

**NSW PARLIAMENTARY LIBRARY
RESEARCH SERVICE**

**Options for
Sydney's Second Airport**

by

Stewart Smith

Briefing Paper No 4/2001

ISSN 1325-5142
ISBN 0 7313 1688 6

April 2001

© 2001

Except to the extent of the uses permitted under the *Copyright Act 1968*, no part of this document may be reproduced or transmitted in any form or by any means including information storage and retrieval systems, with the prior written consent from the Librarian, New South Wales Parliamentary Library, other than by Members of the New South Wales Parliament in the course of their official duties.

NSW PARLIAMENTARY LIBRARY RESEARCH SERVICE

Dr David Clune, Manager.....	(02) 9230 2484
Ms Rachel Callinan, Research Officer, Law	(02) 9230 2768
Dr Gareth Griffith, Senior Research Officer, Politics and Government / Law	(02) 9230 2356
Ms Rowena Johns Research Officer, Law	(02) 9230 2768
Ms Rachel Simpson, Research Officer, Law	(02) 9230 3085
Mr Stewart Smith, Research Officer, Environment.....	(02) 9230 2798
Mr John Wilkinson, Research Officer, Economics	(02) 9230 2006

Should Members or their staff require further information about this publication please contact the author.

Information about Research Publications can be found on the Internet at:

http://www.parliament.nsw.gov.au/WEB_FEED/PHWebContent.nsf/PHPages/LibraryPublications

CONTENTS

EXECUTIVE SUMMARY

1.0	Introduction	1
2.0	The Legislative Framework	1
3.0	Airports in the Sydney Region	2
3.1	Sydney Airport.....	2
3.2	General Aviation Airports	4
3.3	Bankstown	4
3.4	Camden.....	5
3.5	Hoxton Park.....	6
3.6	Other Airfields and Aviation Activity	6
4.0	The Need and Search for a Second Sydney Airport Site	6
4.1	The Need for a Second Sydney Airport in the Sydney Basin	8
4.2	Alternatives to Building a Second Sydney Airport.....	10
4.2.1	Sydney Airport Expansion Under Current Operational Settings.....	10
4.2.2	Expansion of Capacity of Sydney Airport.....	11
4.2.3	Expanded Use of Bankstown Airport.....	11
4.2.4	Expanding the capacity of other capital city airports and the development of a very high speed train system.....	13
5.0	Recent Federal Government Announcements	14
5.2	Responses to the Federal Government Announcement.....	15
5.3	Response of the NSW ALP and Coalition Parties.....	17
6.0	Implications of an Operational Badgery’s Creek Airport on Secondary Airports.....	18
7.0	Conclusion	19

EXECUTIVE SUMMARY

The need for and potential site of a second airport in Sydney has been the topic of debate for governments and communities for some considerable time. Recent Federal Government decisions to upgrade Bankstown Airport and to delay the development of a second airport at Badgery's Creek have renewed interest in the issue. This Paper looks at the operations of the airports currently in use in the Sydney basin. It also reviews the arguments concerning the need for a new second airport and proposed sites.

Since the 1940s the Federal Government has been considering the airport needs of the Sydney basin, and whether a second airport should be built. In February 1986 the Commonwealth Government announced that Badgery's Creek had been selected as the site for Sydney's second major airport. It contained over 240 properties which were acquired by the Commonwealth between 1986 and 1991 at a cost of \$155 million (page 6).

In September 1997 a draft environmental impact statement on a second airport at Badgery's Creek was released, based on an operating level of 245,000 aircraft movements a year, with the number of passengers approaching 30 million (pages 7-9).

The existing and planned facilities at Sydney Airport are considered adequate to fulfil its current planned capacity of about 353,000 aircraft movements and 30 million passenger movements per year. As at the end of the financial year ending June 2000, Sydney Airport handled 23.2 million passenger movements and 290,019 aircraft movements.

The EIS considered a range of alternatives to a second airport, including upgrading Bankstown Airport and upgrading the capacity of Sydney Airport. Independent analysis concurred with the EIS that sufficient evidence was provided to conclude that none of the identified strategic alternatives to a second Sydney airport would, in isolation, satisfy the objective of providing adequate airport capacity to help meet Sydney's long-term commercial aviation demands (pages 9-13).

On 13 December 2000 the Federal Government announced its decision on the future airport needs of Sydney. The Government considered that Sydney Airport was comfortably handling its growing level of air traffic and concluded that it would be premature to build a second major airport in the city. Instead, the Government decided to make Bankstown Airport available as an overflow airport for Sydney (page 13).

The decision attracted a lot of attention and criticism. No work had been done to assess and officially inform the public about aircraft noise and other environmental ramifications of the upgrade of Bankstown Airport and delaying the construction of a second airport. It was left to the media and media commentators to interpret how the distribution of aircraft noise in Sydney may change (pages 14-16).

Whilst the NSW ALP expressed strong opposition to an upgrade of Bankstown Airport, the NSW Coalition parties noted that regional airline access to Sydney Airport was guaranteed at reasonable prices (pages 16-17).

1.0 Introduction

The need for and potential site of a second airport in Sydney has been the topic of debate for governments and communities for some considerable time. Recent Federal Government decisions to upgrade Bankstown Airport and to delay the development of a second airport at Badgery's Creek have renewed interest in the issue. This Paper looks at the operations of the airports currently in use in the Sydney basin. It also reviews the arguments concerning the need for a new second airport and proposed sites. Details of the Federal Government policy on the future airport needs of Sydney are also reviewed, with the reaction from stakeholders.

2.0 The Legislative Framework

The Commonwealth Government enacted the *Airports Act 1996* in 1997 to govern the development and operations of all privatised airports throughout Australia. The (Commonwealth) Minister for Transport and Regional Services is responsible for regulating all commercial airports under the Act. The *Airports Act* regulates numerous facets of airport management, including ownership, land use planning and building controls, environmental management, quality of service, and air traffic services.

Under the *Airports Act*, a Major Development Plan is required for major airport developments. The definition of a major development is wide ranging, and includes developments such as runways, taxiways, terminals and developments which cost more than \$10 million or add significantly to airport capacity.

