



6 March 2017

Dr Jane Thomson
Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
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Dear Secretary,

RE: Airports Amendment Bill 2016

Thank you for the opportunity to provide comment on the Airports Amendment Bill 2016 (the Bill).

Australia Pacific Airports Corporation (APAC) operates two key Australian aviation assets, Melbourne Airport and Launceston Airport, both of which are regulated by the *Airports Act, 1996*.

Melbourne Airport is Australia's second busiest passenger airport, Australia's largest air freight exporter and Australia's fastest growing international airport. In 2016, more than 35 million passengers and 275,000 tonnes of freight passed through Melbourne Airport. As Tasmania's second largest airport, more than 1.3 million people were safely facilitated through Launceston Airport in 2016.

Airports are critical pieces of infrastructure that require substantial investment and planning. The current regulations ensure that airports are well planned to meet future demands and are also consistent with local and State planning directions.

Consequently, APAC believes that the legislative changes proposed in the Bill will improve efficiency and will benefit airports as well as airlines, businesses and the community.

Master Plans

APAC believes Master Plans are important strategic documents that outline an airport's long term development vision as well as the intended uses of the airport site. They are also important documents to engage with governments, community and key stakeholders regarding future plans.

To that end, we support the extension of the Master Plan cycle to an eight year cycle for smaller and regional airports such as Launceston Airport.

However, we consider that a ten year period for all airports would be more appropriate due to the significant cost, time and resources taken to develop a Master Plan. Furthermore, there does not appear to be significantly improved outcomes for stakeholders or communities of interest from the shorter timeframe.

The requirement for the Commonwealth Government to maintain sufficient oversight of critical infrastructure is acknowledged with a suggested ten year cycle and as such, APAC suggests a five year 'refresh' option for gateway airports to denote any significant or unforeseen changes to their Master Plans.

Recognising the significance of noise generated by aircraft for communities and the role the ANEF has in providing the latest information, APAC supports the mandatory inclusion of a new ANEF in each new Master Plan as outlined in the Bill.

However, it is suggested that the requirement for ANEFs to be endorsed before being included in draft Master Plans be reviewed. The previous framework where a draft ANEF could be included in draft Master Plans and utilised for stakeholder engagement, was more efficient and ensured feedback on the ANEF and Master Plan concurrently. The current framework simply extends and adds complexity to the process for limited value.

Major Development Plans (MDPs)

A key tenet of planning provisions contained in the *Airports Act* is the preservation of competitive neutrality between like business operators on and off airport land. An element of this is to ensure that it is no more or less onerous for a proponent to undertake a development on airport land than for a similar development subject to a state planning scheme.

As the complementary legislative mechanism to Master Plans, MDPs require airports to demonstrate how significant developments fit into the airport's long-term vision and ensures continuity of an airport's long-term planning.

While in reality, the impact (community and environment) of a development should be the major triggers for an MDP, it is acknowledged that a monetary value provides certainty for airports, investors, governments and the community. To that end, and given the increasing costs for construction and development, APAC welcomes the increase in the monetary trigger for MDPs to \$35 million. The additional legislative instruments regarding further increases in line with price indexations are also supported.

As a measure to increase efficiency of the MDP process, APAC welcomes the Bills' amendment to specify a 15 business day statutory decision timeframe for the Minister to consider applications from airport-companies for reduced consultation periods.

APAC also acknowledges and supports the efficiency gains of amendments that will enable the Minister to extend more than once the period that approved MDPs are required to be substantially completed.

The Bill further proposes the amendment that airport-lessee companies can notify the Minister if an approved MDP will not proceed on the basis of exceptional circumstances, which APAC strongly supports.

To ensure complete clarity however and gain efficiencies from the amendment, APAC requests further explanation regarding the definition of 'exceptional circumstances'. As with many industries,

a number of factors including market conditions and a change in financial circumstances will influence investment making decisions and the progress of a development.

APAC welcomes and supports the Bill as we firmly believe that the proposed amendments will streamline the development and review of both the Master Plan and Major Development Plan processes.

APAC also endorses the Australian Airports Association's submission on the Bill which they have lodged on behalf of airport nationally.

Furthermore, APAC welcomes the Government's consideration of feedback provided throughout the consultation period.

Yours sincerely,

Carly Dixon

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