SYDNEY AIRPORT GATEWAY TO AUSTRALIA
OVERVIEW

SYDNEY MARKET AND AIRPORT
SYDNEY IS THE WORLD’S FAVOURITE CITY BRAND

- ECONOMIC CAPITAL OF AUSTRALIA
- 4.28 MILLION PEOPLE
- A$779 MILLION IN EVENTS FROM 2007–2014
SYDNEY AIRPORT

33 MILLION PASSENGERS A YEAR

– 45% OF AUSTRALIA’S INTERNATIONAL AIRLINE PASSENGERS
– 92,000 PASSENGERS A DAY
– 40 INTERNATIONAL AND 7 DOMESTIC CARRIERS
– GROWTH:
  1.3% INTERNATIONAL PASSENGERS
  4.1% DOMESTIC PASSENGERS
– 4 NEW AIRLINES IN 2009
GATEWAY TO AUSTRALIA
HUB TO OCEANIA
SYDNEY
45% 23%
INTERNATIONAL DOMESTIC
VITAL LINK TO THE REST OF THE WORLD

- 47 INTERNATIONAL DESTINATIONS
- 20 DOMESTIC DESTINATIONS
- 21 REGIONAL DESTINATIONS
- 40 INTERNATIONAL AIRLINES
- 7 DOMESTIC & REGIONAL AIRLINES
LARGEST AIRPORT

- LARGEST AIRPORT IN THE SOUTHERN HEMISPHERE
- LARGEST AIRPORT IN THE PACIFIC REGION
- 8TH LARGEST IN ASIA/PACIFIC
- 34TH IN THE WORLD IN TERMS OF TOTAL PASSENGERS PER YEAR
- CONTINUED GROWTH - OPPORTUNITIES DURING GLOBAL DOWNTURN
PLANE FACTS 2009

- 10 A380 MOVEMENTS A DAY
- 3 NEW INTERNATIONAL AIRLINES
- 1 NEW DOMESTIC AIRLINE
ICAO, WORLD BANK, ROUTES GLOBAL STRATEGY SUMMIT (GSS)
AIRCRAFTS AND AIRPORTS – YIN AND YANG

May I borrow an aspect of Chinese philosophy

– Yin and Yang are complementary opposites within a greater whole
– Seemingly disjunct or opposing forces are interconnected and interdependent
– Yin always contains the potential for Yang, and Yang for Yin
– If one disappears, the other must disappear as well, leaving emptiness

– The greater whole would be aviation
– It’s everyone’s best guess whether airlines are yin and airports yang or the other way round

– The bottom line is:
– No airports without airlines; and
– No airlines without airports
INTERDEPENDENCE AND INTERACTION

Need to understand and appreciate each others’ business models

– Shared interests between airlines and airports

– Example: Optimised use of scarce assets

– Aircraft utilisation
  – An inactive aircraft is in no one’s best interest

– Terminal utilisation
  – An empty terminal is in no one’s best interest
Evolving Business Models

Low-Cost-Carrier Penetration at Sydney Airport

- Low-Cost-Carrier (LCC) penetration at Sydney Airport went from 0% to one third in nine years.
- Sydney’s Terminal 2, Australia’s busiest, was redesigned to match the needs of this new business model.
- Sydney’s Terminal 1, the international gateway to Australia, is currently redeveloped to accommodate growth and needs of international airlines.

Source: Innovata SRS Analyser
PARTNERSHIP AND RISK SHARING

- Aeronautical charges on a strict per passenger basis
  - An empty aircraft is in no one’s best interest

- Just in time as opposed to just in case capital investments
  - Development and adjustment of capital expenditure program in 100% co-ordination with airline customers

- Other cost saving initiatives (direct)
  - Airport operated CUTE
  - Ground Power and Pre-Conditioned Air

- Other cost saving initiatives (indirect)
  - Ongoing operational expenditure reviews
PARTNERSHIP AND THIRD PARTIES

- Aviation – an easy target
  - Co-operation to reduce ecological footprint
  - Co-operation to manage ecological discussion

- Aviation – cash cow
  - Departure taxes
  - Noise levies
  - Movement charges
  - En-route charges

- Aviation – facilitator of underlying economic activity and growth
  - Demand precedes supply

- Co-operation with stake-holders
  - Tourism Agencies
  - Trade Organisations