One of the main environmental elements of the *Airports Act* includes the requirement to prepare and implement an Environment Strategy. However, the Act excludes from consideration in an Environment Strategy pollution generated from an aircraft or noise generated by an aircraft in flight or when landing, taking off or taxiing at an airport. The Commonwealth regulates the pollution effects of aircraft engines under the Air Navigation (Aircraft Engine Emissions) Regulations, and noise effects of aircraft operations are regulated under the Air Navigation (Air Noise) Regulations.

As well as being regulated by the *Airports Act*, Sydney Airport is also regulated by the *Sydney Airport Curfew Act 1995* and the *Sydney Airport Demand Management Act 1997*. The latter Act limits aircraft movements at Sydney Airport to a maximum of 80 per hour. Part 4 of the Act provides the framework for a slot management scheme, which is the tool used to manage the cap on aircraft movements. The Curfew Act allows only a limited amount and type of operation at Sydney Airport between the hours of 11:00pm and 6:00am. Operations permitted include: a small number of freight aircraft, propeller aircraft under 34,000 kg, some jet aircraft under 34,000 kg that meet a specified noise standard, emergency operations, and some international jets between 5:00am and 6:00am.

3.0 Airports in the Sydney Region

Within the greater metropolitan area of Sydney there are four civilian airports of relevance for this Paper. These are described below.

3.1 Sydney Airport

The first aircraft landed in the area of Sydney Airport on 5 May 1911. However, ‘Mascot Aerodrome’ was not officially opened until January 1920, and was purchased by the Commonwealth Government in 1921. The land of the aerodrome was adjacent to the village of Lauriston Park, located at the mouth of the Cooks River on the northern shores of Botany Bay. Additional land was acquired for the aerodrome during the 1930s and a new passenger terminal was opened in 1940.

During World War II Sydney Airport underwent improvements to enhance its civilian and military usefulness. Owing to air traffic congestion, a second airport was opened at Bankstown. The Commonwealth Government acquired a large portion of the Botany Swamps (wetlands) for Sydney Airport in 1947. The residents of Lauriston Park ceded more land, until the village disappeared entirely.¹ Construction of the first international air terminal also commenced in 1947. In 1963 the main north-south runway was extended into Botany Bay to cater for new jet aircraft. A jet curfew was introduced between 11pm and 6am. The concept of a third runway at Sydney Airport was conceived by the Holt Government, but the plan was deferred. The main runway was extended again in 1968 with the imminent introduction of the B747 and Concorde, and a new international terminal was opened in 1970.²

In March 1989 the Hawke Government decided to proceed with the construction of a third (parallel) runway at the airport, subject to normal environmental impact statement procedures. Development of a second airport in the Sydney Basin at Badgery’s Creek was also announced, with a general aviation facility to be constructed immediately and the remainder of land required for the second airport to be acquired. Design work for future development was also approved to commence.

On 4 November 1994 the third runway at Sydney Airport opened, with subsequent restriction of operations on the east-west runway. Opposition to aircraft noise from the operation of the parallel runways commenced almost immediately after it was opened. A program of house acquisition and demolition, and home and public building noise insulation commenced for areas worst affected by aircraft noise. With the election of the Howard Coalition Federal Government in March 1996, the use of the east-west runway gradually began again and steps were taken to commence the development of a Long Term Operating Plan. The implementation of this plan and other noise abatement measures are significant determinants of airport capacity and are discussed later in this paper.

¹ Sydney Airports Corporation, *Sydney Airport Environment Strategy*, November 1999 at 13.

² Sydney Airports Corporation, *Sydney Airport 80 Years of History. Fact Sheet No 3*.

Today Sydney Kingsford Smith Airport is Australia's busiest airport in terms of both passenger numbers and aircraft movements. As can be seen in Table 1 below, compared to other airports both in Australia and around the world it operates on a relatively small site of 881 hectares. The Airport is close to Sydney's central business district, which is approximately seven to eight kilometres from the airport.

Table 1 **Sizes of Major Airports compared with Sydney Airport³**

Region	Airport	Area (Hectares)
Australia	Brisbane	2,685
	Melbourne	2,635
	Sydney	881
Asia	New Seoul	5,615
	Tokyo (Narita)	1,065
USA	Denver	13,765
	Los Angeles	1,418
Europe	Paris (Charles de Gaulle)	3,110
	London (Heathrow)	1,000

Sydney Airport has three runways, one set of parallel north-south runways and one east-west runway. The main north-south runway is 3,962 metres long. The other parallel runway, known as the 'third runway' because it was the third built at the airport, is 2,438 metres. The east-west runway is 2,530 metres long.

The airport has three major passenger terminals, two domestic and one international, and a number of smaller terminals supporting regional airlines and other services.

The domestic terminals at Sydney Airport are owned and operated by the major domestic airlines, Ansett and QANTAS. They are located on land leased on a long term basis from the Sydney Airport Corporation. The airlines are responsible for the capacity of these facilities. The Corporation is responsible for providing associated infrastructure such as aircraft parking aprons. The Corporation also manages the international terminal, and is responsible for ensuring it has sufficient capacity to handle the growth of international traffic.⁴

Significant investment has been made in the infrastructure at Sydney Airport. More recently, particularly with preparation for the Sydney 2000 Olympic Games, investment has included:⁵

³ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-11.

⁴ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-11.

⁵ Sydney Airports Corporation, *Sydney Airport 2000 Constructing a world class airport business. Fact Sheet No 7*.

- \$600 million Sydney Airport 2000 project;
- \$120 million redevelopment of freight facilities area;
- \$42 million enhancements to the airport's aprons and taxiways;
- \$44 million elevated roadway at the domestic terminal precinct;
- Ground access improvements including new entrances and exits;
- \$167 million upgrade of Ansett terminal;
- \$200 million redevelopment of QANTAS terminal;
- \$730 million airport rail link.

