

Bankstown Airport Limited



**Response to National Aviation Policy Green Paper
February 2009**



Executive Summary

Bankstown Airport Limited recognises the need for a comprehensive and clear national policy for Australian aviation, particularly to allow ongoing growth in the industry. This Bankstown Airport Limited submission proposes manageable and affordable solutions where appropriate and requests additional investigation into the commercial impacts of any policy change to ensure that the objectives of support and growth are achieved.

There are five key issues that arise from the initiatives outlined in the National Aviation Policy Green Paper which will significantly affect the future of Australian aviation. These are:

- **Cost** – These initiatives will require additional staff, additional external consulting support and may delay the implementation of revenue generating projects. The operators of these Airports will pass these costs on to the aviation and non-aviation users of the Airports through increased aviation charges, rents and ancillary fees.
- **Competitive neutrality** – the increased planning requirements and regulatory control of airport development may make property and infrastructure development on leased Federal Airports more complex, expensive and time consuming than equivalent developments off airport. This will place airport leasing companies at a competitive disadvantage against off airport development sites.
- **Master Planning Time Frame** – The planning initiatives proposed in the National Aviation Policy Green Paper are at odds with the current 20 year Airport Master Planning timeframe. The initiatives propose significantly more detail for precincts and development sites, along with specific traffic plans. This detailed planning is not compatible with a 20 year plan.
- **Inequity between Airports Act and non-Airports Act Airports** – The initiatives of the National Aviation Policy Green Paper do not recognise the growing difference between State regulations for development, land tax and Council rates. The National Aviation Policy Green Paper attempts to provide a ‘one size’ solution which will work to disadvantage individual airports and create additional costs for airport users.
- **Increasing controls without compensation** – The National Aviation Policy Green Paper initiatives propose significant additional regulation and control for the operation of leased Federal Airports without any attempt to resolve existing inequities or complexity.

The airports that will suffer most significantly from these proposed new rules will be Australia’s secondary airports – Parafield, Archerfield, Bankstown, Essendon, Jandakot and Moorabbin. These Airports do not generate sufficient revenue to meet the additional costs of running the proposed initiatives outlined in the National Aviation Policy Green Paper. These smaller Airports do not have the staff to maintain the higher levels of planning, liaison and media activity which will be required if the proposed initiatives become Government policy. These airports rely much more significantly on their property development activities to supplement the lower revenue generated by General Aviation activity.

The Federal Government must recognise that the purchase of the airport leases were financed on the basis of a specific sale agreement and that any significant change to the operating and commercial environment will impact directly on the basis of that sale agreement.

Bankstown Airport is in a unique position to support the implementation of the National Aviation Policy White Paper. It can support the growth of regional centres through the provision of accessible and affordable passenger services; it can provide a vibrant centre for general aviation excellence, and in conjunction with Camden Airport it can provide a viable



solution to the long term growth of the Sydney Basin. To achieve these important outcomes Bankstown Airport needs balanced and affordable aviation policies that work to unify the Aviation industry.

In this submission Bankstown Airport Limited has put forward a series of recommendations which we believe will allow the Minister to meet the Federal Government's requirements for control of the regulated Airports while continuing to encourage investment and growth.

Summary of Recommendations

Chapter 2 - Aviation Security

Bankstown Airport Limited recommends that:

- *Security policies for smaller and regional airports take into account the lower security risks at those airports and the ability of users to pay for enhanced security measures.*
- *Aviation security policies continue to be supported by direct Federal Government contribution to those regional airports that generate low levels of passenger income but provide important aviation links to regional destinations.*

Chapter 4 - Domestic and Regional Aviation

Bankstown Airport Limited recommends that the Federal Government actively supports the introduction of scheduled passenger services in Code 3C aircraft at Bankstown Airport.

Encourage Australian low cost carrier formation and operation

Bankstown Airport Limited recommends that the Federal Government encourages the development of Australia low cost carriers through planning for Code 3C aircraft at secondary airports and by providing specific financial development initiatives.

Chapter 5 - General Aviation

Sports Aviation

Bankstown Airport Limited recommends that the peak body organisations for ultra lights/sport aviation aircraft be required to provide aircraft ownership details to Airport Leasing Companies so that aircraft can be identified for commercial, safety and compliance matters.

Planning Certainty

*Bankstown Airport Limited recommends that the Federal Government develop clear and simple guidelines for the content of Airport Master Plans, to apply to **all** regulated airports. The guidelines will provide an even playing field for Airport Leasing Companies in the content of the Plans and manage airport user's expectations on the content and scope of these Plans.*



Airport Fee Recovery

Bankstown Airport Limited recommends that the National Aviation Policy White Paper includes initiatives to introduce legislative requirements for aircraft using Australian airports to pay fees and charges for the use of those airports.

