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Dr Jane Thomson
Committee Secretary
Senate Rural and Regional Affairs and Transport Legislation Committee
Email: rrat.sen@aph.gov.au

Dear Dr Thomson

Thank you for your invitation to make a submission in response to the Airports Amendment Bill 2016.

The Melbourne Airport Community Aviation Consultation Group (CACG) considered the draft Bill at its meeting held on 21 February 2017 and resolved to make a submission. The CACG has made two prior submissions in relation to proposed changes - the first being in response to the Department of Transport and Regional Infrastructure discussion paper in August 2014 and the second in response to 'Better Regulation Proposal', again to the (renamed) Department of Infrastructure and Regional Development in May 2015.

The issues the CACG will comment on are:

1. The inclusion of alternative noise metrics as a mandatory requirement for new master plans
2. The trigger for requiring MDPs to be prepared to be no higher than \$25 million; and
3. The arrangements for determining the amount for the MDP monetary trigger, when reviewed every three years, to include a safeguard to ensure secondary creep does not occur.

Alternative Noise Metrics

The CACG, which meets in open session, hears from the community first hand regarding the importance of not allowing inappropriate development on land around Melbourne Airport and of the experience of residents living in areas impacted by aircraft noise and aviation. It has a vital interest in promoting the provision of meaningful information to current and future residents to assist them to make informed decisions and be aware of measures that can be employed to minimise the impact of aircraft noise. It also strongly supports the existence a robust land use planning framework around airports to protect existing and future residents, and ensure the important economic and social roles performed by airports are sustainable.

While the Australian Noise Exposure Forecast (ANEF) is the only system recognised in the Australian Standard, *AS2021 Acoustics - Aircraft noise intrusion - Building siting and construction*, the limitations associated with its use are widely recognised. The metric is, based on the relationship between noise exposure forecast level and community reaction in residential areas, depicted in Figure A1, which was published in 1982. This more than 35 years old data set produced by the National Acoustics Laboratories is outdated and does not reflect current community attitudes.

In addition the ANEF metric, which predicts a daily average of the total annual noise energy generated by the assumed aircraft mix and movements, has no meaning for residents who actually experience aircraft noise. They want to know how loud the noise is and at what frequency it occurs. Equally, town planners, planning authorities and members of planning tribunals cannot get an appreciation of aircraft noise impact from ANEF measures and consequently there is a risk the ANEF system is used in an almost perfunctory manner. The use of alternative noise metrics in addition to the ANEF can overcome this and in Victoria some regard is now being given to N60, N65 and N70 noise contours, first published in the Melbourne Airport Master Plan 2013. Master Plans have a status in relation to state planning frameworks. Consideration and acceptance of alternative noise metrics would have been very unlikely if they had not been published in the Master Plan. This was an important precursor and an essential foundation from which to achieve better planning outcomes. Publishing them in the Master Plan also provides the Melbourne community with readily available and meaningful information about aircraft noise, so they are far better informed when making lifestyle choices.

Every airport and every community should enjoy the benefits of having access to published alternative noise metrics. Consequently, the CACG urges the Senate Committee to recommend an amendment to the Bill to require mandatory inclusion of alternative noise metrics in new master plans.

MDP Monetary Trigger

The CACG notes the Minister, The Hon Darren Chester MP in his Second Reading Speech on 1 December 2016, stated:

"In 2007 the Airports Act was amended to increase the monetary threshold from \$10 million to \$20 million due to ongoing increases in building costs since the act came into effect. Further increases to the construction activity costs and inflation since 2007 have resulted in an increased number of on-airport developments unnecessarily triggering the requirement for a major development plan. Having regard to changes and conditions in the construction industry costs since 2007, and the economic and marketplace conditions, this bill proposes to increase the monetary threshold from \$20 million to \$35 million."

An analysis of inflation reveals \$10 million in 1996 was equivalent to \$13.15 million in 2007 and is now equivalent to \$16.49 million - based on increases in CPI All Groups, Weighted Average of Eight Capital Cities, Index Numbers, as published by the Australian Bureau of Statistics. \$20 million in 2007 prices is now equivalent to \$25.09 million. While the choice of index may be open to discussion and it is noted the Bill refers to index of construction activity, the current trigger level is still much higher than the initial threshold. When the trigger was adjusted in 2007, it was increased by 100%, far more than inflation at the time, and it is now proposed it be increased by a further 75%, again much more than inflation since 2007. On the surface, the suggestion that the trigger threshold is being increased *"Having regard to changes and conditions in the construction industry costs since 2007, and the economic and marketplace conditions, ..."* is not credible. While it is acknowledged significant costs are borne by airport operators when required to prepare MDPs and the Airports Amendment Bill 2016 responds to the Federal Governments efficiency measures program, arbitrarily increasing the trigger threshold by amounts greater than inflation will deny the community an opportunity to review and comment on some significant development proposals.

The CACG submits that the MDP monetary trigger threshold should not be increased beyond \$25 million at this time.

Review of Monetary Trigger Every Three Years

The CACG supports the concept of a review of the trigger being conducted every three years and the Minister being empowered to undertake this review provided there are safeguards. It also supports the concept of the trigger amount not being decreased as a consequence of any review.

It does, however, have concerns regarding the process described in the Bill and in particular, believes there are not sufficient safeguards to ensure interests of the community are protected. In 2007, when the trigger threshold was reviewed, it was increase by an arbitrary amount. On this occasion, it is again proposed to be increased by an arbitrary amount, albeit after a consultation process. If the Bill is passed in its current form, there will be no consultation process and the Minister will have absolute power to amend the trigger. It is noted the "... *Minister must take into account changes in construction activity costs ...*" but how this is to be done is completely open. Indicating "... *the Minister may comply ...*" with this requirement "...*by taking into account changes in an index of construction activity cost ...*" is not binding and does little to give the community confidence in the process. Past experience and the Minister's interpretation of the increases, as expressed in his explanation of the proposed increase to \$35 million in his Second Reading Speech, further reinforce this lack of confidence.

The CACG submits the actual index of construction activity costs published by the Australian Statistician should be defined and the Minister should be bound to have regard to it when determining a new trigger threshold. This does not limit the Minister, in that consideration can also be given to other factors relevant to construction activity costs, but it provides for a much greater level of transparency. Everyone can access Australian Bureau of Statistics data and it is to be expected that where the Minister adopts an increase other than that derived from an arithmetical calculation based on the data, commentary justifying the deviation will be provided. If this approach it not acceptable, the CACG believes the amount of the trigger should simply be indexed and adjusted every three years based on a defined construction activity cost index, always calculated from the 2007 base (\$20 million) and rounded up to the next million dollars.

I am happy to discuss the CACG's submission if further explanation is required

Yours sincerely

Darrell Treloar
Independent Chair