

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

Organisation: Tourism & Transport Forum

Date received: 13/11/2013

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

Dear Chair

Submission: Inquiry into removing or reducing station access fees at Sydney Airport

The Tourism & Transport Forum (TTF) welcomes the Legislative Council's decision to establish an inquiry into removing or reducing station access fees at Sydney Airport.

Sydney Airport is fortunate to be served by an excellent rail link. The train service provides fast and reliable services to the Sydney CBD and is integrated with the broader rail network. However, while passenger numbers have grown in recent years due to service and marketing improvements undertaken by the private operators of the line, overall mode share for public transport to the airport remains low by international standards.

TTF has therefore been a strong advocate for removing the station access fee ("SAF") at the International and Domestic railway stations to dramatically reduce the cost of travelling to the airport by public transport. We believe this reform would significantly increase patronage on the airport rail line, reduce congestion on the road network serving the airport, and provide a more affordable and attractive transport option for travellers and those working in the airport precinct.

With passenger numbers expected to grow considerably, achieving a higher public transport mode share is critical to the efficient operations of the airport and the surrounding freight and commercial precinct.

In January 2013, TTF released a research paper, *Unlocking the full potential of Sydney's airport rail link*, which examined ways to improve the accessibility of Sydney Airport by making the existing rail line more attractive for travellers and workers. A copy of that paper is attached and, along with this covering letter, forms TTF's submission to the inquiry.

Sydney and Australia's gateway

Sydney Airport is Australia's busiest airport with 36.9 million passenger movements a year¹. Approximately 40% of international visitors to Australia arrive or depart from Sydney Airport². It is a critical part of Australia's tourism industry.

The airport is also the main gateway to Sydney for business travellers. The Melbourne to Sydney air corridor is the second busiest in the world and highlights Sydney Airport's contribution to the national and New South Wales economies.

The number of passengers using Sydney Airport is expected to double over the next two decades, rising to 74 million per annum.

A significant employment centre

Sydney Airport is a major employment centre, housing more than 800 businesses and an estimated 28,000 workers (full time equivalent)³. This is comparable to the number of people expected to work at the major Barangaroo development in Sydney's CBD.

Congestion

The road network around the airport and between the airport and the CBD is one of the most congested in the country. The existing road junctions at the entrance to the T2/T3 precinct are expected to reach practical capacity by 2015, resulting in constant traffic jams on key commuter routes and the M5 motorway⁴. On Airport Drive, airport-related traffic (workers and passengers) accounts for 48 per cent of movements in the morning and afternoon peaks. The remaining 52 per cent include CBD commuters and Port Botany traffic. The road upgrades proposed by Sydney Airport in its new Master Plan and those by the NSW government in the Long Term Transport Master Plan in the vicinity of the airport will reduce traffic congestion and improve access and traffic flows. However, more needs to be done to reduce traffic congestion particularly in the Sydney Airport to CBD corridor and on the arterial road network surrounding the airport.

This is not only an issue for the airport itself but for the wider area, including Port Botany and Green Square (which will be home to 40,000 additional residents by 2031⁵). Reducing road congestion between the Airport and the CBD will be critical to ensure the viability of these three major growth centres.

¹ *Sydney Airport Master Plan 2033*, 2013

² DAE Report, *The Economic value of Sydney airport*.

³ *Sydney Airport Master Plan 2033*, 2013

⁴ *Joint Study on Aviation Capacity for the Sydney Region*

⁵ City of Sydney

Promoting a mode shift toward rail services would reduce congestion along the CBD-to-airport corridor, but also within the airport and on surrounding arterial roads. If the public transport mode share at Sydney Airport was 40 per cent (comparable with other major international airports), there would be 25,000 fewer people travelling on surrounding roads each day, the equivalent of six lanes of traffic⁶.

Growing public transport's mode share

Planned changes to the road network in the vicinity of Sydney Airport need to be combined with other measures to reduce traffic congestion. The most feasible lever to reduce surface congestion is to grow mode share on the airport rail link.

Despite high transport demand and attractive travel times, rail mode share among passengers (13 per cent) and airport workers (17 per cent)⁷ is low, particularly in relation to other comparable international airports around the world.

There can be a range of factors that drive people to use or avoid public transport. Cost, convenience, and comfort are chief among them.

In terms of convenience, the AirportLink is reasonably competitive with other modes. Journey times from the airport to Central range from 11 to 13 minutes compared to a minimum of 18 minutes by car or taxi (in ideal traffic conditions), although walking times to the stations and waiting times for train services erode this advantage. Frequency levels are also generally good, particularly as a result of the new rail timetables introduced by the NSW government in October 2013.

Additional steps can be made to make the airport rail service more comfortable for passengers and these are considered in the attached report (and briefly below). However, while TTF believes these are important measures to improve the service, they are not the primary cause for low mode share.

TTF therefore argues that the most obvious and significant barrier to increased patronage growth is the cost of the service, driven by the \$12.30 station access fee (charged on top of the standard ticket fare of \$3.60 from city stations).

The SAF affects travel decisions made by both workers and travellers to Sydney Airport.

There is a significant weight of evidence indicating that removing the SAF would dramatically increase patronage, including a study undertaken by Booz&Company in 2011. This study estimated that if the SAF were removed at the airport stations, rail patronage would have increased by 1.7 million in 2011/2012.

These findings are confirmed by what actually happened when the station access fee was removed at Green Square and Mascot stations in 2010. According to the Bureau of

⁶ Infrastructure for NSW, *State infrastructure Strategy*, 2012.

⁷ Sweeney Research, July 2012.

Transport Statistic (BTS), there was a 176 per cent patronage increase at the Green Square train station between 2010 and 2012 and a 93 per cent increase at Mascot train station over the same period (based on average daily entries at the stations)⁸.

TTF acknowledges that the type of commuters using Green Square and Mascot differ from the passenger market using the Domestic and International railway stations. However, the impact of the removal of the station access fee does point to the price elasticity of public transport travel and there are similarities in terms of the workforce using Mascot and the terminal stations.

TTF believes that transport pricing is a primary consideration for air passengers in deciding whether to travel by motor vehicle (taxi or private) or by rail.

