



**PROPOSED CHANGES TO PRICES FOR  
AERONAUTICAL SERVICES AND FACILITIES AT  
SYDNEY AIRPORT TO REGIONAL AIR SERVICES**

*Submission setting out supporting information to the locality  
notice lodged by Sydney Airport Corporation Limited on 24  
June 2010*

# PROPOSED CHANGES TO PRICES FOR AERONAUTICAL SERVICES AND FACILITIES AT SYDNEY AIRPORT TO REGIONAL AIR SERVICES

## PART A - OVERVIEW

This submission is confidential and not for publication as it contains information that is confidential in character. This confidential information is highlighted in red text or otherwise indicated as confidential throughout this submission. For convenience, we have also provided a redacted non-confidential version of this submission.

### 1. Introduction

In our view, our proposal to increase the price for provision of aeronautical services and facilities to regional air services by a maximum of 2.9% to take effect from 23 October 2010 at the earliest is consistent with Government policy and the requirements of Part VIIA of the *Trade Practices Act 1974* (“**Act**”).

Under Declaration 91, Sydney Airport Corporation Limited (“**SACL**”) is a declared person for the purpose of prices surveillance under Part VIIA of the Act in relation to the provision of aeronautical services and facilities to regional air services. Direction 30 sets out a direction to the Commission in exercising its powers and performing its functions under the Act. Declaration 91 and Direction 30 are due to expire on 30 June 2010. They will be replaced by new Declaration 92 and Direction 32.

In SACL’s view, it is within the Commission’s purview to consider and assess our proposed changes under the current regime notwithstanding they are proposed to take effect post 30 June 2010. If the Commission does not accept SACL’s proposition that it may assess the price notification under the current regime then, in any event, we respectfully submit that the Commission has the requisite discretion to accept the proposed changes under the new regime.

From a practical point of view, SACL is asking the Commission to consider a proposed increase in Consumer Price Index (“**CPI**”) of only one year as opposed to the three year increase in CPI of approximately 9.9% available under Direction 30 and an actual increase in CPI of approximately 28.9% since 2001 when the Commission initially approved these charges.<sup>1</sup>

[Confidential]

The timing of the notification and contractual obligations under the airport’s Conditions of Use (“**COU**”) will result in the proposed increase being in effect for less than 9 months of the 2010/11 financial year. Furthermore Terminal 2 domestic security charges are set on an overall cost pass through basis, whereby domestic users cross-

<sup>1</sup> ACCC decision on SACL aeronautical pricing proposal, 25 May 2001. The proposed changes represent the first increase in these charges to regional air services operators since the Commission approved an increase in aeronautical pricing on 25 May 2001.

subsidise the actual cost of providing regional security services. The proposed increase in regional security charges will therefore partially off-set that cost cross-subsidisation.

Further, the existing charges did not reflect the cost and quality of services provided even in 2002 when they were initially approved by the Commission. On 4 October 2002, the Commission wrote to SACL stating that it did not object to SACL's proposal to offer an interim combined passenger based charge to NSW intrastate operators using Terminal 2 (the former Ansett domestic terminal). At that time, the Commission did not object to a combined passenger facilitation charge ("**PFC**") of \$4.50 (exclusive of GST) and \$4.95 (inclusive of GST) for the use of Terminal 2, aircraft apron parking and check-in counter use. These charges were based on pre-existing approved charges for the former domestic express terminal ("**DET**"). However, the DET was a low cost facility whereas Terminal 2 provided facilities and services of higher quality and cost.

The proposed increases are reasonable in the circumstances given the impact on passenger fares would be approximately less than 1% and the impact on regional airlines costs is similarly low, especially in light of the comparatively higher charges borne by regional airlines at other airports. In addition, the present pricing levels have led to inappropriate price signals resulting in inefficient use of scarce airport capacity and market distortion between regional airlines and other airport users, through the cross subsidisation of necessary new investments and cost pass through of providing aviation security.

The costs associated with aviation security have grown considerably since the events of September 2001 and continue to grow with the recent announcements by Government that more investment and increased security measures are required. Regional airlines contributions to security costs do not reflect their consumption of these services and facilities.

The regional NSW air transport industry has grown by approximately 45% since March 2001<sup>2</sup>. However the asset allocation requirements (use of check-in and aircraft parking facilities) have increased at a greater rate than passenger volumes, thus reducing the overall efficiency. This is evidenced by the considerable increase in aircraft parking requirements for a "typical" stay.

The regional NSW air transport industry is vibrant and profitable. By way of example, in the financial year ending June 2009 Regional Express ("**Rex**") reported turnover of over \$209m and a profit before tax ("**PBT**") of \$27.5m, implying a \$21 profit per passenger. Rex<sup>3</sup> claims to be amongst the most profitable airlines in the world with a 13% revenue margin (PBT/revenue).<sup>4</sup> This performance was delivered in the context of the global financial crisis and yet Rex has been profitable in each year since listing on the Australian Stock Exchange.

Whether the Commission considers SACL's proposed changes under the current regime or the new regime our view is that the appropriate course of action in these

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<sup>2</sup> Quarterly Passenger Statistics for NSW Air Routes to and from Sydney Airport, <http://www.transport.nsw.gov.au/air/passenger-stats.html> accessed 23 June 2010

<sup>3</sup> SACL has chosen to use Rex as an example simply because, being a listed entity, more information is publicly available.

<sup>4</sup> Regional Express (REX) Annual Report FY2009

circumstances is for the Commission to serve a notice to SACL stating that it has no objection to SACL supplying aeronautical services and facilities to regional air services providers on the terms proposed by SACL.

## **2. Structure of this submission**

This submission sets out supporting information to assist the Commission in assessing the formal notification provided by SACL on 24 June 2010 and is structured as follows:

- PART A:** provides background information on SACL's proposed changes and approach to the Commission
- PART B:** sets out information on SACL's operations and regional air service providers
- PART C:** sets out the key reasons justifying the changes proposed

## **3. Timing and application of this pricing notification**

SACL has not previously availed itself of the notification regime set out in Part VIIA of the Act because of the sensitivities around regional pricing at Sydney Airport.<sup>5</sup>

Recently, SACL has embarked on a review of how SACL conducts business, including implementing appropriate cost savings, improving debt recovery and ensuring appropriate and efficient pricing. Regional pricing for aeronautical services and facilities was identified as an area where price increases are required and appropriate in the circumstances notwithstanding those sensitivities.

SACL has determined that it is appropriate to seek the Commission's approval for an increase in charges for aeronautical services and facilities to regional air services providers by a maximum of 2.9% prior to expiry of the current Declaration 91 and Direction 30. We note that the Commission is not bound by the express terms of Directions 30 and 32 and that, in our view, it is appropriate to review charges now.

Declarations 90 and 92 provide that SACL is declared in relation to the provision of aeronautical services and facilities to regional air services. Accordingly, the proposed changes are intended to apply to regulated prices only and exclude all other applicable prices for use of facilities and services at Sydney Airport.

## **4. SACL's notification is consistent with the applicable regulatory and policy framework**

The Government's policy in relation to regional air services includes taking steps necessary to ensure that communities in regional and remote areas have reasonable

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<sup>5</sup> The Productivity Commission acknowledged the significance of the sensitivities around regional pricing as a constraint on SACL's pricing behaviour in the Productivity Commission Inquiry Report No 40, *Review of Price Regulation of Airports Services* (14 December 2006) see for example the discussion at pages 128 - 130

access to air services to major cities and other key centres, including on routes that are not commercially viable<sup>6</sup> (approximately less than 13% of regional passenger traffic from Sydney Airport).

Accordingly, the Act provides the Commission with a wide discretion to consider and take such action in relation to locality notices as it sees appropriate.<sup>7</sup> Effectively, Parliament has entrusted the Commission with an assessment “in the circumstances” of locality notices provided to the Commission under section 95Z(5) of the Act.

Parliament and the Minister have provided the Commission with factors to which the Commission must have particular regard to in its assessment of what is appropriate in the circumstances, including the criteria under section 95G(7)<sup>8</sup> and Directions 30<sup>9</sup> and 32. The Commission has explained that it generally uses a cost-based “building block” approach unless an alternative approach is agreed with the declared person or it has been directed by Government to assess prices under a price cap, as is the case with SACL.<sup>10</sup>

The Commission may also take into account other factors and may place such weight on the criteria above as it sees fit. The Commission’s obligation in relation to the criteria set out in section 95G(7) and Direction 30 is to have regard to them as is appropriate in the circumstances.

With this in mind, we consider that our proposal is not inconsistent with the object of Part VIIA of the Act set out in section 95E as follows:

*The object of this Part is to have prices surveillance applied only in those markets where, in the view of the Minister, competitive pressures are not sufficient to achieve efficient prices and protect consumers.*

Further, it is within the Commission’s purview to consider and assess our proposed changes under the current regime notwithstanding they are proposed to take effect post 30 June 2010. To take any other view would be to introduce considerable

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<sup>6</sup> Australian Government, *National Aviation Policy White Paper* (December 2009), at page 53 - 59

<sup>7</sup> Section 95G(5) of the Act states:

*The Commission is to consider locality notices and to take, in relation to such notices, such action in accordance with this Part as it considers appropriate.*

<sup>8</sup> Under section 95G(7), the Commission is required to have regard to the need to:

- a. maintain investment and employment, including the influence of profitability on investment and employment;
- b. discourage a person who is in a position to substantially influence a market for goods or services from taking advantage of that power in setting prices; and
- c. discourage cost increases arising from increases in wages and changes in conditions of employment inconsistent with principles established by relevant industrial tribunals.

<sup>9</sup> Ministerial Direction 30 directs the Commission to give special consideration to the Government’s policy that, to facilitate continuing access to Sydney Airport by operators of regional air services, the total revenue weighted percentage increase in price for operators of regional air services in relation to regional aeronautical services and facilities should not exceed the total percentage increase in CPI from 30 June 2007.

<sup>10</sup> We note the Commission’s conclusion that the criteria in section 95G(7) will generally be met by economically efficient prices which reflect an efficient cost base and reasonable rate of return on capital. ACCC, *Statement of regulatory approach to assessing price notifications* (June 2009), at pages 12 – 13.

uncertainty into the notification regime for declared persons and would significantly limit the Commission's role and functions under Part VIIA. This is clearly not what was contemplated by section 95G(5) nor more widely by Part VIIA.

If the Commission does not accept SACL's proposition that it may assess the price notification under the current regime then, in any event, the Commission has the requisite discretion to accept the proposed changes under the new regime. We respectfully submit that whether the Commission considers SACL's proposed changes under the current regime or the new regime the appropriate course of action in these circumstances is for the Commission to serve a notice to SACL stating that it has no objection to SACL supplying aeronautical services and facilities to regional air services providers on the terms proposed by SACL.

## PART B – SYDNEY AIRPORT AND REGIONAL AIR SERVICE PROVIDERS



### 5. Sydney Airport Corporation Limited

Sydney Airport is Australia's busiest airport and premier national gateway, contributing significantly to the Australian economy. As one of Australia's most important pieces of infrastructure, SACL is a major employer and economic driver. SACL makes a direct contribution of \$8 billion in NSW Gross State Product. SACL's economic contribution increases to \$16.5 billion when flow on impacts are taken into account. Recently, Sydney Airport was acknowledged by the Australian Government as a critical hub in the Australian regional aviation network.<sup>11</sup>

Since 2007, SACL has made significant investments into services and facilities used by regional air services providers. Notable investment activity relevant to facilities and services used by regional air services providers includes:

- approximately \$166.7 million to upgrade the shared airfield, apron, runway and taxiway works including completion of the \$100 million runway safety project in April 2010;
- approximately \$44 million on infrastructure and refurbishments at Terminal 2, which is used by regional air services providers, including aviation security upgrades and new regional aircraft parking arrangements;
- as the Master Plan 2009 indicates, more significant upgrades to Terminal 2 are planned which will enhance facilities for regional airlines and their passengers. At this time, forecast capital expenditure for Terminal 2 is in excess of \$109 million between 2011 and 2015.

Facts sheets about Sydney Airport are attached at **Tab 1**. Selected media releases are attached at **Tab 2**.

SACL supplies aviation infrastructure services and facilities to domestic and international passenger and cargo airlines. SACL also supplies retail tenancy space and associated services, and provides the infrastructure necessary for various government, enforcement and private agencies that provide aviation related and ancillary services.

SACL's airfield consists of two parallel north-south runways, an east-west runway, taxiways, aircraft parking aprons and supporting infrastructure. In addition to seven cargo terminals controlled, there are three passenger terminals at Sydney Airport:

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<sup>11</sup> Australian Government *National Aviation White Paper* (2009) at page 58

<b>T1</b>	International terminal	As at 31 December 2009 T1 was used by 37 international airlines flying to 50 destinations
<b>T2</b>	Domestic common user terminal	This terminal is used by domestic and regional airlines including Aeropelican, Jetstar, QantasLink, Regional Express, Tiger Airways and Virgin Blue.
<b>T3</b>	Qantas domestic terminal	This terminal is operated by Qantas and used for Qantas domestic flights.

In 2009, Sydney Airport was used by approximately 33.0 million passengers – an average of 90,000 passengers each day. The following table shows passenger traffic by aircraft movements at Sydney Airport in 2009:

2009 Calendar Year	Passengers	Passenger aircraft movements	Average passengers per aircraft movement
Regional	1,997,000	46,123	43
Domestic	20,356,000	161,189	126
International and Domestic on-carriage	10,645,000	58,429	182
<b>TOTAL</b>	<b>32,998,000</b>	<b>265,741</b>	<b>124</b>

Sydney Airport facilitates approximately half of Australia's international passenger and airfreight traffic. As such, Sydney Airport is properly recognised as of vital importance to the Australian economy. In 2008, URS Australia reported that SACL's economic impact for NSW was a contribution of approximately 6% and Australia wide, approximately 2%.

Nevertheless, SACL operates under a range of regulatory constraints that impact on the efficiency of its operations and, in turn, impact on Australia's economic growth. Further, Sydney Airport is the only Australian airport that is subject to price and access controls. In addition to price regulation under the Act, airline access to Sydney Airport is regulated by the following instruments:

a. *Sydney Airport Curfew Act 1995 (Cwth)*

This Commonwealth instrument is unique to Sydney Airport and limits the operating hours of the airport by imposing a curfew on aircraft movements at Sydney Airport.

The curfew prevents aircraft from taking off or landing between the hours of 23:00 and 6:00 AEST. A limited number of scheduled and approved take-offs and landings are permitted respectively in the "shoulder periods" of 11pm to midnight and 5am to 6am.



