

Opening remarks

Thank you for the opportunity to appear before you today.

Sydney Airport is Australia's international gateway and premier airport. It is one of NSW's and Australia's most important pieces of infrastructure.

The airport generates or facilitates:

- nearly 300,000 direct and indirect jobs, 28,000 of which are located on the airport site, and
- \$27.6 billion in direct and indirect economic activity for NSW, equivalent to 6% of the state economy and 2% of the national economy.

By 2033, it is forecast that the number of jobs generated or facilitated by the airport will increase to over 400,000. Economic activity will increase to over \$42 billion over the same period.

Sydney Airport is therefore a significant wealth generator for Sydney, ^{and} for NSW, including, of course, regional and remote areas of the state.

In 2013, 38 million passengers travelled through Sydney Airport – roughly 100,000 a day. That includes more than 2.1 million regional passengers or nearly 6,000 a day.

When you add airport workers and people meeting or farewelling passengers, there are more than 150,000 people a day who travel to or from the airport.

And by 2033, passengers are forecast to increase to over 74 million, including 3.2 million regional passengers.

For our part, we have invested \$2.3 billion in airport infrastructure since 2002. Our investment program over the next ten years will be similar to the last ten years.

Our Master Plan – which was approved by the Deputy Prime Minister in February this year – details our plan to improve the experience for passengers and enable forecast growth well beyond its 20-year planning period. This includes growth in the number of regional passengers.

We have already begun implementing the new master plan.

Only three weeks ago, we commenced work to upgrade the journey for people travelling to and from our T1 precinct. Plans to upgrade the journey for people travelling to and from our T2/T3 precinct are currently on public exhibition. Subject to approval, we expect work in that precinct to begin early next year.

This work will make it easier to travel to, from or past Sydney Airport by car, taxi or public transport. It will benefit airline passengers, airport workers and other airport visitors, as well as Sydney motorists and commuters generally.

Our investment to upgrade on-airport road infrastructure will total around \$300 million. This will be complemented by a joint \$282 million investment by the NSW and Australian Governments to upgrade road infrastructure in neighbouring areas, known as the WestConnex enabling works.

With respect to the WestConnex Motorway itself – which is of course a nationally significant infrastructure project in its own right – we welcome the fact governments are working to ensure effective gateway connections are provided to what is one of Australia's most significant economic precincts, the Port Botany and Sydney Airport precinct.

The Committee will have seen Sydney Airport's submission. It responds to a number of the Committee's specific terms of reference, including:

- How the aeronautical charges paid by regional airlines at Sydney Airport compare with those of other regional NSW airports
- How governments could further assist regional NSW airports to invest in airport infrastructure and increase capacity into and out of Sydney, and
- Information on the extent to which many airlines have been up-gauging their fleet to accommodate growth in regional demand and boost capacity.

Contrary to what many may believe or say, there is ample capacity at Sydney Airport. Only 65% of our available slots are used – so more than a third of them are unused.

That's why there is capacity at Sydney Airport to grow in the way our recently approved master plan envisages.

Of course, peak periods are busier than at other times. This is as true at Sydney as it is at all other Australian airports.

However, Sydney is different because aircraft movements are capped at 80 per hour. This is despite the airport's ability to operate at higher movement rates than that.

With the exception of Lord Howe Island that has flights scheduled for a leisurely start to passengers' holidays, all regional destinations are served in the morning and afternoon peak periods.

Sydney Airport's 24 regional routes have an average of six movements each during the peak hours.

Sydney Airport has seen growth in regional demand matched by airlines up-gauging to larger aircraft.

Over the long term, 7-9 seat aircraft have been replaced with 17-19 seat aircraft, which in turn have been progressively replaced by 30-36 seat, 50 seat, 64-72 seat, 100 seat and 170-180 seat aircraft.

In fact, regional aircraft have increased in size more quickly than any other market segment, and the increase in aircraft size has both responded to and promoted passenger growth.

Over the past 20 years, this trend has seen a 221% increase in *regional* passenger numbers.

To conclude, Sydney Airport is proud of the service it provides to regional communities, including an extensive route network during the peak hours, facilitating connectivity with international and domestic routes, and lower airport charges than almost all other airports in the Sydney-regional route network.

We'd be happy to take questions.

If we can't answer them here today, we'd also be happy to take questions on notice and provide answers to you separately.