It is important to consider the following factors:

- The average taxi fare from the Airport to CBD is \$35 to \$50 depending on traffic conditions. For groups of three or more travellers, taxis are around the same price or cheaper than the Airport Link. Even for two travellers, the savings afforded by using the train start to become less important than the perceived comfort and convenience of a taxi service. If the SAF was removed entirely, the Airport Link fare would be \$3.60, almost 14 times cheaper than the average taxi (at the higher end of the range).
- There has been a dramatic increase in the number of more price-conscious travellers as a result of the growth in both domestic and international low-cost carriers. This is especially relevant to cost-sensitive passengers. In 2010, an estimated 37 per cent of all passengers arrived at Sydney Airport on low-cost carriers.
- A common view is that the Airport Link is used almost exclusively by travellers going to the CBD. This is misleading and the service plays a vital role for passengers travelling by train to or from the broader metropolitan area. During the 3.5 hours AM peak, 52 per cent of terminal station users are going to the CBD with the balance travelling elsewhere on the network⁹. The Domestic and International railway stations also play an important role within the airport to facilitate movement between the domestic and international terminals (8.6 per cent of airport station users in the AM peak¹⁰).
- A significant source of potential demand comes from those working at the airport precinct. It is unfathomable that a government would expect workers to pay such significant public transport costs at other locations – it would be akin to charging those who will work at Barangaroo \$12 for using the Wynyard Walk.

⁸ CityRail Station Barrier Counts 2004-2012, Bureau of Transport Statistics

⁹ Origin Destination Matrix 2010, RailCorp.

¹⁰ Ibid

First Impressions Count

In addition to the matters raised above, TTF urges the Committee to consider the benefits that will arise for tourism if the station access fee is lifted.

Tourism is highly competitive and price sensitive. The cost of the airport rail link creates a negative first experience for those visiting Sydney and adds to the cost of their journey. The SAF at Sydney Airport makes the cost per kilometre of rail service to the CBD one of the highest in the world at almost \$2 per kilometre.

Cost of removing the SAF

TTF does not have the analytical capacity to determine the cost to government of removing the station access fee or which is the best model (government acquisition or annual payment to the operator for the balance of the contract) for achieving this outcome.

However, we note that in 2011, the NSW Parliamentary Budget Office estimated the net cost of purchasing the airport line at \$276 million¹¹.

While any investment of this or a similar scale is significant, it should be considered as an enabler to relieve congestion. In addition to those travelling to the airport, large scale developments surrounding the airport such as Port Botany, the Mascot Town Centre, and Green Square would all benefit from the removal of the SAF. TTF believes the benefits of the SAF removal outweigh the capital investment.

Other measures to make public transport more attractive for travellers:

TTF is pleased the Committee will consider other measures that can be implemented to improve patronage on the airport rail service. While cost is the most significant barrier, a series of other measures are presented in the attached TTF report, *Unlocking the full potential of Sydney's airport rail link*.

We note that since the release of the report there have been significant improvements in the provision of information at the airport about the train service, including more real-time display boards.

We remain of the view that the government should ensure that Waratah and Millennium trains are the only rolling stock used on the line and that, in the longer term, dedicated rolling stock that better caters for passengers with luggage should be considered. It creates a very poor impression of Sydney if a traveller's first experience of the city is a decades-old train without airconditioning.

¹¹ NSW Parliamentary Budget Office, Policy Costing – *Buyout of the Privately Owned Airport Stations*, 2011.

Finally, we support the provision of wifi at the Domestic and International railway stations and in the tunnels between the airport and the city. This would be of particular benefit to international tourists who want to access information about Sydney and Australia on their portable devices without incurring exorbitant global roaming costs.

Conclusion

TTF appreciates that the fiscal position of the NSW government means there is considerable competition for new funding commitments. However, we believe that removing the station access fee at the International and Domestic stations deserves the financial support of the state government. This issue remains a priority for the tourism industry, and for the business community more generally, which wants to see Sydney Airport access improved and sustainable in the long term.

TTF would be happy to expand on this submission if required.

Yours sincerely

Ken Morrison
Chief Executive

Attached as part of submission:

TTF position paper: *Unlocking the full potential of Sydney's Airport Rail Link*, January 2013

