



## **Inquiry into Economic Regulation of Airports**

### **NSW Government Submission**

#### ***NSW Transport Planning and Landside Access***

In March 2018, the NSW Government release 'NSW Future Transport 2056', a comprehensive strategy to ensure the way we travel is more personal, integrated, accessible, safe, reliable and sustainable. The associated Regional NSW Services and Infrastructure Plan outlines the NSW Government's thinking on the big trends, issues, services and infrastructure needs which are now shaping, or will soon shape transport in regional NSW.

This includes regional aviation, a key component of Transport for NSW's future vision for the Hub and Spoke model of transport services in NSW that supports the visitor economy by enabling international and domestic visitation. Central to this is the importance of aviation for international, interstate and intrastate movements.

#### **Landside Access to Kingsford Smith Airport (Sydney Airport)**

The NSW Government is upgrading roads around Sydney Airport to help improve traffic flow around the airport and Port Botany. The upgrades are complementing Sydney Airport's upgrades to its internal road network.

The Sydney Airport precinct employs more than 12,000 people. Around half of these people live within public transport, walking or cycling distance of the Airport. Improvements to public transport, walking and cycling connections will improve access for staff and visitors alike.

The NSW Government is currently progressing:

- The Sydney Gateway project, including major new road linkages between the motorway network and the domestic and international terminals.
- Airport Precinct road upgrade projects, with East Precinct works covering Wentworth Avenue, Botany Road, Mill Pond Road, Joyce Drive and General Holmes Drive, Mascot; West Precinct work, in the vicinity of Marsh Street, Arncliffe; and North Precinct work in the vicinity of O'Riordan Street, Mascot.
- Upgrades to train services operating on the T8 Airport Line, focused on increasing frequency.
- Planning for new suburban bus routes to the airport.
- Improved cycling and walking connections that link to Sydney Airport's existing and planned end of trip facilities at the international and domestic terminals.

#### **Landside Access to Western Sydney Airport**

The NSW Government is working closely with the Australian Government to deliver new road and rail connections for Western Sydney Airport.

This includes upgrades to the existing road network such as Bringelly Road and The Northern Road, and a new M12 Motorway from the M7 to the Western Sydney Airport.

The two governments are also committed to delivering the first stage of a North – South Rail Line that would connect to the new Airport in time for its opening. Business Case development for the rail line is currently underway.

### **Landside Access to Regional Airports**

The NSW Government is committed to connecting public transport services with regional airports. The Government is developing Regional Transport Plans, and intends to align timetabling, marketing and ticketing in regional areas. Good transport connections support visitor movements, which the potential to support a broader range of locations and experiences.

One example of this work is the Tweed Transport Network Plan (TTNP) that is being prepared. This plan will determine the medium to long term staging plan for transport improvements in Tweed, including improved connections to the Gold Coast Airport. The TTNP is being prepared with the involvement of the Queensland Government and local councils. It will identify capital investment opportunities (including potential light rail extensions) and other actions to improve cross state border public transport links.

### ***Aviation supports the regional tourism industry***

The visitor economy is vital to the broader NSW economy as it supports a wide range of industries and employment throughout the State and generates significant revenue. While a successful visitor economy in Sydney is essential for NSW and Australia, tourism is also a significant part of the local economy in many regional destinations throughout the State.

The NSW Government's Visitor Economy Industry Action Plan 2030, outlines the whole-of-Government commitment to the NSW visitor economy and a long-term strategy in partnership with industry, and its target to triple the 2009 overnight visitor expenditure by 2030.

The NSW Government, through the Plan, supports the better utilisation of the existing infrastructure at Sydney Airport and the updating of the current regulatory restrictions on Sydney Airport's operation. This would facilitate the growth in visitor arrivals, allow greater access to regional NSW, and reduce disruptions to the national aviation network.

It is noted that the Commission is specifically seeking information on the objectives of the arrangements for providing access to Sydney Airport for airlines servicing regional destinations within NSW – the 'regional ring fence' and alternatives to the current arrangements.

As part of Future Transport 2056 the NSW Government is committed to working to increase the availability of regional slots at Sydney's airports during peak hours. Furthermore, through the Visitor Economy Action Plan, the Government has committed to conduct a review of artificial capacity constraints at Sydney Airport. The review will consider issues preventing airlines from introducing new regional air services.

The NSW Government has already reviewed the regulations that the State imposes that may inhibit regional air services. This included engagement with airport operators and airlines. As

a result of this work, the NSW Government moved to deregulate all intrastate routes earlier in 2018, except the routes connecting Sydney with Lord Howe Island and Moree.

### **Investing in regional airports**

Given the vital role that regional airports play in the long term viability and growth of communities and economies in regional NSW, the State Government has been assisting in the upgrade of a number of airports across the state.

Upgrades have been funded at 27 regional airports (see below). They are intended to boost their capacity and safety and increase their ability to attract visitors to regional NSW. The projects include passenger terminal upgrades, improved lighting to support airport expansion, and expanding runways or aircraft parking to accommodate larger planes.

### **AVIATION SUPPORTS THE REGIONAL TOURISM INDUSTRY**

- In 2016-17, the tourism industry directly contributed \$17.3 billion to the NSW economy (Gross State Product, or GSP) and directly employed approximately 171,000 people. Together with the indirect impacts, the industry's total contribution to the economy reached an estimated \$34.2 billion, or 6 per cent of NSW's GSP.
- In the year ending March 2018, NSW welcomed 36.6 million overnight visitors, 88% of which were domestic and 12% international. Combined they stayed 195.9 million nights and spent \$29.7 billion.
- NSW is the number one state in Australia for visitors (35%), nights (32%) and expenditure (32%), and Sydney is the number one among all the Australian capital cities for visitors (32%), nights (33%) and expenditure (33%). In addition, regional NSW leads regional Australia in the share of overnight visitors (35%).
- The NSW Government has committed \$70 million under the Regional Tourism Infrastructure Fund for 27 regional airport upgrade projects. Projects supported were at Albury, Armidale, Ballina Byron Gateway, Bourke, Coffs Harbour, Dubbo, Griffith, Lightning Ridge, Lismore, Lord Howe Island, Merimbula, Moruya, Moree, Mudgee, Narrandera, Newcastle, Orange, Port Macquarie, Snowy Mountains (Cooma), Tamworth, Taree, and Wagga Wagga.