



Australian Mayoral Aviation Council

Response to the Sydney Airport Demand Management: Discussion Paper.

Introduction:

The Australian Mayoral Aviation Council (AMAC) welcomes the opportunity to provide comment with regard to the November 2020 Discussion Paper.

AMAC represents the interests of Local Government Councils and their communities within Sydney and throughout Australia with airports located within their area or whose communities are impacted by the activities conducted at, and from, those airports.

Not having a particular view in relation to all questions raised in the Paper, this response will focus on those issues AMAC considers most relevant.

Response:

A: How would changes to the definition of a regulated hour (i.e. removing the rolling hour) impact stakeholders?

Such a change would negate the smoothing effect of aircraft operations provided by adherence to the rolling hour and allow for the “loading” of movements in peak portions of the standard hour where increased movements could be accommodated.

That would, in turn, deliver an increased environmental impact during peak movement concentrations.

There would also be pressure to standardise the fleet mix operating in those “loaded” periods in order to avoid delays caused by the operating parameters of a variety of aircraft types, for example, turboprop aircraft commonly used by regional carriers.

“Loading” will also impact further on the ATC’s ability to vary flight modes.

A variation is not supported.

B: Should any flights be excluded from the movement cap, while still providing a net benefit to the community? What impact would this have?

The Discussion Paper refers to various types of operations or events as worthy of consideration as follows:

- Service interruptions as a result of unavoidable delays such as weather events;
- Emergencies, state aircraft operations or slot management dispensations; and
- Dispensations to encourage the introduction of less noisy “new technology” aircraft types.

In the case of unavoidable (weather generated) delays it would be appropriate to allow a dispensation during standard airport operating hours **provided** there is a transparent and reportable audit trail in place to ensure genuine application and granting of any dispensation. A similar regime should apply in relation to the granting of any slot management dispensation.

Emergencies must also warrant priority treatment, however in this case also, there must be a mechanism to ensure genuine circumstances with an appropriate penalty regime attached were any such dispensation be abused.

In relation to state aircraft operations, it is envisaged these would be quite rare. It is anticipated that international arrivals would be capable of being scheduled appropriately as a result of time and distance travelled as well as the need for appropriate security arrangements.

Finally, the provision of “new technology” incentives would have little application in the Sydney or Australian context since international operators have already introduced new generation aircraft based on economic and competition considerations while the domestic fleet is also largely stage compliant.

There may be a future case in circumstances where yet to be applied systems begin to become mainstream such as electric, however the preferred time to operate would likely be in operating peaks where movements are already at or near capacity.

C: *What means of publication would satisfy public accountability and transparency with respect to both breaches and non-breaches?*

It is not appropriate to dispense with public accountability based on the number of times it is accessed.

The fact that information is on the public record and is readily accessible encourages compliance with mandated operating requirements. It's watering down or cessation will allow for the opposite to occur.

In addition data on overall operation (breach and non-breach) are necessary to inform stakeholders as to what is actually happening, to identify trends, identify recalcitrant behaviour and to plan appropriately.

D: *Should the definition of ‘regional services’ be changed? Why or why not?*

It is important that people from regional NSW have the capacity to gain access (arrivals/departures) through Sydney Airport during peak times to allow, as far as possible, same day access, particularly to face-to-face business and medical services.

It may not be essential that access is provided on a daily basis from a particular regional airfield, especially where the immediate population may be sparse. However, regard should be had for passengers within a regional catchment, particularly those at a greater distance from Sydney, having the opportunity to access air services within a reasonable travel distance within their catchment.

It is also appropriate to have regard for such considerations as:

- Travel distance from Sydney;
- Other available travel options (car/bus/train);

Cost of trip and time taken will have a determining impact on which travel mode becomes the preferred option although everyone's particular circumstances may eliminate some potential options.

Overseas examples such as the US definition of 'regional' are not so readily applicable to the Australian/NSW scene with sparse population, substantial distances and comparative travel options and infrastructure all to be considered.

It will be appropriate to monitor the implications of technology on regional travel essentials. For example, the pandemic has seen an exponential growth in on-line business meetings and people becoming more comfortable that appropriate outcomes can be achieved without the need for regular face-to-face meetings.

Similarly medical consultations have been increasingly undertaken on-line while technology based remote medical specialist access is also becoming increasingly sophisticated.

These factors are likely to bring about a reduction in demand for, what are, core travel needs from regional centres and, in turn, make some destinations no longer viable.

Add to that the impact and options Western Sydney's opening will provide and it appears that active monitoring may be the more appropriate direction at this time.

E: *Should the number of peak period regional slots or the method for converting PRSS slots be revised? Why or why not?*

For the reasoning outlined in the response to "D", it may be more appropriate to maintain a watching brief at this time.

In addition the right to access for regional communities should be a recognition of community obligation and a collectively responsibility for welfare as opposed to how many passengers are actually passing through the airport versus how many more

might be able to be accommodated should they, the regional population, not be “getting in the way.”

F: *Should there be alignment of the number of peak-period regional slots in the winter and summer seasons?*

It would seem that having them constant would add certainty and regularity to arrival and departure times from month to month.

G: *Does the defined peak period remain appropriate for regional slots?*

As outlined in an earlier response, business and medical appointment travel are core regional business, with users often preferring the option of flight times to and from Sydney allowing for same day travel.

