

To General Purpose Standing Committee No 3  
from Philip Laird, University of Wollongong January 2014

This supplementary submission addresses a question on notice regarding potential improvements to trains serving the airport along with other topics. Like the main submission, this comment will draw on research conducted at the University of Wollongong, but does not necessarily reflect the views the University.

**1 Question on notice**

The question of the Hon. Niall Blair MLC at the hearing of 3 December 2013 follows: *"Do you have a view on express services bypassing some of the residential stations and coming directly from the airport to Central, and potentially St James? Is that something that would make a difference or is it okay to be stopping at those residential stops? "*

Given that people coming by train from the airport to Central, or the CBD, are paying a premium fare, I think that there is a case for giving such people, on some trains, a more direct service by omitting Mascot and Green Square stations.

The level of service between the airport stations, Central and the Sydney CBD that could be achieved could include:

A. Purpose designed rolling stock, single deck, luggage friendly, moving at frequent intervals, between the airport stations, Central and the Sydney CBD (to complement existing services). An option for rolling stock is an *OMNEO* Electric Multiple Unit (EMU) of Bombardier with alternating single and double-deck cars, with single decks "dedicated to access and services, featuring wide doors, large vestibules and interior equipment such as toilets and bicycle areas. " Plus luggage.

B. Conversion of St James station to allow for terminating trains from the airport, and their turn around. St James was built with provision for four platforms and turn around. The two platforms in use have space between them, at the same level, for two extra platforms (with part currently occupied by a floating floor and a lift installed a few years ago). If these two platforms were to be put into use, they could be accompanied by escalators, and possibly a luggage check-in facility.

C. Provision of escalators at Central Station to and from Platform 23.

## 2 General comment

During hearings, a proposal was made for a reduction in cash back on the M5 and deploying some of the savings to a reduction in the station access fee. It is submitted that this would have a two fold advantage: firstly encouraging more use of the Airport Stations, and secondly improved demand management of road vehicle use of the M5 (and likely M5 East).

Some benefits of increased use of rail in Sydney were given by the Independent Pricing and Regulatory Tribunal of NSW (IPART) with the main two major external benefits generated by CityRail services being considered to be (page 41 of their November 2012 report *Review of maximum fares for CityRail services from January 2013*) as:

- reduced (or avoided) road congestion, and
- reduced (or avoided) general air pollution and greenhouse gas emissions.

The IPART report (p41) determined, inter alia, that the value of the external benefits generated by providing CityRail services (\$million, real \$2011/12) in 2013-14 would be \$1981m (with most of these benefits due to reduced road congestion); also "Other potential external benefits, including avoided road accidents and social and agglomeration benefits were considered but were not directly quantified."

RailCorp's 2006 submissions to IPART regarding the setting of passenger fares noted (s 4.5.4.), inter alia, "There are additional environmental benefits to the wider community in using rail. For example, if the 180,000 daily rail passenger trips to the CBD were to transfer to car, around 160,000 additional car trips would be required. It is difficult to estimate the additional vehicle effect on an already congested road network, but it could be estimated to cost in the order of \$360m annually for the morning peak 66, and doubled if repeated in the evening. These increased road trips could also be expected to lead to higher road accidents, costing around \$50m annually.

In any event, for the above two main costs, the 2012 IPART report notes (p43, Table 7.3) estimates of external benefits per passenger journey of CityRail services (dollars per journey, real \$2011/12) as:

Avoided road congestion costs \$6.31. and,  
 Reduced air pollution costs \$0.13.

Given the levels of road congestion for several hours each day near each of the two airport terminals, these estimates of external benefits could well be conservative.

However, they do give some support for the view that it would be worthwhile reducing the station access fee at each airport station in order to get some modal shift from road to rail as a way of accessing the airport.

Against this is the view that there should be no reduction in the station access fee with the revenue being applied to service improvements.

The M5 Cashback Scheme, along with the M4 Cashback Scheme, is noted in the RMS 2012-13 Annual Report (p7) as costing \$70m. During 2012-13, as per the Airport Link Company (ALC) submission, 3.86 million people used the Domestic Station and 1.98 used International Station. The amount of transfers between the two stations is not known (where the contribution from the \$5 fare is less than the \$3.60 paid to RailCorp). Suppose however, 4 million people using just one airport station are not transferring, and do not hold a weekly ticket, and were given a \$5 reduction; a total of \$20 million. This is less than the aggregate refunds of the Cashback Scheme.

Removal of cash back on the M5 would remove what in effect is a hidden subsidy for some car users accessing the airport by car. Alternatively, just lower the subsidy. In any event, if the amount saved by eliminating or reducing cash back for use of the M5 was applied to reducing the station access fees at Sydney Airport, there could be net positive gains.

### **3. Summary**

It is submitted that although Sydney Airport does well to have rail access, the present arrangements are not satisfactory in terms of price and levels of service. Other overseas major cities with airport links are better served than Sydney on both price and levels of service. The retention of some station access fee is supported, but at present the fee for day users is too high. If the fee cannot be lowered and/or levels of service improved, it is recommended that the Independent Pricing and Regulatory Tribunal examine current fare levels and certainly any proposed increases and/or more bus routes be provided to supplement the excellent 400 service serving the two airport stations.

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