



## **Sydney Airport Community Forum Submission in response to the Productivity Commission's 'Economic Regulation of Airports' Draft report**

14<sup>th</sup> March 2019

The Sydney Airport Community Forum (SACF) would like to present its submission to the Productivity Commission's 'Economic Regulation of Airports' Draft report.

### **About SACF**

SACF was set up by the Minister for Infrastructure and Transport in July 1996 to address the impacts from Sydney Airport in the wake of the huge public outcry over aircraft noise with opening of the Third Runway. It includes representatives from the Community, Local Councils, Industry, and State and Federal Parliaments and is currently chaired by Mr John Alexander, MP. The membership of SACF is available from its website. The role of SACF is to:

- provide advice to The Minister, Sydney Airport Corporation and aviation authorities on the abatement of aircraft noise and related environmental issues at Sydney Airport, and
- provide advice to aviation authorities to facilitate improved consultation and information flows to the community about the Airport's operations.

### **Introduction**

While the Productivity Commission's report relates to all Australian airports, this submission will focus solely on Sydney Airport. Similarly, large parts of the report relate to international competitiveness or the way airports exercise their market power to the detriment of the public, and while SACF certainly has opinions on the personal cost of access to certain landside facilities including parking, it is outside of the scope of the Forum to comment on economic questions of this nature. Where SACF has expertise is on the effects of Sydney Airport's operations on the community of Sydney, and in particular on the impacts of aircraft noise pollution on the health, welfare and amenity of the community that has to bear the costs of the Airport's operations. This is what this response will focus on.

Amongst other things, this submission will address 'Information request 7.1 which is:



*The Commission invites comments on the potential costs and benefits of reforms to Sydney Airport's regulatory constraints on aircraft movements that can also meet current noise objectives.*

*Options that could improve the efficiency of the movement cap without leading to a net increase in noise include:*

- spreading the measurement of the movement cap over a longer time period than the current measure of 80 movements per 15minute rolling hour*
- removing the cap on actual movements but retaining a cap on scheduled movements.*
- Options that could improve the targeting of noise outcomes include:*
- replacing regulatory constraints on aircraft movements with noise caps based on the amount of noise made by each aircraft*
- adopting noise based criteria for determining which aircraft are permitted to operate during the curfew, rather than the current prescribed list of aircraft types*

It should be stated from the outset that SACF strongly supports the current cap and curfew and is dismayed that the Productivity Commission is again investigating changing them. The cap and curfew are key regulations that give some, albeit limited, protection to the aircraft noise impacted community of Sydney by creating a ceiling on operations. In this respect they are working exactly as intended. Proposed changes to the cap and curfew are nothing more than attempts to increase the number of aircraft allowed to operate at the airport. Cities don't just need to be productive, they need to be liveable. One without the other is not a recipe for a successful, happy or productive city. Discussions around "the cost" to the Airport and Industry of addressing noise objectives ignore the costs of aircraft noise pollution on the health, amenity and productivity of the noise impacted community. Until these 'externalities' are properly costed then discussion about the costs to the industry of current noise objectives lack validity.

It is worth noting that, as a member of SACF, Sydney Airport believes that, if reforms to the regulatory constraints on aircraft movements *can* be made in a manner that also meets current noise objectives, then it would be poor public policy making to have a closed mind and not even consider such reforms, especially if those reforms could simultaneously operate to improve the travel experience for millions of airline passengers. This matter will be addressed in detail in Sydney Airport's own submission.



## Sydney Airport Community Forum

### Background

Sydney Airport is both Australia's busiest airport, and the airport closest to the CBD of a capital city. Indeed, at 8km from the CBD Sydney Airport is only equalled by Copenhagen when looking at proximity to city centre anywhere in the world. (Senate Select Committee on Aircraft Noise in Sydney Report *Falling on Deaf Ears*, November 1995, p28). As such a huge proportion of Sydney's population lives under flight paths. To the north, east and west Sydney Airport is surrounded by dormitory suburbs. Even to the south, whilst there is some distance created by Botany Bay, planes either fly at low altitude directly over or closely to the suburb of Kurnell. This proximity not only creates problems for residents surrounding the airport. Aircraft arriving and departing Sydney Airport fly over many tens of kilometres of suburban Sydney moderately and seriously affecting hundreds of thousands of Sydney residents with aircraft noise pollution. Aircraft noise moderately to severely impacts the lives of many hundreds of thousands of people in Sydney (While there is no accurate measure it is almost certainly in excess of half a million).