Income from non-aeronautical sources accounts for 65 percent of revenue for Sydney Airport. By turnover, Sydney Airport is Australia's third largest retail centre.⁶

3.2 General Aviation Airports

General aviation refers to the non-military aviation sector, excluding the larger airlines operating scheduled passenger services. The general aviation sector performs a diverse range of passenger and freight activities, including charter operations, flying training, aerial agriculture, aerial work, private and business flying and sports related activities. The three main general aviation airports in Sydney are Bankstown, Camden and Hoxton Park. These airports, as well as Kingsford Smith Airport, are owned and operated by the Sydney Airports Corporation, which is owned by the Commonwealth Government.

3.3 Bankstown

Bankstown Airport was first earmarked for development by the Department of Civil Aviation in 1929 as a second or training aerodrome for Sydney. There was no activity on the site until the Department of Air acquired an area of 255 hectares during World War II for the development of an RAAF site. The main reason for selecting Bankstown for this was its close proximity to Clyde Engineering Works at Granville where aircraft production was carried out. In 1945 Bankstown, as well as other sites, was investigated as a possible site for Sydney International Airport. Bankstown was ruled out primarily because of its runway approach limitations. Following approval to develop Sydney Airport as the International Airport, in 1946 the Department of Air was approached concerning the use of Bankstown Airport for light aircraft, private flying and aircraft manufacture. The Department of Civil Aviation took control of Bankstown Airport in 1948.⁷

New runways and operational procedures were introduced during the 1950s and 1960s. Runway lighting was installed in 1965 and the present control tower was commissioned in 1970. The RAAF relinquished the last of its Bankstown Airport land to the Department of Aviation in 1980. The Federal Airports Corporation assumed the operation and management of the airport in 1988. In July 1998 the operation and management of the airport was transferred to Bankstown Airport Limited, which is a part of the Sydney

⁶ Sydney Airports Corporation, *Sydney Airport Corporation Profile. Fact Sheet No 2.*

⁷ Bankstown Airport Limited, *Environment Strategy*, March 2000, at 23.

Airports Corporation Ltd.⁸

Today Bankstown airport is Sydney's primary general aviation airport. It acts as an overflow airport for non-scheduled and general aviation traffic from Sydney Airport, and is the major general aviation training, maintenance and support facility in Australia.

Bankstown covers 313 hectares and is 23 kilometres west of the Sydney central business district. It has five runways (four sealed and one unsealed), ranging in length from 800 metres to 1,415 metres. However, only four runways are in operation, three of which are closely spaced parallel runways and one short, cross wind runway primarily used for flying training.

Bankstown is a major flying training airport, with approximately 48 percent of its traffic using it for this purpose. It is also used by a number of charter operators, and 46 percent of its traffic arises from intrastate travel. Helicopter activity makes up the remaining six percent.

General aviation statistics at the airport have fluctuated between 375,000 and 425,000 movements per year from 1991 to 1996. The 1999 calendar year totals (up to November) were approximately 277,710 movements. The operational capacity of the airport is 500,000 movements. The air traffic control tower operates from 6:00am – 9:00pm Monday to Friday, and 6:00am – 8:00pm on weekends.⁹

A Master Plan for Bankstown Airport is to be developed and is proposed as a key document for the future management of the site. The Commonwealth Government has advised that the Master Plan must be prepared within 12 months of privatisation of the airport or by 30 June 2001, whichever occurs first.¹⁰

3.3 Camden

Camden airport is located 60 kilometres south-west of Sydney and has an area of approximately 195 hectares. It has a sealed and an unsealed runway (1,464 and 723 metres respectively), and two grassed glider strips.

Camden is an overflow airport for Bankstown for flying training, charter and maintenance, and provides important facilities for gliding and ballooning. The capacity of the airport is about 180,000 aircraft movements per annum; for 1996 there were estimated to be 118,000 aircraft movements.¹¹

⁸ Bankstown Airport Limited, *Environment Strategy*, March 2000, at 23.

⁹ Bankstown Airport Limited, *Environment Strategy*, March 2000, at 17.

¹⁰ Bankstown Airport Limited, *Environment Strategy*, March 2000, at 10.

¹¹ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-16.

3.4 Hoxton Park

Hoxton Park airport is located approximately eight kilometres from Liverpool, and covers an area of 89 hectares. It has a single north-south sealed runway (1,100 metres long) and an estimated capacity of approximately 120,000 movements per annum. Approximately 100,000 movements were recorded at Hoxton Park in 1995/96.

Hoxton Park's primary role is as an overflow airport for Bankstown, catering for general aviation traffic such as light aircraft, helicopters and flight training. The mix of operations at the airport is estimated to be 85 percent fixed wing aircraft training, 10 percent helicopter and five percent charter.¹²

3.5 Other Airfields and Aviation Activity

There are several military air bases within the greater Sydney region. Richmond is the Australian Defence Force's main transport hub, with Boeing 707s, Hercules and Caribou transport aircraft based there. The RAAF Tactical Fighter Group is based at Williamstown, which is also the primary airport for the city of Newcastle. There is also a small airstrip in the Holsworthy Military Area, and the Royal Australian Navy conducts flying operations out of Nowra.¹³

4.0 The Need and Search for a Second Sydney Airport Site

Since the 1940s the Federal Government has been considering the airport needs of the Sydney basin, and whether a second airport should be built. These considerations are well documented¹⁴, and only the most recent developments, and other considerations which impact on airport capacity will be discussed here.

In February 1986 the Commonwealth Government announced that Badgery's Creek had been selected as the site for Sydney's second major airport. The main reasons for its selection were its proximity to central Sydney, lower development costs and fewer impacts on the environment. The Badgery's Creek site is 46 kilometres west of Sydney's central business district and has an area of 1,700 hectares. It contained over 240 properties which were acquired by the Commonwealth between 1986 and 1991 at a cost of \$155 million.¹⁵

¹² Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-16.

¹³ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-16

¹⁴ For example, see: Williams, P. *Second Sydney Airport: A Chronology*. Commonwealth Parliamentary Library, Background Paper No 20, 1997/98.

¹⁵ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-8.

