

Towards a National Aviation Policy Statement: Issues Paper

Submission to the Department of Infrastructure, Transport,
Regional Development and Local Government in relation to
Airport Planning and Development

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The Airport Metropolis Project: Australian Research Council LP0775225

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Table of contents

Introduction	3
Summary of recommendations	4
Research Needs.....	4
Complexities of airport land use decision making.....	4
This submission	5
Context.....	6
Ideas.....	8
Airport area plans	8
Memorandums of understanding.....	9
Consultative committees	9
Planning focus committees.....	10
Amendment of Airports Act and Regulation	10

Introduction

This submission to the Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG) relates to Section 2.1 of the Discussion Paper on Airport Planning and Development. It is concerned with airport area development and governance issues, rather than more explicitly environmental issues (noise, OLS etc) although these are vital related concerns and together need integrated treatment.

This submission was prepared by Robert Freestone, Kym Foster, and Peter Williams for the City Futures Research Centre in Faculty of the Built Environment at the University of New South Wales. Robert Freestone is Professor and Peter Williams is Senior Lecturer in Planning and Urban Development at UNSW. Kym Foster is an APAI PhD Student in the Faculty and former senior head for policy and coordination in aviation and airports for DOTARS.

The authors are connected to the broader *Airport Metropolis Research Project* (Australian Research Council LP0775225) being managed by the Queensland University of Technology (under Chief Investigator Associate Professor Douglas Baker, School of Urban Development, QUT). This submission complements the more wide-ranging submission made by QUT on the Issues Paper in relation to airport planning and development.

Summary of recommendations

The submission offers a number of summary ideas for consideration and further development and research, rather than an exhaustively detailed document. The main recommendations are:

- Need for airport master plans to sit compatibly within a hierarchy of broader local area, sub-regional, metropolitan, state and national plans
- Desirability of airport region planning strategies with significant state involvement
- Need to codify and expand consultative mechanisms with the community
- Formalisation of planning focus meetings with local and state government stakeholders
- Memorandums of understanding and negotiated agreements
- Amendments to the *Airports Act* to incorporate more explicit consideration of off-airport issues
- Utilisation of the Regulations under *Airports Act* to enhance guidelines for more cooperative land use planning.

Research Needs

Some of these ideas, together with those made in submissions to the Draft Aviation Policy Statement by other interested parties, require more research to better inform the principle of evidence-based decision making. This submission reflects the views of members of a team working on a major multi-year research project supported by the Australian Research Council (LP0775225) on the multiple interfaces of the airport in their broader urban settings. Two major strands of this project are the tracking of the nature and implications of land use development trends near Australian airports (Queensland University of Technology, and the lead institution on this grant under Chief Investigator Associate Professor Douglas Baker) and lessons from international governance models (UNSW). We anticipate our ongoing research as being able to inform national policy thinking.

Complexities of airport land use decision making

Our key frame of reference in this submission is captured by two quotations from leading authorities on the development of airports as major activity centres and growth generators:

