

18 December 2015

Department of Infrastructure and Regional Development
Western Sydney Airport Submission
Western Sydney Unit
GPO Box 594
Canberra ACT 2601

To Whom It May Concern

TTF submission on the Western Sydney Airport draft Airport Plan and EIS

I write to make a submission on behalf of the Tourism & Transport Forum Australia (TTF) to the Department of Infrastructure and Development Western Sydney Airport (**WSA**) draft Airport Plan and Environmental Impact Statement (**EIS**).

TTF is the peak national body for the tourism, transport and aviation sectors across Australia. We are a CEO forum representing some of the leading institutions and corporations in the Australian visitor economy. Our membership spans accommodation and transport providers, airlines and airports, restaurants and retailers, business and major events organisers, property developers, investors and land managers, amusement and cultural attractions, and professional services. TTF utilises its expertise and networks to develop and advocate public policy for the sustainable long-term growth of the visitor economy.

Tourism is an economic development strategy for regions across Australia and continues to foster growth in jobs, business opportunities and future national prosperity. An airport in Western Sydney is a nationally significant project that has immense potential to capture the economic benefits of increased visitation to the region, create direct and indirect jobs and provide businesses and residents in the region with unprecedented access to travel and freight services.

The WSA should be a visitor economy asset that is fit for purpose, regionally competitive and designed and constructed with an eye towards its future growth potential. TTF recommends that the Government take into account the following factors in the draft EIS and Airport Plan for the WSA:

- The need for appropriate transport infrastructure;
- Driving innovation and best practice
- Ensuring that costs to build and operate the Airport do not hamper growth;
- Protecting the operations of Sydney Airport; and
- Safeguarding unrestricted operations at WSA

The Federal Government has a responsibility to ensure that the right policy settings are in place for WSA to be a successful venture. The policy and planning framework should ensure the WSA is a catalyst for economic growth across the immediate region and beyond.

The need for appropriate transport infrastructure

The WSA must be connected with Sydney's centres of economic activity.

Investment in surrounding road and rail links will help to drive the economic benefits associated with airport activity as a whole and should remain a top priority.

TTF has welcomed Federal and State Government investments in the road network servicing the proposed WSA site, as well as the reservation of a rail corridor and station boxes in Stage 1 planning.

WSA must be connected by rail to the Sydney CBD and other regional centres like Parramatta, Penrith and Liverpool. A rail link will also help to service the other employment-generating activities surrounding the airport, including the mooted Western Sydney Employment Area to the north of the WSA site. This will help to ensure WSA's ease of use for travellers and spur growth and investment along the corridor. Planning for the financing and construction of the rail link must be undertaken as a priority so that industry has certainty of its delivery. Failing to address the need for a rail link early in the life of WSA will lead to the congestion and loss of productivity faced by other capital city airports in Australia.

TTF encourages Government to determine a funding model to deliver this rail link in a timely fashion without damaging the cost competitiveness of WSA.

Driving innovation and best practice

Greenfield capital city airport developments in Australia are rare. The construction of WSA presents an opportunity for Government and industry to work together on models of world's best practice and innovation utilising the latest technologies. This should include modern, efficient and welcoming passenger facilitation. Border processing is frequently cited by industry as an area in need of reform and investment. Government should be planning for WSA to incorporate best-practice models of passenger facilitation.

Ensuring that costs to build and operate the Airport do not hamper growth

It is important that there is industry-wide engagement on the design of the WSA to ensure that investment is in line with expected volumes of traffic, as well as ensuring that there is sufficient capacity for future growth.

WSA's usage costs must be competitive to encourage airline use and growth in patronage. The cost allocation of facilities and services should be fair, non-discriminatory, transparent and subject to consultation. The funding structures should be reviewed regularly and appropriate pricing mechanisms implemented to encourage competition, cost reduction and efficiency.

TTF notes that the Federal Government has previously considered imposing a travel surcharge to assist in funding the WSA and associated infrastructure. Any additional taxes or charges, whether on domestic travel through a new levy or on international travel through an increased Passenger Movement Charge (PMC), would diminish the competitiveness of Australia's visitor economy. Pre-funding the asset in this way unfairly defrays the cost over many years and across a cohort of users and operators who may never derive a benefit from a fully-operational WSA. This would also have a significant and negative impact on Australia's cost-competitiveness as a destination. Australia's PMC, at \$55, is already one of the highest departure taxes among advanced economies. Given that the tax currently over-collects in the order of \$750 million a year above the cost of providing passenger facilitation services, there is already substantial scope for the Government to contribute funding from consolidated revenue over the forward estimates.

Protecting the operations of Sydney Airport

Sydney Airport is arguably the most valuable asset to the Australian visitor economy. It is the nation's main international gateway and services the domestic networks of Australian airlines. With a contribution to the NSW economy of more than \$30 billion, forecast to rise to \$50 billion by 2034, and a workforce of 30,000 people, Sydney Airport is a significant driver of growth and jobs for the State and the nation.

There must be consideration of the impacts of WSA on the operations of Sydney Airport. WSA should not negatively affect the growth of Sydney Airport, but the two should be allowed to work in unison to continue growing the market for travel in a sustainable fashion.

Industry would urge policy makes to resist any future attempts to artificially constrain the operations at Sydney Airport in an attempt to drive patronage at WSA. Any such move risks diminishing the ongoing economic contribution of Sydney Airport.

Safeguarding unrestricted operations

TTF commends a draft EIS that does not place artificial restrictions on the airport. We reiterate that it is critical to the commercial success of the WSA that it operates without the same arbitrary restrictions as those imposed at Sydney Airport. Artificial constraints present a significant opportunity cost to the Australian economy, and the wider tourism industry, by hampering airport and air services growth.

Given the commercial risks inherent in selecting new flight destinations, a 24 hour operation has the potential to make WSA attractive to a range of airlines. Industry, however, would caution against the view that unrestricted operations at WSA would allow for further restrictions at Sydney Airport. Sydney Airport will continue its role as the primary international gateway to Australia and further restrictions will have serious ramifications for national aviation.

Government should ensure the airport sits properly within the broader context of Western Sydney development and that it consults closely with other aerodromes and businesses in the region to ensure that the region as a whole thrives. Given the presence of regional aerodromes in the Sydney basin, including Bankstown Airport, Government should look to address likely issues around air space use early. Operators need more certainty around the Government's intended use of airspace over the medium to long term to allow their forthcoming investment decisions to better align with the likely capacity to operate in the coming decades.

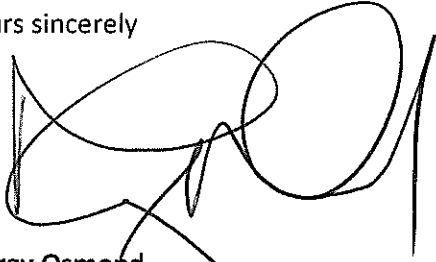
WSA has remained viable as a site for a future airport largely because of long-term planning controls on the surrounding area. Governments at all levels must continue to take active steps to safeguard the airport's operations from encroaching residential development or other noise sensitive uses, and ensure that land use planning adheres to the National Airports Safeguarding Framework.

Conclusion

Combined with best practice and sustainability mechanisms, the above elements will ensure that the Western Sydney Airport is competitive from the outset. With any major infrastructure project, the outcomes are unclear and unpredictable. With the right policy framework however, Government can build an airport capable of driving both initial and sustained demand for its services.

I thank you for your consideration of TTF's submission. We remain available to discuss any of these issues with you in further detail.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke on the right side.

Margy Osmond

Chief Executive Officer