

**Submission
No 12**

**INQUIRY INTO REMOVING OR REDUCING STATION
ACCESS FEES AT SYDNEY AIRPORT**

Organisation: Action for Public Transport (NSW) Inc

Date received: 7/11/2013

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7th November 2013

The Secretary
General Purpose Standing Committee No 3
Parliament House
Macquarie St
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Submission to NSW Parliament General Purpose Standing Committee No 3 - inquiry into potential impact of removal or reduction of the station access fee at Sydney Airport

1. Current patronage on the airport line

According to posters at Green Square station, patronage "last year" (2012 ?) was:

Station	Full year	Daily average
Green Square	826,977	2,264
Mascot	1,705,697	4,670
Domestic Airport	3,314,642	9,075
International Airport	1,563,024	4,279

The airport's website shows 35,630,549 air passengers in 2011, i.e. 97,618 per day. This does not include flight crews, people who work at the airport nor people who accompany passengers to or from the airport.

APT's key point about the rail patronage figures is that they are lower than they could be and should be. We submit that the high fares brought about by the imposition of access fees are the principal reason for this underuse of a valuable piece of infrastructure.

2. The impact of a fare reduction on patronage at Green Square and Mascot

The removal of the \$2.60 "station access fee" for passengers using Mascot and Green Square stations reportedly saw patronage jump 70% in a year ("Ticket sales rocket on airport line as prices plunge" SMH June 9, 2011). We repeat, 70%.

Even allowing for the underlying increase in patronage (around 20% in the estimation of the Airport Link company) this is a stunning turnaround. It is now perfectly clear that station access fees have artificially, and savagely, suppressed patronage on the airport line.

3. The impact on patronage if the station access fee was removed or reduced at the airport stations

The access fee to airport stations is apparently \$12.30 per trip. The airport link company sells books of tickets but the discount offered to bulk buyers seems to be small. There is little room to doubt that the removal of the station access fee, which is considerably higher than it was at Mascot and Green Square, would improve patronage of the airport stations. Empirical evidence has been gained by removing the smaller Green Square and Mascot access fee (from the passenger).

It could be that the impact would be greater in the case of the domestic airport than the international airport, because international travel usually entails more luggage.

The key point to be acknowledged is that the removal of the station access fee would have a sizeable positive impact on patronage at both stations. Note that the fee falls particularly heavily on airport staff, who might make ten trips per week, and on passengers with families who have to pay the fee for each family member.

4. The funding implications of removing or reducing the station access fee

Deservedly or not, the NSW Treasury has a reputation for not recognising public benefits arising from public transport patronage. Hence funding is important.

The removal of the station access fee does not necessarily mean that the NSW government will end up paying the fee for each passenger (it depends on profit-sharing clauses in the contract - see "Airport Link to deliver \$40m to state coffers", SMH, 31 August 2012). The line will however eventually revert to government ownership. In the meantime the cost incurred should be offset against road maintenance and construction costs that can be delayed or avoided if we **make better use of transport infrastructure which we already have**. Also note that trips reduced around the airport area will have flow-on effects reducing traffic over the whole metropolitan area because many trips from distant suburbs simply won't happen. It is well-known that motoring costs are subsidised by all levels of

government and that reducing VKT is beneficial.

According to the same SMH article "A joint study between the federal and state governments into aviation capacity said the roads around the airport would be at practical capacity by 2015".

In any event we argue that the benefits of better patronage on the line are compelling, and should not be lost by allowing a flawed contract to become the tail wagging the dog.

5. **Potential benefits to Port Botany and congestion on roads in and around the airport, including the M5**

Removing some private car journeys to the airport by improving use of the rail line can only benefit users of the road system who have no practical alternative.

Pick-up and drop-off trips are particularly wasteful of road space, as one journey (in the reverse direction) may have no purpose other than to return the car and driver to the point from which they began. "Kiss and fly" would be a less attractive option if the cost of train trips to the airport were not so prohibitive.

6. **Any other related matter**

- *Employment implications*

Lower fares to the airport offer potential benefits to job seekers as the airport is a major employer. The airport line is part of the Sydney Trains system (a very good thing) and so brings employment opportunities within physical reach of some areas of Sydney afflicted by very high rates of unemployment. The cost of actually getting to work is critical to translating physical access into workplace participation.

Pushing train fares to a major employment area out of reach of people who need jobs is socially and economically undesirable. This is a situation that can and should be rectified immediately.

- *Bias against public transport*

APT has long been concerned that there is an ingrained bias against public transport in the analyses typically relied upon in assessing transport investments. See <http://www.aptnsw.org.au/> for additional comment on these issues.

The inadequacy of conventional approaches is shown in this instance. It was reportedly expected (using conventional analyses) that cheaper fares would increase patronage by around 15-17%. The actual 70% increase in the case of Mascot and Green Square stations illustrates how advice to decision makers systematically underestimates the level of unmet demand for public transport.

There has also been either a gross under-estimation of price sensitivity or a lack of interest in the affordability of fares in the negotiation of the public-private partnership that delivered the airport line. This experience should serve as a warning against an approach to fares that focuses on predetermined cost recovery targets and treats passengers as an afterthought, at best.

- *Future of the airport link*

If the much-needed fourth CBD railway and new harbour crossing is ever built, the airport line would seem to be a good candidate for conversion to single-deck, perhaps from the CBD to Revesby. This could make rail travel easier for people with bulky baggage.

Eventually it might be considered worthwhile to extend the hours of operation to start before 5 a.m. so that the many airport workers who need to be at work by that time can use the train.

November 2013