In December 1991, following the completion of the environmental impact statement into the third runway at Sydney Airport, and the decision to proceed with its construction, it was decided that the initial development at Badgery's Creek would be a general aviation airport with an 1,800 metre runway. The site was subsequently leased to the Federal Airports Corporation on condition that the Corporation would be responsible for building and operating the new airport.

In May 1994 the Commonwealth Government announced that the airport at Badgery's Creek would be accelerated by the construction of a 2,900 metre runway suitable for use by major aircraft. Over the next 12 months detailed planning for this development was undertaken and in the 1995 Budget the Government provided details of a terminal and other facilities that would be built as a first stage. The first stage was to be completed in time for the Sydney 2000 Olympics.

In January 1996 the Commonwealth Government announced that a new environmental impact statement would be undertaken for the Badgery's Creek airport site. Following a change of Government in the March 1996 election, the new Howard Coalition Government: reopened the east-west runway; began the development of a Sydney Airport long term operating plan; and decided to broaden the environmental assessment process for Sydney's second airport site by including Holsworthy Military Area, as well as Badgery's Creek, for environmental assessment.¹⁶ The Howard Government went to the polls with the following policies:¹⁷

- "The Coalition will cap aircraft movements at 80 movements per hour by implementing a slot system."
- "The Coalition is committed to building a second major airport in the Sydney region. The Coalition will ensure that Sydney West Airport is developed to a full international standard as a matter of priority, subject to the results of the Environmental Impact Statement."

In September 1997, following the substantial completion of the environmental assessment of the potential use of Badgery's Creek or Holsworthy as a site for the second airport, the Government decided to eliminate the Holsworthy site from further consideration. A new proposal was developed by the Commonwealth Department of Transport and Regional Development to consider only the Badgery's Creek site. A draft environmental impact statement for the proposal was released in 1997.¹⁸ The draft environmental impact statement was based on an operating level of 245,000 aircraft movements a year, with the number of passengers approaching 30 million.

¹⁶ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 4-8.

¹⁷ "Putting People First. The Coalition's Policy on Sydney Airport and Sydney West Airport."

¹⁸ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997.

4.1 The Need for a Second Sydney Airport in the Sydney Basin

Forecasts of aviation demand are highly volatile and inherent uncertainties in forecasting methodologies need to be recognised and understood in airport planning. Uncertainties that contribute to the complexity of making forecasts include assumptions about future income levels in Australia and overseas markets, and the cost of travel to and from Australia. The most recently published projections for air traffic in the Sydney Basin are contained in the Second Sydney Airport (Badgery's Creek) environmental impact statement. The Draft EIS noted the intrinsic unreliability of aviation forecasts and cited a study by Professor Richard de Neufville which indicated that, worldwide, the variability in air traffic forecasts can be plus or minus twenty percent after five years and much wider for longer forecast periods.

The existing and planned facilities at Sydney Airport are considered adequate to fulfil its current planned capacity of about 353,000 aircraft movements and 30 million passenger movements per year. As at the end of the financial year ending June 2000, Sydney Airport handled 23.2 million passenger movements and 290,019 aircraft movements.¹⁹ The Draft EIS noted that the planned capacity of the airport is somewhat less than the likely ultimate capacity of the airport. For example, London's Heathrow Airport accommodates over 420,000 movements on a runway configuration similar to Sydney Airport. Heathrow Airport achieves this by spreading the peak hours across a greater number of hours during the day.²⁰

Another factor affecting airport capacity is the occupancy of aircraft. Aircraft flying into and out of Sydney Airport carried, on average, 76 passengers each in 1996. In contrast, Heathrow Airport carries, on average, 130 passengers on each aircraft, while Chek Lap Kok Airport at Hong Kong is forecast to carry about 227 passengers.

Increasing the average aircraft occupancy and or scheduling aircraft movements outside peak hours could substantially increase the capacity of Sydney Airport, thereby delaying the need for a second airport for some time. Current forecasts suggest that there will be an increase in average aircraft occupancy in Sydney to 111 passengers by 2024/25, a substantial increase above this level (probably to over 150) would be required to allow Sydney Airport to satisfy the forecast air traffic demand over this period.²¹

Below is a summary of airport passengers and aircraft for Sydney Airport from the environmental impact statement.

In 1997-98 21.3 million aircraft passengers flew into and out of Sydney. This is expected to increase to 35 million in 2009-10 and 49 million in 2021-22. In

¹⁹ Sydney Airports Corporation Limited, *Annual Report 2000*.

²⁰ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report, 1997*, at 6-8.

²¹ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report, 1997*, at 6-8.

1997-98 there were 276,300 aircraft movements at Sydney Airport. This demand is expected to grow to 381,000 in 2009-10 and 480,000 in 2021-22. Although these forecasts take account of the regional economic downturn beginning in the mid-1990s, the overall growth in demand for air travel is still substantial.

Estimating the exact year in which Sydney Airport will reach capacity is difficult. For example, Sydney Airport's capacity to handle aircraft movements would be reduced if more stringent noise management practices were introduced. On the other hand, it might be possible to increase passenger throughput at Sydney Airport if the airlines used larger aircraft, decreased the number of empty seats on each flight and reduced the number of passengers using Sydney Airport to transfer to other flights.

Assuming current trends in aircraft size and loading continue, Sydney Airport will reach capacity in 2006 - 07, when demand is forecast to be 31 million passengers per year. Alternatively, if it was assumed that, in the longer term, regional passengers will be carried in larger aircraft, allowing more room for domestic and international services, capacity would be reached in 2010-11, when demand is forecast to be 36 million passengers.

If the forecast demand for air travel is to be met, it is very likely that Sydney will need new major airport facilities in the latter part of the next decade.²²

Environment Australia (the Commonwealth Department of Environment and Heritage) independently assessed and reported upon the Second Sydney Airport environmental impact statement. The Department concluded that the methodology adopted in the EIS for forecasting future air passenger and air traffic demand appeared to be thorough and reasonable.