CASA Database

Bankstown Airport Limited recommends that the National Aviation Policy White Paper introduces initiatives to introduce real time updates of CASA databases which include detail of foreign aircraft operating in Australia.

Strategic Industry Leaders Group

Bankstown Airport Limited recommends that the National Aviation Policy White Paper include initiatives to review and implement the recommendations of the Strategic Industry Leaders Group report, submitted to the Federal Government last year.

Aviation Infrastructure

Bankstown Airport Limited recommends that the Australian Government invest in modern, world class air navigation technology to improve the safety and operation efficiency of the capital city General Aviation Airports.

Chapter 6 - Industry Skills and Productivity

Bankstown Airport Limited recommends that the Federal Government initiates further support schemes to attract school leavers to the industry as well as fiscal support to airports who take on apprentice and trainee personnel.

Australian Government investment in a General Aviation Excellence Centre at Bankstown Airport

Bankstown Airport Limited recommends that the Federal Government develop a General Aviation Centre of Excellence at Bankstown Airport which includes:

- *General Aviation Management Skills Academy*
- *Flight Training Excellence Centre*
- *Air Traffic Control training facility*
- *CASA training and operation facilities*
- *TAFE and university aviation courses*
- *Aviation security training facilities*

Chapter 8 - Airport Investment

Sydney's Long Term Aviation needs

Bankstown Airport Limited recommends that the Federal Government adopt a comprehensive Sydney Basin Aviation Strategy which includes the introduction and maintenance of scheduled passenger services in Code 3C aircraft at Bankstown Airport.



Airport Planning Advisory Panels

Bankstown Airport Limited recommends that:

- *Any Advisory Panels be constituted on a State or National level with a skilled membership representing a balance of commercial as well as planning interests. The Panels should provide a venue for the Minister to review technical and disputed material contained in Airports Master Plans and Major Development Plans submitted by major Airports.*
- *The Advisory Panels should be constituted on an 'as required' basis, have a membership drawn from senior State Government representatives (but not from within Government), supplemented by recognized national consulting entities. They must not include community representatives. The Advisory Panels should be constituted to provide direct advice to the Minister, should not extend the existing approval time frames and should be funded by the Federal Government.*
- *Any new planning review measures should be implemented only AFTER a comprehensive costing and impact study which includes both the cost to the Airports and to the General Aviation customers. This should be undertaken by a party independent of the Department of Infrastructure & Transport.*

Community Consultation

Bankstown Airport Limited recommends that:

- *Airport Consultative Committees remain on a discretionary basis (with the exception of SACF) to provide two way communications between Airport Leasing Companies and their stakeholders.*
- *Federal and State Government membership of consultative committees should be encouraged.*
- *The Minister should be able to request the formation of a consultative committee to meet the requirements for a specific project or planning activity.*
- *The effectiveness of individual airport community consultation programs should be reviewed during the Annual Head Lease Review.*

Clarity of Planning

Bankstown Airport Limited recommends that:-

- *The Federal Government retain the existing 20 year Master Plan Process, with the requirement to provide additional detail only for those sites that have committed and funded plans for developments within the 5 year planning cycle. Additional detail should not exceed that required by offsite development controls and may include preliminary assessments of community impact in areas such as traffic, storm water management and noise.*
- *The National Aviation Policy White Paper includes provision for a scaling of Airport Master Plan content to match the size and activity of specific airports.*

Precinct Plans

Bankstown Airport Limited recommends that Precinct Plans be called for on an as required basis linked to a cumulative development value for the precinct.



Triggers for MDP's

Bankstown Airport Limited recommends that:

- *Any new or changed policy which arises from the National Aviation Policy White Paper includes a 12 month implementation period to allow commercial and operational policies to be developed and communicated by all stakeholders. This 12 month period will allow airport leasing companies to develop specific cost recovery strategies and communicate these to airport users.*
- *Any new planning review measures should be implemented only AFTER a comprehensive costing and impact study which includes both the cost to the Airports and to the General Aviation customers. This should be undertaken by a party independent of the Department of Infrastructure & Transport.*

Prohibited Developments

Bankstown Airport Limited recommends that the existing planning and approval protocols for Airport developments are utilised to ensure that safe, appropriate and complimentary developments occurs on airports and that no new restrictions are introduced without commensurate compensation.

Increasing controls without compensation

Bankstown Airport Limited recommends that the introduction of new controls and reviews on Airport development is supported by a review of the expensive administrative process currently in place with a view to off-setting these additional expenses and minimising the potential costs to Airport users.

