

27 June 2008

**Executive Director
Aviation and Airports
Department of Infrastructure,
Transport, Regional Development
and Local Government**

Attn: Stephen Borthwick

Dear Stephen,

National Aviation Policy – Issue Paper

Thank you for the opportunity to comment on the questions posed by the National Aviation Policy Issues Paper. We have reviewed the issues described in the paper and respond to relevant questions as follows:

How has the micro-economic reform impacted on general aviation businesses and what strategies need to be put in place to ensure that access to airport infrastructure does not impeded industry viability and growth? Do the needs of general aviation operator warrant changes to airport regulatory and planning arrangements.

One of the reasons the Commonwealth Government decided to privatise secondary airports, was because the airports were operating at a loss. The main reason these airports were operating at a loss was because the general aviation businesses were not paying their way. Aviation related charges introduced by airport owners reflect the true costs of providing aviation facilities and infrastructure.

JAH does not believe that the needs of general aviation operators warrants any change to airport regulatory and planning arrangements.

What role should all levels of government have in protecting secondary airport infrastructure and in providing for new infrastructure?

The Airport Lease document clearly states that the lessee must provide for the use of the Airport site as an airport. Furthermore, the rigid Airport Master Plan process gives Government the opportunity to participate in the planning and protection of airport infrastructure on a regular basis.

JAH does not believe further protection is required.

Are the planning and development mechanisms under the Airports Act working effectively?

The current planning and development mechanisms under the Airports Act are formidable. The resultant cost associated with these mechanisms, such as, the Airport Master Planning and Airport Environment Strategy processes, is substantial and difficult for general aviation airports to bear. Other costs of compliance; security, environmental etc cannot be carried by airport owners without being passed to general aviation businesses on the airport.

JAH believes that a simplification of current planning and development mechanisms would significantly benefit the industry.

How can we improve consultation with state and local authorities and with the community?

The existing consultation process requirements are very similar to consultation requirements and therefore in our opinion, satisfactory.

Could the regulatory regime better facilitate genuine long-term co-operation between airport operator companies and state and local governments on land use planning?

The perceived issue of non co-operation between Airport operator companies and State and Local Governments on land use planning, is debatable. Airports on Commonwealth land, were not considered by State and Local Governments in their planning processes. Now that the airports have been privatised and consultation regimes have been implemented, co-operation between the parties has significantly improved.

How can we better integrate investment on airports with the funding and construction of improved road and rail links to and from our airports?

Co-operation between State and Federal Governments for funding of road and rail links, would improve the integration of on airport investment. Communication and Planning between airports and State and Local Government is working reasonably well but integration breaks down when it comes to infrastructure cost allocation. Airports cannot be expected to cover costs of off airport infrastructure.

What mechanisms might be used to ensure an effective on-going dialogue between airport operators and their local communities?

On-going dialogue between airport operators and local communities is best done through Community Consultative Meetings.

How can the regulatory regime better ensure non-aeronautical developments do not compromise the aeronautical requirements of airlines and airports?

Current Airport Master Plan and Major Development Plan processes are sufficient to ensure that non-aeronautical developments do not compromise aeronautical requirements.

How should the potential commercial impact for off-airport competition be taken into account in planning on-airport non-aeronautical development?

Non aeronautical development is critical for the survival of general aviation airports. It provides the diversity of revenue streams essential for sustaining the airport business and for reducing risks associated with dependence on general aviation income. Non aeronautical development is subject to rigorous control through the Airports Master Plan and the Major development Plan processes. Both of these processes include Stakeholder, Local Government and State Government consultation. Both processes also include public comment periods. Off airport competition therefore has the opportunity to respond to and any comment on, any proposed non aeronautical development proposals.

JAH does not believe further consideration by the Federal Government is required in the potential impact for off airport competition, in planning on airport non aeronautical development.

How can future airport needs best be addressed, recognizing the importance of airports as an element of the national economic infrastructure?

The current Airport Master Plan process establishes the strategic direction for efficient and economic development at the airport over a twenty year planning period. The Airport Master Plan is reviewed every five years with opportunity to address future needs at each review. JAH believes that future airport needs are best addresses through the existing Master Plan process.

We appreciate the opportunity to comment on the questions posed in the Issues paper and look forward to contributing to a National Aviation Policy Green paper.

Yours Faithfully

**JOHN FRASER
MANAGING DIRECTOR**