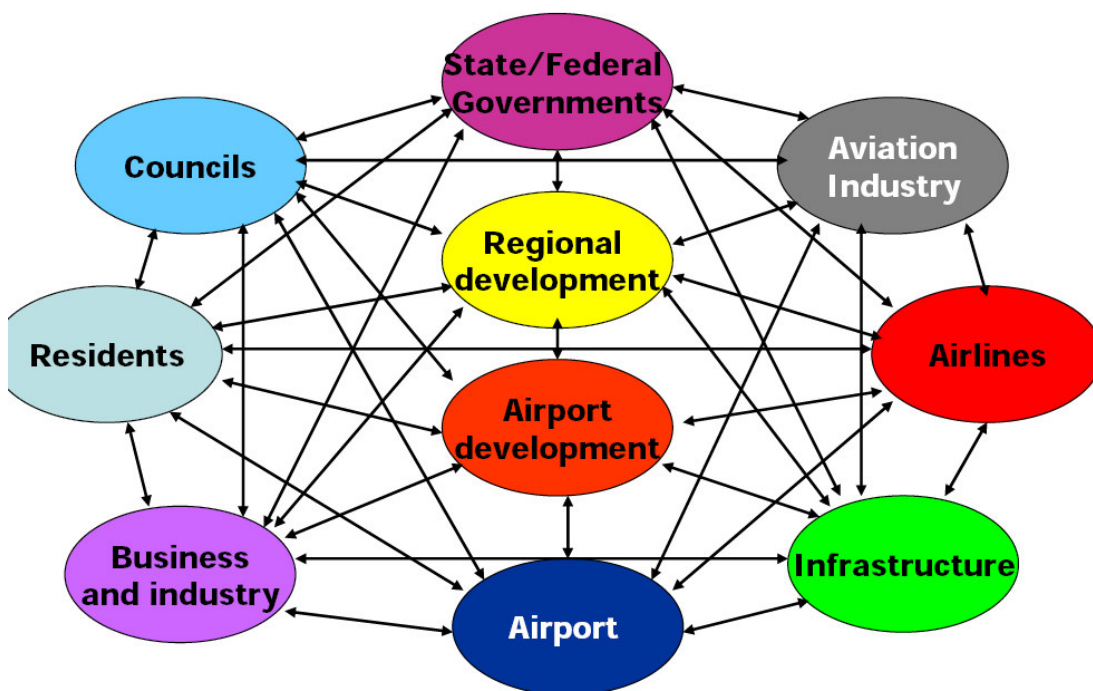
From JD Kasarda, chief proponent of the 'aerotropolis' concept which translates airports from purely specialist pieces of transport infrastructure into an alternate conceptualization of emerging urban forms with major strategic implications arising for metropolitan areas:

“A new approach is required, bringing together airport planning, urban and regional planning, and business site planning in a synergistic manner so that future aerotropolis development will be economically efficient, aesthetically pleasing, and socially and environmentally sustainable” (www.aerotropolis.com).

And Guller and Guller who have studied the transformation of airports in Europe into urban spaces requiring new logics beyond hangars and terminals given that the airport area has become “a crossfire of differing ambitions” of airport operators, local authorities, developers, government authorities, the community, and airport users:

“Airport city planning moves away from purely ‘technical airport planning’ to include aspects of the urban planning process. An airport’s classic infrastructure plans are insufficient for handling the complex organization of the airport landside. And so are public land use plans: they fall short when it comes to the operational requirements of an airport. The challenge is to merge these different planning cultures” (*From Airport to Airport City*, 2003).

The complexities of airport area land use decision-making are captured in the graphic below.



Source: Melbourne Airport

This submission

This submission considers the key questions asked regarding land use planning and non-aeronautical developments:

- Are the planning and development mechanisms under the Airports Act working effectively?
- How can we improve consultation with State and local authorities and with the community?
- Could the regulatory regime better facilitate genuine long-term co-operation between airport operator companies and state and local governments on land use planning?
- How can we better integrate investment on airports with the funding and construction of improved road and rail links to and from our airports?

- What mechanisms might be used to ensure an effective ongoing dialogue between airport operators and their local communities?
- How can the regulatory regime better ensure non-aeronautical developments do not compromise the aeronautical requirements of airlines and airports?
- How should the potential commercial impact for off-airport competition be taken into account in planning on-airport non-aeronautical development?

These questions articulate lucidly key issues which have arisen lately. They attempt to break apart what are fundamentally interrelated issues. Our short submission deals with them inter-connectedly to make certain key suggestions for consideration in relation to desirable future patterns of airport governance.

Our response to the questions assumes:

- support for the basic statutory model and requirements of master plans and major development plans in relation to land use planning
- airports' ongoing status as national priority infrastructure remaining under ultimate federal control
- no radical cross-governmental rearrangements of regulatory arrangements to placate local and state governments, noting also that there may well be as many instances of existing arrangements working well as highlighting conflict in some jurisdictions
- the central problem nevertheless of securing federal, state and local coordination
- the *Airports Act* as capable of further and ongoing amendment and the key instrument for nation's major airports
- the relevance of improving planning processes for core regulated airports to other Australian airports.