Chapter 10 - Noise Impacts

Bankstown Airport Limited recommends that:

- *The Federal Government fund the development and implementation of an enhanced TNIP product to support the existing levels of airport noise consultation and management.*
- *Any new policy should include the requirement for Local and State Government to consult with airport leasing companies on property developments adjacent to airports and that Local and State Government and developers are obligated to disclose airport locations and noise levels to their customers as part of their commercial activities.*
- *Aviation participants report and monitor only those noise emissions that they create.*
- *The timeliness and quality of aviation traffic reporting from Airservices Australia is improved to allow the utilisation of this data to report on community noise issues.*
- *No new operating restrictions be introduced to Camden and Bankstown Airports.*
- *Web Track Technology is expanded to support noise monitoring and reporting activities at General Aviation Airports through the introduction of transponder technology to all General Aviation Aircraft.*



Detailed Discussion

Chapter 2 - Aviation Security

Bankstown Airport Limited recommends that:

- *Security policies for smaller and regional airports take into account the lower security risks at those airports and the ability of users to pay for enhanced security measures.*
- *Aviation security policies continue to be supported by direct Federal Government contribution to those regional airports that generate low levels of passenger income but provide important aviation links to regional destinations.*

Airports with lower passenger volumes will require Federal Government funding to meet the high capital costs of modern security technology. This applies both for passenger and baggage screening equipment and for enhanced perimeter security and access controls at Airports that start new or expanded passenger operations. It will be particularly relevant where the Federal Government makes new policy for security based on Aircraft MTOW which will change security requirements for smaller and regional Airports.

Even with capital expenditure support from the Federal Government, the ongoing operational cost of security upgrades may be unaffordable and insufficient operating expertise may not be able to be attracted to regional and or remote locations. 'Consistent' security arrangements may be difficult to implement given the disparity of operational profiles and the wide ranging revenue base for different RPT and charter operations. The National Aviation Policy Green Paper does not address the application of security controls at GAAP airports, particularly in relation to policy certainty for the use of ASIC.

Chapter 4 - Domestic and Regional Aviation

Bankstown Airport Limited recommends that the Federal Government actively supports the introduction of scheduled passenger services in Code 3C aircraft at Bankstown Airport.

Bankstown Airport Limited supports the National Aviation Policy Green Paper's commitment to Remote and Regional Australia and confirms Bankstown Airport's suitability for passenger services to Remote and Regional destinations for eastern Australia. With its central Western Sydney location and low operating costs Bankstown Airport will serve the growing demand for regional and point to point east coast passenger traffic. Up to 12 movements per day of code 3C (regional) aircraft are approved under its current Bankstown Airport Master Plan. Bankstown Airport has the potential to act as a hub for services to Regional NSW and to provide direct services to Melbourne, Brisbane and Canberra. This role is important in the current operating environment and will compliment the proposal for a second Sydney airport outside of the Sydney Basin.



Encourage Australian low cost carrier formation and operation

Bankstown Airport Limited recommends that the Federal Government encourages the development of Australia low cost carriers through planning for Code 3C aircraft at secondary airports and by providing specific financial development initiatives.

Low cost carriers are operating successfully in Australia and have created new markets and travel opportunities for the Australian public. They have maintained safety and operational standards and introduced innovation in routes, product and operational management.

The introduction of low cost carriers has created new routes that have brought specific economic benefits to secondary capital cities such as Adelaide. This same benefit in employment and economic growth will occur at secondary Airports, such as Bankstown, and at regional Airports. The passenger volumes created by low cost carriers will offset the cost of additional security requirements, create new job opportunities in maintenance and aviation support and will provide a much needed boost for tourism.

Chapter 5 - General Aviation

Sports Aviation

Bankstown Airport Limited recommends that the peak body organisations for ultra lights/sport aviation aircraft be required to provide aircraft ownership details to Airport Leasing Companies so that aircraft can be identified for commercial, safety and compliance matters.

The National Aviation Policy Green Paper notes the important contribution that the Sport Aviation sector of the General Aviation industry. Bankstown Airport Limited notes that the Sport Aviation sector aircraft are not on the CASA register and therefore Australian airports are not able to administer commercial, safety and regulatory compliance matters, as the peak bodies are not required to provide aircraft ownership details. This is a national safety and compliance matter which affects all General Aviation airports and should be addressed at the Federal policy and legislative level.

Planning Certainty

*Bankstown Airport Limited recommends that the Government develop clear and simple guidelines for the content of Airport Master Plans, to apply to **all** regulated airports. The guidelines will provide an even playing field for Airport Leasing Companies in the content of the Plans and manage airport user's expectations on the content and scope of these Plans.*

The National Aviation Policy Green Paper forecasts an intention to provide 'greater certainty' in planning for General Aviation Airports. Bankstown Airport Limited notes that there is no detail regarding the 'greater certainty' that is to be provided in airport planning arrangements for the General Aviation industry:



- 'greater certainty' may limit the flexibility for Airport Leasing Companies to meet commercial requirements and specifically works against the 20 year planning window of the Master Plan cycle;
- the reduced flexibility will limit investment initiatives, increase approval times and may create the necessity for additional Minor Variation applications; and
- General Aviation Airport users should receive the same detail in Master Plans that passenger and freight operators receive on other Australian airports. The operators of the General Aviation airports, with significantly lower revenue streams, should not be required to provide more detail than those larger airports which service General Aviation traffic. The proposed policy would only apply to the 22 federally regulated airports and will therefore provide a competitive advantage to the non-regulated group.