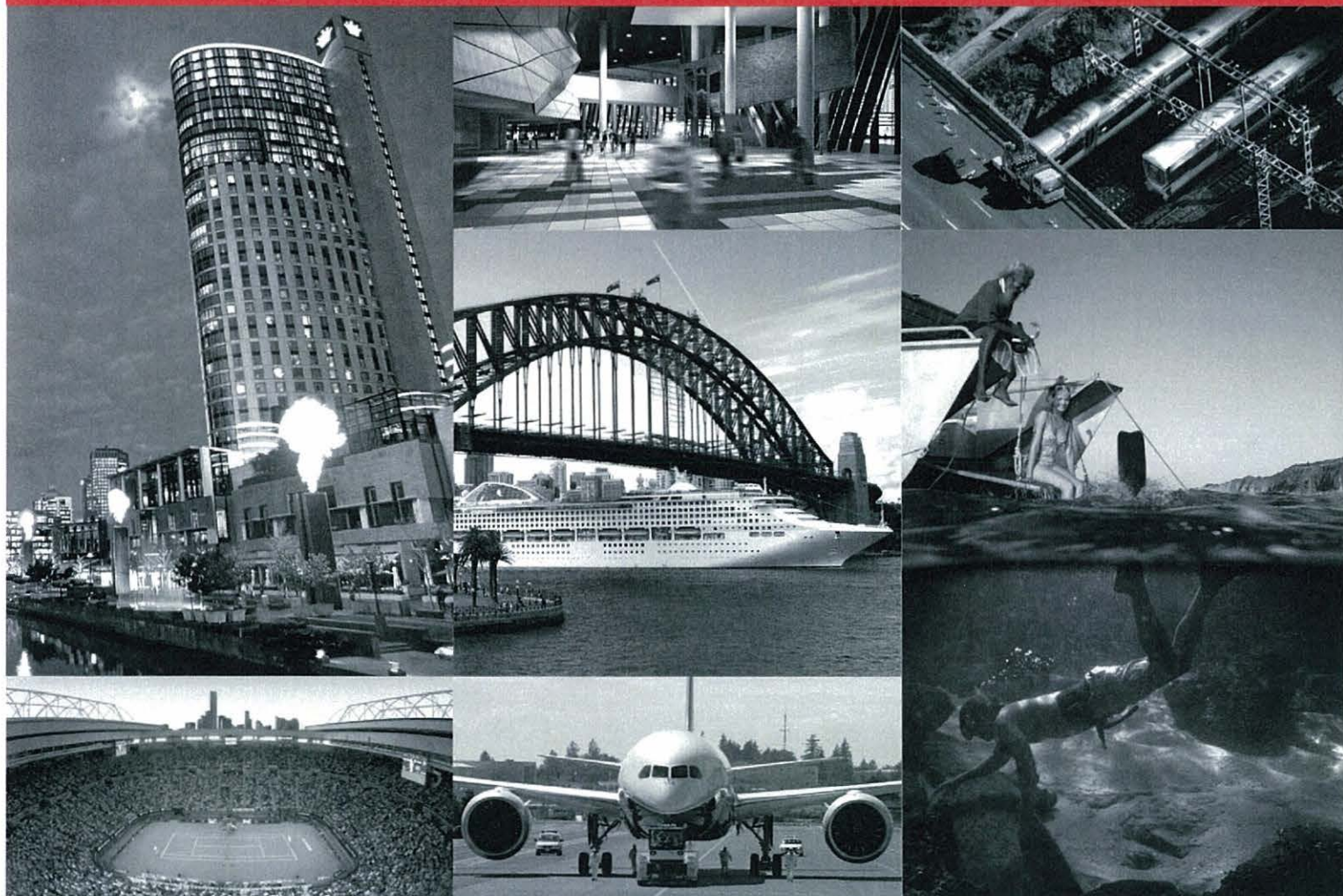
**INQUIRY INTO REMOVING OR REDUCING STATION
ACCESS FEES AT SYDNEY AIRPORT**

Organisation: Tourism Accommodation Australia

Date received: 12/11/2013

UNLOCKING THE FULL POTENTIAL OF SYDNEY'S AIRPORT RAIL LINK

JANUARY 2013



Tourism & Transport Forum

The Tourism & Transport Forum (TTF) is the peak national advocacy body for the tourism, transport and aviation sectors. It is a CEO forum representing the interests of 200 leading Australian institutions and corporations in the private and public sectors.

TTF uses its experience and networks to influence public policy outcomes and business practices, and to assist the delivery of major tourism, aviation and transport-related infrastructure projects. Our members' interests include tourism, accommodation, major events, aviation, land and maritime transport, investment, property development, finance, retail, hospitality and education.

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1. Introduction

Sydney Airport is Australia's busiest airport, with over 36 million passengers a year it is the only international airport serving Australia's largest city. It is also a major driver of employment, generating more than 280,000 jobs and adding around \$24 billion to New South Wales' GSP. When flow-on effects are considered, Sydney Airport represents roughly six per cent of the state's economy¹.

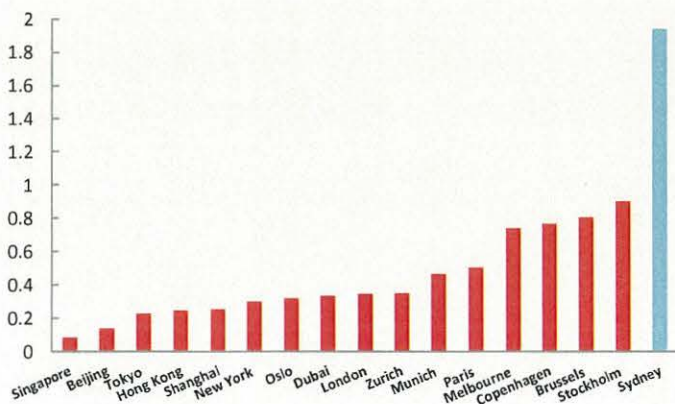
The importance of Sydney Airport to Australia's economy is set to rise significantly. Over the next 20 years, passenger numbers to Sydney Airport are forecast to double to 72 million per annum². However, this growth is under threat from poor landside access, with the road network currently servicing the airport already one of the most congested in the country.

One of the key causes of road congestion around Sydney Airport is the lack of affordable public transport. The Sydney Airport Rail Link (Airport Link), the train service connecting the airport to the Sydney CBD carries approximately 14 per cent³ of all airport travellers and public buses only another four per cent.

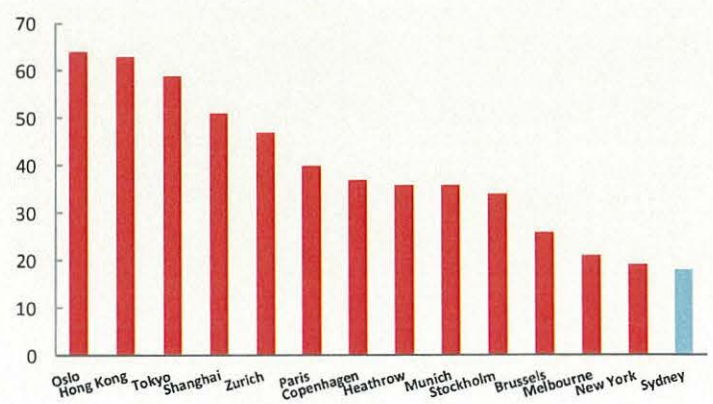
One of the principal causes of the airport's low public transport mode share is the uncompetitive price structure of the Airport Link. TTF research indicates that, per kilometre, it is the world's most expensive airport public transport service among surveyed cities. Accordingly, the percentage of airport users arriving and departing via public transport remains low by global standards.

Sydney Airport benefits significantly from the Airport Link, one of only two direct airport rail links in Australian capital cities, delivering passengers to the CBD in less than 15 minutes. However, TTF believes that while the Airport Link has benefitted from proactive management to increase patronage, growth is constrained by the high cost.

Airport to CBD via public transport – cost per kilometre (AUD\$)



Public transport mode share for airport users (%)



¹ Deloitte Access Economics, The economic value of Sydney Airport, 2013

² BITRE, Air passenger movements through capital and non-capital city airports to 2030-31, 2012

³ In 2006, Airport Link mode share was estimated at 11 per cent in Sydney Airport Corporation (SACL), Airport Ground Travel Plan, 2006. More recent estimates in 2011 place it as 14 per cent in Airport Link, submission to Productivity Commission, Draft Report Economic Regulation of Airport Services, 2011

The high price of Airport Link fares is due to the station access fee (SAF) or Gate Pass, a levy on top of the existing CityRail fare as part of the NSW government's cost-recovery agreement with the line's private operator. With the contract not due to expire until 2030, the SAF is a significant and long-term impediment to patronage growth.