The Airport Coordination Authority is the body responsible for allocating slot times for Sydney Airport. Mr Ernst Krolke, Chief Executive of the Authority, noted that between the weekday peak hours of 7:00am and 8:59am, and increasingly between 5:00pm and 6:59pm, aircraft movements are approaching or at the 80 movements per hour cap. He also noted that total aircraft movements for the April – October 2001 planning season, in terms of slots already allocated, are 16 percent busier than the corresponding April – October 2000 season (which was busy due to the Olympics). Domestic flight movements are up 34 percent in the 2001 season compared to 2000, chiefly due to the arrival of Impulse and Virgin Blue airlines operating in the domestic market. Mr Krolke noted that Sydney Airport coped reasonably well with the extra Olympic flight movements because a greater use was made of the Airport during the middle of the day at non-commercial times.²³

²² Commonwealth of Australia, *Summary of the Environmental Impact Statement for the Proposed Second Sydney Airport at Badgery's Creek*. 1997, at 5.

²³ Personal Communication with Mr Ernst Krolke, Chief Executive Officer, Airport Coordination Authority, 20 March 2001.

4.2 Alternatives to Building a Second Sydney Airport

Five alternatives to building a second airport for meeting the long term demand for airport services were also considered in the EIS. These included:

- allowing the capacity of Sydney Airport to expand under current operational and policy settings;
- major expansion of Sydney Airport;
- expanding the use of Bankstown Airport;
- expanding the capacity of other capital city airports;
- development of a very high speed train system.

Each of these are discussed below, as well as comments from the Commonwealth Government Department of Environment and Heritage, Environment Australia.

4.2.1 Sydney Airport Expansion Under Current Operational Settings

Key elements of the operating environment for Sydney Airport include: curfew on night-time operations; slot management system with a legislated cap of 80 movements per hour; Long Term Operating Plan for managing aircraft noise; and substantial expansions of the domestic and international terminals.

Given this operating environment, two scenarios were developed. Scenario 1 was based on current trends in aircraft size and loadings and assumed that the current percentage of slots allocated to international, domestic and regional aircraft remains unchanged. The EIS analysis concluded that under Scenario 1, capacity in aircraft movements in the morning peak would be reached in 2006-7.

Scenario 2 assumed that every three forecast regional aircraft movements would be consolidated into two movements without impacting on the number of regional passengers. This would require an increase in the average size of aircraft operating into and out of Sydney Airport. For Scenario 2, capacity would be reached in 2010-11, when demand in the Sydney basis is forecast to be 36.1 million passengers.

The Environment Australia Assessment Report concluded:

In the absence of substantial expansion of airport infrastructure or changes to the principal legislative and policy constraints which apply at the airport (eg, the night curfew, the cap on hourly movements and access by regional services), Sydney Airport should approach its effective capacity within the next decade.²⁴

²⁴

Commonwealth of Australia, Environment Australia, *Proposed Second Sydney Airport at Badger's Creek Environmental Assessment Report, July 1999*, at 4-5.

4.2.2 Expansion of Capacity of Sydney Airport

The Draft EIS claimed that the theoretical runway capacity at Sydney Airport is 87 movements per hour, seven movements above the currently legislated cap. This would most likely be achieved under Long Term Operating Plan Mode 10, which involves departures to the south from the two parallel runways, and arrivals from the north on the two parallel runways. The east-west runway is not used in this configuration. Modelling for Mode 10 produced a sustainable capacity of 87 movements per hour.²⁵ It was also argued that removal of the night curfew would result in very little change in overall usage of the airport. Therefore, removal of these constraints would have only a minor effect on the overall capacity of the airport. A significant capacity increase at Sydney Airport would therefore require development which expands the airport site and/or its physical capacity. However, expansion of the airport site is extremely constrained by the level of residential and commercial development around the site. The development of a fourth runway, even if a suitable site could be identified, could severely compromise the overall efficiency of the airport.²⁶

The Environment Australia Assessment Report concluded that the expansion of Sydney Airport to meet long-term capacity demand is not considered to be a practicable or environmentally prudent option.²⁷

4.2.3 Expanded Use of Bankstown Airport

The EIS Supplement noted that no regional airlines currently operate scheduled services from Bankstown. However, the facilities at Bankstown Airport are capable of handling the aircraft types which account for 99 percent of aircraft movements by regional airlines at Sydney Airport. Government policy ensures access by regional services to Sydney Airport through the use of preserved slots. Sydney Airport currently handles about 17 scheduled regional services per hour averaged over the 6 am to 11 am weekday period.

The EIS Supplement noted that a number of factors would influence the ability of Bankstown to accommodate regular public transport turbo prop movements. The most significant of these would be arrangements for managing airspace interaction between Bankstown and Sydney Airports. These arrangements would require substantial changes if significant levels of regular public transport traffic were to operate into Bankstown.²⁸

²⁵ Airservices Australia, *The Long Term Operating Plan for Sydney (Kingsford Smith) Airport and Associated Airspace*. 1996 at 112.

²⁶ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 6-9.

²⁷ Commonwealth of Australia, Environment Australia, *Proposed Second Sydney Airport at Badgery's Creek Environmental Assessment Report*, July 1999, at 4-6.

²⁸ Commonwealth of Australia, *Supplement to Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 3, Supplement*, 1999, at 4-11.

A range of other factors would need to be addressed before significant levels of public transport traffic at Bankstown could be contemplated. These include:²⁹

- the need for additional terminal and runway facilities, and land transport access;
- assessment of noise and other environmental impacts on surrounding communities;
- potential changes to arrangements for general aviation, training and related activities which would be displaced from the airport;
- arrangements for the handling of interlining passengers; and
- provision of additional navigation aids.

The EIS stated that better facilities and improved road access would be required in order to attract passengers away from Sydney Airport.

More recently, and in another forum, Mr Alan Terrell, the chief executive of the Regional Airlines Association of Australia, made these comments about the potential for increased use of Bankstown Airport for regional services:

Bankstown is an airport where there is close to 400,000 movements a year at the moment. It is one of the busiest airports in the southern hemisphere, and it certainly could not take, from a traffic point of view, additional regional aircraft. On top of that, there are terrain problems with getting aircraft like the Saab 340 and Metro 23 in and out, or particularly out, of Bankstown on the present runway configuration; it is not long enough.