Airport Fee Recovery

Bankstown Airport Limited recommends that the National Aviation Policy White Paper includes initiatives to introduce legislative requirements for aircraft using Australian airports to pay fees and charges for the use of those airports.

Bankstown Airport Limited notes that the National Aviation Policy Green Paper does not suggest any initiatives to assist the airports recovery of charges for use of General Aviation airport infrastructure. Such an approach means higher charges for users who do the right thing. Bankstown Airport is an example of the complexities this creates:

- Bankstown Airport has over 1000 movements per day;
- 200 aviation customers never pay their user fees in less than 90 days
- Unrecoverable aero charges average \$75,000 per annum.
- Recovery of aero charges from aviation users costs Bankstown Airport Limited \$125,000 per annum.
- Bankstown Airport Limited has over 720 customers' per annum that use the airport less than twice per month. Typically these customers pay late and will not respond to Bankstown Airport Limited requests for payment.

The ability to raise revenue in a guaranteed and commercial form is a fundamental element in the provision of debt and equity to fund airport infrastructure. In the current economic environment it will not be possible to raise funds for the improvement of General Aviation Airports without a guaranteed revenue stream from the aviation activity. Any moves to provide greater certainty for airport users in the planning process must be balanced with the provision of greater certainty for airport lease holders in their revenue streams.

CASA Database

Bankstown Airport Limited recommends that the National Aviation Policy White Paper introduces initiatives to introduce real time updates of CASA databases which include detail of foreign aircraft operating in Australia.

Bankstown Airport Limited notes that there are no initiatives to improve CASA aircraft databases. The existing databases are frequently more than 30 days out of date (meaning airports cannot identify owners or users to recover fees). In addition foreign owned aircraft remain unidentified in the CASA databases.



Bankstown Airport Limited National Aviation Policy Green Paper Submission

- Approximately 100 foreign registered aircraft are flown to Australia for maintenance at Bankstown Airport every year and a billable party cannot be identified. Compliance, safety and security matters cannot be applied, and charges cannot be recovered.
- There should be a regulatory requirement for a database of responsible parties for all foreign aircraft that is kept up to date on a weekly basis.

Strategic Industry Leaders Group

Bankstown Airport Limited recommends that the National Aviation Policy White Paper include initiatives to review and implement the recommendations of the Strategic Industry Leaders Group report, submitted to the Federal Government last year.

General Aviation has a lower public and political profile and consequently the industry needs are often overlooked. This issue was partly addressed in 2007 with the formation of an Industry Leaders Group. To ensure the future growth of the industry, the outcomes of the 2007 Strategic Industry Leaders Group should be reviewed and implemented. This comprehensive review proposed a number of sensible and affordable initiatives which would assist the industry and improve relationships between the General Aviation industry and Airport Leasing Companies.

Aviation Infrastructure

Bankstown Airport Limited recommends that the Australian Government invest in modern world class air navigation technology to improve the safety and operation efficiency of the capital city General Aviation Airports.

Currently, the capital cities General Aviation Airports (GAAP) rely on 1960's air navigation technology such as the Non-Directional Beacons. This old and non specific technology degrades both the safety and operational efficiency of these airports and does not support the international marketing focus of our national flight training industry. The National Aviation Policy White Paper must include initiatives for the Federal Government to invest in modern Airport and aviation infrastructure with a specific focus on navigational aids.

For example the introduction of GPS technology should be expedited at GAAP Airports where high levels of activity and a diverse range of aircraft operate. This technology would allow precise aircraft tracks to be created delivering improved safety and noise management outcomes. This technology may also allow modification to the controlled airspace zones and potentially improve the efficient use of airspace.

The Government may also wish to carry out a cost benefit analysis of the installation of transponders on all General Aviation aircraft. The installation of these devices will provide, for the first time, the positive ability to track General Aviation aircraft for safety, security and environmental applications.



Chapter 6 - Industry Skills and Productivity

Bankstown Airport Limited recommends that the Government initiates further support schemes to attract school leavers to the industry as well as fiscal support to airports who take on apprentice and trainee personnel.

Bankstown Airport Limited generally supports the skills and training initiatives in the National Aviation Policy Green Paper. The skills program needs to be expanded to include those skill sets required for airport operations. These include the skills required for:

- Technical operation officers;
- Airport reporting officers;
- Airport operation managers.