The effect of curfew is to concentrate passenger services to morning and afternoon peaks. In turn, this limits the growth of long haul international services, in particular, which are constrained by overseas curfews, the length of the flight sector and traveller preferences for flight times.

b. *Sydney Airport Demand Management Act 1977 (Cwth)*

The *Sydney Airport Demand Management Act 1977 (Cwth)* incorporates a maximum movement limit of no more than 80 scheduled aircraft movements per hour and establishes a framework for the development and operation of slot management and slot compliance schemes to give effect to this movement cap.

The *Slot Management Scheme 1998 (Cwth)* is approved by the Minister under Section 40(2) of the *Sydney Airport Demand Management Act 1997 (Cwth)*. This scheme provides mechanisms, which are unique to Sydney Airport that protect and maintain regional slots. The effect of the regime is to create a ring fence around regional air services from Sydney Airport that cannot generally be allocated to larger, non-regional or international services.

c. *Air Transport Act 1964 (NSW)*

This state legislation provides for routes servicing smaller communities to be licensed and regulates air transport on those routes. The stated aim is to encourage stability, route development and continuity of services to regional areas.

With the exception of Newcastle, routes that operate at or below 50,000 passengers per year are licensed under the state legislation to one operator only. Five year licenses currently apply. The NSW Minister has the power to deregulate intrastate air routes.

Within this regulatory framework and constrained land space, SACL must manage approximately half of Australia's international air traffic and approximately one quarter of Australia's domestic air traffic.<sup>12</sup>

Nevertheless, SACL strives to provide excellent services to airlines, passengers and other stakeholders. As mentioned earlier, over the past year SACL has completed two significant capital works projects including the \$500 million expansion and upgrade of the departures level of Terminal 1 and the \$100 million runway safety projects and re-opened the east-west runway that was temporarily closed.

## **6. Regional air services providers at Sydney Airport**

There are currently five regional air services providers operating from Sydney Airport. Qantas Link and Rex are the largest regional air services providers, by passenger numbers, followed by Virgin Blue, Jetstar and Aeropelican. Whilst Tiger is not currently operating regional air services it does have commercially agreed regional prices.

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<sup>12</sup> Bureau of Infrastructure, Transport & Regional Economics, Airport Traffic Statistics for year ended 31 March 2010. link: <http://www.bitre.gov.au/info.aspx?ResourceId=634&NodeId=96>

[Confidential]

Out of these existing regional air service providers, SACL management has concluded separate commercial-in-confidence pricing arrangements for regional services with Qantas Link, Virgin Blue, Jetstar and Tiger Airways.

[Confidential]

SACL management's key aims in negotiating separate agreements with regional air service providers is to tailor pricing solutions within the regulatory framework that suit airlines and encourage efficient use of SACL's scarce infrastructure resources.

SACL management will continue to negotiate in good faith with Rex and Aeropelican to reach wide ranging commercial agreements, in parallel with this notification process.

## **7. Regional air service routes from Sydney Airport**

We attach at **Tab 4** a table showing passenger numbers and regional air services operators for each regional route operating from Sydney Airport for the years ended 31 March 2009 and 31 March 2010.<sup>13</sup> The table also shows whether the route is regulated under the *Air Transport Act 1964 (NSW)*.

This is very important because a key purpose of the regulatory regime is to protect vulnerable regulated regional air services routes and their communities. This table shows that these regulated routes of concern only account for approximately less than 13% of regional passenger traffic from Sydney Airport.

## **8. We are consulting with regional air service providers about the proposed changes**

SACL's commercial relationship with regional air service providers is, in part, governed by the Sydney Airport Conditions of Use ("**COU**"). A copy of the most recent version of the COU is attached at **Tab 5**. We have commenced consultation with regional air service providers from Sydney Airport in accordance with clause 8 of the COU in respect of the changes proposed. A copy of the letter sent from SACL to regional air services providers is attached at **Tab 6**.

We shall continue to work towards acceptable commercial solutions with each provider while the Commission is considering our notification. In addition to commencing consultation under the COU in relation to the proposed changes to regulated services SACL is presently engaged in consultation with regional air services providers for unregulated services such as general aviation charges, property leasing, branding and staff car-parking.

A key aim in consulting with regional air services providers is to ensure that each party has the opportunity to contribute constructively. SACL is very hopeful of working towards mutually acceptable commercial solutions with regional air services providers. To that end, we intend to:

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<sup>13</sup> Quarterly Passenger Statistics for NSW Air Routes to and from Sydney Airport, <http://www.transport.nsw.gov.au/air/passenger-stats.html> accessed 23 June 2010

- invite regional air services providers to meet in person to discuss the proposed changes;
- invite input from regional air services providers;
- carefully consider and respond to input received.

While our view is that the increases proposed are realistic and appropriate within the regulatory and policy framework, a purpose of the consultation process under the COU is to negotiate on the merits. Accordingly, the changes for which the Commission's approval are sought reflect the maximum price proposed and may ultimately be lower depending on the outcome of the consultation process with airlines. We shall keep the Commission up to date with the progress of our consultations with regional air services providers where relevant to the notification process and the Commission's assessment.

## **PART C – JUSTIFICATION FOR CHANGES PROPOSED**

SACL considers that the changes proposed are reasonable in the circumstances. While modest, they do seek to improve the operational environment and better reflect consumption of services and facilities without inordinate pressures being placed on regional air services providers.

### **9. Outdated volume parameters used to derive existing equivalent based charges**

The regional market in the year ending March 2010 consisted of just over 2 million passengers, representing 6% of all Sydney passenger traffic. Between the year ending March 2001 and March 2010 the regional market has grown by over 626,000 passengers, a 45% increase.

While regional airlines account for just 6% of all Sydney passenger traffic, they account for 23% of all allocated runway slots<sup>14</sup>. The proportion of overall allocated slots varies between 33% during 1800 hour and averages 26% between 0700 and 1100 morning peak hours. The average regional aircraft size has increased slightly to 50 seats per allocated slot, while the average passengers per regional movement also increased to 34 between 2008 and 2009. Despite gradual efficiency gains, regional airlines remain heavy users of peak runway and terminal capacity.

Despite the growth in regional passenger the volume parameters used to derive the combined PFC<sup>15</sup> in 2002 are now outdated and do not reflect current experience.

The structure of the combined PFC calculated on a per passenger basis has encouraged an inefficient use of scarce airport assets, as asset allocation requirements (use of check-in and aircraft parking facilities) have increased at a greater rate than passenger volumes, thus reducing asset utilisation.

[Confidential]

### **10. Current pricing for regional airlines does not reflect the changing aviation environment**

The security and necessary new investment cost recovery process excludes regional airlines and results in a cross subsidisation of costs between international and domestic users. This means that the substantial costs associated with the aviation industry are borne inequitably by users.

For example, especially following the events of 11 September 2001 aviation security continues to undergo review, including the introduction of new or enhanced security measures including Counter-Terrorist First Response (CTFR), mandatory checked-bag screening (CBS), enhanced airside access control and Additional Security Measures

<sup>14</sup> Airport Coordination Australia (ACA) slot information Northern Winter 2009 schedule (sample week October 2009)

<sup>15</sup> Australian Competition and Consumer Commission, 'Sydney Airport Aeronautical Charges for regional users of Terminal 2, Decision and Statement of Reasons' (October 2002), Appendix 1: Derivation of equivalent-based charges

(ASM). The costs associated with complying with aviation security requirements is increasing significantly with further security measures being considered. However, the present regulatory regime prevents even distribution of security costs amongst users.

[Confidential]

Similarly the costs associated with those necessary new investments set-out in Part B, Section 5, are not recovered from regional users. The present regulatory regime acts as a disincentive to invest in specific regional infrastructure and airport services because a reasonable rate of return on capital can not be achieved. However, by applying a small increase in the terms proposed this would go some way to improving cost recovery and reducing cross subsidisation of regional airlines by other users.

SACL derives no benefit from increasing regional security prices; instead the proposed changes relating to security charges will slowly rebalance the charges between regional airlines and other airlines.

**11. The proposed changes will not have an appreciable impact on passengers or the general business of regional airlines**

SACL charges are a very small component of typical regional airfares. The proposed changes represent a *de minimus* component of average passenger fares charged by regional airlines. SACL's understanding is that the proposed increase is less than 1% of typical regional fare.

We attach at **Tab 9** tables and analysis that demonstrate how SACL reached this conclusion.

SACL's charges will remain comparatively low. SACL has amongst the lowest passenger terminal and runway charges of principal regional NSW airports. For example, comparable charges at Port Macquarie Airport are over 3 times those charged by SACL. Bankstown Airport charges are now 12% more than those charged by SACL. SACL's analysis shows that most airports have increased airport charges between the financial years ending 2003 and 2009.

We attach at **Tab 10** a table showing comparative benchmarking of selected regional runway and terminal charges per arriving and departing passenger between 2003/04 and 2008/09.

This analysis also shows that the absolute increase in charges between 2003 and 2009 at some airports will exceed the total that is proposed by SACL. To illustrate, the increase in charges over the period at Port Macquarie Airport was \$8.25 and a total of \$21.49 whereas SACL only currently charges \$6.88 per person (including 45 minutes of parking) in total.

Additionally, it is very important to put the *de minimus* proposed increase in charges at Sydney Airport into the wider perspective of charges paid by regional airlines as a % of total passenger revenue.

[Confidential]

## 12. The proposed changes will not have an appreciable impact on competition between regional airlines

Regional passenger traffic from Sydney Airport has increased by over 626,000 passengers (45%) since 2001 and is expected to continue expanding as detailed in the 2009 Sydney Airport Masterplan. The commercial robustness, especially of unregulated regional routes, will not diminish as a result of the proposed changes. Similarly, existing incentives for regional air services operators to expand and compete will not diminish as a result of implementation of the proposed changes.

To illustrate, regional air service routes from Sydney Airport can be categorised into 3 discrete segments:

- competitive routes that are unregulated with more than 2 operators or routes serviced by high capacity jet operators - Represents 49.7% of Sydney regional market based on passenger numbers;
- potentially competitive routes that are unregulated with 1 or more full service operators – represents 37.7% of Sydney regional market based on passenger numbers; and
- regulated routes with one licensed operator and less than 50,000 passengers per year – represents **only 12.6%** of Sydney regional market based on passenger numbers.

Summary NSW Regional Passenger Year Ending March<sup>16</sup>

Segmentation	2009	2010	% growth	% of total
<b>Competitive</b>	972,055	1,004,603	3.3%	49.7%
<b>Potentially Competitive</b>	799,064	760,643	-4.8%	37.7%
<b>Regulated Route</b>	291,449	255,048	-12.5%	12.6%
<b>Total</b>	<b>2,062,568</b>	<b>2,020,294</b>	<b>-2.0%</b>	<b>100%</b>

We attach at **Tab 11** a table showing the segmentation of competitive and potentially competitive regional routes from Sydney Airport.

Regional routes from Sydney Airport are dominated by unregulated competitive and potentially competitive routes. The 12 unregulated regional routes from Sydney Airport accounted for 87% of the passenger traffic for the year ended 31 March 2010. Of the 12 unregulated regional routes, 6 routes have two or more airlines competing and SACL considers that 8 are potentially competitive, particularly Wagga, Dubbo, Tamworth and Armidale. In SACL's view, these potentially competitive routes are likely to contribute to the majority of future regional growth.

<sup>16</sup> Quarterly Passenger Statistics for NSW Air Routes to and from Sydney Airport, <http://www.transport.nsw.gov.au/air/passenger-stats.html> accessed 23 June 2010

Aside from a slight slow down in growth during the global financial crisis, competitive regional routes from Sydney Airport continue to grow. Airline trends of increasing aircraft capacity and efficiency suggest that opportunities and incentives for expansion will continue to grow and increased competition is likely. The proposed changes will not diminish these opportunities and incentives.

### **13. Constraints on SACL and regional air services providers' pricing behaviour**

In 2006, the Productivity Commission observed that SACL's pricing behaviour for regional air services providers is constrained and, in the absence of regulation, would be unlikely to result in prejudicial increases to regional air services providers given:<sup>17</sup>

- public criticism would be likely were regional airlines to be treated less favourably; and
- increases in SACL's total revenue arising from even large, and therefore contentious, rises in charges for regional airlines would still be modest.

Even with the continuance of price regulation SACL has acted consistently with the Productivity Commission's observations by not previously availing itself of the price notification procedure, under-recovering for a prolonged period and by now only proposing a maximum increase in price that reflects one CPI year rather than the three CPI years provided for under Direction 30.

Further, SACL's previous behaviour and current proposal is not inconsistent with the object of Part VIIA of the Act and the observations made by the Commission in its Statement of Regulatory approach.

In contrast, since 2001 the prices paid by regional air services providers have fallen by approximately 28.9% in real terms.<sup>18</sup>

### **14. Improving incentives and efficient use of infrastructure**

In Part B we explained that SACL operates within a constrained environment. In addition to pricing regulation, SACL is constrained by aircraft curfew restrictions, hourly aircraft movement caps, regional ring fencing around slots and a licensing regime applies to low passenger volume regional air services. Additionally, the Sydney Airport site is itself constrained by space limitations.

Especially in light of increasing demand and the importance of Sydney Airport to the Australian economy, SACL is very cognisant of the need to use infrastructure as efficiently as possible and to make improvements in relation to the use of assets where possible. As demand increases the scarcity of SACL's resources and limitations on SACL's ability to expand to meet increases in demand is becoming increasingly apparent.

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<sup>17</sup> Productivity Commission Inquiry Report No 40, *Review of Price Regulation of Airports Services* (14 December 2006) at page 129

<sup>18</sup> See for example the discussion in Part A of this submission in relation to Rex' profitability

A consequence of the regulatory restraints identified above is to place a legal limitation on efficiencies that may be achieved. A purpose of increasing charges in the terms proposed to the Commission is to signal to regional air services providers the need to operate more efficiently.

We understand that the Commission's role in assessing price notifications is not to assess the merits of a particular regulatory regime. However, the negative impacts of the significant restraints applying to SACL are relevant to the Commission's assessment of the appropriateness of an increase in price on the terms proposed and other efforts SACL might take across its business to signal the need for users to operate more efficiently.

In real-terms the price of regional airport services has fallen by over 28% since 2001. The falling value of airport services, despite real costs increasing, does not provide a rational economic pricing signal to the market.

The structure of the combined PFC calculated on a per passenger basis has encouraged an inefficient use of the scarce airport assets, as asset allocation requirements (use of check-in and aircraft parking faculties) has increased at a greater rate than passenger volumes, thus reducing the asset utilisation.

While the changes proposed are modest they do go some way to furthering SACL's efforts to encourage efficient use of infrastructure.



