

Removing or Reducing Station Access Fees at Sydney Airport

NSW Government Response



Recommendation 1

That Transport for NSW, as part of the next stage of bus planning, investigate implementing a new 'Rapid' bus route from Bankstown to Sydney Airport.

Response

Transport for NSW has identified bus routes based on existing demand, future demand and connection between major centres that are not already linked by rail or light rail. Links between Bankstown and the airport are already serviced by rail and bus connections.

Additional bus routes to the Airport cannot be introduced before additional bus facilities are provided at the airport terminals. Sydney Airport has committed in its 2014 Preliminary Draft Master Plan to provide additional bus station facilities at the airport. Transport for NSW is working with Sydney Airport in order to consider additional bus services to and from the airport.

The recently released *Sydney's Bus Future* identifies a number of actions involving Sydney Airport including:

- Extension of the suburban bus route from Chatswood to the airport
- Increased frequency of buses from Bondi Junction to Miranda via the airport
- New routes from the Inner West and Kingsford to the airport
- New connections between southern Sydney and the airport.
- Transport for NSW will explore new routes between Burwood and the airport.

Recommendation 2

That Transport for NSW investigate the removal of the Material Event provisions in the Restated Stations Agreement with a view to allowing more flexible, timely and direct bus routes to and from the Airport.

Response

At this stage there is no intention to negotiate with Airport Link Company (ALC) to remove the Material Change provisions of the Restated Stations Agreement.

The Material Change provisions in the Restated Stations Agreement do not directly prevent development of new bus routes to and from the Airport, however they give protections to ALC from certain events that may have a material impact on ALC revenues. Such events include, for example, Government developing a competing bus route between Sydney's central business district and the Airport. The Material Change provisions provide for negotiations to occur which may result in contractual amendments or compensation to be paid.

Recommendation 3

That Transport for NSW establish a transport fund into which the government revenue from the Airport Line station usage fee is hypothecated, with funds to be transparently reinvested back into the transport system and to be reported in the Transport for NSW annual report.

Response

The Agreement with the Airport Link Company (ALC) provides that the transport cluster receives as revenue a proportion of Airport Line rail station usage fees net of specified ALC costs. The transport cluster retains and uses these revenues to fund train services generally.

Recommendation 4

That Transport for NSW negotiate with Airport Link Company to establish a reference to the Independent Pricing and Regulatory Tribunal to have an ongoing role determining the maximum price of the station usage fee.

Response

The Airport Link Company (ALC) sets the prices for the airport stations usage fees under the terms of the Agreement.

Any change to this arrangement to enable a third party such as IPART to set the price for the station usage fee would require negotiating a variation to the Agreement.

ALC may seek compensation should it lose the right to set the station usage fee.

IPART continues to have a role in determining the maximum price for the train fare to and from the Airport stations, consistent with arrangements for all suburban and intercity train stations.

Recommendation 5

That Transport for NSW model the most appropriate method, and publically report the findings, to remove the station usage fee for weekly tickets for workers in the Sydney Airport precinct to Domestic and International Airport stations. If found feasible, then Transport for NSW should enter into negotiations with Airport Link Company to implement this measure.

Response

It is not current Government policy to reduce or abolish the station usage fee.

The cost of removing the weekly station usage fee for Sydney Airport workers would be subject to negotiations with the Airport Link Company (ALC).

Removing the station usage fee altogether would cost the NSW Government hundreds of millions of dollars. Although the NSW Government is entitled to a portion of the net revenues from the station usage fee, this revenue has already been accounted for in Budget forward estimates.

On 19 August 2014, the Minister for Transport announced a \$10 million agreement with ALC to ensure Opal customers travelling to the Domestic or International airport stations more than once a week will now benefit from a new weekly Opal cap on the station usage fee. This new cap for regular customers and airport workers will be set at \$21 from 1 September 2014.

Opal customers who travel to the airport on a one-off basis will continue to pay a single station usage fee, as they have always done.