While much of the focus in the current and forecast initiatives for industry skills and productivity have focussed on filling gaps in flight operations and aircraft maintenance, there are growing problems in the provision of suitably qualified staff on Airports. The most obvious of these are in the area of security, however increasingly the skills gaps are impacting on recruiting for mid level airport management. The increasingly complex regulatory environment has created an increase in demand for management positions in Federal Government including the Office of Transport Security and CASA. This demand has highlighted the current national skill shortage in airport operations.

Australian Government investment in a General Aviation Excellence Centre at Bankstown Airport

Bankstown Airport Limited recommends that the Federal Government develop a General Aviation Centre of Excellence at Bankstown Airport which includes:

- *General Aviation Management Skills Academy*
- *Flight Training Excellence Centre*
- *Air Traffic Control training facility*
- *CASA training and operation facilities*
- *TAFE and university aviation courses*
- *Aviation security training facilities*

Bankstown Airport is one of Australia's premier general aviation airports, bringing together training, maintenance, charter, sales and freight along with a strong regulatory and operational element. There is an opportunity for the Federal Government to utilise this aviation centre of gravity and its strong employment and infrastructure focus to develop a General Aviation Centre of Excellence.

There is an opportunity for the Australian Government to purchase (or in the alternative to support the Airport Leasing Company acquiring the 20 year leasehold) the Riverwood Golf Course site which is contiguous to Bankstown Airport. This would allow:

- Expanded training facilities including a Centre of Excellence
- Increased safety in the immediate airport vicinity
- Additional General Aviation precinct, infrastructure and facilities
- Appropriate developments to be controlled by the Minister

Bankstown Airport is ideally suited to act as a Centre of Excellence for Aviation. It is located in Australia's most important city with access to a skilled workforce. Bankstown Airport offers



easy access to metropolitan Sydney and Canberra and already has New South Wales TAFE, UNSW and Australia's best commercial flying schools. Additional Government investment in industry education will provide a much needed skills and productivity boost for Western Sydney.

Chapter 8 - Airport Investment

Sydney's Long Term Aviation needs

Bankstown Airport Limited recommends that the Federal Government adopt a comprehensive Sydney Basin Aviation Strategy which includes the introduction and maintenance of scheduled passenger services in Code 3C aircraft at Bankstown Airport.

Bankstown Airport Limited reiterates the need for Sydney Basin to be managed as a single, highly efficient, integrated aviation site, with each of the four airports in the basin focusing on what it does best:

- Sydney KSA for high quality gateway passenger operations.
- Richmond Airport for Defence, dedicated freighter and medium and heavy maintenance.
- Bankstown Airport as a multi use airport for General Aviation and limited point to point passenger services.
- Camden Airport as a light sport and recreation aviation hub.

While recognising the Government's intention to defer the decision of a Second Sydney Airport until after Sydney Airport's Master Plan is approved, Bankstown Airport Limited is concerned that the ongoing lack of a decision over a long term plan for Sydney basin will have capacity, planning and investment impacts on the four government owned airports in the basin. These four airports are an essential element of the short and long term solution to aviation capacity for the nation's gateway and the Federal Government must begin a Sydney Basin planning process as soon as possible.

Airport Planning Advisory Panels

Bankstown Airport Limited recommends that:

- *Any Advisory Panels be constituted on a State or National level with a skilled membership representing a balance of commercial as well as planning interests. The Panels should provide a venue for the Minister to review technical and disputed material contained in Airports Master Plans and Major Development Plans submitted by major Airports.*
- *The Advisory Panels should be constituted on an 'as required' basis, have a membership drawn from senior State Government representatives (but not from within Government), supplemented by recognized national consulting entities. They must not include community representatives. The Advisory Panels should be constituted to provide direct advice to the Minister, should not extend the existing approval time frames and should be funded by the Federal Government.*
- *Any new planning review measures should be implemented only AFTER a comprehensive costing and impact study which includes both the cost to the Airports*



and to the General Aviation customers. This should be undertaken by a party independent of the Department of Infrastructure & Transport.

It is not clear where the failure has been in the current approvals process that has created a perceived need for these expert planning panels to provide an additional review. At Camden and Bankstown Airports, the current process works and provides the airport stakeholders a comprehensive opportunity to engage in the planning process. The current planning rigour does not need another level of review. Bankstown Airport Limited is concerned that unquantifiable time and expense may be introduced into the planning process by the introduction of these Advisory Panels. The makeup of the Panel, if skewed towards local or regional interests, may lead to unrealistic requests and process delays.

