Our mission is to help conserve the natural environment of the Greater Blue Mountains
and to increase awareness of the natural environment in general.

SUB-ECONOMIC AIRPORT

©**Ross Coster**
[Convenor of Blue Mountains Conservation Society No Badgerys Creek Airport Subcommittee]
[first published in December 2016 Hut News]

The story so far:

The Australian Government has proposed a new airport at Badgerys Creek, called it Western Sydney Airport (WSA) to make us all feel part of it, exaggerated the 'jobs and growth' that may result to get councils and business all excited, drafted an Environmental Impact Statement (EIS), ignored submissions on the Draft EIS, then released and approved a Final EIS. The project is now with Sydney Airport Corporation (SYD).

Under an agreement with the Howard Government back when Kingsford Smith Airport (KSA) was privatised, SYD has 'first right of refusal' for any new airport built within 100 km of KSA. SYD has four months to decide if they want to build the new airport. They will need to spend (at least) $5 billion over nine years, launch the airport in 2026 and increase passenger movements to make it profitable, all without cannibalising KSA.

SYD has already publicly stated that WSA is 'deeply sub-economic', which is company–speak for "it won't make a profit over the cost of debt needed to build it". SYD has also publicly stated that Sydney doesn't need a second Airport, as KSA has capacity for decades into the future.

The Australian Government has repeatedly stated that they won't contribute to the cost of WSA (aside from the nearly $4 billion of road works they are paying for, including widening the Northern Road to six lanes from Penrith to Narellan and building a new motorway from the M7 to the Northern Road just to feed the airport).

So SYD has to fund, build and operate WSA itself, in competition with KSA, in the hope of making a profit in the late 2020's, with multiple changes of Government (and therefore rules) along the way.

The Government has done everything it can to promote the project, ensuring there is no curfew (so 24-hour operation can increase revenue), no fuel pipeline (lowering capital costs), and no railway line (increasing car-parking revenue).

I do not understand why the taxpayer is doing all of this for a private venture. Spending our money to prop up a 'deeply sub-economic' project in the hope of generating 'jobs and growth' in 10 years' time.

SYD appears to want the Government to do even more, including offering discount rate loans, or helping with funding the WSA construction costs.

Standard and Poor's have assessed the project and labelled it a "challenging investment proposition", which is ratings-agency-speak for "it won't make money".
If SYD decides not to build WSA, the project will go to tender, to see if anybody else wants to build a project that won't make money.

If the tender process fails, then the Australian Government will build the airport itself, launch it into operation in 2026, then privatise it, using the WestConnex 'capital recycling' method of getting deeply unpopular and un-economic projects built.

We have opposed the airport on many grounds over the past two years (and several decades), only to find out that the project is a sub-economic dud.

Why would a government partially fund a project that is not needed, is not wanted, will not make money, and will ruin millions of people's lives? I just don't get it.

If you are with me on this, write to SYD and tell them what you think:
Kerrie Mather, Sydney Airport CEO, Locked Bag 5000, Sydney International Terminal, NSW 2020

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Note:

Since this article was written, Sydney Airport have refused their opportunity to build WSA, and the Commonwealth Government has committed $5.3 Billion to build this white elephant.

So **if you are keen on writing a letter**, make it to Paul Fletcher, Minister for Urban Infrastructure.

You can use our e-mail form at the bottom of this page if you like:
http://www.bluemountains.org.au/Campaigns/NoAirport/campaign-airport.htm

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