But the major problem is that there is no infrastructure at that airport to provide on-carriage for passengers arriving at Sydney to either catch domestic flights to other cities or to commute into the CBD without considerable difficulty. There is no passenger terminal and the airport is just not structured to support regular public transport operations in any number, and that is evidenced by the fact that there are no regular public transport services to Bankstown at all.³⁰

Similarly, the Parliament of New South Wales Legislative Council Standing Committee on State Development, in their *Interim Report on Provision and operation of rural and regional air services in New South Wales*, stated that rural and regional commuters and regional airlines reject the redirection of rural and regional air services to Bankstown Airport.³¹ The Standing Committee firmly rejected any proposals to direct country services to Bankstown on the following basis:³²

²⁹ Commonwealth of Australia, *Supplement to Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 3, Supplement*, 1999, at 4-11.

³⁰ Commission of Inquiry into a Precision Runway Monitor for Sydney Airport, *Transcript of Proceedings*, Monday, 13 March 2000, at 9.34 am at Ku-ring-gai Municipal Council.

³¹ Parliament of New South Wales Legislative Council Standing Committee on State Development, *Interim Report on Provision and operation of rural and regional air services in New South Wales*, Report No 20, Volume One, September 1998, at 58.

³² Parliament of New South Wales Legislative Council Standing Committee on State

- it would increase the transport cost and travel time for rural and regional air commuters;
- it would cause inconvenience as land transport links to Bankstown Airport are inadequate;
- it could make regional operators unviable and operations more difficult;
- it would remove the relief from jet aircraft from residents under the flight paths for Sydney Airport;
- it could jeopardise airline safety;
- it would cause additional noise and air pollution and other annoyances to the residents of Bankstown; and
- it would place additional constraints on the already busy Bankstown Airport.

The Environment Australia Assessment Report concluded that the increased use of Bankstown Airport by regional aircraft would cause impacts on surrounding communities and result in the displacement of some existing airport users. The diversion of regional air traffic to Bankstown could provide capacity improvements at Sydney Airport in the short term but would not significantly help in satisfying long-term air travel demand.³³

4.2.4 Expanding the capacity of other capital city airports and the development of a very high speed train system.

Of the other alternatives, capacity at other capital city airports was deemed to adversely affect the New South Wales economy, and a very high speed train service would extend the capacity of Sydney Airport by three or four years. Neither option, it was concluded, was a substitute for a second Sydney Airport. On 13 December 2000 the Commonwealth Government announced that it had decided to terminate the Sydney-Canberra Very High Speed Train tender process, on the grounds that the Government was not convinced that the favoured bid would meet the no net cost to government criterion.³⁴

The Environment Australia Assessment Report concluded:

The EIS has provided sufficient evidence to conclude that none of the identified strategic alternatives to a second Sydney airport would, in isolation, satisfy the objective of providing adequate airport capacity to help meet Sydney's long-term commercial aviation demands. The implementation of traffic management measures and actions by the airlines to increase average loading factors and aircraft sizes could increase the capacity of the Sydney Airport by several years. While this might delay the need for a second airport in the short term, it does not provide a long-term solution.

Development, *Interim Report on Provision and operation of rural and regional air services in New South Wales*, Report No 20, Volume One, September 1998, at 70.

³³ Commonwealth of Australia, Environment Australia, *Proposed Second Sydney Airport at Badgery's Creek Environmental Assessment Report*, July 1999, at 4-7.

³⁴ Hon John Anderson MP, Deputy Prime Minister, Minister for Transport and Regional Services, Media Release: *Sydney's Future Airport Needs*, 13 December 2000.

Alternatives such as the diversion of regional traffic to Bankstown and the operation of a very high speed train would also delay the need for additional airport capacity by only a few years. A major expansion of Sydney Airport would be severely constrained by surrounding commercial and residential development. If such an expansion could occur, surrounding communities would suffer increased aircraft noise impacts.

[It] has [been] adequately demonstrated that there are no prudent and feasible alternatives to the construction of a second major airport if Sydney's long-term commercial aviation demand is to be satisfied.³⁵

5.0 Recent Federal Government Announcements

On 13 December 2000 the Federal Government announced its decision on the future airport needs of Sydney. The Government considered that Sydney Airport was comfortably handling its growing level of air traffic and concluded that it would be premature to build a second major airport in the city. Instead, the Government decided to make Bankstown Airport available as an overflow airport for Sydney. Key features of the announcement are summarised below:³⁶

- existing operational arrangements at Sydney Airport will continue. The curfew, 80 movements per hour cap, or the guaranteed slots for regional airlines will not be altered;
- the number of regional slots allocated at peak periods will be capped at its current level, which will encourage the use of larger regional aircraft;
- the Government will amend the slot management scheme to encourage airlines to introduce larger aircraft progressively. A minimum aircraft seats limit for allocating new slots will be established, and the limit determined in consultation with industry;
- the Government will break up the Sydney Airports Corporation and privatise it as two separate and competing companies. One company will operate Sydney Airport, the other will operate Bankstown, Camden and Hoxton Park Airports;
- The sale conditions for Bankstown Airport will encourage its operator to upgrade the airport so it will operate as an overflow for Sydney Airport, and in time, become an attractive alternative for some airline services. The operator will be encouraged to extend the main runway so it can handle jet aircraft and build a new passenger terminal, but the airport will not be capable of handling large jet aircraft such as 747s;
- There will be no pricing restrictions at Bankstown Airport, and the operator will be free to adopt innovative commercial policies to attract airlines to the airport;
- The Government will retain ownership of the Badgery's Creek site, and will legislate to protect the site from incompatible development in surrounding areas;
- The Government decided not to examine further the possibility of constructing an airport on the Kurnell Peninsula;

³⁵ Commonwealth of Australia, Environment Australia, *Proposed Second Sydney Airport at Badgery's Creek Environmental Assessment Report*, July 1999, at 4-8.

