

**Submission
No 14**

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

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Date received: 7/11/2013

**Submission re REMOVING OR REDUCING STATION
ACCESS FEES AT SYDNEY AIRPORT**

To General Purpose Standing Committee No 3
from Philip Laird, University of Wollongong November 2013

This submission supports both a reduction of station access fees at the two Sydney airport stations and an improvement in the train services offered with the provision of some luggage friendly trains. The submission will draw on research conducted at the University of Wollongong, but does not necessarily reflect the views the University.

1 General comment

The Committee's inquiry is considered as timely. It is hope that it will assist in improving a somewhat unsatisfactory situation regarding the costs and level of service for the Sydney Airport railway stations.

Sydney Airport is Australia's busiest airport, and in 2012 (BITRE, 2009, Airport Traffic Data 1985-86 to 2012) had some 37 million passengers (22.6m domestic, 2.0m regional and 12.3m international). This is a four fold growth from the 9.2m passenger numbers in 1985. An airport passenger is regarded as a person who arrives in departs from an airport, or one who transfers through an airport in a given day.

Sydney's main airport is subject to both a curfew (from 11:00 pm to 6:00 am restricting takeoffs and landings) and a "maximum movement limit" or "cap" of no more than 80 aircraft scheduled movements per hour (with "slot" management and compliance schemes).

The 2009 Sydney Airport Master Plan briefly addresses future projections. These include an average annual growth rate of 2.9 per cent for all passengers from the year 2000 to 2007 and assuming an annual growth rate of 4.2 per cent (international 4.8 per cent, domestic 3.9 per cent), 78.9m passenger movements are projected by 2029. However, such projections could well be regarded as high, and have not deterred the Australian Government, yet again, from seeking a second site for a Major Sydney Airport.

Road congestion near Sydney Airport continues to be an issue. In 2009, an Independent Public Inquiry chaired by Mr Ron Christie AM established by the Sydney Morning Herald to develop a Long Term Public Transport Plan for Sydney noted (page 149), that " ... to date there has been no integrated consideration of the city's overall aviation needs in conjunction with its land-use and land transport needs..."

In regards to high speed rail options, the Independent Public Inquiry [pp168-170] gives prominence to development of high speed trains (steel wheels on steel rails) for the Sydney-Canberra and the Sydney-Newcastle corridors. In addition, it should be possible to accommodate HSR services on these corridors near Sydney to approach Central station "using Sydney's existing rail infrastructure, particularly if there were a new (second) heavy rail line from Chatswood to Central..."

It is of note that Sydney airport, by number of passengers (as above, 37m in 2012) was ranked as the worlds 31st busiest airport. There are busier airports than Sydney that do not have a direct rail connection (Los Angeles, 64 m in 2012, Las Vegas 42m in 2012); however, major airports in Europe or Asia are more likely to have an airport connection than in the United States.

It is also of interest that a number of major airports have gained a direct rail connection since the year 2000 when the railway serving Sydney Airports domestic and international terminals was opened; these include Brisbane (opened May 2001), Kuala Lumpur (opened April 2002) and, Vancouver (opened August 2009). More comment on these airports, plus Narita, is offered below.

2 Cost issues: To quote from <http://www.airportlink.com.au/price.php> It depends on where you are going to.

A full adult same day return ticket from Sydney Domestic Airport Station to the city circle stations is \$31.80. As a more general indication, from Sydney Domestic Airport Station to any of the City Stations, or Kings Cross, a single one way ticket is (AUD):

Adult Single \$15.90

Concession Single \$11.40

Concession comprises Child, Student, Senior and Pensioner.

A family only has to pay for one child, the rest travel free. Child age is between 4 and under 16. Children under 4 travel free.

It is understood, that at least earlier in 2013, the cost of a gate pass was \$9-60. The writer does not mind paying a reasonable surcharge to either a private company and/or a government agency for use of an airport station. However, it seems difficult for any company, or competent government regulator, to justify a cost of \$9-60 for a gate pass to either Domestic or International stations, when the company currently owning/leasing the stations, can offer a \$5 transfer ticket to go from Domestic to International stations (and vice versa as a "Terminal Transfer").

It is a good question as to the amount this company would pay to Rail Corp, for the actual conveyance of one passenger from Domestic to International stations. The Committee is asked to consider following up this question.

It is noted that there are private sector bus options from points in Sydney to the airport, and the Route 400 public bus operating from Burwood to Bondi Junction and other stations including Rockdale also stops at the domestic and international stations. Whilst Sydney Airport station gate fees remain at their present high levels, there could well be a case for further public buses.

Up to 2011, the cost of the gate pass was under \$9. The Committee may care to inquire if there any reason why increases cannot be subject to review by IPART ?

The relevant company noted earlier in 2013 on billboards at its stations that last year some 3.13 million people used Domestic station and 1.5 million people used International station. If we assumed that the average gate pass fee worked out at \$5 each, then this is a gross revenue of over \$20 million. This is a very attractive revenue stream for an initial outlay by Easter 2000 of what at the time may have been reported at about \$120 million for the two airport stations.

Comment on some other airport train services follow.

2.1 Brisbane Airport Airtrain

The Brisbane Airport Airtrain does not only own two stations, but also 8.5 km of elevated railway. It opened May 2001 as a BOOT project to operate for 35 years and then is due to be transferred to the Queensland government. The recent one way fare between either of two airport stations and the city is \$16, with a return offered for \$30. As well, children travel free between the Airport and City stations when accompanied by a paying adult. Like Sydney, an Inter-Terminal Train Transfer is \$5.