Underuse of the Airport Link due to its price has contributed to the surrounding region's road congestion. This is not an isolated concern, Sydney Airport is located beside key arterial roads that carry a significant proportion of the region's commuter traffic and road freight task. A low public transport mode share for Sydney Airport negatively affects the productivity of the entire city.

The SAF has been acknowledged as a key impediment to unlocking greater patronage by a number of institutions, including Infrastructure NSW, the Productivity Commission, and the NSW Parliamentary Budget Office. Forecasts by Booz & Company indicate that removal of the SAF would provide an 'initial uplift' in rail patronage of 35 per cent⁴.

As a result, TTF believes the SAF should be removed to achieve – and go beyond – Sydney Airport's goal of increasing public transport mode share to 20 per cent by 2024⁵. This could be achieved either by subsidising the private operator for the value of the SAF or wholesale purchase of the line.

There is an extensive weight of evidence indicating that removal of the SAF would significantly increase patronage – reducing congestion and improving first impressions for visitors. Further, renegotiation of the current contractual arrangement between Airport Link Company and the NSW government would allow additional public bus routes to service the airport without potentially causing compensation claims.

In addition, TTF also advocates upgrades to timetable information, ticketing and rolling stock for Airport Link services. In particular, the introduction of real-time mobile information and the exclusive use of Waratah and Millennium trains present important opportunities to improve the line's attractiveness to a wider range of airport users.

Summary of recommendations

Remove the airport station access fee to increase rail mode share for Sydney Airport

Establish a greater presence of real-time public information displays for Airport Link services and highlight the speed of the rail journey to the CBD compared with car transport

Provide timetable information for airport services via third-party sites and applications

Prioritise highest quality rolling stock for Airport Link services

Following removal of the station access fee or renegotiation of contract, expand public bus services to Sydney Airport

Prioritise infrastructure, service and signalling upgrades for Airport Link services

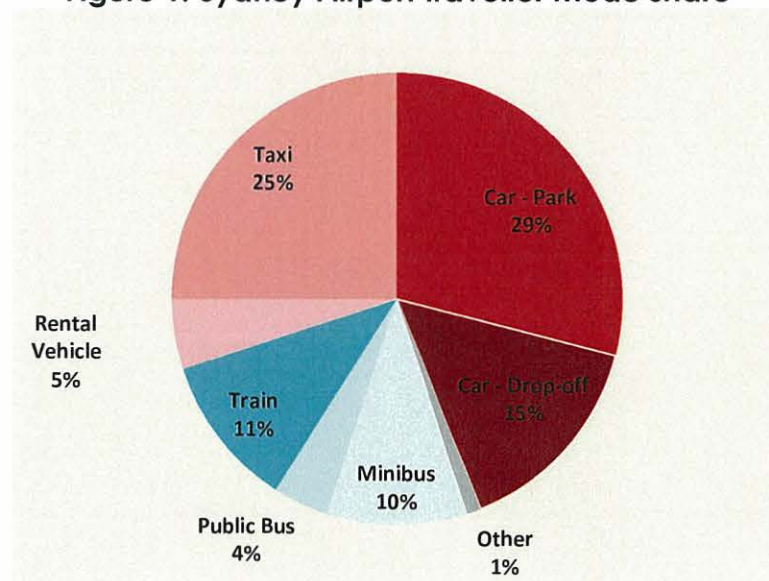
⁴ Booz & Company, Impact of Fare Reform on the Sydney Airport Rail Link, prepared for Sydney Airport Corporation, 2011

⁵ Sydney Airport Corporation Limited, 2009, Sydney Airport Master Plan

2. Accessing Sydney Airport

The vast majority of airport users access Sydney Airport by car. A study of land transport access to the airport in 2006 found that approximately 15 per cent of trips were undertaken by private vehicle drop-off or pick-up and 29 per cent parked at the airport⁶. There is also strong demand for hire services, with an estimated mode share of 25 per cent for taxis and five per cent for rental vehicles. When combined, an estimated 74 per cent of all airport users arrive or depart by car in one form or another. Public buses represent only four per cent of trips, with only one route operating to the airport.

Figure 1: Sydney Airport traveller mode share



Source: Sydney Airport Corporation, 2006

The large number of airport users travelling by car is a significant contributor to the region's already congested road network. The M5 East and General Holmes Drive, two of the major thoroughfares surrounding the airport, are congested for more than 13 hours every day. Similarly, the Eastern Distributor and Southern Cross Drive are also prone to increased travel times and delays. Overall, the Sydney Airport and Port Botany precinct is home to four of NSW's five most congested roads⁷.



Located directly south-east of Sydney Airport is Port Botany, Australia's second largest container port. Port Botany is a major contributor to the region's road congestion, with approximately 10 per cent of traffic in the area being attributed to heavy vehicles⁸. The productivity of the port is already being hindered by road congestion with containers now being unloaded faster than the landside transport system can move them away. This will become an increasing concern as freight through Port Botany is expected to quadruple by 2031⁹.

⁶ Sydney Airport, Airport Ground Travel Plan, 2006

⁷ Transport for NSW, Long Term Transport Master Plan, 2012

⁸ Ibid.

⁹ Infrastructure NSW, State Infrastructure Strategy, 2012

Rapid urban and commercial growth in south-east Sydney will be an added constraint as an extra 480,000 people are expected to live in the wider subregion within the next 20 years. This will generate an additional 377,000 daily commuters, the vast majority of whom will travel by car¹⁰.

At some point between 2015 and 2023, it is predicted that the capacity of existing road junctions at the entrance to the domestic terminal precinct will be exceeded¹¹. Capacity at the international terminal is expected to reach critical mass shortly after. This will result in a near-constant traffic jam on key roads leading to the CBD and the M5, significantly increasing travel times and impeding the region's productivity and Sydney's wider global competitiveness.