Other users such as family reunions and holiday makers will be more likely to have greater flexibility and far less demand for single day arrival and departure.

It is therefore a key consideration that single day travel opportunities are maximised.

H: *is there a need for dedicated regional slots in off-peak periods?*

Not at this time since there is currently capacity which will be added to when Western Sydney comes on-line.

I: *Should there be additional flexibility in allowing regional slots to be moved between peak and off peak periods?*

Bearing in mind observations submitted above, it is unclear what worthwhile benefit would accrue to the vast majority of regional users.

J: *Are additional safeguards needed in order to implement the Productivity Commissions recommendation that non-PRSS slots be allowed to be used for regional flights?*

It seems logical that, if capacity and demand exist then that capacity could be utilised while it exists.

K: *Should there be a further relaxation or other changes to the ACCC’s price cap and monitoring regime?*

In order to establish the sustainability of regional air services total cost components must be considered along with whether adjustments to overall cost can be achieved through a focus on other travel cost elements. For example, the cost of screening at a regional airport as opposed to a major city airport. Should this be a user pays cost attributable to each screening facility or an average cost nationally across all screening charge components?

Clearly the cost of operating and, subsequently, utilising regional services is higher than on major interstate routes for legitimate reasons, however some 'costs' should be framed in a national context.

L: *Are there adverse outcomes in implementing the Productivity Commissions recommendation regarding the scope of future price declarations? Are specific safeguards needed to mitigate any impacts of implementing this recommendation?*

It seems appropriate that, where a regional operator freely enters into a commercial agreement with the airport, that agreement should be protected. However, it is difficult to contemplate how a comparatively small regional operator or, even more so, a start-up, would be in a position to bargain, on equal terms with the airport operator.

M: No Response

N: *How significant is the impact of implementing a bespoke slot scheme for Sydney Airport? Is there a reason to implement a slot management that is substantially different from the WASG? What challenges do inconsistencies between the WASG and Legislation create; and*

O: *What risks and opportunities could be realised by adopting the WASG?*

From the international perspective, time and distance makes Australia and Sydney Airport something of a "bespoke" destination.

It is difficult to reconcile the fact that the number of flights (international and domestic) passing through Sydney Airport by comparison with the US, much of Europe and pockets of Asia means that Australia/Sydney needs to fall in line with what works in far more congested markets.

From the domestic perspective, regular users accessing Sydney are already familiar with management practices.

P: Q: R: S: No Response

T: U: V: While no specific response is provided to these questions, it is essential that there is a transparent, effective and contemporary compliance management regime.

Compliance penalties need to be appropriate and proportional and should be based on a "formula" for the periodic adjustment through a recognised indicator such that the level of penalty remains contemporary.

W: *Do you have a comment on the Ministerial Direction provisions in the Act?*

Only to say that the ultimate capacity and responsibility for decision making must remain with the government.

X: No Response

Y: *Given the maturity of slot management and the WASG, does the scope of the Slot Manager's function remain appropriate?*

See the response to **N and O** above.

Z: *What process should be undertaken to identify and appoint a Slot Manager and how often should the position be reviewed?*

The current requirements/practices appear to be appropriate however it is important to ensure that, while a body corporate may have the appropriate skill-set within the organisation, it is essential that there is a mechanism to ensure the person/persons with the necessary skill-set are actually performing that function.

No Response is submitted to the balance of the questions.

Comments:

The Discussion Paper seeks to avoid delving into the more contentious elements of the airport curfew, noise sharing arrangements and the actual quantum of the cap.

It is anticipated these topics will come into focus, either in the review of the sunseting regulations, or through similar consultation processes leading up to their review.

There is real concern that approaching the issue via a series of narrowly focused discussions while studiously avoiding the various elephants in the room may well lead to a disjointed, even conflicting, set of outcomes.

Aviation/avionics in general is in a state of flux.

Recovery after Covid is the most contemporary issue, however there are many other considerations. For example:

- Size and performance of existing and about-to-be introduced aircraft types and ATM infrastructure. What is actually achievable either now or in the short to medium term?
- What is the future of alternate systems and how do they integrate with, and impact on, current mainstream operations? (Alternate power sources / the entire suite of UAV and manned low altitude "commuter" operations and regulation.)
- Capacity to review and redesign flight operations in relation to on-ground impact (fly neighbourly / climb and descent practices / share-the-noise v concentrate the impact and mitigate / holding pattern management.)
- Processes and practices to ensure operational compliance.

Greater Sydney is similarly in a state of flux:

- Sydney KSA's capacity and the future of legacy legislation and regulations introduced in direct response to the fallout from the handling of the third runway's issues;
- KSA's constraints v Western Sydney;
- Future operations / constraints at Bankstown, Richmond and Camden;
- Western Sydney Airport becoming operational;
- Conflict between the various aviation centres of operation across the Sydney Basin together with competition for population accommodation – Commonwealth and State based imperatives.

These factors suggest that the review and implementation process must be dynamic, for at least the next several years, rather than adopting a set and forget approach.

However approaching the issue of *Aviation - Sydney 2026 and Beyond*, is currently being contemplated, it is clear that a holistic examination of aviation in the Sydney Basin must be the end game.

And, while it is appropriate to examine practices and parameters applied in overseas settings, these must be viewed in terms of what might best be applied in delivering balanced local outcomes rather than adopting a "let's have what their having approach." A suitably tailored rather than an off the shelf approach.

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