If the decision is made to implement Planning Advisory Panels for Airport Developments, then they must be formed and operated with clear terms of reference and review criteria, formulated in consultation with the Airports peak bodies. These detailed criteria may include:

- Advisory Panels should only consider non-aviation development activity contained in Airport Master Plans or MDP's, submitted by major Airports, that meet materiality criteria in relation to off-airport impacts;
- The membership of the Advisory Panels is focussed on senior experienced personnel who include State Government representatives (but not members from within Government) from Premier's Department, State and Regional Development and Infrastructure, supplemented where necessary by skilled support from nationally recognised consulting organisations.
- The Advisory Panels should not be permanent organisations, but rather formed on a five yearly basis to meet the Master Planning cycle or more frequently for Major Development Plans that meet materiality criteria.
- The Advisory Panels should supplement the existing review process undertaken by the Minister and should undertake their review and report to the Minister within the current Airports Act review time frames. Any report to the Minister should be made available to the Airport Leasing Company for review.
- The Advisory Panel should be fully funded by Federal Government.

The advantage of a national level advisory panel which involves both Federal Government Agencies and State Governments is the provision of a venue to resolve inter-government issues which impact on Airport development. For example,

- Problems in communication between Commonwealth Government and State Government agencies and Governments has led to increased cost and difficulties in securing new services infrastructure at Bankstown and Camden Airports. For example, Sydney Water has formally refused to own new assets and infrastructure on Bankstown Airport due to the impasse between Federal and State legislation and the jurisdictions under which each operate. The Airport Leasing Company will be required to expend significant costs and resources in maintaining and owning this infrastructure and this is not their core business. This is another example of Bankstown Airport operating at a competitive disadvantage to the rest of the market.
- The titling and easements issue with the New South Wales LPI has highlighted difficulties in co-operation between the two levels of Government. The lack of certainty regarding titling further erodes investor and financier confidence, adds considerable time and cost to any new development proposals and leads to confusion and mistrust at the service provider level.



Community Consultation

Bankstown Airport Limited recommends that:

- *Airport Consultative Committees remain on a discretionary basis (with the exception of SACF) to provide two way communications between Airport Leasing Companies and their stakeholders.*
- *Federal and State Government membership of consultative committees should be encouraged.*
- *The Minister should be able to request the formation of a consultative committee to meet the requirements for a specific project or planning activity.*
- *The effectiveness of individual airport community consultation programs should be reviewed during the Annual Head Lease Review.*

The process of Community Consultation works efficiently at Bankstown Airport and does not need enhancement. The Bankstown Airport Community Consultation Forum has been in place since 2004 and has been well received by the Airport stakeholders. Camden Airport does not have a consultative forum and there has been no long term interest in the Community or Airport stakeholders forming a consultative organisation.

The guidelines for Community Consultation are already well covered in the Consultation Guidelines issued by the Government, and these guidelines might be expanded to include the following:

- The membership of consultative forums should be discretionary to meet the particular airport requirements. A “one size fits all” solution will not work for airports which vary in size from Camden Airport to Sydney KSA.
- Airport Consultative Forums should provide community feedback to the Airport and make independent submissions to Master Plans and MDP’s. There should be no direct line to the Minister.
- The cost of operating consultative committee’s will be significant if the committee is too large. If the membership and charter of the committee is mandated by the Government, the cost of operating the committee should be met by the Government.
- Regardless of the membership and form of the Consultative Committee, it must provide two way communications. Local and State Government should be required to consult with the airports on the same level and with the same detail that the airports will be required to provide.

There is a potential that the initiatives contained in the National Aviation Policy Green Paper in relation to community consultation may create unrealistic expectations in the community regarding the level of commercial information that will be provided and in their role in the control of airport operations and development. Airport Leasing Companies must retain confidentiality of sensitive commercial information.

Clarity of Planning

Bankstown Airport Limited recommends that:-

- *The Federal Government retain the existing 20 year Master Plan Process, with the requirement to provide additional detail only for those sites that have committed and funded plans for developments within the 5 year planning cycle. Additional detail should not exceed that required by offsite development controls and may include*



preliminary assessments of community impact in areas such as traffic, storm water management and noise.

- *The National Aviation Policy White Paper includes provision for a scaling of Airport Master Plan content to match the size and activity of specific airports.*

An increase in the detail required in Airport Master Plans is not necessary. Any significant development on airports is captured by the Major Development Plan process which provides specific detail that relates to a specific project and fits within the time frame for commercial development of the airport sites. Additional detail in Master Plans is contrary to the concept of a high level 20 year plan of the type developed by state governments. Experience with the existing Master Plan process has indicated that **any** change to the content of the Plan has the potential to generate the requirement for an expensive and time consuming Minor Variation process. Airports cannot afford to include additional detail in the Master Plan that will not allow reasonable commercial flexibility. It may be reasonable for airport leasing companies to identify detailed development activity within the subsequent 5 years where it is known however, Airport Leasing Companies need to retain the flexibility required for commercial outcomes.