## **Tab 1 – fact sheets about Sydney Airport**



## FACT SHEET



# Sydney Airport – An Overview

Sydney Airport is Australia's busiest airport. In 2009 the airport was used by 33.0 million passengers – an average of 90,000 passengers each day.

It is located about 9 kilometres south of Sydney's CBD and convenient transport to the city is available by both road and rail. By facilitating international trade and communications, efficient airports are vitally important to Australia's national prosperity. They are an essential part of the transport networks that all successful modern economies rely on.

There are three passenger terminals at Sydney Airport:

### **T1: International Terminal**

As at 31 December 2009, T1 was used by 37 international airlines flying to 48 destinations around the world.

### **T2: Domestic Common User Terminal**

This terminal is used by domestic and regional airlines including Jetstar, Virgin Blue, Regional Express, Tiger Airways, Aeropelican and QantasLink.

### **T3: Qantas Domestic Terminal**

This terminal is operated by Qantas and used for Qantas domestic flights.

## Freight

There are seven cargo terminals controlled by five cargo terminal operators. Approximately 80 per cent of freight is carried in the holds of passenger aircraft with the remainder transported in dedicated freight aircraft. More than 470,000 tonnes of freight were handled in 2007. Exports include fresh, chilled or frozen perishables such as meat, seafood and fruit as well as

manufactured items. Imports are typically high value manufactured items such as computers and car parts.

## History

Sydney Airport is one of the oldest continually operating airports in the world. In 1919 the Australian Aircraft and Engineering Company leased land from the Kensington Racing Club and established an aerodrome at Mascot.

A canvas hangar was built and the first aircraft was assembled. The first flight took place in November 1919 when Nigel Love took off and circled the aerodrome.

By the mid-1920s regular air services between Sydney, Melbourne and Adelaide were underway and the Australian Government had taken control of the airport.

In the 1940s a passenger terminal was opened and the Cooks River was diverted to allow for the construction of two new runways.

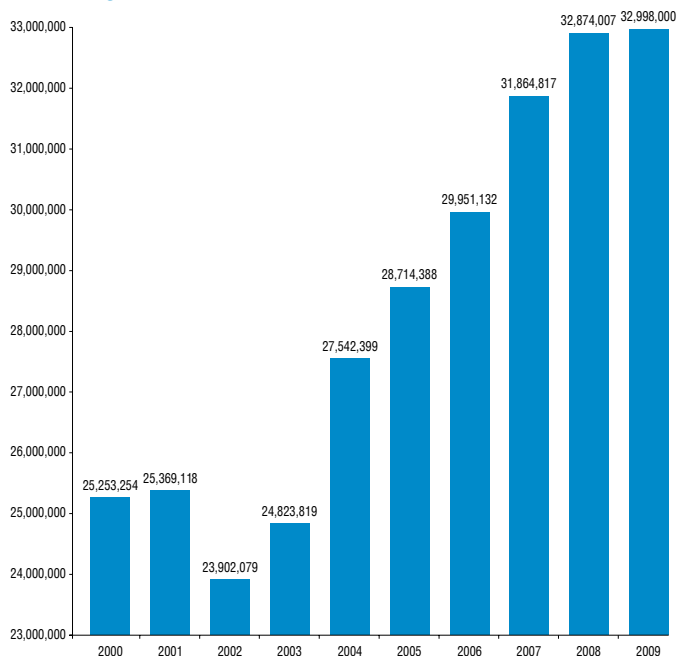
In 1963 work commenced on the construction of the extension of the north-south runway southwards into Botany Bay and in 1965 work commenced on the construction of the International Terminal.

In 1989 the parallel (or third) runway was approved and was completed in 1994.

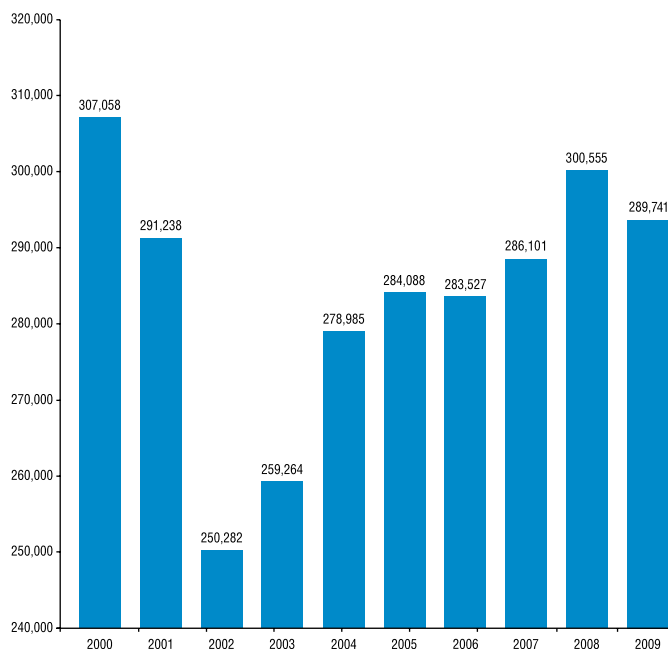
The Australian Government privatised Sydney Airport Corporation Limited in 2002.

# TRAFFIC DETAILS

## Passengers



## Aircraft Movements



2008	Passengers	Passenger Aircraft Movements	Average Passenger per Aircraft Movement
Regional	1,997,000	46,123	43
Domestic	20,356,000	161,189	126
International and Domestic on Carriage	10,645,000	58,429	182
<b>Total Passenger Aircraft Movements</b>	<b>32,998,000</b>	<b>265,741</b>	<b>124</b>

In 2009 there were also 17,287 general aviation flights and 6,713 freight flights giving a total of 289,741 total aircraft movements for the year.

## Aviation Infrastructure

Sydney Airport's airfield has been progressively expanded and modified in response to traffic growth and changes to fleet mix and aircraft size. The airfield consists of parallel runways in a north-south direction, an east-west runway, taxiways and aircraft parking aprons and supporting infrastructure.

The main north-south runway is 3,962 metres long, the parallel runway is 2,438 metres long and the east-west runway is 2,530 metres long. The two north-south runways are equipped with High Intensity Approach Lighting (HIAL) systems and all runways are equipped with Instrument Landing Systems (ILS).

The runways are supported by a taxiway system designed to facilitate the efficient movement of aircraft between the runways and terminals areas. Rapid Exit

Taxiways (RETs) are provided on the parallel runways to minimise occupancy time.

Aprons are areas provided to facilitate aircraft parking positions known as stands. There are currently 42 stands for international and freight operations and 51 stands for domestic and regional operations.

Sydney Airport accommodates operations by the full range of aircraft codes with Code C (A320, B737), Code D (B767), Code E (A330, A340, B777 and B747) comprising the majority of operations. Code F services are operated from T1 by A380 aircraft.

The main north-south and east-west runways and their supporting taxiways have been upgraded to accommodate operations by aircraft up to and including the A380.

# Sydney Airport Master Plan 2009

## Summary



## Chief Executive Officer's Foreword

I am pleased to present this summary of Sydney Airport's Master Plan 2009.

The plan, which was prepared following an extensive community and stakeholder consultation process, outlines our vision for the operation and development of Australia's premier airport to the year 2029.

Efficient airports are an essential part of the transport networks for all successful modern economies. Sydney Airport is no exception – it is Australia's international gateway and connects Sydney – Australia's only global city – to other global cities and to other parts of Australia.

As one of Australia's most important pieces of infrastructure, the \$8 billion of economic activity Sydney Airport generates annually is equivalent to 6% of the NSW and 2% of the Australian economy. This substantial economic contribution translates into well-paid jobs for Sydneysiders. In fact, Sydney Airport provides or generates more than 75,000 jobs and about 131,000 jobs indirectly, making a total of around 206,000 jobs.

Sydney Airport's proximity to the Sydney Central Business District also provides our vital tourism, major events and conference industries with a unique advantage. However, in fulfilling this vital role, we must strike the right balance between the economic benefits that Sydney Airport delivers and its environmental impacts.

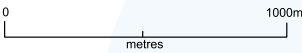
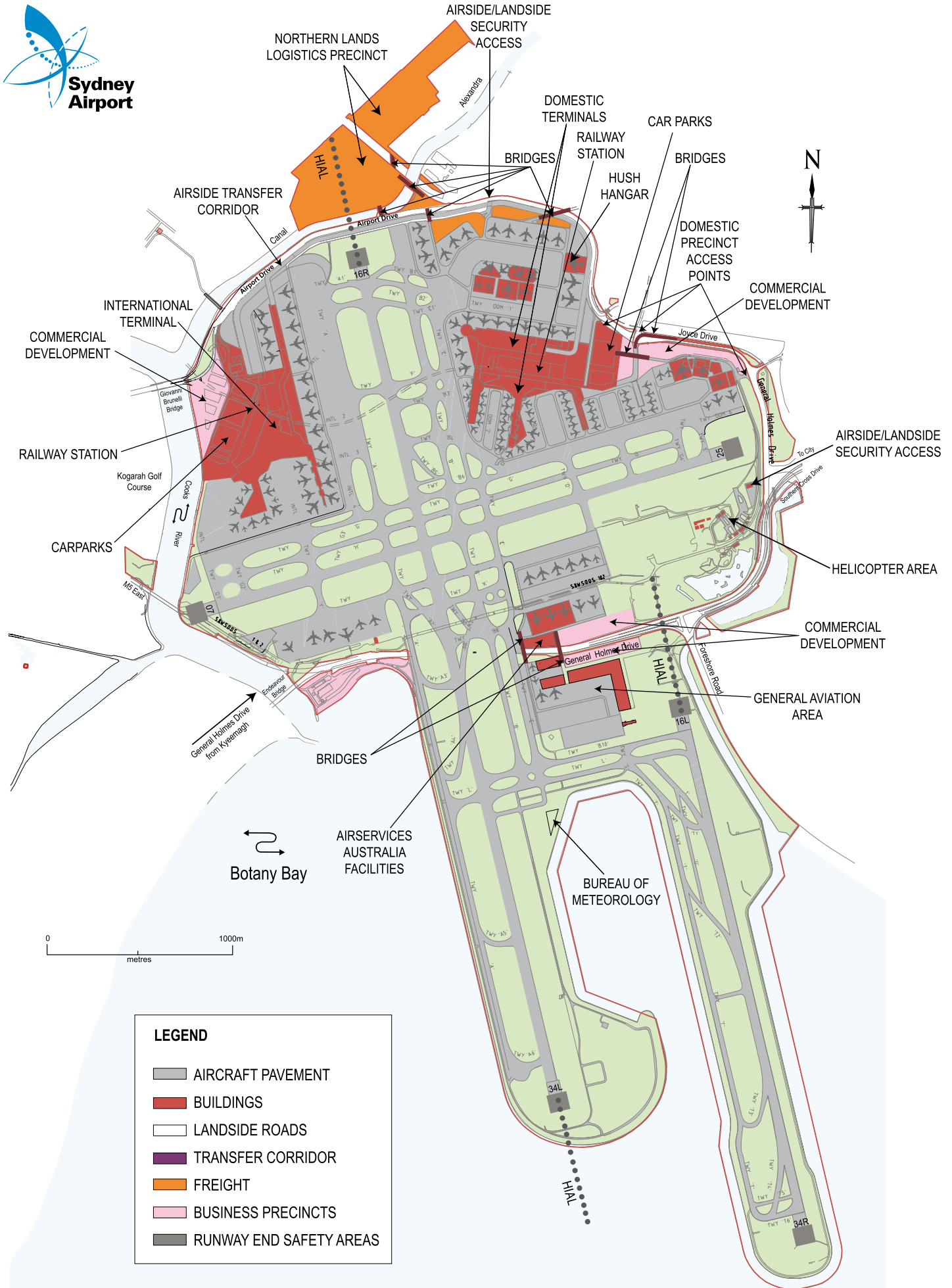
In particular, managing aircraft noise impacts is a key challenge, not just for Sydney Airport but for all major airports. Technological innovation will continue to drive environmental improvements at Sydney Airport. The global fleet of commercial aircraft is undergoing a significant technological transformation. As a result, aircraft are now quieter, cleaner, more efficient and consume less fuel.

Over the 20 year planning period to 2029, we will see further technological innovation and environmental improvements – both in aviation and in changes to the built environment of, and transport links to, the Airport.

The Master Plan 2009 shows how Sydney Airport proposes to invest in new infrastructure to sustainably accommodate the forecast growth in airline travel. This will ensure Sydney Airport continues to deliver employment growth and economic wealth to the people of Sydney, NSW and Australia.

**Russell Balding, AO**  
Chief Executive Officer

# Master Plan Concept for Sydney Airport in 2029



LEGEND	
	AIRCRAFT PAVEMENT
	BUILDINGS
	LANDSIDE ROADS
	TRANSFER CORRIDOR
	FREIGHT
	BUSINESS PRECINCTS
	RUNWAY END SAFETY AREAS

## Aviation Forecasts

Forecasts of passengers, aircraft movements and air freight volumes provide the fundamental basis for the future planning of airport facilities. A comparison between 2008 and the aviation activity forecast for 2029 is shown in the table.

	2008	2029 – Forecast
International, domestic and regional passengers (millions)	32.9	78.9
Total aircraft movements* (thousands)	299	427.4
Air freight (tonnes)	647,000	1,077,000

\* includes passenger aircraft, dedicated freighter aircraft and General Aviation

The Master Plan 2009 is based on:

- no change to the curfew
- no change to flight paths
- no change to the aircraft movement cap
- no new runways
- no change to access arrangements for regional airlines.

Sydney Airport can sustainably accommodate future growth in airline travel because:

- airport facilities – including terminals, hangars, aircraft parking, airport roads and car parking – are proposed to be upgraded and expanded
- aviation technology is improving all the time: aircraft are getting quieter, cleaner, more efficient and they will consume less fuel

- new bus services and more frequent trains to and from the airport are planned by the NSW Government
- the NSW Government has commenced planning and investigations for new motorways that would serve both Sydney Airport and Port Botany.

## Economic Significance

Sydney Airport is one of Australia's single most important pieces of infrastructure. As a major employer and economic driver, the Airport makes a direct contribution of \$8 billion in NSW Gross State Product. With flow-on impacts taken into account, its contribution increases to \$16.5 billion. This represents 6% of the NSW economy and 2% of the Australian economy.

Around \$7.4 billion is also contributed directly to household incomes every year – that's more than \$142 million being injected into family budgets every week.

This translates into well paid jobs for Sydneysiders. In fact, Sydney Airport provides or generates more than 75,000 jobs and about 131,000 jobs indirectly, making a total of around 206,000 jobs.