Context

Planning for airports has historically been a black hole in metropolitan planning - something left to specialist aviation authorities. In the case of major capital city airports this has been the Commonwealth Government. Even into the Federal Airports Corporation era in the 1980s when their commercial potential was first capitalized upon, airports were still approached as discrete, specialized if often environmentally troublesome pieces of transport infrastructure.

The haphazard alignment and lack of transparency at the interface between airport planning and broader urban planning processes is a concern. There has been a legacy of statutory disconnect between airport planning and the detailed processes and concerns of local and regional land use planning. There is also a strategic divide with an almost general failure until recently to comprehend the broader area and regional implications of land use development linked to airport accessibility by major stakeholders. Spanning three tiers of government, 'airport region' governance structures still remain fragmented and uncoordinated.

The commercial push since the *Airports Act* which privatized airports and legitimated their status as business enterprises has exacerbated historical conditions (s112 excludes provisions of state and territory laws relating to airport land use planning). That this has been a matter of public concern is evident in media coverage and submissions to government hearings over more than a decade. A particular bone of contention has been major non-aeronautical development on airport land seemingly bearing no meaningful relationship to local or regional planning strategies and subject to an approval process with quite different procedures and developer obligations from that on nearby non-airport land. All these issues were canvassed in submissions to and the hearings of the Senate Standing Committee on Rural and Regional Affairs and Transport inquiry into the Airports Amendment Bill 2006 in January 2007. Moves by airports to diversify their revenue streams through land development will only be intensified in any downturn of aviation activity because of rising fuel costs.

There would be strong airport industry resistance to any moves for any local and state direct control over airports. This would be considered in breach of the spirit if not the letter of the Airports Act. At the Federal level, the cross-political consensus has generally been that the privatisation process for Australia's airports has worked well with a significant amount of private investment since the 1990s beyond what could have been realistically supplied by government.

The Government's then-shadow Minister for Transport told the Parliament in March 2007 that:

"The privatisation of Australia's 22 federal airports has ... fostered a vibrant and dynamic industry and in doing so has enabled these airports to provide improved services with minimal call for public investment ... The rapid growth in non-aviation development is also very welcome to generate the funds needed for future expansion, replacement of aviation infrastructure and improved quality of service at Australian airports ... When it comes to planning control itself, it is clearly in the national interest that strategic economic infrastructure like our major airports, just like our ports, remain under proper planning process. And the airports should absolutely remain under Commonwealth control."

The *Infrastructure Report to COAG (2007)* records that the head lessees for 10 privatised airports undertook to invest at least \$700m on aeronautical infrastructure over the first decade of their leases. Additional and ongoing investment committed at Brisbane, Sydney, Adelaide, Canberra and Melbourne totals over \$2 billion. Notwithstanding problems with user facilities recognised at some airports (Perth, Sydney, Canberra), (and which has not been caused solely by the airport operators, given the significant terminal rights that major airlines hold) this scale of investment is impressive. It provides a totally divergent picture from the assertion now widely endorsed that "Australia's urban infrastructure has become rundown" (*Urban 45: New Ideas for Australia's Cities, 2007*).

However, airport development also generates significant needs for and impacts on wider metropolitan infrastructure provision. This highlights the very questions raised in the Draft Policy Statement and hence the need to see airport development within a wider metropolitan framework.

Ideas

We endorse the views of the Australian Mayoral Aviation Council (AMAC) arising from an international study tour in 2006 that, the evolution to airport cities and the aerotropolis “reinforces the need for national and state governments to develop plans and strategies for the development of major airports so that they are able to grow and development in a manner which maximises their economic benefits and complements rather than competes with surrounding areas”. This report also notes that more direct engagement of state and local planning policies applicable to major airports overseas has not hindered the “growth or development of either privately owned airports or the publicly owned ... airports”.