The opening of the Third Runway in November 1994 and the significant changes to airspace management that occurred as a consequence resulted in existing and new areas being affected by concentrated and relentless aircraft noise pollution. There was huge public outcry with mass protests and blockades of the Airport, and a major public enquiry - the 1995 Senate Select Committee on Aircraft Noise in Sydney. The political response to this was the Long Term Operating Plan (LTOP) to share the noise, the *Sydney Airport Demand Management Act 1997* to put a definite limit on the number of aircraft that could cause aircraft noise (in any one hour) and the *Sydney Airport Curfew Act 1995* to protect the ability of people to sleep free from aircraft noise. These regulations are a necessary consequence of having an airport so close to the centre of the city, surrounded by suburbs and where planes are required to fly for many kilometres over suburban Sydney at great cost to the health and amenity of residents.

If there is to be any criticism of the current regulations it is that balance is tipped too much in favour of Sydney Airport. The unintended consequence of the existing cap of 80 movements per hour is that it results in the burden of aircraft noise pollution unfairly falling on residents to the north and south of the airport. The LTOP for Sydney Airport is intended to fairly share aircraft noise, and in addition to the north/south parallel runways has a number of modes of operation that use a combination of runways to allow for the fair sharing of aircraft noise pollution. However, while parallel operations can sustain 80 movements per hour the 'noise sharing modes' as they are known cannot, are limited to about 60 movements per hour. The result is that parallel operations are used excessively and the noise sharing objectives of the LTOP are not being met. There is indeed a strong



case that a lower cap should be specified outside of peak periods to enable more effective noise sharing and noise objectives to be achieved.

### Issues with Assertions and Conclusions in the Report

While the Productivity Commission's Draft Report does not contain recommendations, it does include conclusions. A number of the specific assertions and conclusions in the Productivity Commission's draft report are simply unquestioning acceptance of the self-interested views expressed by the industry and disappointingly, indicate a shortfall in research, knowledge and technical expertise from the Productivity Commission. A number of these assertions and conclusions are also contradictory or just wrong. Some examples include:

- *"Regulatory constraints at Sydney Airport, including the movement cap, curfew and the slot management scheme, restrict the effect of aircraft noise on local residents, but come at the expense of broader airport efficiency..."* Yet the Draft Report also states that *.."The average number of movements rarely exceeds 70 per hour, even in peak periods (figure 11)"*

Noting that the cap is 80 movements per hour, these statements would appear contradictory Surely 70 movements an hour would imply that there is spare capacity within the current constraints.

Similarly *"The movement cap and curfew sometimes result in more noise and emissions, in spite of their noise reduction objective. Inquiry participants, including Sydney Airport and the Tourism and Transport Forum, said that aircraft that arrive earlier than scheduled (due to catching a tailwind, for example) may be forced to wait in the air rather than land to avoid breaching the movement cap or curfew, creating additional noise, excess environmental emissions and unnecessary fuel burn."* (Overview, p.29)

Modern flight management systems can be used to very accurately time the arrival of aircraft. However occasionally, aircraft do arrive before the end of the curfew or the availability of their slot and are forced to hold. These holding patterns, by definition, have to happen at a height and distance well removed from the runways for operational reasons. As can be seen from the information below these aircraft are held well away from suburban Sydney either over the ocean or rural areas and at a height where there is no noise impact. To suggest that this results in more noise is disingenuous, and any additional emissions are a third order problem compared to aircraft noise and minuscule relative to the total emissions generated by each flight.