It is also estimated that an additional 100,000 jobs will be generated by Sydney Airport over the next ten years. Many of these jobs and economic benefits will be generated locally in areas around the airport.





## Noise Management

Aircraft noise is a major issue for airports and surrounding communities around the world and, for Sydney, it has been a long standing issue. The Master Plan 2009 does not involve any change to the existing airport curfew, the existing aircraft movement cap or aircraft flight paths.

The Australian Noise Exposure Forecast (ANEF) system is used to model aircraft noise impacts around an airport. The ANEF included in the Master Plan 2009 is based on a forecast 'representative busy day' in the year 2029. It allows Sydney Airport to prudently plan for the future provision of essential airport infrastructure like terminals, baggage handling facilities, aircraft parking requirements and the like.

The Master Plan 2009 compares the 2029 ANEF with the ANEF in the previous Master Plan 03/04. This comparison shows that the forecast noise footprint for Sydney Airport in 2029 relative to that for 2024 has been generally reduced.

This is because of the impact of aircraft which are now quieter, a trend that will accelerate over the next 20 years with the introduction of new generation aircraft including the A380 and B787.

Airservices Australia has released a report showing that the A380 is between 2.3 and 6.7 decibels quieter than the B747-400 when departing Sydney Airport. The report states that "a three decibel reduction is regarded as a halving of an aircraft's noise energy." The trend to quieter aircraft will accelerate in the coming years, as airlines introduce more A380s and the soon-to-arrive B787.

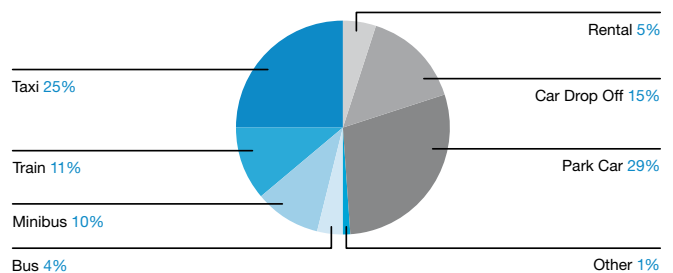
## Ensuring Convenient Access to Sydney Airport

Sydney Airport's proximity to the Sydney CBD provides Sydney and NSW with a unique advantage. Sydney Airport is only 8km from the CBD and so travel times to and from the airport are extremely efficient.

To improve traffic flow and reduce congestion, Master Plan 2009 proposes a new access concept for the Domestic Terminals. This involves separating different types of traffic – taxis, rental vehicles, buses and coaches, limousines, car parkers and people meeting passengers – and directing each to a part of the terminal precinct consistent with user requirements.

As the figure below shows, non-private car travel to the airport already represents more than 50% of all trips by passengers and staff.

### Mode Share for Access to Sydney Airport



Sydney Airport is committed to working with the NSW Government and transport operators to develop secure, reliable, cost-effective and sustainable transport options – particularly public transport and cycling – for the local community and travelling public. In planning for the International and Domestic Precincts, Sydney Airport is committed to increasing the public transport mode share by a further five per cent by 2024.

Additional car parking will be provided in both the International and Domestic Terminal precincts.

## More Information

Please refer to the detailed version of the Master Plan 2009 for more information on the items identified in this Summary document. It can be downloaded free of charge from [www.sydneyairport.com](http://www.sydneyairport.com)



Issued: September 2009



## FACT SHEET



# Sydney Airport's Economic Impact

International trade and communications are vitally important to Australia's continued national prosperity. Efficient airports are an essential part of the transport networks that all successful modern economies rely on.

Sydney Airport is a key piece of infrastructure that connects Sydney to other world cities and to other parts of Australia. It provides access to all the economic and social benefits of the global aviation network.

Airports act as major generators for a range of economic activities. For example, an airport will:

- influence company location decisions and competitiveness
- attract new investment to the economy
- retain existing companies and secure their expansion projects
- promote exports through freight

- enhance the competitiveness of an economy through the provision of efficient passenger and freight services
- attract businesses, leisure activities and tourism based incomes and employment.

### Creating Jobs And Economic Activity

As one of Australia's single most important pieces of infrastructure, Sydney Airport is a major employer and economic driver. It makes a direct contribution of \$8 billion in NSW Gross State Product. With flow-on impacts taken into account, the airport's economic contribution increases to \$16.5 billion.

### Sydney Airport Provides Or Generates...

- ✓ around 206,000 full and part-time jobs, or about 6% of the Sydney workforce.
- ✓ good quality jobs – average wages for airport workers are about 18% higher than the NSW average.
- ✓ around \$16.5 billion in contribution to NSW's annual Gross State Product, representing approximately 2% of the Australian economy and 6% of the NSW economy.
- ✓ around \$7.4 billion in contribution to household and family incomes every year.



# SYDNEY: AUSTRALIA'S ONLY GLOBAL CITY

This substantial economic contribution translates into well paid jobs for Sydneysiders.

Sydney Airport provides or generates more than 75,000 jobs and about 131,000 jobs indirectly, making a total of around 206,000 jobs. Tens of thousands of these workers live in areas close to the airport.



Independent economic consultants URS estimate that an additional 100,000 jobs will be generated by Sydney Airport over the next ten years as passenger numbers and aircraft movements grow.

Many of these jobs and economic benefits will be generated locally in the areas around the airport, particularly in the local government areas of Rockdale, Botany Bay and Marrickville.

Sydney Airport is part of a network of major world airports linking Sydney – Australia's only global city – to other global cities. An efficient Sydney Airport is an essential prerequisite to Sydney's continued global city status. Its existence, the national and international links it provides and its proximity to the Sydney CBD are key reasons why so many global companies select Sydney as the location for the regional head offices.

## Underpinning Our Tourism Industry

Sydney Airport currently handles approximately 45 per cent of international and 23 per cent of domestic passengers. As such, the Airport is vitally important to the future of the state and national tourism industries. In NSW alone, the tourism industry is estimated to directly provide more than 185,000 jobs, around 40 per cent of which are in rural and

regional areas. International air services are also an essential factor for business as they provide access to new overseas customers, markets and opportunities.

## Airfreight

Sydney Airport has a large freight operation. Last year saw more than 310,000 tonnes of international airfreight pass through Sydney Airport, the vast majority of which – some 80% – was carried in the hulls of passenger aircraft. Air freight transports high-value, time sensitive goods, so the economic worth to Sydney and NSW is substantial. Over the next 20 years, the volume of air freight passing through Sydney Airport is expected to increase to 1.077 million tonnes.

## Airport Based Business Activities

There are more than 650 organisations involved in activities related to the movement of passengers and freight through the airport.

**Passenger airlines:** 35 international and 6 domestic airlines operate from Sydney Airport

**Other aircraft operators** – there are 25 general aviation operators

**Freight** – there are at least 130 organisations involved in freight activities including transport companies, handlers and forwarders

**Airport service providers** – there are more than 200 organisations providing a range of services including maintenance companies, in-flight caterers and security companies

**Retail** – there are more than 150 retail operators

**Government agencies** – there are 6 government agencies with an airport presence including the Australian Quarantine and Inspection Service, Australian Customs Service and the Australian Federal Police

**Car rental and parking** – there are 14 such operators

**Ground transport operators** – there are more than 50 ground transport operators operating coach and shuttle bus transport

**Rail and taxi services** – transporting passengers and staff to and from the airport

**Hotels** – there are 7 hotels around the airport

**Tab 2 – selected Sydney Airport Corporation Limited media releases**



27 May 2008

## T2 A 2 TIME WINNER

Sydney Airport and architects Woodhead have won two awards at the Property Council of Australia's Innovation and Excellence Awards for the upgrade of the T2 Terminal.

The \$20 million upgrade of T2 won the "Tourism and Leisure Development" and "Emerging Asset" categories.

T2 is the domestic terminal used by Jetstar, Virgin Blue, Rex, QantasLink and Aeropelican.

It is the busiest of the three terminals at Sydney Airport.

The CEO of Sydney Airport, Russell Balding, said that the transformation of T2 from the ghost terminal it was when Ansett collapsed in 2001 to a vibrant terminal was a great success story. T2 is now the busiest terminal at Sydney Airport and is used by more than 10 million passengers each year.

"The T2 upgrade was completed last year and has been extremely well-received by passengers who enjoy the additional facilities and better shopping options.

"T2 is vital piece of infrastructure for the NSW tourism industry.

Mr Balding congratulated the project team responsible for the upgrade including Woodhead, Consolidated Project Management, MPA Projects, Connell Wagner, PKA Acoustic Consulting and Kuttner Collins & Partners.

"This project has been a great success. It improved both the functioning and appearance of the terminal with a light and modern feel.

"To win two awards is great recognition of the importance of this project to Sydney, and of the successful way that this project was undertaken," Mr Balding said.



01 April 2010

## RUNWAY SAFETY PROJECT COMPLETED

Sydney Airport's \$100 million runway safety project is complete and the east-west runway has been returned to normal operations.

Runway safety areas have now been provided at each end of Sydney Airport's three runways. These areas provide an extra margin of safety for passengers in the unlikely event that an aircraft overruns or lands short of a runway.

Construction of the new safety area – a 90 by 90 metre cleared and paved area at the western end of the east-west runway – was a significant engineering challenge as it had to be built over a major sewerage line, the M5 East Motorway tunnel, and a major electricity cable.

It is designed to support nearly 600 tonnes, the weight of a fully laden A380 aircraft as well as emergency and rescue vehicles.

The Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP, inspected the new runway safety area on Monday and thanked the local community for their patience and perseverance.

"The new runway safety area – the last of six to be built at the Airport – is essential for the Airport's compliance with international safety standards, and if not built the east-west runway would have had to effectively close," Mr Albanese said.

The CEO of Sydney Airport, Russell Balding, said Sydney Airport regards safety as paramount.

"In the air and at our airports, Australia's aviation safety record is the envy of the world. We want to keep it that way.

"I want to congratulate all of Sydney Airport's staff and contractors who were involved in delivering this vital piece of aviation infrastructure on schedule.

"Sydney Airport is investing to provide Sydney with the aviation infrastructure it needs," Mr Balding said.

Sydney Airport apologises to people who were affected by the construction of this vital safety project and thanks them now that it has been successfully completed.



**Tab 3 [confidential]**

**Tab 4 – passenger numbers and regional air services operators for regional routes from Sydney Airport for the years ending 31 March 2009 and 31 March 2010**

<b>Route To/From</b>	<b>Current Operator</b>	<b>2010 PAX</b>	<b>% total</b>	<b>Route Status</b>
Coffs Harbour	Qantas, Virgin Blue	292,547	14.5%	<b>Unregulated</b>
Ballina	Jetstar, Rex, Virgin Blue	281,984	14.0%	<b>Unregulated</b>
Albury	Qantas, Rex, Virgin Blue	237,364	11.7%	<b>Unregulated</b>
Port Macquarie	Qantas, Virgin Blue	192,708	9.5%	<b>Unregulated</b>
Wagga Wagga	Qantas, Rex	177,063	8.8%	<b>Unregulated</b>
Dubbo	Qantas, Rex	166,515	8.2%	<b>Unregulated</b>
Tamworth	Qantas	115,870	5.7%	<b>Unregulated</b>
Armidale	Qantas	97,380	4.8%	<b>Unregulated</b>
Griffith	Rex	59,332	2.9%	<b>Unregulated</b>
Lismore	Rex	56,155	2.8%	<b>Unregulated</b>
Orange	Rex	53,266	2.6%	<b>Unregulated</b>
Newcastle	Aeropelican	35,062	1.7%	<b>Unregulated</b>
Merimbula	Rex	34,438	1.7%	<b>Regulated</b>
Parkes	Rex	29,357	1.5%	<b>Regulated</b>
Lord Howe Island	Qantas	27,412	1.4%	<b>Regulated</b>
Moree	Qantas	27,288	1.4%	<b>Regulated</b>
Broken Hill	Rex	24,986	1.2%	<b>Regulated</b>
Bathurst	Rex	24,210	1.2%	<b>Regulated</b>
Grafton	Rex	19,151	0.9%	<b>Regulated</b>
Taree	Rex	19,005	0.9%	<b>Regulated</b>
Moruya	Rex	18,665	0.9%	<b>Regulated</b>
Narrandera	Rex	13,424	0.7%	<b>Regulated</b>
Narrabri	Aeropelican	12,758	0.6%	<b>Regulated</b>
Mudgee	Aeropelican	4,354	0.2%	<b>Regulated</b>
<b>Total</b>		<b>2,020,294</b>	<b>100%</b>	

## **Tab 5 – Sydney Airport Conditions of Use**





**SYDNEY AIRPORT**  
**CONDITIONS OF USE**

**Version 2.21**

**1 July 2010**

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**CONDITIONS OF USE****SYDNEY (KINGSFORD SMITH) AIRPORT****1 These conditions**

- 1.1 These are the conditions under which, subject to any separate variation agreement in writing between you and us, you use our *facilities and services* at the Airport. If you use those *facilities and services* then, subject only to the extent of inconsistency with any such contrary agreement, you accept these conditions.
- 1.2 These conditions take effect from the date of these conditions.
- 1.3 Subject to any contrary requirement under legislation, we may change, replace or waive any of these conditions provided that we have:
- (a) used our reasonable endeavours to consult you (either directly or through *relevant industry bodies*) at least 90 days before we change, replace or waive any conditions; and
  - (b) considered and responded to you in writing (either directly or through *relevant industry bodies*) in relation to any comments or objections you have raised to our change, replacement or waiver; and
  - (c) we give you (either directly or through *relevant industry bodies*) notice in writing at least 30 days before the change is to be effective.

**2 Information we require before you use our facilities and services**

Note: If you are an existing airport user, you only need to provide us with information that you have not previously supplied, information we specifically request from time to time, or the details of any changes to information you have previously supplied.

- 2.1 Before using our *facilities and services* at the Airport you must give us:
- (a) your name, address and contact details;
  - (b) evidence that you have a security program that meets the requirements of our security arrangements and any relevant requirements under the Aviation Transport Security Act 2004, Aviation Transport Security Regulation 2005 and other *legislation* ;
  - (c) evidence that you have in place emergency procedures in connection with all potential threats to passengers, cargo and our *facilities and services* at the Airport at least to the standard required to comply with our Airport emergency procedures;
  - (d) the names, addresses, telephone numbers, facsimile numbers and all other contact details of your key personnel we can contact at any time about emergencies, security, operational or financial matters in connection with you using our *facilities and services* at the Airport;
  - (e) upon request, copies of the current certificates of insurance policies you hold that are consistent with the requirements of Schedule 1 and confirmation that these policies will remain current at all times when you are using our *facilities and services* at the Airport;

- (f) ground handling arrangements for operating crew, passengers and cargo;
- (g) arrangements for the removal of stationary aircraft;
- (h) details of the type, registration, configuration and MTOW of each aircraft which you intend to use at the Airport;
- (i) a completed Customer Credit Application form (see Schedule 2); and
- (j) a completed Notification of Aircraft Details form (see Schedule 3) for all your general aviation and other *non-regular public transport operations* aircraft which are likely to be using our *facilities and services* at the Airport.

