

**CANBERRA AIRPORT SUBMISSION TO THE PRODUCTIVITY
COMMISSION'S ISSUES PAPER**

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- PUBLIC SUBMISSION -

Introduction

The Productivity Commission's issues paper has concluded that "airport owners must continually improve their operations by increasing the efficiency with which they use the infrastructure they have, and by investing in new infrastructure."

The most critical operation reform to deliver real productivity improvement for the economy and substantial benefit to both passengers and airline companies would be to improve the operation of Sydney Airport. This submission puts forward three key areas to significantly improve the operation of Sydney Airport and the efficiency of the entire Australian airport network.

Kingsford-Smith Airport - an economic giant restrained by outmoded operational strictures

It's not every day you can achieve an instant productivity increase of 10 per cent on an asset that drives more than two per cent of the nation's GDP. That's exactly what would happen if the Australian Parliament can be convinced to release their tight restrictions on aircraft movement at Sydney Airport.

Kingsford-Smith Airport is a transport and economic behemoth—it's the most important infrastructure asset in Australia, driving a direct and indirect economic contribution of almost \$38 billion or almost 7 per cent of the NSW economy. Total employment generated or facilitated by Sydney Airport represents 3.2 per cent of total Australian employment. It moves more than 43.3 million passengers a year—about a quarter of our nation's total—and hosts the world's second busiest route (Sydney-Melbourne, 54,519 flights a year) and the world's eighth busiest route (Sydney-Brisbane, 33,765 flights a year).

Yet, its wings are clipped by outmoded operational strictures that make it one of the most constrained airports in the world. It is these constraints that cause most of the delays at Sydney Airport and not only prevent its on-time operations from recovering after bad weather disruptions but cause delays at airports around Australia because four out of every ten planes in Australia fly through Sydney at least once each day.

So even though Sydney Airport is a major competitor to Canberra Airport, we feel the negative effects of its inefficiencies and delays—all the more so because many of our customers have the choice of using their car or taking a Murrays bus as an alternative to air travel.

Impact on travellers across Australia – three points of reform

The current curfew effectively closes Sydney Airport between 11 pm and 6 am every night. Further, Badgerys Creek curfew-free airport operations won't begin for almost a decade, meaning passengers in and out of Sydney will continue to be hassled with delays.

Travellers across Australia should fully support the reform of these constricting rules. Here is a three-point action plan to reduce delays, increase productivity, create jobs, and maximise Australia's greatest infrastructure asset:

1. Make the slot system operationally effective

Sydney Airport is restricted to a maximum of 80 aircraft an hour between 6am and 11pm. The number is arbitrary, without science, and does not reflect the true capacity of the airport which is at least 90 movements per hour. Moreover, this maximum limit is assessed for compliance every 15 minutes—that is four times every hour—which is manifestly excessive and means that rarely do actual movements ever reach 75-76 per hour.

Increase the slots to 90 per hour and add the flexibility of a rolling average over four hours instead of every 15 minutes, so the maximum can genuinely be utilised during the peak period. There's an immediate national productivity increase of more than 10

per cent which will flow into economic growth, fewer delays for everyone and more jobs.

2. Synchronise the Regulations with the Act

The Sydney Airport Curfew Act allows for 35 aircraft to land (generally over the water) in the “shoulder period”, an hour after 11pm. The Regulations governing the activity restrict these movements to 24. Making the Regulations consistent with the Act, will allow 35 landings an hour and increase productivity by almost 50 per cent.

3. Provide flexibility in the event of weather disruptions

Introducing some flexibility into the Regulations would allow Sydney Airport to “catch up” when operations are shut down by Mother Nature. It might be a major bushfire emergency, flooding in Brisbane or a series of freak thunderstorms but the result is a tsunami of delays, cancellations, inconvenience, lost productivity, and reputational damage which sweeps the nation when Sydney weather is bad. As if the initial event isn’t enough, the system is unable to catch up because of the curfew shutting everything down at 11pm.

Australia depends on Sydney – why every traveller needs more flexibility for Sydney

Australia’s aviation network is so dependent on Sydney, as its major hub, that any disruption there is amplified around the nation, and airlines can take 2 or 3 days to recover. Travellers camp on the floor of various airports, unable to find a spare hotel room, unable to reach their destinations, missing weddings, funerals or critical business meetings. In Regional Australia, where alternate flights are limited, there can be even more disruption.

Allowing all flight operations to continue for one additional hour until midnight—only during these extreme situations like major weather emergencies or times when Sydney Airport is closed for a minimum of two hours—is a relatively minimal disruption for Sydney. That relief will remove a massive level of disruption and chaos for tens of thousands of travellers across Australia.

Summary

In summary, it is beneficial to everyone to maximise the operation of this critical asset. A series of positive changes are proposed, including recognising the true capacity of the airport, which is at least 90 movements per hour, allowing 35 landings an hour in the ‘shoulder period’ to increase productivity at night by almost 50 per cent, and allow weather-related flexibility to allow the entire system across Australia to catch up from large-scale delays.

Canberra Airport, therefore, seeks a recommendation by the Productivity Commission in its final report to the Federal Government that releases the tight restrictions on aircraft movement at Sydney Airport.