The following information has been provided by Airservices Australia to SACF as to where these holdings occur:



## **Holding Points East of Sydney**

Over water

## **Holding Points North of Sydney**

BOREE 45nm (83 Km) from Sydney

SADLO 70nm (130 Km) from Sydney

MEHAN >120nm SYD (>222 Km) from Sydney

## **Holding Points South/West of Sydney**

TARAL 75nm (139 Km) from Sydney

CULIN/MAKKA 100nm (185 Km) from Sydney

Additionally, while aeroplanes are getting slightly quieter, they are not quiet. The difference in decibel output of the so called quieter aircraft is not large, and often undetectable. Even the quietest aircraft currently available would still be loud enough to breach the noise requirements which allow people in nearby suburbs to sleep at night. Additionally, the future need for larger planes is likely to offset any benefit. A test in 2008 by Airservices Australia using its Noise and Flight Path Monitoring System on a Singapore Airlines A380, prior to its introduction as a commercial service demonstrated this. It showed that on arrival, the A380 was only between 2.1 and 3.7 dB(A) quieter than a 747-400. Even Sydney Airport admitted in its recent Preliminary Draft Master Plan (PDMP) that a drop of 3dB(A) on landing is barely perceptible in humans (see PDMP p224), let alone when noise events are frequently between 70-90 dB(A). The fact is, larger planes are generally noisier than smaller ones and the PDMP predicts that trend to accelerate. Of course any move to new generation aircraft will take decades to fully replace the current fleet. The reliance on planes becoming quieter is not going to make the difference the report is suggesting it will.

That said, there is always the chance that this will change in the future, and SACF is open to the idea of a more frequent review of the types of aircraft permitted to operate during the curfew so long as these decisions include consultation with it and the Implementation and Monitoring Committee (IMC) for Sydney Airport.

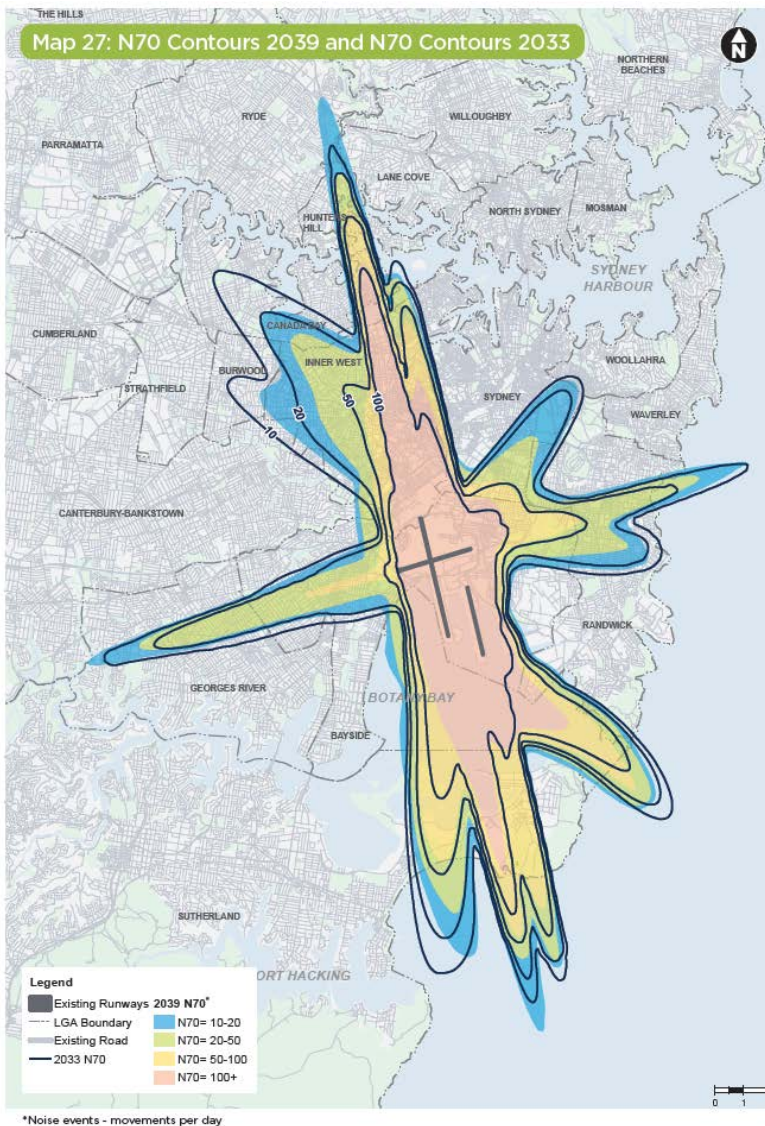


Figure 1 N70 Contours, taken from Sydney Airport Preliminary Draft Masterplan, p. 241