2.2 SACL request for bank guarantee and top-up bank guarantee:

- (a) We require that you provide us with an unconditional bank guarantee in a form reasonably acceptable to us. This bank guarantee may be for an amount equal to our reasonable estimate of the airport charges you are likely to incur over a 3 month period.
- (b) If SACL requires you to provide a bank guarantee in accordance with clause 2.2(a) then it will be a condition of use that you do so within 21 days from the date SACL notifies you to do so.
- (c) Failure by you to provide a bank guarantee for 21 days or more will become a debt due and payable to SACL.
- (d) SACL may, at any time after you have provided a bank guarantee, require that you provide a top-up bank guarantee. The top-up bank guarantee may be for an amount equal to our reasonable estimate of the airport charges you have incurred over a more recent 3 month period.
- (e) If SACL requires you to provide a top-up bank guarantee in accordance with clause 2.2(c) then it will be a condition of use that you do so within 21 days from the date SACL notifies you to do so.
- (f) Failure by you to provide a top-up bank guarantee for 21 days or more will become a debt due and payable to SACL.

2.3 You must provide us with the details of any changes to the information you have provided in the Customer Credit Application Form within 30 days of such change.

**3 Provision of information in relation to charges**

3.1 This clause 3 applies where we require information from you for the purpose of calculating charges payable by you for your use of our *facilities and services* at the Airport.

3.2 If you use *facilities and services* that are subject to charges based on passenger numbers under Schedule 5 of these conditions, you must use your best endeavours to provide to us at the end of each day on which you use those *facilities and services*, and in the format directed by us, the following:

- (a) the number of Embarking Passengers on your aircraft operating at the Airport on that day;
- (b) the number of Disembarking Passengers from your aircraft operating at the Airport on that day; and
- (c) any further disaggregation of passenger numbers we reasonably require to determine charges payable by you under Schedule 5.

3.3 Within 7 days of the month in which you used our *facilities and services*:

- (a) you must provide the information required under clause 3.2 if you have not already done so; and
- (b) you must provide us with details of the type, registration and MTOW of each aircraft which you use at the Airport, if you have not already done so; and
- (c) if you have provided to us information under clause 3.2 and you detect an error in that information, then you must provide to us the correct information. You must, at the same time, provide to us an explanation of why the original information was incorrect. We will accept the later information as being correct unless we are not satisfied with the explanation provided to support the change.

3.4 You acknowledge that we will use the information you provide to us under clauses 3.2 and 3.3 for the purpose of calculating the charges payable by you for using our *facilities and services* at the Airport.

3.5 If you do not comply with clauses 3.2 or 3.3, then you agree that we may charge you for use of our *facilities and services* on that day on the basis that each seat on the aircraft operated by you on that day was in fact occupied by a passenger. If:

- (a) you provide the information required under clauses 3.2 and 3.3;
- (b) we have charged you in accordance with this clause 3.5;
- (c) you have paid to us those charges; and
- (d) we believe that we have been overpaid,

then we will provide to you a refund (without interest) of any amount we calculate to have been overpaid.

3.6 You acknowledge that we may verify from time to time information you have provided to us by means including (but not limited to):

- (a) reference to data collected by the Australian Customs Service; and
- (b) directly counting passengers embarking or disembarking aircraft operated by you.

You will use your best endeavours to assist us to identify the reason for any differences between the information provided by you under clause 3.2 and 3.3 and the information collected by us under this clause 3.6.

- 3.7 If, after the end of a Season, we ask you to do so, you must give us certified statements from your then regularly-engaged independent auditors verifying, for the Season just expired, the accuracy of the information you have previously given to us under this clause 3. You must give us the certified statements within 60 days of the date of our request. Your independent auditors who give us the certified statements must be members of or affiliated with an internationally-recognised, independent accounting firm.

For the purposes of this clause 3.7, 'Season' means, in each year:

- (a) for the Northern Summer season, the period commencing on the last Sunday in March and ending on the last Saturday in October;
  - (b) for the Northern Winter season, the period commencing on the last Sunday in October and ending on the last Saturday in March.
- 3.8 You must permit us (or our agents or accountants), on reasonable notice and at reasonable times, to audit, at our expense, your records and systems which relate to the information you must give us under this clause 3.

- 3.9 If:

- (a) the certified statements provided under clause 3.7; or
- (b) an audit by us under clause 3.8,

discloses any error in the information you have given us under clauses 3.2 and 3.3, or:

- (c) you and we agree that the information you have given us under clauses 3.2 and 3.3 was in error after we verify under clause 3.6,

we will immediately invoice you for the charges which you should have paid to us if the information you gave to us under clauses 3.2 and 3.3 was not in error. We will issue our invoice, and you must pay it, in accordance with clause 7.

If the extent of the error in our favour is more than five per cent (5%) of the information actually given to us, then you must reimburse us for the cost of our audit under clause 3.8.

- 3.10 We will use our best endeavours to maintain the confidentiality of any information that you provide to us, which you advise is commercially sensitive, subject to the following:

- (a) we may use the information for the purpose of Airport capacity planning and forecasting (including disclosing the information to our professional advisers on a confidential basis for this purpose);
- (b) we may use the information for aggregation into 'total domestic and regional passenger' or 'total international passenger' data for the Airport, which we may disclose into the public domain. In using the information for this purpose, we will not release any other data in relation to the Airport which will enable the information you provide to us to be disaggregated from the 'total domestic and regional passenger' or 'total international passenger' data (unless you consent in writing for us to do so or we are required to do so by law); and

- (c) we may disclose the information if you agree in writing, or if we are required to do so by law.

#### **4 Information generally**

- 4.1 To find out where to give us information, see Schedule 4.
- 4.2 If possible, we would appreciate receiving information electronically.
- 4.3 You must let us know as soon as practicable if there is any change to the information you have given us.
- 4.4 You acknowledge that you have read and understood our *Airport Operations Manual*.
- 4.5 If you ask us, in writing, and subject to any express or implied confidentiality arrangements we may have with third parties (including the Commonwealth of Australia) or other need for confidentiality, we will give you details of:
  - (a) our *Security Awareness Guide*, our *AIP Security Guide* and other security arrangements that may apply from time to time;
  - (b) Airport emergency procedures;
  - (c) Airport insurance policies;
  - (d) which of our *facilities and services* at the Airport are available for you to use; and
  - (e) Type A – Approach and Takeoff Chart.
- 4.6 We may charge reasonable fees for the supply of copies of Type A – Approach and Takeoff Chart, and for multiple copies of any other publications or information requested by you under these Conditions of Use.

#### **5 Using our facilities and services**

- 5.1 When using our *facilities and services* at the Airport you must comply with:
  - (a) all *legislation*;
  - (b) our *Airport Operations Manual*;
  - (c) our *AIP Security Guide*;
  - (d) these conditions;
  - (e) other conditions, instructions orders and directions necessary for the day to day operation of the Airport, if (except in emergencies) we have consulted you (either directly or through relevant industry bodies) about them and given you 7 days notice of them, or as much notice as is reasonably practicable;
  - (f) local flying restrictions; and
  - (g) directions on security from the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government.



- 5.2 You must not do anything which puts us in breach of any *legislation*, and you must reasonably co-operate with us in our provision of the *facilities and services* (including complying with our reasonable directions arising out of your use of our *facilities and services*).
- 5.3 You accept that:
- (a) access to our *facilities and services* is subject to the demands of other users of the Airport; and
  - (b) use of the Airport is constrained by *legislation* including that dealing with slot allocation and curfews.
- 5.4 You agree to take all necessary steps to comply with your obligations under the *Occupational Health and Safety Act 2000* (NSW) and associated Regulations. If we request you to do so, you must provide us with a certificate (not more than twice a year) confirming that you have in place a safety management system to ensure the health, safety and welfare of all persons who may be affected by your operations at the Airport (including procedures in relation to emergencies, hazard identification, the preparation or risk assessments and safe work method statements, incident reporting and the safety induction, training and supervision of staff).

## **6 Common User Agreement**

If you use our international terminal facilities for checking in passengers, you must comply with our current Conditions of Common User Agreement. If you are conducting *regular public transport operations* and using our international terminal facilities for checking in passengers, then you must make suitable arrangements to use the current Common User Terminal Equipment (CUTE) for checking passengers in.

## **7 Charges**

- 7.1 You must pay us charges for using our *facilities and services* at the Airport.
- 7.2 Subject to any discount agreed by us in accordance with Schedule 8, the amount of charges you must pay is calculated in accordance with Schedule 5 as varied from time to time.
- 7.3 The charges for using our *facilities and services* at the Airport:
- (a) accrue from day to day; and
  - (b) are payable in Australian dollars.
- 7.4 If you have a credit account with us, we will invoice you for charges.
- 7.5 Subject to clause 9, you must pay what the invoice shows as owing within the time stated for payment in the invoice by one of the methods for payment shown on the invoice.
- 7.6 Unless you have a credit account with us, you must pay the charges you owe before your aircraft leaves the Airport unless we agree other arrangements in writing.
- 7.7 We and you have 12 months in which to raise disputes regarding charges. After 12 months disputes will not be considered.

**8 Varying charges**

- 8.1 Subject to this clause, we may vary any of the charges or the application of them at any time by giving you 30 days notice in writing of a proposed maximum increase in charges or application before the variation becomes effective.
- 8.2 We will consult with you (either directly or through *relevant industry bodies*) at least 90 days before varying charges.
- 8.3 We may vary the charges for the use of ground power and preconditioned air at any time, without prior consultation, if our energy costs change. We will provide you with written notice of the variation in the charges for the use of ground power and preconditioned air as soon as possible. A variation in the charges for the use of ground power and preconditioned air may be imposed on a retrospective basis if we receive less than 14 days notice of an alteration from our energy suppliers.

**9 If you do not pay on time**

- 9.1 If you do not pay the amount you owe on time, you must pay interest on the amount (when we ask for that interest or at the times we tell you it is payable) from and including the day the amount becomes payable to and including the day you pay the amount and all interest accrued on it.
- 9.2 Interest is calculated daily at the *interest rate*.
- 9.3 If you notify us in writing that you dispute any charge shown in an invoice within 7 days of receiving that invoice and in our reasonable opinion you have grounds to dispute it, then the provisions of clause 16 will apply.
- 9.4 In the case of a dispute, any undisputed amounts, or portions, are to be paid within the time required by the invoice.
- 9.5 Subject to clause 9.3, if you do not pay us an amount you owe us including:
- (a) Aeronautical charges in accordance with schedule 5;
  - (b) check-in counter charges;
  - (c) if SACL requires you to do so, an unconditional bank guarantee in accordance with clause 2.2(a); and
  - (d) if SACL requires you to do so, a top-up bank guarantee in accordance with clause 2.2(c),  
  
within 21 days after it is due for payment, or in the case of a bank guarantee or top-up bank guarantee then 21 days from the date SACL requires you to provide a bank guarantee or top-up bank guarantee, we may:
- (e) refuse to allow any or all of your aircraft to use our *facilities and services* at the Airport; and/or
  - (f) use reasonable means to detain any of your aircraft until you have paid all due charges and interest provided that:
    - (i) we have first sought to negotiate in good faith any dispute about charges in accordance with 9.3 above;

- (ii) we have first sought to recover any outstanding charges from you; and
- (iii) we have given you 14 days notice in writing either during or after the 21 day period that we intend to do this.

9.6 Unless we give you express written consent, you are not allowed to make any set-off against or deduction from the charges for using our *facilities and services*. This includes, where relevant, any claim for set-off in relation to the bank guarantee and top-up bank guarantee that you have provided to SACL in accordance with clauses 2.2(a) and 2.2(c) respectively.

9.7 We may take any other action against you that the law allows to recover anything you owe us. This includes issuing you with a statutory demand for any debt you owe us which is due and payable for 21 days or more.

## **10 If you do not comply with these conditions**

10.1 In addition to clause 9 we may, subject to our obligations under *legislation*, give you 14 days notice in writing not to use our *facilities and services* at the Airport if you do not comply with these conditions.

10.2 However, if you do not comply with any safety or security requirements, we may give you notice to comply immediately.

10.3 We may stop you from using our *facilities and services* at the Airport if you do not comply with our notice.

## **11 Moving aircraft**

11.1 We may (subject to air traffic clearances and any operational guidelines issued by us for the use of our *facilities and services*) order you to:

- (a) move an aircraft to another position at the Airport; or
- (b) remove an aircraft from the Airport

at your cost and within a specified time, being a period that we consider, in all the circumstances, to be reasonable.

11.2 If you do not comply with our order within the specified time, as a measure of last resort, we may move or remove the aircraft in accordance with the procedures at Schedule 6 and:

- (a) you must pay our reasonable costs of having the aircraft moved or removed and any costs incurred by us as a result of having the aircraft moved or removed; and
- (b) you are liable for and indemnify us, our officers, employees and agents against any personal injury, death, loss or damage caused or contributed to by your failure to comply with our order.

## **12 Airport closed or services unavailable**

12.1 We will endeavour to keep our *facilities and services* at the Airport available for you to use, subject to reasonable requirements for operational purposes, maintenance and new development or events beyond our reasonable control.

12.2 If reasonably possible, we will notify you before we make any service or facility at the Airport unavailable. This is subject to clauses 5.3 and 14.2.

12.3 If, at any time, safety or operational maintenance or new development requirements mean that we consider it necessary to declare our *facilities or services* at the Airport to be wholly or partly unavailable for use by you, we will use our reasonable endeavours to identify alternative *facilities and services* which might be available for use by you, but the use of such alternative facilities or services shall be a matter for decision by you. You acknowledge that, in doing so, we will need to balance the needs of all affected parties so far as we reasonably can.

### **13 Services we do not provide**

We do not provide:

- (a) terminal air traffic control services;
- (b) terminal navigation aids;
- (c) rescue and fire fighting services;
- (d) en-route services;
- (e) meteorological services;
- (f) hangar facilities;
- (g) quarantine waste disposal; or
- (h) apron and ground handling services other than allocating aircraft parking bays.

Our charges do not include fees for these services or fees for things we provide outside the scope of these conditions.