Detailed ground transport plans should not be required in the Master Planning stage. These are more relevant to specific precinct planning and development as the details of site utilisation and vehicle type will not be available in sufficient detail until specific users are identified. A reasonable alternative is for the development of a ground access strategy focussing on interface points between the Airport and the local community, supplemented by more detailed traffic management plans related to specific commercial or aviation developments.

Additional detail in the Master Plan will create additional cost in the Master Planning process. This cost cannot be met by smaller airports and will be passed on to the General Aviation customers on those airports. This is at odds with the intention of the Government to 'help address the burden of regulatory charges, including charges on the General Aviation sector'. Any increase in Master Planning detail must be matched with a corresponding decrease in the detail required for Major Development Plans and greater certainty in revenue streams generated from Airport activity.

The current Master Planning Process places an unreasonable burden on the smaller General Aviation Airports. The current process and any political demand for additional detail appears to be generated by problems with the larger capital city Airports, who are much better able to meet the very high planning costs. Any requirement for additional detail would increase these costs and make it even more difficult for compliance by small Airports. For example, Camden Airport Limited will be required to spend the equivalent of a full year EBITDA to meet the current Master Planning requirement.

Planning provisions for airport development (non-aeronautical) should be no more stringent than that for offsite local/state activities. The Federally regulated Airports already operate under competitive disadvantage with the unusual sub lease structure and tenure arrangement (41 years plus an option of 49 years). This does not provide investors/owner occupiers or tenants with sufficient security of investment or tenure and in the current environment of difficult credit markets, banks are even more unlikely to finance further development on leasehold land and be willing to take a position as a second mortgagee. Any further moves by the Government to increase planning requirements and control will only further erode competitive neutrality for Airports.



Precinct Plans

Bankstown Airport Limited recommends that Precinct Plans be called for on an as required basis linked to a cumulative development value for the precinct.

Precinct plans should only be necessary where an airport leasing company has a clear commercial intention to release and commercially develop a single precinct. Where this immediate commercial driver does not exist, precinct plans may limit commercial development by forcing Airport Leasing Companies to forecast developments without a specific commercial intention. The current Master Planning Process requires development concepts which specify potential land use over a 20 year period. Where an Airport Leasing Company has a specific development plan within a 5 year period, this could be included in the Master Planning Process.

Under the current process the Minister may, based on advice from the Airport Building Controller, deem that multiple concurrent developments exceed the \$20million limit and subsequently call for a Major Development Plan. This will then generate the requirement for Precinct Plans. This is an existing process which works to protect the airport stakeholders and retains commercial flexibility.

Triggers for MDP's

Bankstown Airport Limited recommends that:

- *Any new or changed policy which arises from the National Aviation Policy White Paper includes a 12 month implementation period to allow commercial and operational policies to be developed and communicated by all stakeholders. This 12 month period will allow airport leasing companies to develop specific cost recovery strategies and communicate these to airport users.*
- *Any new planning review measures should be implemented only AFTER a comprehensive costing and impact study which includes both the cost to the Airports and to the General Aviation customers. This should be undertaken by a party independent of the Department of Infrastructure & Transport.*

This section of the National Aviation Policy Green Paper requires further clarification and in particular:

- The 'call in' power will significantly increase the risks associated with property development and will reduce the willingness of shareholders to investment on airport sites.
- 'Objective criteria' need to be developed in consultation with the airports.
- This initiative has been developed for the larger airports and will have a significant negative commercial impact on the smaller (GAAP) airports.
- The Minister already has significant discretionary powers under the 'Airports Act 1996' to both require an MDP and request additional information under the current 'stop the clock' provisions.

Off-airport development safeguards

The National Aviation Policy Green Paper proposes policy to safeguard airports from inappropriate off-site developments, which is supported by Bankstown Airport Limited. As a minimum, the relevant State and Local Government should have equivalent requirements to the airports for consultation on development. Public Safety Zone policies have already



significantly reduced the available development land on Australian Airports. A coherent and sensible policy needs to be developed based on a clearly defined risk analysis and consultation with the Aviation Industry.

Dispute Resolution

The proposal for 'tiered' price monitoring requires significantly more detail. This has the potential to create an administrative burden for the GAAP airports. Pressure will be exerted on Government through vexatious complaints from smaller tenants which will result in the implementation of unnecessary price monitoring. Existing Federal and State laws, market forces and commercial agreements are sufficient for price controls.

Prohibited Developments

Bankstown Airport Limited recommends that the existing planning and approval protocols for Airport developments are utilised to ensure that safe, appropriate and complimentary developments occurs on airports and that no new restrictions are introduced without commensurate compensation.

Under the current regulatory environment, prohibited developments are limited to those that would have a specific impact on Airport operations or reputation (for example residential development and brothels). This was the basis on which the purchase and sale agreements for the Airport leases were negotiated and a considerable number of developments have occurred under that regime. Financial arrangements have been entered into with shareholders and financiers on the basis of the purchase and sale agreements and the existing planning protocols provide adequate protection for airports and communities to prevent inappropriate or unsafe development.