Finally, there is an inherent issue with the Commission’s view of who would be affected by any changes to the curfew and cap. The report makes reference to “the effect of aircraft noise on local residents...” and on “suburbs around the airport”. But aircraft noise is not limited to the localities within just a few kilometres of the airport. Large areas of Sydney, stretching to Sydney’s metropolitan boundaries, are moderately and seriously affected by aircraft noise. This is clearly evident from the N70 noise contour map taken from the recent Sydney Airport Preliminary Draft Master Plan (PDMP), which shows the number of noise events greater than 70 dB(A). To ignore this community impact is simplistic and fails to give

due weight to the human and environmental cost of aircraft noise and the inevitable damage arising from any reduction or softening of the operational restrictions.

## Curfew and Caps

There is little evidence in the Draft Report that the Productivity Commission has adequately researched or is sufficiently aware of the human health impacts of aircraft noise nor indeed, what the movement cap and curfew are designed to achieve. Both measures are pieces of environmental regulation aimed at mitigating the impact of noise on affected Sydney residential populations from aircraft using Sydney Airport and are achieving what they set out to do.



The movement cap is a specific measure limiting the maximum number of movements during a rolling 60 minute period. The cap reflects the recognition that an important aspect of the impact of aircraft noise on humans is the frequency of events. Even then, the current cap of 80 movements per hour means an aircraft movement over residents every 90 seconds, resulting in almost constant aircraft noise.

Economic arguments to change the cap to allow more aircraft to take off and land based on “efficiency” ignore the economic, social and health costs of aircraft noise pollution on the community. Aircraft noise pollution is treated as a ‘free-good’ to be consumed at will, as far as the aviation industry are concerned. Currently it is only through effective regulation that the community is given some protection. It is therefore not surprising that the aviation industry are calling for changes to the cap and curfew to increase their revenues at no cost to themselves but rather at the additional cost to the amenity and health of the noise impacted community.

Furthermore, the Draft Report fails to consider the broader picture of productivity. Increasing the cap and reducing the curfew in particular may increase the productivity of the Airport but would likely be more than offset by the loss of productivity and health impacts caused by the constant disruption and annoyance of aircraft noise as well as the many thousands of people who would suffer a broken night’s sleep.

The Draft Report contains a number of proposals to relax the rules around the maximum legislated cap of 80 aircraft movements per hour, the measurement of this cap, the definition of this cap and changes to the curfew. None of these proposals would actually reduce the amount or effects of aircraft noise on the community. They have one purpose only, being to increase the number of aircraft able to use the Airport, when the airlines want them. SACF is strongly opposed to any changes in the cap or curfew and offers the following points:

1. Increasing the movement cap is at the expense of the community below who need to sleep, live and function at work. Many studies over time have detailed the adverse effects on physical and psychological health and lifestyle of aircraft related noise emanating from loud and frequent aircraft movements, and in particular when these movements are at the times people are needing to sleep. SACF has seen and been advised of many such studies and they are available for the Productivity Commission to reference if it wishes to.
2. Changing the definition of the cap from actual movements to scheduled movements will not assist in achieving noise outcomes.. It is actual and not scheduled



movements that create noise pollution – caps on actual and not scheduled movements need to be tracked, managed and regulated.