### **14 Release and indemnity**

14.1 We and our officers, employees or agents are not liable for:

- (a) loss or damage caused for any reason to an aircraft, its equipment, its load or the property of its crew or passengers at the Airport; or
- (b) personal injury caused for any reason to the crew or passengers of, or persons servicing, an aircraft at the Airport,

unless and then only to the extent caused by our own negligence or recklessness, or the negligence or recklessness of our officers, employees or agents.

14.2 We and our officers, employees or agents are also not liable for:

- (a) any loss you suffer for any reason because the Airport or any part of it is closed or any service or facility at the Airport is unavailable;
- (b) any loss you suffer, or any person claiming through you suffers, for any reason because of delays in the movement or scheduling of your aircraft; or

- (c) any consequential injury, loss or damage in connection with the use of or closure of the Airport (including anything referred to in (a) or (b) of this clause).

Note: This clause 14.2 does not prevent you and us from agreeing such things as specific service standards which are to apply to our provision of the *facilities and services*.

14.3 You are liable for and indemnify us against:

- (a) any damage your aircraft may cause to our property;
- (b) any costs we incur in detaining any of your aircraft under clause 9.5; and
- (c) claims for personal injury, death, loss or damage to property caused or contributed to by you,

unless and then only to the extent caused by our negligence or the negligence of our officers, employees or agents.

14.4 You agree to pay us an amount equal to any liability, loss, cost, charge or expense of the kind referred to in clause 14.3 suffered or incurred by any of our officers, employees or agents.

## **15 Exclusion of warranties and conditions**

15.1 Subject to this clause, we do not make any representation or warranty in connection with the use of the Airport.

15.2 We will exercise due care and skill in providing the *facilities and services* to you. Our liability for breach of this clause is limited to:

- (a) in the case of goods, any one or more of the following:
  - (i) the replacement of the goods or the supply of equivalent goods;
  - (ii) the repair of the goods;
  - (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods;
  - (iv) the payment of the cost of having the goods repaired; or
- (b) in the case of services:
  - (i) the supplying of the services again; or
  - (ii) the payment of the cost of having the services supplied again.

15.3 If a warranty or condition is implied under any *legislation* in connection with the goods and services we provide and it can be excluded, we exclude it to the maximum extent possible and if we cannot exclude it, then our liability for breach of that warranty or condition is limited to:

- (a) in the case of goods, any one or more of the following:

- (i) the replacement of the goods or the supply of equivalent goods;
  - (ii) the repair of the goods;
  - (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods;
  - (iv) the payment of the cost of having the goods repaired; or
- (b) in the case of services:
- (i) the supplying of the services again; or
  - (ii) the payment of the cost of having the services supplied again.

## **16 Dispute resolution by mediation**

- 16.1 If there is a dispute between you and us about whether you or we have complied with an obligation or have a right under these conditions, then:
- (a) within 14 days of the dispute arising, you and we must meet to negotiate in good faith with a view to resolving the dispute; and
  - (b) if the dispute is not resolved within the following 14 days you and we must try to resolve the dispute by mediation.
- 16.2 If the dispute is not resolved under clause 16.1(a) then either you or we may, after giving 7 days notice to the other, ask the President of the Law Society of New South Wales to appoint a mediator to mediate the dispute.
- 16.3 The mediation:
- (a) is to be conducted in accordance with the mediation rules of the Law Society of New South Wales; and
  - (b) is to take place in Sydney, New South Wales.
- 16.4 You and we are to equally share the cost of the mediation.
- 16.5 You and we may not seek any other means of resolving the dispute (other than seeking an urgent, interlocutory or interim injunction) until the mediation has taken place.
- 16.6 Where we are of the view, acting reasonably, that a dispute between you and us is not a genuine dispute, we reserve the right to take any other action against you that the law allows (including exercising our powers under clauses 9 and 10) while in dispute or mediation with you.

## **17 Confidentiality**

- 17.1 Subject to clauses 17.3 and 17.4 you must:
- (a) treat as confidential, and keep confidential, any Confidential Information; and
  - (b) not copy, duplicate or otherwise reproduce any documents containing Confidential Information, without the prior consent of SACL, except as is necessary in fulfilling your obligations under these conditions.

- 17.2 You must not Disclose Confidential Information other than:
- (a) subject to clause 17.4, your staff (on a need to know basis), legal advisers, financial advisers and auditors;
  - (b) subject to clause 17.4, with the prior consent of SACL; and
  - (c) to the extent:
    - (i) required by any law, any statutory body, the rules of any stock exchange, or any applicable accounting standards; or
    - (ii) ordered by any court,

having to the extent, practicable, consulted with SACL with a view to agreeing the form, content, timing and manner of Disclosure.

- 17.3 You may use the Confidential Information for the purpose of exercising or enforcing any right or remedy, the performance of any obligation under these conditions, or bringing or defending any action or claim for breach of these conditions ("Permitted Purpose") only, and not for any other purpose (including any purpose that may have an adverse affect on SACL or its business).

- 17.4 If you Disclose Confidential Information you must use reasonable endeavours to ensure that no person to whom you Disclosed that Confidential Information Discloses it to any other person and that no such person uses the Confidential Information for any other purpose other than for the Permitted Purpose.

## **18 Public Statements**

- 18.1 Without affecting the application of clause 17, you must not make any announcement or otherwise publicise the Conditions of Use or its subject matter without our prior written consent other than where required by law, statutory body, the rules of any securities or stock exchange, any applicable accounting standards or ordered by any court to make an announcement.

- 18.2 If you are required or ordered to make an announcement as set out in clause 18.1, then you:

- (a) must to the extent practicable, consult with SACL's representative with a view to agreeing the form, content, timing and manner of making the announcement; and
- (b) must ensure that the announcement includes only information that is required or ordered and does not include any information other than that required or ordered.

## **19 Entire agreement**

These conditions:

- (a) constitute the entire agreement between the parties as to its subject matter; and

- (b) in relation to that subject matter, supersedes any prior understanding or agreement between the parties and any prior condition, warranty, indemnity or representation imposed, given or made by a party, other than as set out in these conditions.

## 20 Governing law

These conditions are governed by the law of New South Wales. You and we agree to take legal proceedings in connection with these conditions only in New South Wales courts.

## 21 Meaning of words

- 21.1 **AIP Security Guide** means the confidential version of, or document comprising extracts from, our *Transport Security Program* prepared for distribution to Aviation Industry Participants (as defined in the Aviation Transport Security Act) as amended by us from time to time.

**Airport** means Sydney (Kingsford-Smith) Airport, New South Wales, Australia.

**Airport Operations Manual** means our manual, required under the Civil Aviation Regulations 1988, about operating aircraft and facilities at the Airport, as amended from time to time.

**Air Operator's Certificate** means the certificate of that name issued under Division 2 of Part III of the Civil Aviation Act 1988.

**Certificate of Registration** means for an aircraft the certificate of registration issued by the Civil Aviation Safety Authority under the Civil Aviation Regulations.

**Confidential Information** means all information, in whatever form (including any idea, concept, drawing, specification, data, conclusion or summary) disclosed to you by, or on behalf of, us or produced by you or any Personnel relating to:

- (a) the operation or business of SACL;
- (b) these conditions or any negotiations relating to it;

other information that:

- (c) at the commencement of your operations at Sydney Airport was generally or publicly available, or subsequently becomes so available other than by breach of any duty or obligation;
- (d) at the time it was Disclosed to you was in your possession lawfully and without breach of any duty or obligation; or
- (e) has been Disclosed to you and was not generally and publicly available at that date of Disclosure, but subsequently through no act or omission of you (or any person to whom it Disclosed that information) becomes available through another source, not subject to any duty or obligation of evidence.



**Disclose** includes discussion (or any other communication) or disclosure, by whatever means, and **Disclosed**, **Discloses** and **Disclosure** are to be constructed accordingly.

**Disembarking Passengers** means all passengers on board an arriving aircraft. This includes Transit Passengers, Transfer Passengers, Infants, Domestic-On-Carriage and Positioning Crew, but excludes Operating Crew.

**Domestic-On-Carriage (DOC)** means a passenger on an international flight who travels from one Australian port to another.

**Domestic Service** means a *regular passenger transport operation* operating wholly within Australia, other than a *regional service*.

**Embarking Passengers** means all passengers on board a departing aircraft. This includes Transit Passengers, Transfer Passengers, Infants, Domestic-On-Carriage and Positioning Crew, but excludes Operating Crew.

**facilities and services** means our facilities and services as set out in Schedule 9 except to the extent that those facilities and services are provided to you under a separate contract, lease, licence or other authority from us.

**general aviation** means any air service other than a *regular public transport operation* or *RPT*.

**infant** means a child under two years of age who has not paid to occupy a seat on an aircraft.

**interest rate** means a rate of interest per annum which is 3% higher than the 10 year Commonwealth Treasury Bond rate.

**legislation** means all Commonwealth and State Acts of Parliament, regulations, rules, orders, by-laws, ordinances and any other orders or directions of any government or statutory body relevant generally or specifically to the Airport or aircraft using it.

**MTOW** means for an aircraft its maximum take-off weight as specified by the manufacturer or as approved by the Civil Aviation Safety Authority.

**Operating Crew** means your employees operating as flight or cabin crew on an arriving or departing aircraft.

**Positioning Crew** means your flight and cabin crew, other than Operating Crew, arriving into, or departing from, the Airport on company duty travel for the purpose of positioning for, or returning from, crewing duties.

**Regional Service** means a *regular passenger transport operation* operating wholly within New South Wales. To avoid doubt, this excludes *regular passenger transport operations* to and from the Australian Capital Territory.

**regular public transport operations** or **RPT** means air service operations where, for a fee, the aircraft is operated according to fixed schedules over specific routes and is available to the general public on a regular basis.

**relevant industry bodies** means a body listed or described in Schedule 7.

**Transfer Passenger** means a passenger who connects from one international flight to another without being processed by the Australian Customs Service at the Airport.

**Transit Passenger** means a passenger whose origin and destination is another port, serviced by the same flight.

**Transport Security Program** means our program, as required by legislation and as amended from time to time, that describes issues such as security responsibilities, procedures, contingency plans and standards at the Airport.

**SACL** means Sydney Airport Corporation Limited (ACN 082 578 809)

**we** or **us** or **ours** means Sydney Airport Corporation Limited (ACN 082 578 809) and includes our successors and assigns.

**you** or **your** means, in the case of *RPT* aircraft, the holder of the Air Operator's Certificate at the time our *facilities and services* at the Airport are used or in the case of general aviation and other non-regular public transport operations aircraft, the person who is identified as "Owner" in the Notification of Aircraft Details form or if no one is so identified, the holder of the Certificate of Registration at the time our *facilities and services* at the Airport are used and includes your executors, administrators, successors and assigns.

- 21.2 The singular includes the plural and the plural includes the singular.
- 21.3 If you consist of more than one person or company, then each person or company is jointly and severally liable under these conditions with each of the others.
- 21.4 If any part of these conditions is unenforceable, these conditions are taken to be modified to remove that part. The rest of these conditions are not affected by that part being removed.

**SCHEDULE 1**

(clause 2.1(e))

**Insurance Policy Requirements**

The following insurance may also be purchased in Australian dollars for an equivalent amount:

**Group / Classification****Third Party Liability**

Combined single limit for third party liability for any one accident/incident occurrence to be not less than:

Fixed Wing Aircraft

1.	10,000 kg MTOW or less	US\$25,000,000
2.	10,001 kg – 28,000 kg MTOW	US\$60,000,000
3.	28,001 kg – 100,000 kg MTOW	US\$200,000,000
4.	100,001 kg – 170,000 kg MTOW	US\$500,000,000
5.	170,001 kg MTOW and above	US\$1,000,000,000

Helicopters

1.	up to two passenger seats	US\$5,000,000
2.	three and four passenger seats	US\$10,000,000
3.	more than four passenger seats	US\$15,000,000

**SCHEDULE 2**

(clause 2.1(i))

**Customer Credit Application Form****Applicant Information**

Name of Company: \_\_\_\_\_

Trading Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Australian Business Number (ABN or ABRN): \_\_\_\_\_

Other Business Numbers (if applicable): \_\_\_\_\_

Years Trading: \_\_\_\_\_

**Financial Institution Information (e.g. bank or credit union)**

Financial Institution Name: \_\_\_\_\_ Branch: \_\_\_\_\_

Country: \_\_\_\_\_

Do you plan to use this institution for any bank guarantees or line of credit? \_\_\_\_\_

**Accounts Payable Information**

Accounts Payable Manager: \_\_\_\_\_ Telephone: \_\_\_\_\_

e-mail Address: \_\_\_\_\_ Fax: \_\_\_\_\_

Please answer "YES" or "NO" to the following items and provide details including dates and circumstances if applicable. Use additional pages if necessary.

Has the applicant declared bankruptcy or been declared bankrupt or entered into a scheme of arrangement in the past 10 years? If "YES" provide details.

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Has the applicant committed an act of insolvency within the meaning of the Corporations Act 2001 (or where the applicant is incorporated overseas, an equivalent in the country of incorporation)? If "YES" provide details.

---

Does the applicant have any registered or unregistered charges against the assets of the applicant? If "YES" provide details.

---

Has the applicant been refused credit before? If "YES" provide details including amounts involved.

---

Is there any other information about the applicant that Sydney Airport would reasonably expect to know or the applicant would like Sydney Airport to consider when assessing this application? If "YES" provide details.

---

I have truthfully and accurately completed this application and understand that credit may be refused or suspended if any information provided in this form is intentionally untrue or inaccurate in any material particular.

**Please fill out applicable section...**

**If a Sole Trader**

Full Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Residential Address: \_\_\_\_\_

**If a Partnership**

Full Names and Residential Addresses of all Partners

Full Name	Residential Address
_____	_____
_____	_____
_____	_____
_____	_____

**If an Incorporated or Limited Company**

Name of Company: \_\_\_\_\_

Company Number: \_\_\_\_\_

Country of Incorporation: \_\_\_\_\_ Date of Incorporation: \_\_\_\_\_

Registered Office Address: \_\_\_\_\_

Full Names of all Directors:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Privacy Act acknowledgment and Consents****1. Acknowledgment**

The applicant(s) acknowledge(s) that Sydney Airport Corporation Limited (SACL) has informed me/us in accordance with s18E(8)(c) of the Privacy Act 1988 (Cth) that certain items of personal information about me/us contained in this application or which may be subsequently obtained by SACL may be disclosed to a credit reporting agency. This information includes, among other things, particulars as to my/our identity, the fact an application for credit was made and the amount of credit sought, details of current providers of credit at least 60 days overdue, discharges, cheques twice dishonoured and serious credit infringements.

