on the basis of preliminary advice that a VHST system linking Australia's east coast capitals would not at this time be commercially viable.

While this conclusion may or may not be valid, it is the view of the Alliance that completion of the study as originally committed would have provided invaluable insights into what type of high speed train system might in fact be appropriate for Australian conditions, where, and when.

It may well be that an east coast VHST network is not the logical first step in the introduction of such technology. It may equally be, however, that an urban VHST network within the Newcastle/Sydney/Wollongong conurbation should be very seriously considered. Such a system would have significant relevance to the future consideration of airport operations for the Sydney region, and could be the key to resolving the fundamental question of ground transport, a question thus far, seemingly, largely ignored by the Commonwealth.

Work undertaken by the Alliance, supported by the recent report "Sustainable Transport for Sustainable Cities", produced by the Warren Centre for Advanced Engineering at Sydney University, suggests very strongly that a new high speed Sydney urban train network could very effectively and synergistically enhance the role of Sydney's existing airports.

The Warren Centre concluded that such a system could in fact forever eliminate the need for a further major airport within the Sydney urban basin.

It was further found that such a network would also provide the high-speed ground links between Sydney's existing airports, and between these airports and the Sydney region as a whole, that would significantly enhance access and connectivity for both city and regional communities.

7 AN INTEGRATED APPROACH

The Alliance has campaigned actively and effectively for more than five years against the always flawed and now totally discredited proposition that a second major Sydney airport be constructed at Badgerys Creek in western Sydney.

An airport at Badgerys was promoted as a "quick fix" to perceived aircraft noise and airport capacity constraints. In the process, the underlying issues were distorted in the attempt by some to put a simplistic solution to a complex issue.

It is the very clear view of the Alliance that the effective and sustainable provision of future airport and aviation services for Sydney, including the very important issue of regional aviation access, must be resolved on the basis of an integrated approach to local, regional

and national transport strategy. All the options, all the contributing transport modes, and the positions of all the relevant stakeholders will need to be carefully considered.

The Badgerys "push" has been an example of how not to proceed. The successful and on-going provision of efficient and equitable regional aviation access to Sydney will require a cohesive and integrated approach.

8 CONCLUSION & CONTACT DETAILS

We thank you for the opportunity to put the views of the Western Sydney Alliance on this important issue, and trust that what has been presented in this submission will be of interest.

The Alliance would be pleased to provide further or more detailed information in support of issues raised in this submission, or any other issues within its sphere of activity that might be relevant to the Terms of Reference, or useful to the Inquiry.

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