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Development of a National Aviation Policy Statement
Department of Infrastructure, Transport, Regional Development and Local
Government
GPO Box 594
CANBERRA ACT 2601

Dear Sir/Madam,

Comments on National Aviation Policy Statement

Thank-you for the opportunity to input into the Development of a National Aviation Policy Statement.

The Planning Institute of Australia (PIA) represents around 4600 urban planners and related professions in Australia. PIA is an advocate for better planning systems and actively promotes economically, socially and environmentally sustainable communities. Around half of our members work for local government, thirty percent for the private sector and the remainder for state government and academia.

PIA commends the Department for flagging the issue of approvals of airport development as an area for discussion in the Policy Statement, especially non-aeronautical development on airport sites (P10). The current system of approvals of development on airport land by the Federal Minister for Infrastructure has been a long standing concern for the Institute. PIA has raised this previously in a submission and verbal presentation to a Senate Rural and Regional Affairs and Transport Committee Inquiry into the *Airports Amendment Bill* in 2007.

Expansion of development on airport land is a significant planning issue because of the importance of airports to the national and state economies, the role they play in cities and regions, the lack of transparency in the way their planning is undertaken, and the burden they place on surrounding infrastructure. The risk is that airports will continue to be planned as stand alone activities when clearly they are an integral part of the cities in which they operate.

It is also noted that the Aviation Paper does not cover the issue of impacts of climate change on airport sites (and access and egress from airports) and their capacity to adapt to climate changes such as sea level rises and severe winds and storms. PIA would support a risk assessment be undertaken on all major airport sites to ensure airports can function effectively under different climate change events. This type of assessment may have been undertaken by individual airport lessees but a broad national assessment is also warranted given the national significance of airports.

Current issues

PIA has reiterated in previous submissions that airports are significant economic and social assets for the cities and regions within which they are located. This is demonstrated already at many of Australia's capital city airports and overseas airports, which generate and create significant business and employment hubs.

However, PIA has been concerned for some time about the extent and impacts of non-airport related development that has been approved on airport land around the country.

According to the Productivity Commission, retail and commercial development is underwriting profits for airport operators with up to 70% of revenue at Australia's privatised airports earned from non-aeronautical activities¹.

There are a range of activities that have synergies with being located adjacent to an airport hub and these are supported. There may also be a case for non-airport development to be located on airport sites when consistent with metropolitan, regional and local planning objectives.

Airports that are appropriately located can be significant employment and commercial hubs in the regional economy. The principal however, of competitive neutrality which is promoted in the National Competition Policy, must be upheld and all proponents of development must be subject to the same rules and regulations. The current system promotes a different set of rules in respect of commercial activities on airports, merely because of their tenure and hence regulatory environment that applies.

¹ www.propertyreview.com.au/index.php?id=1456 accessed August 14th 2006

This approval process for airport developments does not allow sound spatial planning to occur when a significant metropolitan developer can operate outside the jurisdiction of proper planning processes. This in turn creates uncertainty for other commercial operators who are required to comply with agreed plans in the same metropolitan area.

Current development approvals on airport land often fail to adequately take account of the off site impacts of airport development including the traffic and transport impacts of airport related development. A process that embraces the identification of funding responsibilities for road and public transport services and infrastructure triggered by airport related development is paramount. Conflict with state and local authorities and other commercial developers is inevitable under the current system, as well as poor spatial planning outcomes.

PIA is also aware of conflicts between proposed and existing development surrounding airports primarily due to aircraft noise. The policy frameworks vary between state and territory. PIA supports transparent policy developed consultatively, that clearly outlines the requirements for development controls around airports.

What improvements can be made to the current system?

PIA supports development on airport land which fits strategically in with development of the region, is subject to the same rules as other developers, and takes into account the infrastructure and non-infrastructure measures required to support the development and mitigate its impacts.

A better way to capitalize on the economic opportunities provided by airports and make them and our cities and regions globally competitive is to have greater integration and a proper process for engaging all three tiers of government into decision making and funding where appropriate.

For these reasons, PIA urges that planning decisions on airport land (for non-aviation activities) must comply with the planning instruments that are in force (whether that be state, regional and and/or local). Airport sites and proposals must be integrated into metropolitan or local plans through the proper channels. PIA supports the previously stated position of the Australian Local Government Association², which advocated that if a proposal is contrary to a state or local planning instrument, reasons need to be provided, if it is approved.

² ALGA submission to *Airports Amendment Bill* accessed at http://www.aph.gov.au/Senate/committee/rrat_ctte/completed_inquiries/2004-07/airports/submissions/sublist.htm

An example of where the regulatory regime for development on an airport site has partially been brought into a local planning scheme is outlined below:

Case Study – Avalon Airport, Victoria

Avalon airport is an 1800 hectare site currently under a 50 year lease from the Department of Defence to Linfox Group. From 1997 it was outside the local planning scheme. However, in 2006 the Victorian Minister for Planning used his powers to include this land in a Special Use Zone within the Greater Geelong Council Planning Scheme. (This was based on previous legal advice about the lawful application of state planning controls over Commonwealth Defence land at Point Nepean, Victoria).

In the case of Avalon, the master plan is approved by the Federal Minister but planning and building require approvals from the local council. To date there has not been a conflict between the Master Plan and the council assessment and this regime still has to be tested.

The current Federal *Airports Act* includes airport development consultation guidelines but PIA understands these are not mandatory and any review should require mandatory consultation.

In addition, the current legislation has deemed “approval” provisions in place that are activated if the Federal Minister has not made a decision within a specified timeframe. This is clearly contrary to current state/territory planning regimes where deemed “rejection” processes apply.

PIA Recommendations

- 1. Non-airport development on airport land must comply and be integrated with surrounding metropolitan, regional or local planning legislation, processes and strategies**
- 2. Metropolitan, regional or local plans must also plan for airports and associated developments as major centres**
- 3. All three levels of Governments must be engaged in this process**
- 4. The relevant State/territory legislation should apply for commercial developments at airports to ensure the same rules apply on the airport land as for other commercial sites in the region**
- 5. Proponents of development on airport land must contribute to the infrastructure and non-infrastructure measures required to support development on and off site and to mitigate on and off site impacts, under a similar regime as other developments in the region**

6. **PIA supports initiatives to amend current legislation to ensure mandatory consultation occurs for proposed developments on airport land**
7. **PIA supports transparent policy developed consultatively, that clearly outlines the requirements for development controls around airports**
8. **PIA supports a broad national risk assessment of major airports and access routes to airports to ensure they can adapt to climate change.**

Attached to this submission is a copy of PIA's National Position Statement on development of non-airport related development at airport sites which outlines PIA's position on this matter.

PIA wants to see better planning outcomes for our airports and trusts the issues raised in this submission will be considered in the review of the National Aviation Policy Statement.

Please contact Liz de Chastel, National Policy Manager on telephone 02 6262 5933 if you require further information on this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Di Jay', with a large circular flourish at the bottom.

Ms Di Jay

Chief Executive Officer
27th June 2008