**2. Consent**

I consent:

- (a) to SACL obtaining from a credit reporting agency a credit report containing personal information about me/us for the purpose of SACL:
  - (i) collecting overdue payments in respect of commercial credit provided to me/us (Privacy Act s18K(1)(h)); and
  - (ii) assessing my/our application for commercial credit on an on-going basis (Privacy Act s18K(1)(b)); or
  - (iii) assessing my/our application for consumer credit (Privacy Act s18L(4));
- (b) to SACL's nominated trade insurer (if any) obtaining from a credit reporting agency a credit report containing personal information about me/us to assess the risk of providing insurance to SACL in relation to my/our application for commercial credit with SACL (Privacy Act s18K(1)(e));
- (c) to SACL giving and seeking from any credit provider named in this application for credit or in a credit report issued by a credit reporting agency information about my/our credit arrangements, including any information about my/our credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to give or receive from each other under the Privacy Act (s18N(1)(b)).

**Signature of Authorised Company Representative**

**Printed name**

**Position**

**Date**

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**SCHEDULE 3**

(clause 2.1(j))

**Notification of Aircraft Details**

Aircraft Registration: \_\_\_\_\_

Aircraft Type: \_\_\_\_\_ MTOW: \_\_\_\_\_

\_\_\_\_\_

Configuration: \_\_\_\_\_

**Certificate of Registration Holder:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact number: \_\_\_\_\_

**Owner:** (if different to Certificate of Registration holder)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact number: \_\_\_\_\_

**Operator:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact number: \_\_\_\_\_

**Effective Dates of Operation:**

From: \_\_\_\_\_

To: \_\_\_\_\_

Signature of person completing the form

\_\_\_\_\_  
Please identify by circling whether you are the  
C of R Holder / Owner / Operator



**SCHEDULE 4**

(clause 4.1)

**Contact Information**

**Address for service of notices**

**By post:** Chief Financial Officer  
Sydney Airport Corporation Limited  
The Ulm Building  
1 Link Road  
Sydney International Airport NSW 2020  
AUSTRALIA

**or**

Chief Financial Officer  
Sydney Airport Corporation Limited  
Locked Bag 5000  
Sydney International Airport NSW 2020  
AUSTRALIA

**By facsimile:** +61 (2) 8338 4919

**By email:** [conditions.of.use@syd.com.au](mailto:conditions.of.use@syd.com.au)

**By telephone:** +61 (2) 9667 9111

**SCHEDULE 5**

(clause 7.2)

**Aeronautical charges effective from 1 July 2010**

**Note:** this table is provided as a guide to charges at Sydney Airport. Our charges depend upon the facilities and services you use at the Airport.

<i><b>If you use these facilities &amp; services...</b></i>	<i><b>...then these are the applicable items of Schedule 5 which you must pay</b></i>
International operations at Terminal 1	<ul style="list-style-type: none"> <li>• Item 1</li> <li>• Item 4</li> <li>• Item 6(a)</li> <li>• Item 7</li> <li>• Item 11 (where applicable)</li> <li>• Item 14</li> <li>• Item 16 (where applicable)</li> </ul>
Domestic operations at Terminal 2	<ul style="list-style-type: none"> <li>• Item 2</li> <li>• Item 4</li> <li>• Item 5</li> <li>• Item 6(b)</li> <li>• Item 7</li> <li>• Item 8(a)</li> <li>• Item 9</li> <li>• Item 13</li> <li>• Item 14</li> <li>• Item 15</li> </ul>
Regional operations at Terminal 2	<ul style="list-style-type: none"> <li>• Item 3</li> <li>• Item 7</li> <li>• Item 8(b)</li> <li>• Item 10</li> </ul>
Domestic operations at terminal other than Terminal 2	<ul style="list-style-type: none"> <li>• Item 2</li> <li>• Item 4</li> <li>• Item 5</li> <li>• Item 6(b)</li> <li>• Item 7</li> <li>• Item 14</li> </ul>
Regional operations at terminal other than Terminal 2	<ul style="list-style-type: none"> <li>• Item 3</li> <li>• Item 7</li> </ul>
Freight operations	<ul style="list-style-type: none"> <li>• Item 4</li> <li>• Item 6 (where applicable)</li> <li>• Item 7</li> </ul>
General aviation operations	<ul style="list-style-type: none"> <li>• Item 4</li> <li>• Item 6 (where applicable)</li> <li>• Item 7</li> </ul>
Helicopter operations	<ul style="list-style-type: none"> <li>• Item 12</li> <li>• Item 7</li> </ul>

**1. Passenger Charge – International Services**

- a) *For airlines that have not accepted our Offer for Commercial Agreement for International Passenger Services (“**International Offer**”):* A charge of \$26.33 (GST exclusive) and \$28.96 (GST inclusive<sup>1</sup>) per Embarking Passenger and Disembarking Passenger (excluding Transit Passengers, Transfer Passengers, Infants and Positioning Crew) on fixed wing passenger aircraft embarking or disembarking passengers through the Sydney Airport international terminal (described as Terminal 1), subject to a minimum charge per runway movement of \$60.00 (GST exclusive) and \$66.00 (GST inclusive).
- b) *For airlines that have accepted our International Offer:* A charge of \$25.58 (GST exclusive) and \$28.14 (GST inclusive) per Embarking Passenger and Disembarking Passenger (excluding Transit Passengers, Transfer Passengers, Infants and Positioning Crew) on fixed wing passenger aircraft embarking or disembarking passengers through the Sydney Airport international terminal (described as Terminal 1), subject to a minimum charge per runway movement of \$60.00 (GST exclusive) and \$66.00 (GST inclusive).

**2. Passenger-based Runway Charge – Domestic Services**

A charge of \$3.46 (GST exclusive) and \$3.81 (GST inclusive) per Embarking Passenger and Disembarking Passenger (excluding Infants and Positioning Crew) on fixed wing passenger aircraft operating a Domestic Service, subject to a minimum charge per movement of \$60.00 (GST exclusive) and \$66.00 (GST inclusive).

**3. Runway Charge – Regional Services**

A charge of \$3.44 (GST Exclusive) and \$3.78 (GST inclusive) per 1,000kg MTOW pro rata for each fixed wing passenger aircraft movement (take-off or landing) operating a Regional Service, subject to a minimum charge per movement of \$50.00 (GST exclusive) and \$55.00 (GST inclusive)<sup>2</sup>,

**4. Runway Charge – where paragraphs 1, 2 or 3 do not apply**

For each fixed wing powered and un-powered aircraft not subject to passenger charges under 1, 2 or 3 above, a charge per runway movement (take-off or landing) of \$4.29 (GST exclusive) and \$4.72 (GST inclusive) per 1,000kg MTOW pro rata, subject to a minimum charge per movement of \$60.00 (GST exclusive) and \$66.00 (GST inclusive).

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<sup>1</sup> GST on invoices calculated in accordance with GST legislation.

<sup>2</sup> At SACL's discretion, a reduced minimum charge will be offered for regular public transport operations of regional airlines as follows (exclusive of GST):

- Scheduled Regional Services (MTOW 0-5 tonnes) - \$20.00 (GST exclusive) and \$22.00 (GST inclusive) per movement; and
- Scheduled Regional Services (MTOW 5-10 tonnes) - \$41.25 (GST exclusive) and \$45.38 (GST inclusive) per movement.

**5. Passenger-based ASM Charge – Domestic Services (Shared Airfield Security)**

A charge of \$0.18 (GST exclusive) and \$0.20 (GST inclusive) per Embarking Passenger and Disembarking Passenger (excluding Infants and Positioning Crew) on fixed wing passenger aircraft operating a Domestic Service.

**6. ASM Charge (Shared Airfield Security) – where paragraphs 1 or 5 do not apply**

An ASM charge per *landing* of:

- a) in the case of an international service, \$0.00 (GST exclusive) and \$0.00 (GST inclusive) per 1,000kg MTOW pro rata for all aircraft weighing more than 20,000kg MTOW, and not subject to passenger charges under 1 above; and
- b) in the case of a domestic service, \$0.00 (GST exclusive) and \$0.00 (GST inclusive) per 1,000kg MTOW pro rata for all aircraft weighing more than 20,000kg MTOW, and not subject to passenger charges under 5 above.

**7. Aircraft Parking Charge**

- a) For each aircraft parked in a designated general aviation parking area, an aircraft weight related parking charge per calendar day or part thereof as follows:
  - (i) Aircraft with an MTOW up to 20,000 kg \$100.00 (GST exclusive) and \$110.00 (GST inclusive);
  - (ii) Aircraft with an MTOW between 20,001 and 40,000 kg \$150.00 (GST exclusive) and \$165.00 (GST inclusive); and
  - (iii) Aircraft with an MTOW more than 40,000 kg \$240.00 (GST exclusive) and \$264.00 (GST inclusive).
- b) For any other aircraft parked in a designated aviation parking area between 6am and 11pm (non curfew hours), a charge of \$35 (GST exclusive) and \$38.50 (GST inclusive) per 15 minute period or part thereof.
- c) For any aircraft, permitted under the *Sydney Airport Curfew Act 1995* to operate during curfew hours, parked in a designated aviation parking area between 11pm and 6am (curfew hours), a charge of \$35 (GST exclusive) and \$38.50 (GST inclusive) per 15 minute period or part thereof.

In paragraphs (b) & (c), “designated aviation parking area” means an aircraft parking area owned or leased by SACL other than:

- (i) a designated general aviation parking area; or
- (ii) an aircraft parking area which is the subject of a current lease or licence granted by SACL or our predecessors (other than bays 2 & 3, which are included as “designated aviation parking areas”).

**8. Terminal 2 Passenger Use Charges<sup>3</sup>**

For airlines using the domestic common user passenger terminal facilities described as Terminal 2 (which are owned and operated by SACL):

- a) a charge per arriving and departing passenger on a Domestic Service of \$7.41 (GST exclusive) and \$8.15 (GST inclusive);
- b) a charge per arriving and departing passenger on a Regional Service of \$4.50 (GST exclusive) and \$4.95 (GST inclusive).

**9. Terminal 2 Domestic Passenger Security Charge**

A charge of \$1.81 (GST exclusive) and \$1.99 (GST inclusive) per Embarking and Disembarking Passenger (excluding Infants and Positioning Crew) on a Domestic Service utilising Terminal 2.

**10. Terminal 2 Regional Passenger Security Charge**

A charge of \$0.87 (GST exclusive) and \$0.96 (GST inclusive) per Embarking and Disembarking Passenger (excluding Infants and Positioning Crew) on a Regional Service utilising Terminal 2.

**11. Bussing/Stand-off position discount**

- a) *For airlines that have not accepted our International Offer.* For aircraft using the international passenger terminal facilities, owned or leased and operated by SACL, and embarking or disembarking passengers by means other than an aerobridge, a *discount* per movement of \$200.00 (GST exclusive) and \$220.00 (GST inclusive).
- b) *For airlines that have accepted our International Offer.* For aircraft using the international passenger terminal facilities, owned or leased and operated by SACL, and embarking or disembarking passengers by means other than an aerobridge, a *discount* per movement of \$3.00 (excluding GST) or \$3.30 (including GST) per chargeable passenger on an aircraft up to and including Code C classification or equivalent; and \$2.00 (excluding GST) or \$2.20 (including GST) per chargeable passenger on an aircraft larger than Code C or equivalent. A chargeable passenger is one to which the International PSC applies.

**12. Helicopter charge**

For each rotary wing aircraft arriving or departing from any part of Sydney Airport, including leased or licensed premises, a fixed charge per movement (both landing and take-off) of \$30.00 (GST exclusive) and \$33.00 (GST inclusive).

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<sup>3</sup> This charge includes a component for 45 minutes of parking on the aprons associated with Terminal 2 while an aircraft is processing passengers through that terminal. However, charges are still payable under item 8 for use of designated aircraft parking areas in all other circumstances.

**13. T2 New Investment Charge**

For airlines using the domestic common user passenger terminal facilities described as Terminal 2 (which are owned and operated by SACL), a charge per arriving and departing passenger on a Domestic Service of \$0.40 (GST exclusive) and \$0.44 (GST inclusive).

**14. Passenger Data Administration Charge**

In each month in which an airline fails to submit passenger data in accordance with the timing and format specified by us for the purpose of invoicing aeronautical charges, an administrative charge of \$1,000 (excluding GST) or \$1,100 (including GST) will apply.

**15. Terminal 2 Overnight Opening Fee**

Where an airline requests that Terminal 2 be kept open overnight, SACL will invoice that airline for the costs that SACL incurs in opening the terminal overnight (on a pass-through basis), subject to a minimum charge of \$500 (GST exclusive) or \$550 (GST inclusive) per night.

SACL will not consent to the opening of Terminal 2 overnight unless the airline provides at least 2 airline staff to assist for the duration of the overnight opening.

**16. Ground Power and Preconditioned Air**

For Ground Power energy, per 15 minutes of use:

- a) For 4F\* aircraft: \$10.30 (GST exclusive) and \$11.33 (GST inclusive);
- b) For 4E aircraft: \$10.30 (GST exclusive) and \$11.33 (GST inclusive);
- c) For 4D aircraft: \$5.20 (GST exclusive) and \$5.72 (GST inclusive); and
- d) For 4C aircraft: \$5.20 (GST exclusive) and \$5.72 (GST inclusive).

For Preconditioned Air energy, per 15 minutes of use:

- e) For 4F\* aircraft: \$9.20 (GST exclusive) and \$10.12 (GST inclusive);
- f) For 4E aircraft: \$9.20 (GST exclusive) and \$10.12 (GST inclusive);
- g) For 4D aircraft: \$8.30 (GST exclusive) and \$9.13 (GST inclusive); and
- h) For 4C aircraft: \$5.50 (GST exclusive) and \$6.05 (GST inclusive).

\*Note: Code 4F aircraft (A380) can use two Ground Power and Preconditioned Air units simultaneously. The charge specified is per unit used.

With reference to the above, a 4F aircraft includes an A380 and a B747-800; a 4E aircraft includes a B787, a B777, a B747, an A350, an A340 and an A330; a 4D aircraft includes a B767, an A310 and an A300; and a 4C aircraft includes a B737 and an A320.

**17. Information Requirements**

If you are subject to passenger-based charges under this Schedule 5, you must provide the following information under Clause 3.2 and/or 3.3 of the Sydney Airport Conditions of Use:

- the number of Embarking Passengers on your aircraft operating at the Airport on each day, with Domestic-On-Carriage Passengers, Transit Passengers, Transfer Passengers, Infants and Positioning Crew shown separately;
- the number of Disembarking Passengers on your aircraft operating at the Airport on each day, with Domestic-On-Carriage Passengers, Transit Passengers, Transfer Passengers, Infants and Positioning Crew shown separately; and
- the actual aircraft seat capacity for each RPT.