3. The Sydney Airport Link

The Airport Link consists of four stations (in order from closest to the CBD): Green Square, Mascot, Domestic and International Terminal, connecting to the CBD along the East Hills Line. The four stations are owned and operated under a 30-year concession between the NSW government and the private operator, Airport Link Company, which expires in 2030. In 2011, the NSW government decided to subsidise the fee for Mascot and Green Square stations at a cost of \$80 million, bringing fares in line with the rest of the CityRail network¹². However, the fee remains for the two airport stations.



Currently, eight trains per hour run through the Airport Link to the city during peak periods. Journey times are short by international standards, with trips from the domestic and international terminals to Central Station 11 and 13 minutes respectively. All train services are operated and timetabled by CityRail as part of the wider suburban network.

Despite competitive travel times, the Airport Link has historically failed to meet expected patronage rates. In 2005, the line carried an estimated 14,000 people per day, over 70 per cent less than originally forecast¹³. This has significantly improved in recent years, with renewed marketing, service reliability and station infrastructure, following an ownership change in 2008, leading to a 25 per cent increase in station activity¹⁴. Despite this increase, Airport Link patronage is failing to rise at a rate sufficient to mitigate increased airport road congestion due to a number of factors; most prominently, the cost of rail fares, as well as business travellers being unconcerned about relative price costs; security issues for airport shift workers; and the perceived difficulty of travelling with luggage¹⁵.

¹⁰ Transport for NSW, NSW Transport Master Plan 2012

¹¹ Joint Study on Aviation Capacity for the Sydney Region, 2012

¹² NSW Parliamentary Budget Office, Policy Costing - Buyout of the Privately Owned Airport Stations, 2011

¹³ Sydney Morning Herald, March 11 2006

¹⁴ Ibid.

¹⁵ Infrastructure NSW, WestConnex – Sydney's Next Motorway Priority, 2012

Sydney Airport station access fee

The Sydney Airport stations' station access fee (SAF), levied on top of the existing CityRail fare as the major revenue source for the line's private operator is the primary cause of low public transport uptake. Users of the international and domestic terminal stations must pay a fee of \$12.30 per adult in addition to the standard one-way, single fare of \$3.60 (totalling \$15.90 for a one-way fare to the CBD). The fee varies for other fare types but is in all cases a significant increase on existing CityRail fares. While necessary under the current public-private partnership, the station access fee is a strong disincentive for airport travellers and is a major obstacle in attempts to reduce road congestion in the region.

This price disincentive is an increasing concern due to the emergence of lower cost flights. An estimated 37 per cent of all passengers arriving to Sydney Airport do so on low-cost carriers¹⁶. This has opened up air travel to a price sensitive market that is similarly price sensitive for land transport. With many low-cost domestic flights costing less than \$100, land transport on arrival often represents around 15 to 20 per cent of total journey cost.

The Airport Link is particularly cost-prohibitive for groups. An average return taxi fare from Sydney CBD to the airport is \$50¹⁷. By comparison a return journey for two passengers on the Airport Link for the same journey is \$66.80. Therefore, for any group of two or more, there is an active financial disincentive for using public transport to access Sydney Airport.

If a Sydney-Melbourne flight cost the same per kilometre as the Sydney Airport Link, a one-way airfare would cost more than \$1380

There is clear, measurable evidence that indicates removing the SAF will drive up Airport Link patronage and subsequently reduce surrounding road congestion. Following the removal of the SAF at Green Square and Mascot, between March and June 2011 patronage increased by 70 per cent¹⁸. Booz & Company estimates that if the SAF were removed for the airport stations, rail patronage would have increased by 1.7 million in 2011/12 and increase by an additional 4.4 million by 2034/35¹⁹.

Patronage on the Airport Link has increased at a faster rate than predicted in 2010/11, due in part to improved management of the line and reduced reliability of road transport due to congestion. However, it is the view of TTF that the price sensitivity modelling undertaken by Booz is still relevant and that patronage could be significantly increased if the SAF were removed.

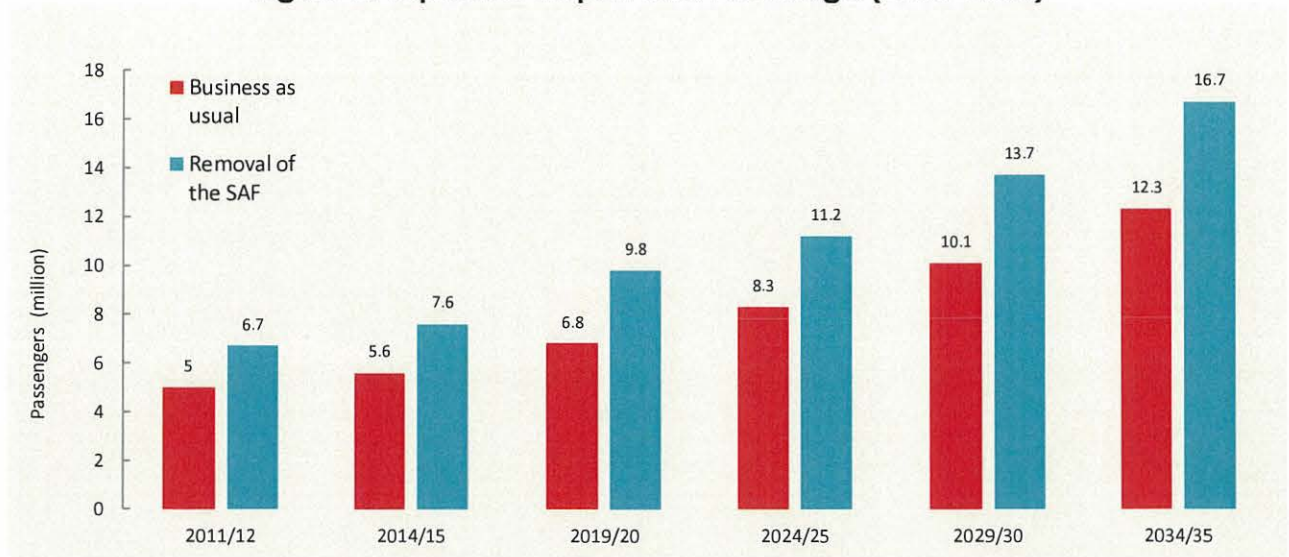
¹⁶ SRS Analyser November 2009 to November 2010

¹⁷ Sydney Airport Corporation estimate.

