

27 November 2020

[REDACTED]  
Assistant Secretary  
Strategic and Economic Policy Projects  
Department of Infrastructure, Transport,  
Regional Development and Communications  
GPO Box 594  
CANBERRA ACT 2601

Via Email: [REDACTED]

**Reference: The Future of Australia's Aviation Sector – Flying to Recovery – Issues Paper 2020 (“Issues Paper”)**

Dear Ms Redmond

I am writing on behalf of Sydney Metro Airports – Bankstown Airport Limited and Camden Airport Limited. Thank you for the opportunity to provide feedback on the Issues Paper.

Both Bankstown Airport and Camden Airport are positioned as secondary capital city or “metro” general aviation airports, located near central and greater Sydney. Both airports contribute over \$1.1bn and 6,500 jobs to the NSW economy in total.

Official reporting of aviation activity before the COVID19 pandemic showed an active sector slowly improving year on year. The BITRE 2019 reported an annual increase of +5.5% for total hours flown across the Australian aviation sector. For General Aviation (GA) airports, this included non-RPT hours increasing +4.7% and Sports and Recreation Associations increasing +2.4%. More specifically, Airservices Australia reported Bankstown Airport and Camden Airport at average annual aircraft movements of circa 270,000 and 100,000, respectively.

Throughout the pandemic, Sydney Metro Airports (SMA) continued with normal operations at Bankstown Airport and Camden Airport for essential services to the Australian community and the aviation sector, including emergency services, patient transfer, pilot training, aircraft maintenance and charter operations. In addition, SMA supported those operators directly impacted by the pandemic through financial, health and the associated business downturn.

While an initial downturn in activity was experienced, the GA sector of the Australian aviation industry is showing early signs of sustained recovery as operators have responded and adapted to the pandemic restrictions. As identified in the Issues Paper, restrictions on international flights are anticipated to continue for some time, however the domestic market is anticipated to recover sooner. This has been observed more recently with an increase in charter flights at Bankstown Airport, and the GA industry is showing early signs of sustained recovery.

However, aged aviation infrastructure at metro GA airports is stifling this recovery with significant costs for maintenance, repairs and replacements of runways, taxiways, and aprons – including compliance upgrades. This presents a significant barrier to private investment for refurbishment and/or new aviation facilities for aviation operators wishing to expand and/or upgrade.

As a general observation, metro GA airports fall outside of the classifications of major commercial airports and regional airports, and therefore can be overlooked in policy formulation and infrastructure assistance packages – even though their contribution to the aviation sector is also essential. Whilst the operations of metro GA airports may be considered commercially sustainable due to subsidisation from the non-aviation component of operations, this does not consider the significant embedded aviation infrastructure maintenance and upgrade costs. These costs place upward pressure on general aviation charges and present a major challenge for the upgrade of aging aviation precincts and present a significant drag on airport growth and the broader GA sector.

In this regard, we note that while Camden Airport provides valued and essential services as a general aviation and recreational airport, including emerging services, the airport is operating at a loss. The GA income generated from the 100,000 aircraft movements per year, and a relatively small community of permanent businesses at the airport, does not support the cost of operations and infrastructure maintenance. While we anticipate demand for further aviation facilities at Camden Airport, the additional investment in aviation infrastructure to activate vacant development land is anticipated to present significant hurdles for further investment.

**We therefore encourage the formulation of stimulatory policy to leverage the aviation and non-aviation infrastructure and critical mass of existing metro GA airports.** Targeted government airport grants for new aviation infrastructure for metro airports such as Bankstown Airport and Camden Airport would contribute to unlocking opportunities for the long-term growth of the aviation sector. This is anticipated to have flow on benefits for regional airports through increased aviation activity and connectivity, and to alleviate demand pressures on major airports as passenger and flight numbers eventually return to pre-pandemic levels.

Whilst we acknowledge and encourage the commitment of the Australian Government to the Regional Airports Program (RAP) to assist the operations of regional airports, we strongly recommend targeted infrastructure contribution packages for existing metro GA airports with demonstrable sustainable benefits to the aviation sector and/or with flow on benefits to regional airports.

Whilst SMA is fully committed to ensuring both Bankstown Airport and Camden Airport are operated in a safe, efficient, and compliant manner, we request that consideration be given to include metro airports for targeted federal assistance designed to stimulate growth and leverage the substantial existing aviation infrastructure and ecosystems. The contribution of the metro GA airports to the broader Australian aviation ecosystem is invaluable, and an essential requirement for the success of the industry.

We also take this opportunity to reiterate the significant adverse impact on smaller aviation operators of the proposed changes to the ex gratia land tax policy framework for federally leased airports. The proposed changes will significantly increase the financial burden on smaller aviation operators and threaten the recovery and sustainability of the GA sector. **We strongly urge the Australian Government to reconsider the change to the existing land tax policy framework which is anticipated to threaten the financial viability of smaller aviation operators which contribute significantly to the GA sector and ecosystem.** We refer to SMA's separate submissions to the Minister and the Department in this regard, and to the submissions of the Australian Airports Association – which we support.

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Yours sincerely

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**Daniel Jarosch**  
Chief Executive Officer  
Sydney Metro Airports – Bankstown Airport and Camden Airport