We make five suggestions for alternative governance arrangements in addressing the questions on airport planning and development raised in Section 2.1 of *Towards a National Aviation Policy Statement*.

- Airport area plans
- Memorandums of understanding
- Consultative committees
- Planning focus committees
- Amendment of Airports Act and Regulation

Airport area plans

The desirability of drafting sub-regional (i.e. ‘airport region’) plans for airports, prepared with tri-governmental and private input, funding and support, encompassing the broad gamut of off-airport environmental, economic and social considerations (including network infrastructure provision, transportation, orientation of land uses to the airport, location of commercial and activity centres, building heights, urban design etc) should be considered. The intention of these plans would be to holistically guide and integrate future development in ways which acknowledges the economic importance of the airport and guarantees its current and future operations, and determines optimum compatible development around the airport, whilst also paying proper regard to local community amenity. These plans would be given legal force under state instruments. These sub-regional plans would also require airports to properly address the extent of their economic, social and environmental impacts arising from their aeronautical and non-aeronautical development on the efficiency of off-airport operations and development. It would be understood that these plans would be compatible with and integrated into broader metropolitan strategies. The need to ensure that airport development is fully integrated with metropolitan planning processes is a major plank of the Planning Institute’s position statement on development of airport land (*Australian Planner*, 43, 3, 2006).

A model? The Victorian Planning and Environment (Amendment) Act 1998 provided for preparation of the Melbourne Airport Environs Strategy Plan 2003. An important intention of this legislative framework is to ensure, unlike several other major and lesser Australian airports (Sydney and Adelaide), that Melbourne Airport is able to operate without noise curfew restrictions 24 hours a

day, seven days a week. The state government subsequently released the Melbourne Airport Environs Overlay 2007. While this Strategy Plan (and the overlay) relates specifically to noise controls it may represent a starting model for addressing a range of relevant issues. Just what constitutes an 'airport area' would need to be addressed. It could be the area within, say, a 10 to 15 kilometre radius of the airport, including the airport. It needs to be more than ANEF-defined to broaden the range of planning considerations beyond noise alone. State Environmental Policies and Regional Plans could be alternate vehicles, but may be more limited in their scope and backing.

Memorandums of understanding

MoUs with local councils as formal expressions albeit in non-statutory form of an ongoing framework to facilitate cooperative discussion, information sharing and informed decision making are desirable. There is the risk of MoUs as non-binding agreements being quickly forgotten unless they are actively managed as instruments of cooperative decision-making.

A model? MoUs and negotiated agreements already exist for different airports and local and state governments. The recent Bankstown Airport MoU is cited as a possible model in the Issues Paper. This provides for the airport operator and the local council to "agree to work together to develop and maintain consultation practices and procedures" over a portfolio of planning, environmental, development and security issues. A form of MoU in the case of airports bounded by more than one local government area might also be struck with Regional Organisations of Councils.

Consultative committees

Formally constituting local community advisory committees as forums for discussion, information sharing, feedback and advice is desirable. The degree of consultativeness of existing airports and functionality of existing mechanisms is highly variable. These committees would desirably be non-statutory and would have an independent chair, probably appointed by the Minister. Membership mix would need to be broadly based encompassing a range of legitimate (i.e. elected or properly endorsed) representatives of the key stakeholders, e.g. the Airport, Community, Local Council(s), Industry, and State and Federal Parliaments (who could be nominated by the agree range of interests to be represented). Members might sit for 5 years, the duration of a master plan.

A model? Possibly the Bankstown Airport Community Forum. The Sydney Airport Community Forum does not appear to be a viable or respected model, with questions over the nature of appointments and its limited focus on noise levels and sharing. Some other community forums are just ad hoc public meetings; these may be desirable but a more ongoing consultative vehicle for airport-area interests and airport users is desirable.

