



27 February 2009

Aviation Green Paper
Department of Infrastructure, Transport,
Regional Development and Local Government
GPO Box 594
Canberra ACT 2601

By facsimile to: 02 6274 6749 (4 pages), 27 February 2009, and by mail

The Directors and Management of Hobart International Airport Pty Ltd (HIAPL) welcome the Minister's initiative to develop a National Aviation Industry Policy.

HIAPL is pleased to continue participating in this process, with the following submission in response to the Minister's invitation to consider and comment on the Aviation Green Paper. This follows HIAPL's response to the Issues Paper that preceded the Green Paper.

HIAPL has again been pleased to participate very actively in preparing the submission by the Australian Airports Association (AAA) on the Green Paper and accordingly endorses and supports that submission. At the same time, HIAPL has some perspectives of its own that it wishes to provide Government, as well as a wish to reinforce certain points made by the AAA that are of particular importance.

We take this opportunity to note that HIAPL's perspective for Hobart Airport has particular influences:

- While Hobart is a capital city airport it also has a quite modest air traffic base.
- As an island state, Tasmania especially relies on its airports, both economically and socially.
- Geographically, Tasmania is, and would continue to be, 'on the end' of domestic and international aviation networks.
- Hobart Airport operates, relatively unusually, in a very competitive airport market within the small Tasmanian region.

HIAPL notes the theme throughout AAA's submission encouraging Government not to take a 'one size fits all' approach. The above characteristics, we believe, provide a good example in support of AAA's position.

HIAPL also notes AAA's encouragement to Government to explain its responses to AAA's submission. HIAPL would be grateful to receive the same in respect of its own modest input.

Aviation security

- Current policy and practice makes the designated airports fully responsible to assess their own local/regional security risk contexts, from which a great deal of responsibility then follows. As a relatively small and remote airport amongst the airports covered by this regime, with consequent limits on fully skilled resources, Hobart and airports like it would benefit from a policy that allowed assistance from the Commonwealth, and a consequent shared responsibility, in this risk context requirement.

International aviation

- HIAPL strongly supports AAA's objective in its observation that existing revenue collected for border security ought to be enough to cover the costs of border security for future operations at emerging international airports. Hobart naturally and sensibly aspires to international services again. We would just want to make sure Government is not distracted from this point by AAA's earlier observation about border agency capacity for existing international services. This observation is only background to AAA's core point about the capabilities *actually* provided by the PMC for additional servicing, once hypothecated.
- AAA's submission reports, and supports, the view of "the tourism industry" on the effectiveness of a restricted cabotage regime in which approval is given on routes that domestic airlines cannot, or will not, service. HIAPL is keen to advise Government that this view about cabotage is HIAPL's particular view as well. While Hobart's and Tasmania's characteristics as noted above on the one hand raise the 'commercial' hurdle against domestic airlines servicing new routes that would seem 'thin' to them, on the other hand such additional opportunities could provide sufficient marginal additional benefit to *lower* the hurdle for an operator looking to introduce international services to Hobart; for example, by providing the opportunity for a triangulation with a domestic leg.
- HIAPL strongly supports AAA's view about the safety requirements international operators should meet. To be clear, however, this ought not require international operators to separately hold an *actual* Australian AOC for domestic operations within Australia if the safety of the operator has been otherwise established by Government in approving international operations over and into Australia and its airports. The presumed additional cost would be an unnecessary disincentive to the sort of operation referred to in the previous point.

Domestic / Regional aviation

- The Green Paper notes current regional air service subsidisation eligibility arrangements. Services to Hobart Airport have not been eligible. Meanwhile, the competing mode of access for people to this region - the Bass Strait passenger ferry - receives the equivalent of such air service subsidisation via the Bass Strait Passenger Vehicle Equalisation Scheme. HIAPL believes policy should provide for balance in assistance for services into a common market and asks that assistance arrangements be formally reviewed, for equity particularly but also regarding the efficiency of public spending on existing arrangements. HIAPL notes this would be an ongoing matter for both Commonwealth and State budgetting.