Given that the Brisbane Airport Airtrain owns some 8.5 km of elevated railway, it is likely responsible for its maintenance, and contribution to its capital cost.

Thus, there is a case for a one way Airport Station to CBD train fare to be higher in Brisbane than it is in Sydney.

2.2 Kuala Lumpur

The 57 km Kuala Lumpur International Airport (KLIA) line was opened April 2002 as a "turnkey" operation constructed by Siemens. Two levels of service are offered to the Main Terminal Building, an Express (Ekspres_ non-stop trip between Kuala Lumpur which 28 minutes, and a transit service with stops.

A basic one-way trip for the Express costs 35 ringgit (RM35), which is less than \$AU12. Given the length of journey, and speed, this is considered good value.

2.3 Vancouver

A new railway (part subway, part elevated) called the Canada Line to Vancouver's international and main domestic airport (YVR) opened August 2009. This was ahead of schedule and in good time for the 2010 Winter Olympics. Quite quickly, patronage was much exceeding initial projections. During the 17 days of the 2010 Winter Olympics, it had a high average of 228,190 passengers per day, settling down later to an average of over 100,000 per day. That is over 36 million per year. Note that not of the passengers on the Canada Line were going to and from the airport. However, as noted by YVR CEO in a speech in October, nearly 18 million (http://www.yvr.ca/Libraries/Comms_Documents/Craig_s_Speech.sflb.ashx passengers used the airport in 2012; and

- The Canada Line is one of the most important community investments we've ever made – for passengers, for employees, for our environmental impact as an airport that strives to operate sustainably.

- Since it opened in 2009, the Canada Line has been wildly popular, carrying thousands of people - at least 17 percent of airport employees and our passengers coming to Sea Island every day."

More over, "the new line has helped the airport to increase jobs from 14,000 in '92 to more than 23,000 today – and won four consecutive awards for Best Airport in North America as voted by our passengers."

One of the reasons for the success of the new line is that its fares are REASONABLY PRICED. The cost of getting to the airport is a standard Vancouver metro fare, whilst leaving the airport, there is a modest \$5 surcharge. To

quote from yvr.ca again

"As of January 18, 2010 all transit users travelling on the Canada Line leaving Vancouver International Airport will be subject to a \$5 Canada Line YVR AddFare in addition to the regular zone fare. Anyone using prepaid fares, such as DayPasses, FareCards, FaresSaver Tickets, U-Passes, Employer Passes and the BC Government Bus Pass Program will be exempt from the Canada Line YVR AddFare."

Moreover, the \$5 surcharge goes to MetroLink and not the airport.

2.4 Narita

Narita airport, some 57 km from Tokyo's main railway station, is of interest in that it is served by two rail operators, and, one of the rail operators has three levels of fares.

JR East for its premium N'EX service in economy seats costs 2940 yen (First class extra) between Narita and Tokyo main station. Other destinations are possible.

The Keisei line, to its Ueno station (some 3.6 km from the main Tokyo station) offers three levels of service

Skyliner (the fastest)	2400 Yen
Sky Access Line	1200 Yen
(Older and slower) Main line	1000 Yen

Again, other destinations are possible. The two companies compete on price and service, with the Keisei railway company constructing some 19 km of new track and upgrading 32 km of existing track - opened July 2010 - and using trains capable of 160 km/h to reduce transit time. In short, options help pricing and service.

2.5 Summary re prices

It appears given the relatively short distance into the CBD from Sydney Airport, and with the public sector providing the trains and the tracks, that the Sydney Airport train station fees are unduly high. A \$5 gate fee is suggested as reasonable (as is \$5 terminal transfer fee). However, if the fee cannot be lowered to this level, then as a last resort, provision of more public buses is requested.

3 Level of service

For the standard gate fee of \$9-60, or even a more reasonable one of \$5, there should be minimum levels of service between the CBD and or Wolli Creek, with

trains provided if need by the relevant company, that would include luggage friendly trains in peak hours, and, waiting no more than say 12 minutes at most during the times that the airport is operating.

Australia spends millions of dollars each year trying to attract international tourists to visit. Many of these will arrive at Sydney airport, often during weekdays, at morning peak hour times. Based on good overseas experience with trains serving airports, they may decide to go by train. Although they may have a concern then about price, they will certainly wonder what has happened when they make their way to a platform to catch a CBD bound train to find it packed. Not only is there hardly any room for their luggage, it will be at times hard to find a space in the carriage vestibule to stand.

A similar situation may confront people arriving in a weekday afternoon peak and heading west.

This state of affairs may have been acceptable in the first few years of operation. But surely after 13 years, Sydney people and their visitors deserve better.

This writer does not see construction of a very expensive WestConnex and ongoing reliance on road transport to access Sydney airport as a good solution.

The price of a poorly performing urban rail system is high. It includes increased road vehicle usage, with increased road congestion, air pollution, and road trauma. Indeed, we need more of the Perth approach, as seen in 2005 by the then Minister for Planning and Infrastructure, the Hon. Allannah MacTiernan MLA, in addressing the AusRail conference at Sydney: *"The big picture plan is designed to future-proof Perth delivering a sustainable and exciting city for the 21st Century. We need to build resilience into our city if we are to manage growth and deal with the global challenges of climate change and oil depletion..."*

While buses will always be an important part of our public transport system, the evidence is that rail services have the greatest ability to attract commuters who have a choice. If we are to get people out of their cars and onto public transport, rail is a much better bet."

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7 November 2013