³⁶ Hon John Anderson MP, Deputy Prime Minister, Minister for Transport and Regional Services, Media Release: *Sydney's Future Airport Needs*, 13 December 2000.

- The Government will review Sydney's airport needs in 2005.

5.2 Responses to the Federal Government Announcement

As noted in this Paper, the Coalition Policy 'Putting People First' had two major components. The first was to reopen the east-west runway at Sydney Airport, and develop a Long Term Operating Plan. The second was to build Badgery's Creek airport subject to environmental assessment. The decision by the Government not to proceed with the construction of Badgery's Creek and upgrade Bankstown Airport, attracted considerable attention.

The chief executive designate of QANTAS Mr Geoff Dixon was reported to have said: "QANTAS considers that ultimately Australia will need a second major airport in the Sydney basin capable of meeting the eventual passenger overflow from Kingsford Smith."³⁷ One of the most contentious issues associated with Sydney airports is aircraft noise. No work had been done to assess and officially inform the public about aircraft noise and other environmental ramifications of the upgrade of Bankstown Airport and delaying the construction of a second airport. It was left to the media and media commentators to interpret how the distribution of aircraft noise in Sydney may change.

The Sydney Morning Herald reported: "Anger and confusion reigned across the city yesterday as residents queried how the decision by the Federal Cabinet ... would affect their lives....While suburbs directly to the west of Sydney Airport such as Rockdale, Banksia, Bexley and Hurstville could be eventual winners, communities around Bankstown Airport such as Georges Hall, Chipping Norton, Condell Park and Milperra will lose out. So too will suburbs to the north and north-west..."³⁸

Similarly, the Telegraph reported: "Large new areas of Sydney will be affected by aircraft noise when flight paths are redrawn as part of the proposed expansion of Bankstown Airport. Suburbs in the south and north-west are likely to be hardest hit..."³⁹

It was reported that Mayors and State Members in the south-west of Sydney voted unanimously to oppose the expansion of Bankstown Airport and have begun a coordinated campaign against the proposal.⁴⁰ The Mayors of Bankstown, Canterbury and Liverpool Councils were to have attended a meeting with the Minister for Transport the Hon John Anderson MP, but this was postponed until June. Reflecting the lack of public information, the Mayor of Bankstown stated: "As there has been no community consultation, no EIS, no Plan of Management and a complete lack of details, the meeting was an opportunity to gain a better understanding of the proposal and to finally have some questions answered....The

³⁷ "Sound and Fury of 30,000 flights" in *The Sydney Morning Herald*, 14 December 2000.

³⁸ "Sound and Fury of 30,000 flights" in *The Sydney Morning Herald*, 14 December 2000.

³⁹ "Flight path chaos" in *The Sunday Telegraph*, 17 December 2000.

⁴⁰ "Airport plan anger stirs Bankstown" in *The Daily Telegraph*, 16 December 2000.

people [of Bankstown] have a right to know what is going to happen to their homes and lives.”⁴¹

Mr Brendan Nelson MP, Liberal Member of the Federal seat of Bradfield and Chairman of the Sydney Airport Community Forum, wrote in response to the Cabinet announcement:

What will be critical is the threshold at which a ‘full’ sign is placed at Sydney Airport before overflow to the upgraded Bankstown Airport is triggered. Noise sharing under the LTOP [long term operating plan] cannot occur across the 17 operational hours of the airport if 80 planes are scheduled every hour...I will be asking Airservices Australia for technical advice on the airspace management of Sydney Airport reconfigured with that of Bankstown when used by jets. Will it impact on the operation of the east-west runway so critical to LTOP, and if so how?...Given the reiterated commitment to noise sharing, the aviation industry has a great challenge ahead...Two things are certain, though. The task of implementing LTOP has not been made easier by the Bankstown option. And Kim Beazley will not break his deafening silence on Badgery’s [Creek] and argue for its immediate construction.⁴²

Mr Nelson has highlighted some of the key issues. If the use of the east-west runway at Sydney Airport is to be restricted with the upgraded operation of Bankstown Airport, the implementation of aircraft noise sharing under the Long Term Operating Plan may be put at jeopardy. This may return Sydney Airport to parallel runway operations, and concentrate aircraft noise along the north-south axis of Sydney.

Current Federal ALP policy is to build a second airport in Sydney, although the Party’s policy document states neither where or when.⁴³ The Federal ALP response to the Government announcement was muted. Labor’s transport spokesman Mr Martin Ferguson MP was reported as saying: “Neither party has ruled out Badgery’s Creek. But no party is going to the election with a promise to build Badgery’s Creek. That’s where it’s at. Both parties are comfortable with it being mothballed because they accept that Kingsford Smith is the primary gateway to Australia – because Kingsford Smith is here to stay.”⁴⁴ In regards to the development of Bankstown Airport, Mr Ferguson stated: “The future of Bankstown is still unknown, with no clear or financial commitment about assessing its capabilities and limitations. People around Bankstown and regional communities and operators need to be involved in any Government decision that affects their future.”⁴⁵

⁴¹ *Media Release*, “Airport meeting postponed – no reason given”, Councillor Kevin Hill, Mayor of Bankstown, 26 February 2001.

⁴² Mr Brendan Nelson MP, “Bankstown option raises new airport questions” in *The Sydney Morning Herald* 14 December 2000.

⁴³ *Kim Beazley’s Plan for the Nation. Jobs, Security, Opportunity*. Australian Labor Party, 1998, at 242.

⁴⁴ “Under his wing” in *The Sydney Morning Herald*, 16 December 2000.

⁴⁵ *Media Release* “Anderson’s Transport Policy Failure” Martin Ferguson, Shadow Minister for Transport, 13 December 2000.