3. If there are problems managing to the maximum actual cap, then shouldn't the Airport and the authorities be managing to a buffer well under the maximum cap (e.g. 75 instead of 80) to accommodate any delays due to unforeseen circumstances or poor weather, rather than changing the maximum cap value or the definition of the cap from actual to scheduled? This would seem the most prudent way of managing delays.
4. Changing the movement cap value or its definition to allow more planes in anticipation of forecast increases in aircraft demand at Sydney, particularly of international passengers, would likely threaten the viability of Western Sydney Airport (WSA), as it would make it more likely that an airline would remain entrenched at Sydney Airport and less inclined to substitute all or some flights and services to WSA. This would not only make WSA less attractive to potential airlines and possibly less profitable for WSA, but also provide less choice and benefit for the population who would otherwise choose to use the WSA once it is built.
5. Changing the basis on which the cap is measured or the curfew period, will still have the same result. Any flight which is about to breach the prescribed cap or the curfew times by flying into or out of Sydney Airport will still be delayed, if it is not granted an exemption from the government, by meeting the conditions stipulated by the current Curfew Dispensations Act. This is the nature and consequence of setting a legislated limit and curfew times and providing reasonable exemptions to the curfew (such as medical emergencies) and goes some way towards managing the co-existence of Sydney Airport and the surrounding communities. This situation is currently managed relatively well, so apart from making it meet a higher benchmark, SACF cannot see why the regulations would need to be relaxed. Increasing the cap may actually actually be counter-productive and reduce on-time performance at the airport. Currently it is only under good weather and wind conditions that runways can be used to their maximum capacity even with improvements in technology. The capacity of the Airport to reliably and consistently handle 80 movements cannot always be relied on to be achieved. If the cap is increased on one way or another and more aircraft are scheduled, delays will increase in conditions that do not allow these numbers to be handled.





## **Regional ring fence, price cap and price notification regime**

A brief note on the cap on slots for regional flights: SACF opposes removing the cap on regional aircraft and allowing non-regional aircraft to utilise regional slots. Aside from cutting a vital lifeline to the regions, removing the dedicated slots for regional aircraft would lead to the mix of aircraft changing towards non-regional, larger and more profitable aircraft. This is a change that will lead to more aircraft noise from larger, noisier aircraft and less benefit to the community overall including the regional communities.

## **Western Sydney Airport**

Western Sydney Airport (WSA) is not addressed specifically in the report as it is not yet operational, however the upheaval it will create in the Sydney airport mix inevitably will upend a number of current assumptions. It is worth remembering when talking about Sydney airport's capacity that the new Western Sydney Airport is being built with a specific view to overcoming the constraints that currently face Sydney airport. The cap and curfew place a reasonable limit on the impact of Sydney Airport operations and encourage future use of WSA as a rational alternative, free from these regulatory constraints and with much less human and environmental effects.

It is imperative that WSA is designed to mitigate the problems that have faced Sydney Airport. A non-development/non-residential zone, must be created around the airport, recognising that aircraft lock into position to land several nautical miles from the runway ends and so are heard quite clearly. We also know that the noise patterns of arrival and departures can create points over suburbs where noise can be constant at times and these must be considered in the design of the new airport.

## **On Consultation**

SACF is disappointed that it was not asked to provide a submission into the Productivity Commission Inquiry specifically on the issues of the cap and curfew in the initial stages. This allowed the profit-oriented proponents of change to effectively promote a one-sided case to the Commission that SACF and others impacted by the Airport's operations need to now seek to debunk.

## **Conclusion**

SACF remains absolutely committed to the need for a movement cap and curfew at Sydney airport and firmly opposes any proposals to remove or amend it in any way.

[SACF response to the Productivity Commission's 'Economic Regulation of Airports' Draft report](#)



It is apparent that the Productivity Commission has little understanding of the effects of aircraft noise on the hundreds of thousands of Sydney residents that are subject to increasing amounts of it every day. The current movement cap and curfew are working as intended to put limits on the numbers, types and times that aircraft can operate at Sydney Airport in order to provide some balance between the competing demands of the aviation industry and community's health and amenity. Proposals to "reform" these regulations are simply aimed at increasing the number of aircraft that can operate at the Airport to benefit the Airport's and Airline's convenience and profitability. However if anything, there is a strong case for the movement cap to be reduced, at least during non-peak periods to allow noise sharing objectives to be met. Statements and recommendations by the Productivity Commission in favour of changes to the cap and curfew would further tip the balance of regulation in favour of Sydney Airport to the detriment of the health and amenity of noise effected residents of Sydney and should be withdrawn in its final report. The existing Cap and Curfew regulations must remain.