A number of Australia airports already have developments which will fall into the 'prohibited development category' proposed in the National Aviation Policy Green Paper and Bankstown Airport has entered into commercial negotiations with customers in this same category. It is unacceptable for the Government to introduce additional development restrictions without appropriate compensation to the Airport Leasing Companies.

If the driver for these prohibited development categories is aircraft noise, then the existing national and state guidelines for developments, currently utilised by the AEO and ABC, should be sufficient to determine the suitability of developments for specific locations on Airports. By developing lists of prohibited developments based on an ill defined concept of 'common sense', Airport Leasing Companies will be placed at a competitive disadvantage over off-site developers who are able to develop plans utilising recognised and practised standards.

Increasing controls without compensation

Bankstown Airport Limited recommends that the introduction of new controls and reviews on Airport development is supported by a review of the expensive administrative process currently in place with a view to off-setting these additional expenses and minimising the potential costs to Airport users.

The initiatives contained in the National Aviation Green Paper do not address critical issues such as:



- The requirement to pay ex gratia Council rates without any corresponding Council services provided to airport sites.
 - The requirements to pay ex gratia land tax for tenants whose leases were developed by the Commonwealth Government with no provision to recover that ex gratia land tax as an outgoing.
 - The obligation to pay for the Airport Environment Officer with little or no control over the tasking, role or time allocation of the position.
 - The Department's requirement to increase insurance levels and corresponding leasing company costs.
 - The rigid and ad hoc application of heritage requirements by Federal Government departments and representatives with limited opportunity for review. Any challenges require airports to obtain additional expert consultation that is both costly and time consuming.
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Chapter 10 - Noise Impacts

Bankstown Airport Limited recommends that:

- *The Federal Government fund the development and implementation of an enhanced TNIP product to support the existing levels of airport noise consultation and management.*
- *Any new policy should include the requirement for Local and State Government to consult with airport leasing companies on property developments adjacent to airports and that Local and State Government and developers are obligated to disclose airport locations and noise levels to their customers as part of their commercial activities.*
- *Aviation participants report and monitor only those noise emissions that they create;*
- *The timeliness and quality of aviation traffic reporting from Airservices Australia is improved to allow the utilisation of this data to report on community noise issues.*
- *No new operating restrictions be introduced to Camden and Bankstown Airports.*
- *Web Track Technology is expanded to support noise monitoring and reporting activities at General Aviation Airports through the introduction of transponder technology to all General Aviation Aircraft.*

Bankstown Airport Limited has effectively utilised the Community Consultative Forum and Fly Neighbourly policy to minimise noise complaint issues and supports the National Aviation Policy Green Paper initiative to replicate this process with other airports. It should be noted that noise amelioration programs cannot be funded by the small revenues generated by general aviation traffic at GAAP, Regional or even Remote Airports.

Bankstown Airport Limited supports the enhancement of TNIP to provide greater transparency to the community on airport noise profiles. This enhancement should include support from Government as the area of aircraft noise modelling is highly specialised and General Aviation Airports do not have the resources to manage or utilize such programs.

The Policy should include requirements for Local Government to disclose Airport locations and noise forecasts in any development consent documentation and require the same of property development. The Policy should address the need to limit residential development in flight paths or adjacent to Airports.



Conclusion

A successful Aviation industry is built on the alignment of all stakeholders including:

- Airports
- Aircraft owners
- Pilots and students
- Aircraft users ((passengers, freight, senders etc)
- Community
- The Australian Government

To maximise industry growth and employment for working Australians and improve services and facilities for the broader community, the National Aviation Policy must strike a balance.

Presently there is limited alignment. Bankstown Airport Limited looks forward to this important Policy initiative being the catalyst to improving the aviation industry for the benefit of all Australians.

Aviation regulatory regime amendments are a necessary and desirable outcome for an industry that is constantly evolving. New regulations should be drafted with the understanding of the following.

- Changes impact airport leasing companies and their stakeholders for the 90 year balance of their head lease.
- Increased regulatory compliance costs result in changes to airport service levels and infrastructure where there is no or reduced ability to recover the costs from users.
- There is a need for the Australian Government to continuously train and inform aviation users, in particular general and regional aviation operators, about the complex regulations and their amendment. More needs to be done than a concentrated campaign at the introduction of new measures.
- An increasingly complex regulatory environment needs consistency and continuity in the regulatory teams. This has not occurred in the past:
 - Bankstown and Camden and Sydney Airports have had three statutorily appointed Airport Environment Officers in the 5 years since privatisation.
 - Turnover in DOIT personnel is high. New Department officers rarely have direct airport experience and have increasingly less time available to visit airports they remotely regulate on a day to day basis.