Aviation Infrastructure

- HIAPL strongly supports AAA's very practical advocacy of planned aeronautical land being able to be used for other purposes until demand requires its use for actual aeronautical purposes. Aeronautical revenue will always be significant for airport owners and it will not be in their interests to impede growth in this core area, even for short term greater returns that other uses might provide. Indeed, interim land use for commercial return *reduces* any pressure to later sacrifice aeronautical capacity for ongoing commercial return. As landlord, an airport owner holds the controlling hand to ensure the interim land uses have ceased by the time the aeronautical capability is required. In its master planning processes, an airport owner can and will keep track of what aeronautical capability will be required and when it might be required and will arrange the termination of interim land uses such that aeronautical land uses may progress as and when required.

- HIAPL and Clarence City Council, as the single local government body surrounding Hobart Airport, maintain a very good relationship. Clarence has very recently been experiencing rapid development, in parts of the previously undeveloped areas that surround the airport. It would assist HIAPL, and airport owners like it, to meet their aeronautical obligations if Clarence, and local governments like it, had the benefit of a simple and sustainable obligation to keep those airports actively aware of developments likely to affect their operation. We note AAA makes this general point.
- AAA provides very detailed commentary about Airport Planning Advisory Panels, across a wide range of matters of interest and concern. To the extent Hobart Airport planning would need referral to Panels - after that planning had already met the consultation and content requirements we are required to meet, at the considerable cost involved - HIAPL certainly agrees with AAA that the cost of the Minister's choice to refer should be met by the Commonwealth. Equally, no additional time penalty should result from this choice. It would be inconsistent with other apparent Government objectives in this policy for airports to be *disadvantaged* in terms of time or cost against any other state or local authority approval regime.
- AAA's concern to not be bound by detail in precinct plans is partly expressed by its example of the interim use of an aircraft maintenance precinct for terminal related car parking. HIAPL would add this particularly concerning example: by forcing an airport to be too specific about the *particular* type of use it intends for a non-aeronautical precinct, a later wish - for example, as a reasonable response to circumstances that have unfolded since the master plan - to use it for a use which is consistent with the underlying land use planning but not *precisely* the same as that specified in a detailed precinct plan, could be stymied on that 'technicality' by any party - including, particularly, one with a vested interest to do so.
- HIAPL experienced the expensive and dangerously time consuming anomaly that a terminal expansion to meet a Commonwealth mandate under separate legislation managed by the same Department (checked baggage screening, by a mandated deadline) still had to undergo full Major Development Plan processes. New aviation policy could usefully provide for Major Development Plan triggers to be suspended for such circumstances.
- AAA notes the Airports Act airports will engage with the Government to identify potential uses of airport sites that would not in fact be compatible with airport sites. HIAPL looks forward to participating in this process. We will of course be keen to ensure that the issues that might establish incompatibility are properly viewed; as examples, a solely daytime use should not be assessed against a noise metric that takes special account of nighttime aviation activity, and when the airport is landlord there is a greater degree of control both of how a site is being used and of how its users might react to aircraft noise.
- AAA encourages the review of the EPBC Act for an outcome that would make it and the Airports Act more compatible. In support, HIAPL would like to note the poor interaction has evidently been a burden for the Commonwealth officers involved when MDPs and Master Plans have been submitted. This difficulty has then reflected through to the airports.

Noise Impacts

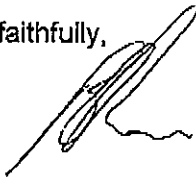
- AAA notes the success of the ANEF metric for Melbourne Airport. HIAPL would like to record that the Noise Exposure Forecast system has also been very successful as a

land use planning tool for Hobart Airport's region. As a point of difference with AAA, then, HIAPL would not want the ANEF to be replaced. HIAPL does support the introduction and formal adoption of other metrics, for use if and as communities and local and State governments need more information about, or a better understanding of, aircraft noise in their region.

- The ANEF system (and presumably the alternatives) does suffer from not having noise data for the latest quieter aircraft. This is a problem in the current master planning process where we are being told to use older noisier aircraft as proxies. This will mean ANEFs will be incorrectly high. Presuming the correct data cannot be sourced in time, HIAPL trusts policy will allow due recognition of this in the assessment of Master Plans.

In closing, HIAPL notes it is one of the airport owners now already part way through preparing its new Airports Act Master Plan. We respectfully endorse AAA's request that any changes to national aviation policy during completion of this work do not place a burden on us in this.

Yours faithfully,



Brett Reiss
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Hobart International Airport Pty Ltd