The NSW Government has also ensured that under the contract with ALC, the weekly Opal cap for the station usage fee cannot cost more than double the single station usage fee, which was previously not the case. This is now extra protection for customers which previously did not exist.

Recommendation 6

That Transport for NSW investigate the feasibility and publically report the findings to remove or discount the station usage fee cost for single and return tickets to Domestic and International Airport stations for workers in the Sydney Airport precinct. If found feasible, then Transport for NSW should enter into negotiations with Airport Link Company to implement this measure.

Response

It is not current Government policy to reduce or abolish the station usage fee.

The cost of removing the weekly station usage fee for Sydney Airport workers would be subject to negotiations with the Airport Link Company (ALC).

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Recommendation 7

That Transport for NSW investigate the feasibility and publically report the findings to offer a station usage fee discount to groups of three or more passengers travelling together to or from Domestic or International Airport stations. If found feasible, then Transport for NSW should enter into negotiations with Airport Link Company to implement this measure.

Response

It is not current Government policy to reduce or abolish the station usage fee.

The cost of discounting the station usage fee for larger groups travelling to the airport would be subject to negotiations with the Airport Link Company (ALC).

Removing the station usage fee altogether would cost the NSW Government hundreds of millions of dollars. Although the NSW Government is entitled to a portion of the net revenues from the station usage fee, this revenue has already been accounted for in the forward estimates.

Recommendation 8

That Transport for NSW investigate the feasibility and publically report the findings to offer a further station usage fee discount to families travelling together either to or from Domestic or International Airport stations. If found feasible, then Transport for NSW should enter into negotiations with Airport Link Company to implement this measure.

Response

It is not current Government policy to reduce or abolish the station usage fee.

The cost of discounting the station usage fee for larger groups travelling to the airport would be subject to negotiations with the Airport Link Company (ALC).

Removing the station usage fee altogether would cost the NSW Government hundreds of millions of dollars. Although the NSW Government is entitled to a portion of the net revenues from the station usage fee, this revenue has already been accounted for in the forward estimates.

Recommendation 9

That Transport for NSW ensure that the Opal Card can provide for station usage fee exemptions and/or discounts before it is implemented on the Airport Line.

Response

On 28 March 2014, Opal became active at the two Airport stations. Customers can use the Opal card to pay both the train fare and the station usage fee with the convenience of one card.

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Recommendation 10

That Transport for NSW ensure that, as new rolling stock is introduced, it is used to service the Airport Line.

Response

New Waratah Trains are now in use on the T2 Airport Line.

Infrastructure on the Airport line has been upgraded to meet the requirements of the more modern Waratah trains, and Airport line travellers are already benefitting from this improvement.

Recommendation 11

That Transport for NSW investigate the feasibility and publically report the findings of introducing dedicated airport services in the morning peak.

Response

Providing dedicated airport services during peak periods would divert fleet resources away from meeting existing customer needs, causing over-crowding, strains on the network and reduced customer service for the south-west.

Extra services introduced in the October train timetable provide a minimum frequency of eight trains an hour between Sydney Airport and City Circle stations between 7am and 9pm weekdays.

Recommendation 12

That Transport for NSW, in consultation with Airport Link Company, install a free wi-fi service at International Airport and Domestic Airport stations and in the Airport Line tunnel.

Response

Transport for NSW is willing to consider proposals to improve the customer experience, including through delivery of WiFi.

Transport for NSW's current customer information strategy is focused on the delivery of real time information to customers and improving its communication to customers in the event of a delay. Initiatives include the delivery of real time apps, the new transportnsw.info website, improving on-board announcements and improving the overall customer service.

Recommendation 13

That Transport for NSW provide escalator access to Platforms 20 and 21 and Platforms 22 and 23 at Central Station.

Response

All Central Station platforms are accessible and have lifts.

Recommendation 14

That Transport for NSW work in conjunction with Airport Link Company to devise and implement a strategy to increase marketing and awareness levels of the Airport Line at Martin Place and City Circle stations.

Response

The Government supports this recommendation, and Transport for NSW will work with Airport Link Company to progress it.