On the 28 March 2001 the Commonwealth Minister for Transport Hon John Anderson MP confirmed that the sale of Sydney Airport would be completed in the second half of 2001, and that the buyer would have the first right of refusal to build and operate any second major airport within 100 kilometres of the Sydney central business district. The Bankstown, Camden and Hoxton Park airports will be sold as a package in the second half of 2002.⁴⁶ The Opposition spokesperson noted that if the ALP won the next election, Labor might stick to the timetable set by the Government to review Sydney's airport needs in 2005. Mr Ferguson stated: "I can only operate on what is available to me, and that is suggestion by the Government today that Kingsford Smith Airport could operate efficiently until 2010 and that it is incumbent on any government after the next election to finally determine this issue by about 2005".⁴⁷

5.3 Response of the NSW ALP and Coalition Parties

At a 'No Jets for Bankstown' rally, the Premier released a statement which was read out to the rally, and repeated in Parliament. The statement said:⁴⁸

The New South Wales Government's position on the future of Bankstown airport is clear:

1. The NSW Government opposes any move to expand or increase the capacity of Bankstown.
2. The NSW Government remains firmly opposed to any Federal Government proposal to transfer regional airlines away from Kingsford-Smith. On March 28, 2000 I wrote to the Deputy Prime Minister, Mr John Anderson, regarding regional airline access to Kingsford-Smith airport.

I strongly urged Mr Anderson to reject any plans to forcibly transfer regional airlines away from Kingsford-Smith and called on the Federal Government to guarantee continued access to Kingsford-Smith for regional airlines.

Forcing regional flights to land at Bankstown or another location away from Kingsford-Smith would add up to an hour to travel times for country passengers, disadvantage rural businesses relative to Sydney firms and discriminate against NSW rural and regional families.

Before the Olympics and Paralympics I wrote to the Prime Minister raising the concerns of the NSW Country Mayors Association and made it clear that the NSW Government didn't support any plans to formally require regional airlines to transfer to Bankstown airport during the Olympic Games.

⁴⁶ "Airport wait means no respite from plane noise" in *The Sydney Morning Herald*, 29 March 2001.

⁴⁷ "Airport wait means no respite from plane noise" in *The Sydney Morning Herald*, 29 March 2001.

⁴⁸ NSWPD, 27 February 2001, at 11,950.

Plans to cut regional access to Kingsford Smith Airport are strongly opposed by regional airline operators, Country Labor, the Country Mayors Association, Regional Chambers of Commerce, and [Independent] State members for the Northern Tablelands, Dubbo and Tamworth.

Any plans to upgrade the role of Bankstown airport are also opposed by the families of country NSW and the people at Bankstown. Local Labor MPs have made representations to my office and moved numerous joint motions in Parliament with Country Labor on this issue.

They are convinced that any increase in air traffic at Bankstown would mean more noise and disruption for local families, communities and schools. It could even result in the closure of Condell Park Public School.

Any move to relocate regional airlines away from Kingsford-Smith Airport would have a detrimental effect on country families, businesses and tourism opportunities. It will also greatly impact on the quality of life that the communities around Bankstown presently experience—possibly closing a school in the process.

This is why under no circumstances will the New South Wales Government support any proposal that increases the capacity of or diverts regional airlines to Bankstown.

The Hon Ian Armstrong MP, Shadow Minister for Regional Infrastructure and Development, Shadow Minister for Planning and Decentralisation, welcomed the Federal Government announcement, and stated: “The package recognises the significance of Sydney Airport’s role in the provision of an efficient airline service for regional NSW.”

Mr Armstrong said that people in regional and rural areas could now relax knowing their interests had been protected by guaranteed access to Sydney Airport at reasonable prices.⁴⁹

6.0 Implications of an Operational Badgery’s Creek Airport on Secondary Airports

It is evident that the Federal Government needs to develop a strategy for managing general aviation in the Sydney Basin. The Government has announced plans to privatise Bankstown, Hoxton Park and Camden Airports as one entity. As noted in this Paper, Bankstown airport, in terms of aircraft movements, is one of the busiest airports in the world, and has an important flying training and aircraft industry support functions. It is not clear what impact, if any, an upgrade of Bankstown Airport may have for this general aviation industry.

However, what has been identified is the impacts on these three airports with the construction and operation of a fully operational Badgery’s Creek Airport. Each of the three runway layout options assessed for Badgery’s Creek have an impact on each of the

⁴⁹ *Media Release*, “Armstrong welcomes guarantees on Sydney Airport access.” Hon Ian Armstrong MP, Shadow Minister for Regional Infrastructure and Development, Shadow Minister for Planning and Decentralisation, 13 December 2000.

three airports. For example, with Badgery's Creek Option A: existing north-west access to and from Bankstown Airport is not likely to be possible and existing flying training areas would have to be relocated; Hoxton Park airport is likely to be closed; and Camden Airport's control is likely to be reduced and glider flying operations would need to be relocated from the airport.

Badgery's Creek Option B: would have the same impacts as Option A, except there would be additional airspace limitations placed over Camden Airport. Under Badgery's Creek Option C: the impacts on Bankstown and Hoxton Park airports would be the same as Option A, and the operational capacity of Camden Airport would be reduced significantly.⁵⁰

There are several issues apparent here. If Hoxton Park and Camden Airports were to close or be downgraded, what airport is to be developed to cater for the over 200,000 aircraft movements that the two airports currently support? Other considerations are also apparent. If, as stated, the Federal Government encourages the development of Bankstown Airport, and privatises this in a package with Camden and Hoxton Park, how does this investment impinge of the development of Badgery's Creek Airport, the operation of which may either downgrade or close the above three airports?

7.0 Conclusion

The most recent aircraft traffic forecasts predict that capacity at Sydney Airport will be reached by the end of this decade. Whilst short to medium term aircraft traffic demands may be met by a variety of means, it appears that long term demand will not be able to be met without a second major airport. However, strong community opposition to either the development of a new airport or expanding the operation of current airports in the Sydney basin makes it appear unlikely that either of these two options will be pursued with vigour by a government. If this is the case, to meet long term demand, a possible but problematic alternative would be to build a new second airport outside of the Sydney basin.

⁵⁰ Commonwealth of Australia, *Draft Environmental Impact Statement. Second Sydney Airport Proposal, Volume 1 Main Report*, 1997, at 22-22.