



29 August 2010

Committee Secretary
Senate Rural and Regional Affairs and Transport Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir

Inquiry into the *Airports Amendment Bill 2010*

The Australia Local Government Association (ALGA) represents the interest of more than 560 councils at the Federal level. Its membership is made up of the associations of local government in each State and Territory. The ACT Government is also a member in its role as the local authority in the Australian Capital Territory.

ALGA's interest in the *Airports Amendment Bill 2010* is at a policy level while matters relating to specific airports may be brought forward to the Committee separately by individual councils and State and Territory local government associations.

Airports in the role of aviation infrastructure alone serve as significant transport and economic hubs, handling over 120 million passenger movements in 2008-09 and generating thousands of jobs both directly and indirectly. This important role of airports needs to be integrated into regional and local planning for both the efficient operation of the aviation industry and the local communities surrounding airports.

Airports when first established were on the outskirts of cities and included large tracts of vacant land. These sites have now been largely enveloped by urban growth. The new commercial owners of airports have recognised the value of airport land not used for aviation purposes and are now developing it for various non aviation commercial purposes. Activities such as retail centres and office complexes that generate large employment and traffic flows have been developed on airport land. In some cases these developments result in traffic movements as large as or even larger than the aviation activities at the airport site.

The ALGA position in relation to airport planning, as expressed consistently to the Government over recent years, remains that:

- the aeronautical elements of airports are key parts of the nation's infrastructure and their planning is a matter for the Australian Government;

- non-aeronautical commercial developments do not constitute key national infrastructure and do not justify being excluded from state and local planning regimes and should be consistent with state and local plans, including taking account the impact of the proposed development on nearby businesses; and
- commercial developments on airport land should contribute to the cost of infrastructure requirements off airport land and the impact on local communities should be taken into account as part of an approval process.

It is therefore pleasing to read in the Minister's second reading speech for this legislation his statement that:

"The primary role of the leased Federal airports is to provide aviation infrastructure that serves the Australian community"

ALGA welcomes this important distinction between aviation and non aviation commercial activities and the need to treat these developments differently in the planning process.

As developments on airport land are taking place on leased Commonwealth land they are not subject to local or state planning regimes. This has meant that major developments are happening within council areas without local or state planning approval and adversely impacting on local communities, transport and other infrastructure.

The Minister noted in his second reading speech for this legislation that the need to strengthen airport master planning and its relationship to local communities was a recurring theme in submissions and meetings in the development of the Aviation White Paper. This is hardly surprising given the impact of some of these developments on surrounding communities and local economies.

In response to this input the Government is proposing five new requirements set out in the draft legislation to address these issues as well as changes in triggers for major development plans. The five new provisions for airport master plans are:

- a requirement to include a ground transport plan which has detailed information on the airport's road network and transport facilities and shows how it connects with the road and public transport system outside the airport;
- details of proposed land use in the first five years of the plan covering aviation infrastructure and non-aeronautical developments;
- information on the number of jobs likely to be created, anticipated traffic flows, and the airport's assessment of the potential impacts on the local and regional economy and community;
- detailed analysis on how proposed developments align with state, territory and local government planning laws, as well as a justification for any inconsistencies; and
- inclusion of environmental strategies.

The legislation as proposed means a Minister must give reasons for any decision to allow developments not consistent with state and local government planning.

ALGA welcomes these proposed changes in airport master planning as a significant step forward and recognition by the Federal government of the role airports play in local economies, communities and transport systems. They are consistent with previous calls for ministerial accountability by ALGA.

However, despite these changes, decision making for commercial non aeronautical development remains with the Commonwealth Minister and local planning can still be overridden.

The draft legislation does not address another ALGA concern that relates to the lack of any provision for developers of non aeronautical commercial developments of airport land to make a contribution to the provision of supporting infrastructure off the airport site.

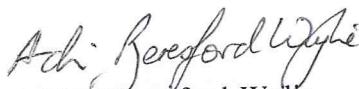
As the Committee would be aware, Commonwealth land, such as airports, is excluded from paying council rates. ALGA accepts that there may be a case for key national infrastructure, such as the aeronautical facilities, to be exempted from the payment of council rates and local charges but there is no logical reason why a non-aviation commercial facility on airport land should be exempt while an identical facility on non airport land would be required to pay rates and make developer contributions for infrastructure enhancements.

It is common practice for councils and states to seek "developer contributions" when approving major facilities to help pay for the necessary upgrading of any associated infrastructure required by the development. There is no requirement for developments on airport land to make a contribution for off-airport land infrastructure but there is an expectation that states and local government will provide the necessary infrastructure.

ALGA asks that the Committee examine this anomaly and give consideration to the scope for charging commercial developments on airport land the equivalent of rates and developer contributions which could be passed to councils.

ALGA would be happy to expand on this submission before the Committee if required.

Yours sincerely



Adrian Beresford-Wylie

Chief Executive