¹⁸ Booz & Company, Impact of Fare Reform on the Sydney Airport Rail Link, prepared for Sydney Airport Corporation, 2011

¹⁹ Ibid.

Figure 2: Expected Airport Link Patronage (2010-2035)



Source: Booz & Company, Impact of Fare Reform on the Sydney Airport Rail Link, 2011

This view is also supported by Infrastructure NSW and the Productivity Commission which have linked the current low usage of rail to access Sydney Airport to the high price of tickets. In 2011, the Productivity Commission acknowledged that if the SAF were to be removed, 3,500 new users per weekday would be diverted from road transport, increasing rail patronage by 35 per cent in the first year alone²⁰.

This would have a significant impact on addressing the region's road congestion. Infrastructure NSW found that if public transport mode share at Sydney Airport were 40 per cent (comparable with many other major international airports), there would be 25,000 fewer people travelling on surrounding roads each day, the equivalent of six lanes of traffic²¹.

In 2011, the NSW Parliamentary Budget Office estimated the net cost of purchasing the airport line at \$276 million²². While this figure is only an estimate, the NSW government should further investigate the cost efficiency of the different options available to remove the SAF.

The need for financial austerity has impeded the NSW government from funding this necessary investment. However, it has become increasingly clear that continued underuse of the Airport Link is of greater cost to Sydney's productivity than an investment in its pricing reform.

²⁰ Productivity Commission, Economic Regulation of Airport Services Report – December 2012

²¹ Infrastructure for NSW, State Infrastructure Strategy, 2012

²² NSW Parliamentary Budget Office, Policy Costing - Buyout of the Privately Owned Airport Stations, 2011

How Airport Link compares

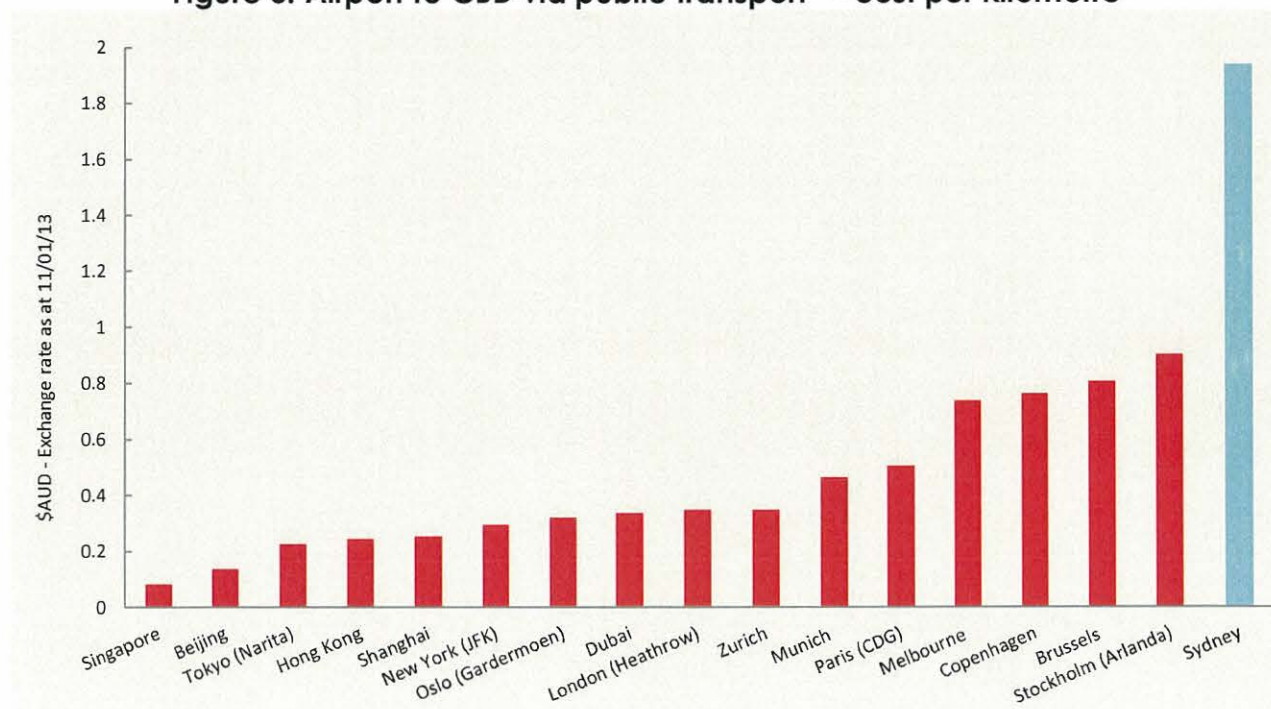
The Sydney Airport Rail Link is one of the most expensive airport public transport services in the world and, among leading surveyed destinations, it is the most expensive per kilometre. Many of the world's major tourist destinations such as Paris, Beijing, Tokyo, and New York, all ensure low fares for airport land transport to minimise congestion and improve first impressions for visitors. Major international business hubs including Dubai and Hong Kong also offer business class service, with initiatives such as internet facilities and direct links to major conference centres. Other airports, such as London Heathrow and Tokyo Narita, while relatively more expensive, offer high-speed rail options.