You must provide this information in the prescribed format that is set out on Sydney Airport's website.

**18. Combination Passenger/Freight Aircraft**

If you operate an aircraft that carries a combination of passengers and freight, where freight is carried in areas of the aircraft typically used for carrying passengers, you must advise us of the aircraft configuration and agree to pay a combination of the charges in this Schedule 5 that we consider to be reasonable.

**SCHEDULE 6**

(clause 11.2)

**Procedure for moving/removing Aircraft by SACL**

In the event that we are required to move/remove an aircraft as a result of a failure by you to comply with an order issued to you under these conditions of use:

1. we will, where applicable, follow the procedures for the recovery of disabled aircraft set out in our *Airport Operations Manual*.
2. in other cases, we will provide you with as much notice as is, in all the circumstances, reasonably practicable:
  - (a) that we intend to move/remove the aircraft;
  - (b) of the proposed location to which the aircraft is to be relocated;
  - (c) of the means by which we intend to move/remove the aircraft; and
  - (d) of any conditions which may apply to your recovery of the aircraft.
3. in the event that the notice referred to in clause 2 is not practicable we will notify you, as soon as possible that:
  - (a) we have moved/removed the aircraft;
  - (b) the location to which the aircraft has been moved; and
  - (c) any conditions which may apply to your recovery of the aircraft.



**SCHEDULE 7**

(clause 19.1)

**Relevant Industry Bodies**

Industry bodies referred to in this document include:

- Aircraft Owners & Pilots Association of Australia
- Australian Air Transport Association
- Australian Business Aircraft Association Inc
- Board of Airline Representatives of Australia Inc
- Helicopter Association of Australia
- International Air Transport Association
- Overnight Air Freight Operators Association
- Regional Airlines Association of Australia Limited
- Royal Federation of Aero Clubs of Australia

and any other organisation that we agree, in writing, is to be considered an industry body for the purposes of this document.

**SCHEDULE 8**

(clause 7.2)

**Discounts for New Off-Peak Services**

Note: SACL recognises that the introduction of new services requires significant investment by airline customers. SACL may consider assisting customers introducing new services by offering discounts, particularly during off-peak periods.

Prior written requests for discounts set out in these Conditions of Use should be made to the [Chief Financial Officer/Chief Executive] at the address in Schedule 4.

**1. New International, Domestic or Regional Services**

The Operators of International, domestic or regional RPT services at the Airport may apply to the [Chief Financial Officer/Chief Executive] for discounts for the operation of new services to new destinations or for increased frequencies to existing destinations:

As a guide:

**(a) New destinations**

A service to a destination not served by that operator from Sydney Airport over the previous three years may, if agreed by SACL, be granted an introductory discount of up to 50% of the Aeronautical Charges referred to in paragraphs 1, 2 and 5 of Schedule 5, or any other charge that may be agreed, during the first 12 months of service; and

**(b) Increase frequency**

A service that increases the frequency of service to any destination by an operator to a level greater than at any time over the previous three years, may, if agreed by SACL, be granted a discount of up to 30% of the Aeronautical Charges referred to in paragraphs 1, 2 and 5 of Schedule 5, or any other charge that may be agreed, during the first 12 months on those additional services.

**2. Positioning, Training and Demonstration flights**

SACL will consider discounts for positioning, training and demonstration flights during off-peak periods on a case-by-case basis.

**3. Rescheduling existing peak period services**

SACL will consider discounts for services being relocated from a peak period to an off-peak period on a case-by-case basis. Discounts will not be granted for schedule changes resulting from daylight savings time changes either in Australia or an international origin or destination.

In determining whether a discount should be applied in any of the above circumstances, and the level of the discount, SACL will have regard to the net impact on overall Sydney Airport services and off-peak period services by an airline, its parent and/or subsidiaries and, where relevant, its commercial and alliance partners.

Code-share arrangements, the extension of existing services and the redirection of existing services will not qualify for discounts unless a clear net gain in Sydney Airport services can be demonstrated.

This Schedule is not intended to confer any right to a discount or to limit the circumstances in which SACL may grant a discount to you or other airlines (including the amount or duration of such discounts). Rather it sets out the circumstances in which consideration will be given to granting a discretionary discount and the indicative amounts of potential discounts. SACL's decision as to whether to grant a discount in any particular case is final.

Discounts will be paid as a rebate at the end of each scheduling season, unless otherwise agreed.

**SCHEDULE 9****Facilities and Services****Aircraft movement facilities and services**

- Airside grounds, runways, taxiways and aprons
- Airfield lighting, airside roads, airside lighting
- Airside safety
- Nose-in guidance
- Aircraft parking
- Visual navigation aids
- Ground power and preconditioned air

**Passenger processing facilities and services**

- Common User Terminal Equipment (CUTE)
- Forward airline support areas services
- Aerobridges, airside buses
- Departure lounges and holding lounges (but excluding commercially important persons lounges)
- Immigration and customs service areas
- Public address systems, closed circuit surveillance systems and security systems
- Baggage make-up, baggage handling and baggage reclaim
- Public areas in terminals, public amenities, public lifts, escalators and moving walkways
- Flight information display systems
- Landside roads, landside lighting and covered walkways

**SCHEDULE 10****Schedule of Amendments**

<b><i>Version</i></b>	<b><i>Effective Date</i></b>	<b><i>Nature of Amendment</i></b>
Version 2	1 November 2001	
Version 2.1	12 January 2002	Schedule 5 (Additional Security Measures)
Version 2.2	1 July 2002	Schedule 5 (Necessary New Investment recovery and freighter curfew hour apron charge)
Version 2.3	1 January 2003	Schedule 5 (Necessary New Investment recovery)
Version 2.4	1 April 2003	Schedule 5 (Security insurance recovery)
Version 2.5	1 July 2003	Schedule 5 (Domestic PSC; NNI recovery; changed security recovery rates; specific regional MTOW runway charge; deletion of Domestic Express Terminal charge)
Version 2.6	1 October 2003	Schedule 5 (International PSC and domestic passenger-based CTRF and ASM charges).
Version 2.7	1 September 2004	Schedule 5 (International PSC NNI recovery and security components; domestic security charges; T2 Pax Screening; MTOW NNI recovery) Schedule 2 (format)
Version 2.8	1 February 2005	Schedule 5 (Int PSC NNI recovery and 100% CBS; T2 Pax Screening for 100% CBS; Domestic PSC NNI; MTOW NNI)
Version 2.9	1 July 2005	Schedule 4 (update) Schedule 5 (Int PSC, Dom PSC, MTOW runway, Terminal 2 pax and checked bag screening charge: security outcomes FY05 and forecast FY06 costs; NNI recovery)
Version 2.10	1 January 2006	Schedule 5 (NNI recovery (Dom PSC and MTOW runway), Dom, Int and T2 security, Helicopter parking (clarification); inserted definition of 'Domestic Service'; created separate definition of T2 Regional security charge)
Version 2.11	1 July 2006	Schedule 5 (Security/Security related new investment (Int PSC), NNI recovery (Int PSC, Dom PSC MTOW))
Version 2.12	1 October 2006	Schedule 5 (Security/Security related new investment (Int PSC), NNI recovery (Int PSC,

		Dom PSC MTOW), security charges (domestic and T2))
Version 2.13	1 January 2007	Schedule 5: International PSC (NNI, security); Domestic PSC (NNI); Domestic security (ASM); MTOW (NNI); T2 security (domestic users).
Version 2.14	1 July 2007	Schedule 5: International PSC (NNI, security); Domestic PSC (NNI); Domestic security (ASM); MTOW (NNI); T2 security (domestic users); T2 New Investment Charge
Version 2.15	1 January 2008	Schedule 5: International PSC (NNI); Domestic PSC (NNI); MTOW (NNI); T2 PFC (CPI); T2 NIC (NNI and ADC).
Version 2.16	1 July 2008	Schedule 5: International PSC (NNI and security; charges for airlines that have accepted / not accepted the International Offer); Domestic PSC (NNI); MTOW (NNI); Domestic ASM; Terminal 2 Domestic Passenger Security; Bussing discount (for airlines that have accepted / not accepted the International Offer); Apron Parking (bays 2 & 3); T2 Overnight Opening Charge (new); Data administration charge (new).
Version 2.17	1 January 2009	Schedule 5: International PSC (NNI and security; charges for airlines that have accepted / not accepted the International Offer); Domestic PSC (NNI); MTOW (NNI); Domestic ASM; Terminal 2 Domestic Passenger Security.
Version 2.18	1 January 2009	Ground power and preconditioned air (including Schedule 5); legislative references; bank guarantee requirements; information use and confidentiality; OH&S.
Version 2.19	1 July 2009	Schedule 5: International PSC (NNI and security; charges for airlines that have accepted / not accepted the International Offer); Domestic PSC (NNI); MTOW (NNI); CUTE Charge.
Version 2.20	1 January 2010	2.1(e) Copies of Certificates of Insurance required upon request; Schedule 5: International PSC (NNI and security; charges for airlines that have accepted / not accepted the International Offer); Passenger and Airfield Security.
Version 2.21	1 July 2010	7.7 limits disputed invoices to 12 months; Schedule 5 clarify which charges apply and additional information required, Domestic-On-

		34Carriage passengers and aircraft seat capacity (new). Schedule 5: International PSC (changes for NNI for airlines that have accepted / not accepted the International Offer); Domestic PSC (NNI); MTOW (NNI); GA designated apron parking charge; helicopter movement charge; GP & PCA changes to rates.
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**Execution page**

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**EXECUTED** as an agreement

**SIGNED** for and on behalf of **SYDNEY** )  
**AIRPORT CORPORATION LIMITED** by its )  
authorised representative in the presence of: )

) .....  
) Signature of authorised representative  
)  
.....  
Signature of witness )

.....  
Name of authorised representative

.....  
Name of witness (BLOCK LETTERS)  
.....  
Date

**SIGNED** for and on behalf of ..... )  
..... by its )  
authorised representative in the presence of: )

) .....  
) Signature of authorised representative  
)  
.....  
Signature of witness )

.....  
Name of authorised representative

.....  
Name of witness (BLOCK LETTERS)  
.....  
Date



**Tab 6 [confidential]**

**Tab 7 [confidential]**

**Tab 8 [Confidential]**

**Tab 9 – analysis of SACL’s proposed increase on typical regional passenger air fares**

<b>Details</b>	<b>Current Charge</b>	<b>Proposed Increase</b>
Minimum Runway Charge	\$50.00	\$1.44
Regional T2 PFC	\$4.50	\$0.13
Passenger Security and bag Screening	\$0.87	\$0.03

Typical Regional Sector Fare: \$155.17<sup>1</sup>  
 Passengers per movement: 21 (35 seats @ 60% load factor)

<b>Impact Per Passenger *</b>	<b>Current Charge</b>	<b>Proposed Increase<sup>2</sup></b>
Runway Minimum Charge	\$2.38	\$0.07
Regional T2 PFC	\$4.50	\$0.13
Security and bag Screening	\$0.87	\$0.03
<b>Total per Passenger</b>	<b>\$7.75</b>	<b>\$0.23</b>
<b>% of Sector fare of \$155.17</b>	<b>4.99%</b>	<b>0.15%</b>

\* Impact per passenger is based on above example and a price increase in the terms proposed by SACL

<sup>1</sup> Source: Regional Express Announced Q3 results ended 31<sup>st</sup> March 2010 (unaudited). “Passenger Revenue” divided by “Passengers” = \$155.17

<sup>2</sup> Rounded to two decimal places

## Tab 10 – comparison of SACL’s charges with other airports

The following table shows comparative benchmarking of selected regional runway and terminal charges per arriving and departing passenger between 2003/04 and 2008/09:<sup>3</sup>

<b>Airport</b>	<b>2003/04 charges</b>	<b>2008/09 charges</b>	<b>\$ Increase/ (Decrease)</b>	<b>% change in charges</b>
Port Macquarie	\$13.24	\$21.49	<b>\$8.24</b>	<b>62%</b>
Armidale*	\$14.12	\$18.09	<b>\$3.97</b>	<b>28%</b>
Orange	\$13.09	\$13.55	<b>\$0.46</b>	<b>3%</b>
Ballina	\$10.43	\$13.18	<b>\$2.75</b>	<b>26%</b>
Coffs Harbour*	\$10.72	\$12.92	<b>\$2.20</b>	<b>21%</b>
Dubbo	\$10.00	\$10.91	<b>\$0.91</b>	<b>9%</b>
Lismore*	\$11.00	\$9.57	<b>(\$1.43)</b>	<b>-13%</b>
Wagga*	\$9.00	\$9.23	<b>\$0.23</b>	<b>3%</b>
Cobar	\$7.04	\$8.86	<b>\$1.82</b>	<b>26%</b>
Bankstown	\$1.59	\$7.86	<b>\$6.27</b>	<b>395%</b>
Sydney (incl Parking)	\$6.88	\$6.88	<b>\$0.00</b>	<b>0%</b>
Sydney (excl parking)	\$4.38	\$4.38	<b>\$0.00</b>	<b>0%</b>

\* These figures are subject to published volume or incentive discounts

Benchmarking calculation methodology:

1. All charges are exclusive of GST
2. Calculation based on typical SAAB 340 aircraft, 13.1 tonne MTOW (subject to minimum runway charge) with capacity for 35 seats (21 passengers at a 60% load factor),
3. Charges include runway MTOW and passenger terminal charges
4. Excludes discounts, security and aircraft parking charges

<sup>3</sup> Published airport charges for financial years ending June 2004 and June 2009

**Tab 11 – segmentation of competitive and potentially competitive regional routes from Sydney Airport**

<b>ROUTE</b>	<b>OPERATOR</b>	<b>SEGMENT</b>
Coffs Harbour	Qantas, Virgin Blue	<b>Competitive</b>
Ballina	Jetstar, Rex, Virgin Blue	<b>Competitive</b>
Albury	Qantas, Rex, Virgin Blue	<b>Competitive</b>
Port Macquarie	Qantas, Virgin Blue	<b>Competitive</b>
Wagga	Qantas, Rex	<b>Potentially competitive</b>
Dubbo	Qantas, Rex	<b>Potentially competitive</b>
Tamworth	Qantas	<b>Potentially competitive</b>
Armidale	Qantas	<b>Potentially competitive</b>
Lismore	Rex	<b>Potentially competitive</b>
Griffith	Rex	<b>Potentially competitive</b>
Orange	Rex	<b>Potentially competitive</b>
Newcastle	Aeropelican	<b>Potentially competitive</b>