

11 December 2020



Dear Director

Tourism & Transport Forum (TTF) Australia is the peak industry group for the tourism, transport and aviation sector and represents organisations from airlines and airports to hotel operators and iconic tourism attractions. Other members include major investment, infrastructure, technology and transport groups.

TTF has played a key leadership, research and advocacy role for the industry at large as it continues to manage and recover from the ongoing impacts of COVID-19 both in the short term and over the years ahead.

I write in response to the Australian Government's 'Sydney Airport Demand Management' Discussion Paper which follows the Productivity Commission's 2019 'Economic Regulation of Airports' Inquiry Report. The Paper is linked to the concurrent and wider 'Future of Australia's Aviation Sector' Issues Paper which discusses the long-term challenges and opportunities in a post COVID world and is due to report in mid 2021.

The 'Sydney Airport Demand Management' Discussion Paper seeks consultation to inform a review of a) Sydney Airport policy and regulation, b) slot management, c) regional Access and d) the implementation of the movement cap as issues inside the scope of this review. Importantly, TTF notes that a) the curfew, b) noise sharing arrangements, and c) the movement cap or the number of aircraft movements per hour, are outside the scope of the review.

While sections of the Sydney Airport Management Scheme remain fit for purpose and change for the sake of change may not be necessary, this timely review does present a rare opportunity while capacity is decreased to examine the globally unique regulatory settings governing access at Sydney Airport. This is important as the scheme at Sydney Airport is widely considered to be the most complex of any major airport in the world.

As TTF has long advocated for, the inefficiencies and inflexibility in the current framework restrict Sydney Airport, Australia's largest, from operating to the level actually permitted, and this has flow on impacts to the entire aviation network. This is particularly the case in the event of bad weather, where a delay of only a few hours can impact flights across the nation and cause large delays for thousands of passengers.

The demand management framework should ensure that the airport is able to operate as efficiently as possible to get as close as possible to 80 actual flights per hour, while at the same time balancing the needs of the local community. A more efficient airport would significantly benefit the long-term recovery of the Australian tourism industry which pre-COVID-19 provided around 358,000 jobs across NSW or 646,000 jobs across the nation more broadly.

TTF, on behalf of the tourism and aviation industry as a whole, makes the following key recommendations:

1. TTF recommends stability and certainty in policy settings. Further, TTF recommends a greater alignment with the Worldwide Airport Slot Guidelines (WASG) in line with other Australian and international airports, and separately a single independent slot coordinator to continue allocation of slots.

2. TTF recommends fair and open access for all. Sydney Airport must be able to accommodate every airline that wants to fly into the airport. This includes regional, domestic and international airlines, none at the expense of the other.
3. TTF recommends changes to provide flexibility in the operational implementation of the movement cap to increase day of operations recoverability. The Regional Access Regime must also be maintained with changes to allow scheduling flexibility and more consistent regional schedules.
4. TTF recommends greater flexibility. The current rules were set more than 20 years ago at a time when Sydney Airport handled around 22 million passengers a year. In 2019 Sydney Airport handled 44 million passengers. The lack of flexibility in the rules does not reflect the practical reality of operating an airport in 2020. Greater flexibility is required to ensure that the needs of airlines and the travelling public can be met into the future, particularly over the longer term as Australia fully recovers from COVID-19.
5. More specifically, beyond the key principles, TTF recommends greater flexibility to manage the complexity of daily operations to minimise delays and recover from weather impacts, for example, the removal of the 15-minute rolling hour, operating the airport based on 80 scheduled services per hour, amendments to the application of the rules currently preventing the airport from operating to 80 movements an hour (being the number allowed in the regulation, but never reached on a day to day basis), modernising the regulations to reflect current and future noise outcomes, fixing inefficient 'fragmented' slot series, guaranteeing and enhancing regional access in peak times and finally, improving governance and transparency.

TTF will continue to work closely with the division and the department as you and your team consider these important issues regarding the reform of the Sydney Airport Demand Management Scheme as well as the wider challenges facing aviation in particular at this critical juncture for our tourism and transport industry in the wake of COVID-19.

[REDACTED]

I am confident of a much brighter year ahead for Australia's tourism, transport and aviation providers and look forward to continued collaboration between our sectors and key policymakers such as yourselves into 2021 and beyond.

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