

**Submission
No 13**

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

Organisation: Australasian Railway Association

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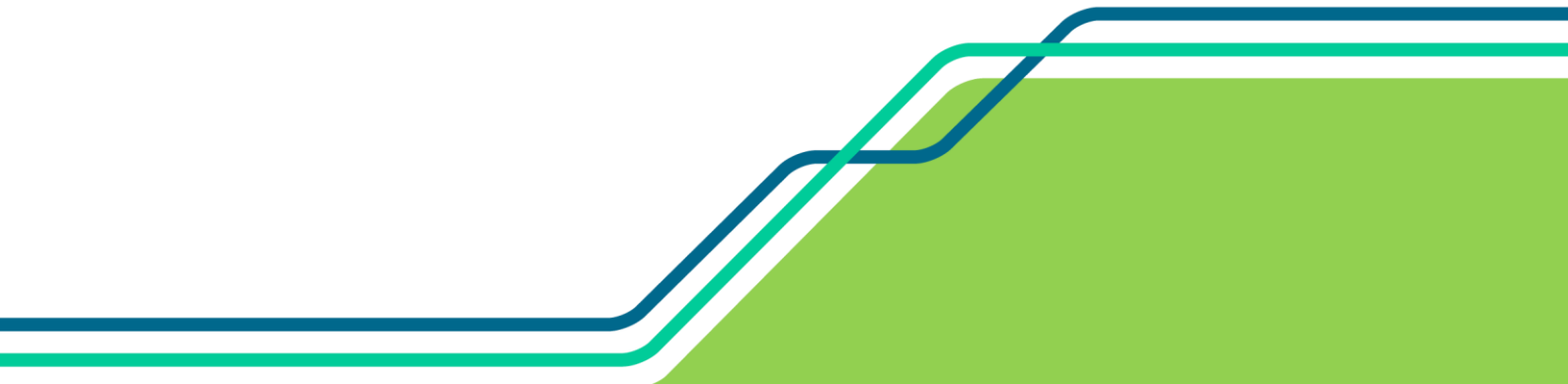
AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

To

The General Purpose Standing Committee
No. 3

On

Inquiry into removing or reducing station
access fees at Sydney Airport



THE ARA

The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia, New Zealand and Indonesia. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia's passenger and freight transport systems are well represented and will continue to provide improved services for Australia's growing population.

The ARA thanks the Committee for the opportunity to provide this submission to the Inquiry into removing or reducing station access fees at Sydney Airport.

For further information regarding this submission, please contact Emma Woods, Manager Urban Policy via ewoods@ara.net.au or 02 6270 4512.

THE ARA POSITION

The ARA understands that patronage has been steadily increasing through the two airport stations and Green Square and that during the 2013 calendar year the two airport stations are expected to transfer 11 million passengersⁱ. The ARA also understands that as a result of the contract with the Airport Link Company, from 2014 the NSW Government will be entitled to 85 per cent of profits generated through the four stations as a direct result of the \$12.30 per person station access feesⁱⁱ.

The ARA believes this inquiry presents the General Purpose Standing Committee No. 3 with four options:

- 1. Option one:** Maintain the status quo and make no changes
- 2. Option two:** Maintain the station access fees but hypothecate the profits into a dedicated fund to improve transport in and around the airport
- 3. Option three:** Reduce the station access fees

4. **Option four:** Remove the station access fees

As identified in the Sydney City Centre Access Strategy, Green Square to Sydney Airport is a “strategy transit corridor with high constraints”ⁱⁱⁱ. Alternative modes and continued improvements to existing service offerings are therefore vital to moving Sydney’s growing population as well as visitors into and out of Sydney Airport.

Option one presents the “easiest” option but does not provide scope for improvement. The ARA would therefore not recommend the continuation of the status quo.

The ARA would not recommend the adoption of options 3 or 4, the reduction or complete removal of station access fees. The ARA believes that neither option is sustainable in the long term as both would effectively reduce the earning and therefore reinvestment capabilities of the government. Whilst it may appease the general public to reduce or remove station access fees in the short term, in the long term, reducing the government’s revenue capabilities will create a larger gap between investment needs and government funding abilities, putting greater pressure on government to find alternative funding or financing solutions.

Of the options outlined above, the ARA believes option two provides the best avenue to continue improving Sydney Airport’s transport corridor. The current approach to transport funding, relying on the allocation of general Government funds is not sustainable. Australia’s infrastructure backlog is testament to this. Governments at all levels need to explore alternative funding avenues to support long term funding and investment in public transport. Maintaining the airport access fees and establishing a dedicated transport fund that all revenue is hypothecated into would develop a revenue stream that could be utilised to continue investing in improved rail and other transport access around Sydney Airport or other areas of the Sydney public transport network. Regardless of its specific application, the ARA would strongly recommend the establishment of a dedicated transport fund using hypothecated revenue from the Sydney Airport Access fees to reinvest in Sydney’s public transport system.

To complement option two, the ARA recommends that steps are explored to encourage increased take up of the Sydney Airport Link. More individuals travelling by rail means less

congested and safer roads around Sydney Airport. As an example, better integration with airlines could encourage greater patronage on the Airport line. A discounted pre-travel train ticket could be purchased at the same time as airline tickets to encourage the use of the Sydney Airport train. Likewise, discounted airport staff tickets could be offered to encourage Sydney Airport Staff to travel in and out of the airport by rail. Discounted annual tickets could also be offered as could discount multiple tickets for frequent business travellers or organisations to pre-purchase. Discounted pre-purchased tickets will also encourage greater take-up of the Sydney Airport Link.

Additionally, consideration should be given to continue improving the service offering for customers. This could include the provision of dedicated areas for luggage on trains and express services between the airport stations and Central Station.

ⁱ www.airportlink.com.au/company.php

ⁱⁱ www.smh.com.au/nsw/airport-link-to-deliver-40m-to-state-coffers-20130830-2sw36.html

ⁱⁱⁱ Sydney Centre Access Strategy, page 11 (Sept 2013)