Skyliner Airport Link, Tokyo

Image courtesy of shinji_w

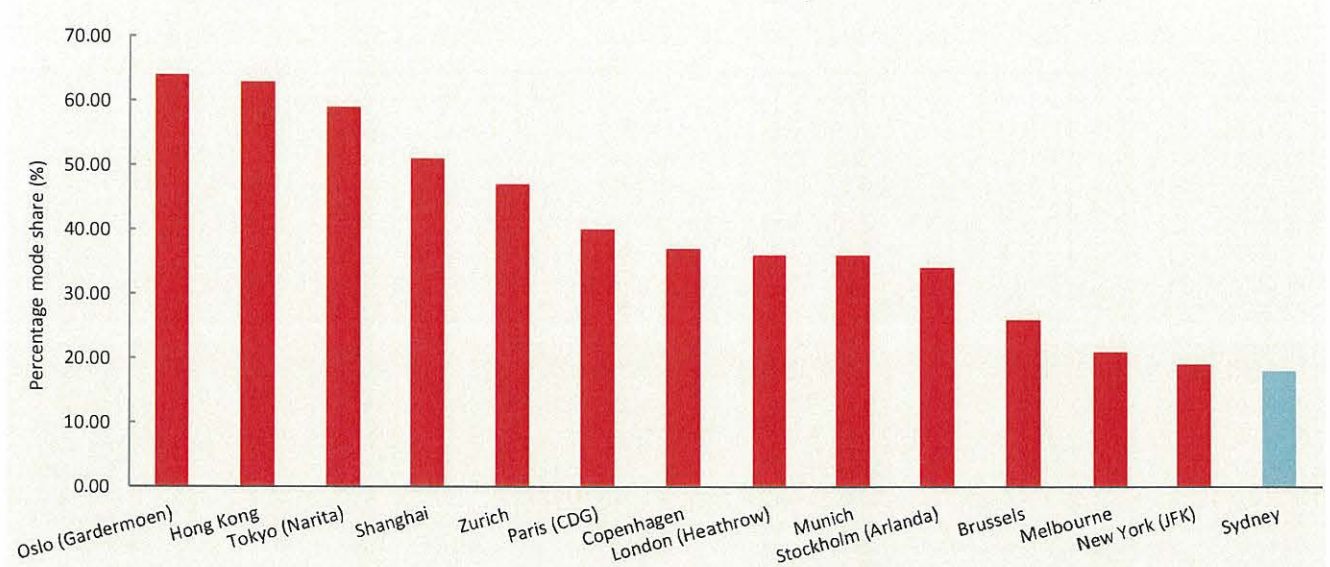
Figure 3: Airport to CBD via public transport* – cost per kilometre



Source: TTF Research, 2013

*least expensive option

Figure 4: Public Transport Mode Share of Major International Airports



Source: Transportation Research Board, Ground Access to Major Airports by Public Transportation, 2008

Cost of inaction

The NSW government must compare the cost of removing the SAF with the benefit of reduced congestion around Sydney Airport. Research by Booz & Company indicates that removing the SAF would deliver a 20 per cent return on investment when considering its benefits to commuters as well as reductions in congestion²³. Further, when combined with an accompanying information campaign, it is predicted that removal of the SAF could delay critical road capacity issues at the airport by between one and four years²⁴.

Cost of a single adult fare:

Central Station to Goulburn
(217 km) - \$8.40

Central Station to International
Terminal (8 km) - \$15.90

Making the Airport Link more competitive by reducing fares is an important investment in the efficiency of two of Australia's largest economic hubs. It is an immediate, measurable and popular way of removing large volumes of traffic from critically congested roads, drive up productivity of one of Australia's principal trade zones, and increase Sydney's attractiveness to travellers, boosting the estimated \$100 billion visitor economy²⁵.

Recommendation: Remove the airport station access fee to increase rail mode share for Sydney Airport

²³ Booz & Company, Impact of Fare Reform on the Sydney Airport Rail Link, prepared for Sydney Airport Corporation, 2011

²⁴ Joint Study on Aviation Capacity for the Sydney Region, 2012

²⁵ Tourism Research Australia, Tourism Industry Facts and Figures, 2012

4. Other measures to make airport travel more attractive

Elimination of the station access fee is the most important but not the only method for increasing patronage on the Airport Link. There are a number of opportunities to tailor service delivery to improve the line's attractiveness to a wider range of airport users.

Real-time and off-site timetable information



Brisbane Airport

The relative price insensitivity of business travellers means they are a challenging target for increased public transport use. By improving information access, there is significant room for growth for this and other reliability-focused groups. One way of attracting business travellers to the Airport Link is greater prevalence of real-time and off-site passenger information.

While Sydney Airport has real-time information displays at both the airport stations and in terminals, greater information regarding the Airport Link should extend beyond the airport itself. One particular opportunity is attracting more business travellers arriving or departing from Martin Place, in Sydney's financial district. Martin Place station does not have a direct train service to the airport, leading many business travellers to travel by taxi instead. However, Martin Place station is located less than 400 metres from St James station, which connects directly to the airport in less than 20 minutes. Greater awareness of St James as a direct airport transport point through information provided at both Martin Place and the Airport, as well as street prompts directing people from Martin Place to St James, are effective and inexpensive initiatives to minimise taxi congestion derived from business travellers.

Existing real-time information displays could also contain live journey times comparing the length of a car journey to the city compared with the same rail journey. This would help highlight the journey-time advantage of Airport Link, particularly during peak hours.

Across other transport modes, greater presence of live passenger information has proven to be not only popular with commuters but also cost effective. For example, in Melbourne, Yarra Trams has installed real-time passenger information displays on major tram corridors, offsetting costs through advertising revenue and partnerships with local businesses.

Recommendation: Establish a greater presence of real-time and off-site displays for Airport Link services and highlight the speed of the rail journey compared with car transport

Mobile technology

Timetable information for Airport Link services must also be easily accessible on smartphone applications. Research undertaken by Metlink, Victoria's public transport authority (now Public Transport Victoria), suggests that 61 per cent of public transport users are now accessing the internet via

mobile devices²⁸. Within the next two to three years, as much as 80 per cent of access to public transport information will happen on mobile devices²⁹.

The current Transport for NSW 131500 website, which provides mobile public transport information across the state, is relatively unknown to foreign and interstate visitors and does not have fully integrated multilingual options. This makes it an ineffective mechanism for delivering information to a large share of airport travellers. The need to provide multilingual service information will become increasingly important as a greater percentage of visitors come from non-English speaking backgrounds. Of most importance will be the need to cater to rapidly growing Asian markets.

Providing easily accessible mobile information is best achieved on a platform that is already familiar to users and is available in multiple languages. For example, Baidu Maps remains the most popular wayfinding application in China but is relatively unknown outside of that country.

Recommendation: Provide timetable information for airport services via third-party sites and applications

Rolling stock

The journey from Sydney Airport is the first experience that visitors will have of Sydney and, in many cases, Australia. It is therefore important that the trip is as pleasant and impressive as possible.

For visitors, Sydney's best should be on display from the start. The NSW government should ensure that all airport services are undertaken by rolling stock dedicated for this purpose. That rolling stock should be either Waratah or Millennium train sets to provide maximum comfort and service. Additional information for visitors could also be provided in carriage.