Planning focus committees

Institutionalising closer and more collaborative working relationships between the airport operators and local, state and federal governments through formation of inter-governmental planning committees is desirable. Such bodies might be constituted through the airport area plan process. Their major function would be to facilitate confidential high level discussion, planning and coordination of airport and airport-area infrastructure needs and problems. These would be irregular confidential meetings, possibly chaired by a DITRDLG representative, as prompted by either preparation of airport master plans and major development plans or major development in the airport environs, suitably defined. It would be desirable for discussions and decisions to be undertaken within the context of an airport area plan.

A model? The NSW Government has for many years employed Planning Focus as a best practice approach for coordinating the involvement of state agencies in large planning and development matters. Originally used for mining and extractive industry projects, Planning Focus now applies as a common practice for development and infrastructure projects of State and regional significance where the Minister for Planning is the decision maker. Planning Focus plays a key role in achieving consistency in the requirements of various statutory authorities for proponents when formulating development projects. It is a consultative mechanism which enables proponents to integrate required and desired environmental, social and economic considerations at an early stage into project planning and design, and generally facilitates on-going liaison between all major stakeholders.

Amendment of Airports Act and Regulation

With ultimate Commonwealth Ministerial control envisaged as continuing, the *Airports Act* remains the key legislative instrument. The Act was amended only a year ago following extensive consultation, and immediate additional legislative change may be considered undesirable. The amendments did upgrade the amount of information arising from consultations to be forwarded to the Minister when deliberating over major planning proposals (s79). Without entering into an exhaustive review of the detailed provisions of the existing statute, we make these suggestions for strategic amendments in Part 5 of the Act to be commensurate with best planning practice:

- Amend s71 to specify that the content of an airport master plan should address the relationship to and consistency with state and local environmental planning strategies and plans, deleting 71(6) which limits such consideration to only two proposals, 2/3 (a) and (c).
- Likewise, amend s91 related to major development plans in the same terms.
- Require master plans and development plans to incorporate proper assessment of the impact of airport development, particularly non-aeronautical development, on the surrounding airport region to ensure due consideration is taken of off-airport environmental, social, and economic impacts.

- Require the Minister to provide reasons for approval of a master or development plan under s 81(6) and 94(8) respectively (not just in cases of refusal)
- Amend s84(3) and 94(6) of the Act to have no decision by the Minister in relation to a master plan or major development plan respectively within 50 business days deemed a non-approval, rather than an approval (to ensure the transparency of decisions)
- Amend 94(3) in relation to the matters which the Minister must consider in approving a major development plan to include an assessment of land use impacts “in areas surrounding the airport” to be consistent with the wording of s81(3) in relation to master plans.
- Amendment of s3 on the objects of the Airports Act to include a reference to sustainable development
- Elaborate on the types of development activity that may require conditions to be imposed under s94(7) related to approval of major development plans. Reference might be made to specifying financial obligations for developer-contribution equivalents in regard to impacts on off-airport infrastructure, taking into account the airport’s general rate equivalent contributions. The lack of a level playing field in relation to the financial imposition on developers within and outside the airport fence has been one of the major criticisms of the operations of the Airports Act as a separate planning approval system. Philosophically, it would appear to be a breach of national competition policy.

The ideas which we have presented are interconnected and might be formally specified through the Regulations to the Airports Act. In the first instance, the Regulations to the Airports Act probably provides the best and most flexible mechanism to better codify consultative mechanisms, the relationship of airport master plans to broader local, regional and metropolitan strategies; the scope of the desired sub-regional plans; and the operations of community and planning forum committees. These could be expanded into consideration of relevant matters beyond the existing provisions relating to environmental protection, control and occupancy, building control, etc. Consideration also needs to be given to the existing Airport Development Consultation Guidelines (May 2007) being given greater force through incorporation in the Regulations.

Urban planning expertise needs to be available within the Department. The new Major Cities unit of the Department also offers a sensible resource to be consulted on assessment of master plans and major development plans to ensure that the need for urban planning and policy expertise is incorporated into decision-making and to incorporate a broader regional planning perspective.