

**Submission
No 27**

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

Organisation: City of Sydney

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The Hon. Natasha Maclaren-Jones MLC
Committee Chair
General Purpose Standing Committee No. 3
Parliament House
Macquarie Street
Sydney NSW 2000

By email: gpc3@parliament.nsw.gov.au

Dear Ms Maclaren-Jones,

Inquiry into removing or reducing station access fees at Sydney Airport

I refer to your letter regarding the inquiry into station access fees at Sydney Airport, and thank you for the opportunity to make a submission.

Sydney Airport is Australia's largest and busiest airport, facilitating the movement of more than 36 million passengers and 395,000 tonnes of international airfreight annually. The economic activity generated by the tourism and trade flows that airport operations supports more than 800 businesses in the surrounding precinct, and generates an estimated economic value of more than \$20 billion.

Given the economic importance of the Airport, the efficiency of the transport network serving Sydney Airport and Port Botany is a critical issue for the City of Sydney, wider metropolitan Sydney, and Australia as a whole. The Green Square Urban Renewal Area, which lies between the CBD and the airport, is the largest brownfields renewal project in Australia, with a projected population of over 50,000 residents and 25,000 jobs.

Transport demand in this corridor will continue to grow rapidly as homes in the Green Square and Mascot area are completed at an average rate of one to two thousand per year for the next decade. Employment growth is also likely to accelerate in response to market demand and land use changes in the former Southern Industrial Area.

Given the urgent need to preserve the functionality of the arterial road network in southern Sydney, and to encourage more sustainable transport across metropolitan Sydney, the City would support removing or substantially reducing the station access fees at Sydney Airport. Removing the access fees at Green Square and Mascot stations achieved savings for commuters of up to \$20 a week using weekly tickets and resulted in strong patronage growth. At Green Square station there has been a 60% increase in passengers since 2011, while patronage at Mascot has increased by 40%.

The introduction of the Opal Card will remove weekly ticket discounts. It's estimated the cost to five-day-per-week commuters using either airport station will increase \$104 per week, accounting for the fifth day being free, unless there's a particular employee Opal product available.

city of villages



Airport users and employees are currently trading off the inconvenience of road congestion around the airport and steep car parking charges with the high costs of public transport fares. Reducing or removing the station access fee may encourage Sydneysiders to leave the car at home when they fly. For the estimated 12,000-15,000 people that work at the terminals cheaper train fares would result in strong rail patronage increases and a resultant reduction in traffic congestion.

With the strong residential growth within a few kilometres of the airport, if the public transport connection were reasonably priced, it would be expected that the airport could source more employees locally, thus reducing overall travel times, increasing the reliability of employee attendance and using counter-peak capacity to the airport.

There are many options for removing the access fee, which the City explored at the time the residential station access fee was lifted. The Sydney Airport Corporation Limited (SACL) is a significant beneficiary, as it would be able to reduce its capital costs needed to accommodate greater car and taxi numbers, so it could be levied to offset the cost. Alternatively a trade-off would be to offer an interest-free government loan to SACL to purchase the line, with a lower subsidy per trip to be paid. Alternatively again, the NSW Government could purchase the line to protect it from rising subsidies as patronage increases, and still levy a much smaller fee (perhaps \$1) to repay the loan. It's not unusual for airport rail services to be priced slightly higher than other services.

The catchment of the Airport Line is subject to considerable and sustained population growth, from greenfields development in south-west Sydney to high-density urban renewal in Green Square, Mascot and Wolli Creek. The current long-term rail plan, *Sydney's Rail Future*, proposes to serve the Airport Line with trains predominantly originating in Campbelltown and the South West Growth Centre. Proposals in *Sydney's Rail Future* would preclude some or all of these services from travelling via Sydenham, and consequently funnel additional load onto the Airport Line. The City is concerned that this may give rise to severe crowding and passenger displacement on services between Wolli Creek and Central.

Further analysis of capacity constraints should be undertaken, with consideration given to alternative rail network options for serving the Airport Line. This would maximise the benefit of removing the station access fee at the Domestic and International stations.

In summary, the capacity of the line to cope with increased airport traffic in the peak direction, the pricing under Opal and the trailing subsidy cost all need to be modelled to determine the costs and benefits of changing the current situation. However, the prima facie case is that on equity grounds and to manage ground-based transport issues, removing the access fee would be a positive move.

Should you wish to speak with a Council officer about this issue further, please contact Anthony Mifsud, Transport Policy Manager by telephone on _____ or by email at _____

Yours sincerely



Monica Barone
Chief Executive Officer