Ensuring that Sydney's most modern air-conditioned trains serve the airport would also make the service more attractive for domestic travellers.

Recommendation: Prioritise highest quality rolling stock for Airport Link services

Public buses

Public buses represent only four per cent of mode share for Sydney Airport, with only one route on the Sydney Buses network operating from Burwood to Bondi Junction. By comparison, London Heathrow, which is roughly double the size of Sydney Airport, has 29 different routes and a bus mode share three times that of Sydney³⁴.

The absence of adequate bus services to the airport is a direct result of the contract between the NSW government and Airport Link Company. A compensation clause exists within the contract that forces the NSW government to compensate Airport Link Company if public bus services to the airport are

²⁸ Metlink Market Intelligence Fact Sheet, 2011

²⁹ Ibid.

³⁴ Transportation Research Board, Ground Access to Major Airports by Public Transportation, 2008

increased³⁵. Due to this expense the NSW government has not provided any additional bus routes to date. Accordingly, latent demand for additional bus services remains unmet and mode share has stagnated.

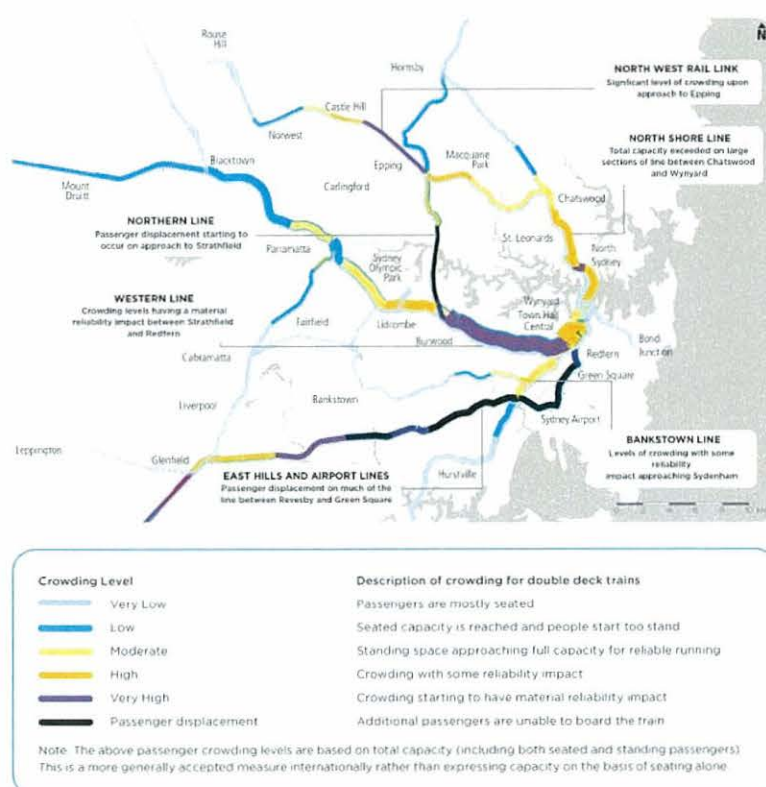
The subsidisation of the station access fee or purchase of Airport Link Company would effectively remove this clause, allowing routes to be dictated by customer demand as opposed to legal obligation. This would significantly improve public transport access to Sydney Airport, particularly to areas not readily accessible by train. As a result, abolition of the station access fee would increase not only increase rail patronage but also significantly improve bus services.

Recommendation: Following removal of the station access fee, expand public bus services to Sydney Airport

5. Managing increased demand

Price reductions for the Airport Link will have a direct and significant increase in demand, requiring a simultaneous increase in service numbers. Current city-bound morning peak services are often at capacity by the time they reach the airport stations due to high commuter demand from the south-west and Illawarra lines. This overcrowding is of particular concern to airport users as they often have large and cumbersome baggage, the effect of which is compounded by CityRail's double-deck rolling stock that is unsuited to large luggage.

Following the commencement of services on the South West Rail Link in 2016 and upgrades to the south-west line, the number of services to Sydney Airport must increase from 8 to 12 per hour by 2016 and eventually to 20. However, this must remain flexible to demand and be enacted sooner if necessary. It is estimated that by 2018, even with 12 trains per hour, many peak services will be at capacity³⁶. Further, if the SAF is removed, the network must remain capable of handling the subsequent spike in passenger demand to ensure airport users can board peak hour services. Longer term, rail upgrades such as automated train protection (ATP), which relays signal information, speed and track information, and can automatically slow trains to prevent accidents, should be prioritised along the airport line to increase the maximum number of services per hour. Further, single deck trains



Source: Transport for NSW, 2012

³⁵ Productivity Commission, Economic Regulation of Airport Services Report, 2012

³⁶ Joint Study on Aviation Capacity for the Sydney Region, 2012

should be introduced along the Airport Line not only to reduce crowding issues but also to better cater for airport users with baggage.

Recommendation: Prioritise infrastructure, service and signalling upgrades for the airport line

6. Conclusion

Sydney will need to respond to growth in demand for airport travel with quality land transport options which are competitive on price, quality, and travel time. The most important step to achieve this is the removal of the station access fee at Sydney Airport train stations. Under the current cost-recovery model, airport visitors are often faced with an active financial disincentive for using public transport. This has become a direct cause of the rising congestion that faces the regional road network. This will become an increasing concern given the rapid growth of Port Botany, Sydney Airport, and large residential developments in Sydney's south-west.

The present fare structure for the Airport Link acts as an active disincentive for airport users to use the line and effectively prevents the use of a comprehensive public bus network. On a per kilometre basis, the Airport Link is unrivalled in expense by global standards. As a result, public transport mode share for Sydney Airport remains considerably below its potential.

TTF believes the NSW government should remove the station access fee either by subsidising the line's operator or wholesale purchase of the asset. While this is a considerable cost, there is substantial analysis illustrating that it is a worthwhile investment in the efficiency of one of Sydney's most important economic regions. Failure to do so will have increasingly severe consequences for commuters, freight operators, and airport users. In addition, improved information services and rolling stock will increase the attractiveness of the Sydney Airport Link and improve first and last impressions for visitors.