

Our Reference : 2/3/1  
Date : 17 January 2007

**The Secretary  
Senate Standing Committee on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600**

**Dear Ms Radcliffe**

**Re:- Airports Amendment Bill 2006**

Further to the invitation to comment on the proposal by Government for changes to the *Airports Act 1996* (the Act) through the Airports Amendment Bill 2006 as advertised in The Australian on Tuesday 12 December 2006, please note the following information from Adelaide Airport Limited (AAL):-

**Background**

AAL is a private company comprising a majority of superannuation investment funds and was the successful bidder for the rights to lease and operate both **Adelaide** and **Parafield** Airports for a term certain of 50 years, with a right of renewal for a further 49 years from the date of effect 28 May 1998.

Adelaide Airport is the major gateway to the State of South Australia and services international, domestic and regional flights with a total passenger throughput of some 6 million passengers per annum and 98,200 aircraft movements. The airport is located 6 kilometers due west of the CBD of Adelaide City and 2 kilometers from the shores of the Gulf St Vincent. It is surrounded by residential, recreational and light industry developments.

Our airport at Parafield services predominantly general aviation and flying training with approximately 300,000 movements per annum. There are currently no Regular Public Transport services. The airport is located 17 kilometers north east of the Adelaide CBD and surrounded by residential, retail, recreational and light and heavy industry.

**Consultation**

**(a) DOTARS**

AAL has for some time, been in consultation with the Department of Transport and Regional Services in regard to the need for a review of the *Airports Act 1996* and the subsequent drafting of the Amendment Bill. To date, AAL has actively and regularly:-

- Participated in meetings of all Capital City Airport Group representatives to agree the scope of the review;
- Participated in the drafting of discussion papers;
- Participated in internal meetings to expand on each of the issues including the drafting of the Consultation Guidelines; and
- Provided input to the investigation of the background to each issue.

### **(b) Local Stakeholders**

We facilitate quarterly Consultative Meetings comprising Local Community representative bodies, Federal State and Local Government Elected members, Federal State and Local Government Executive, members of the industry and senior bureaucrats. We believe that the airport under our current planning regime mirrors or betters the local authority planning processes.

AAL initiated a unique Western Region Consultative Group that meets every second month and comprises the Mayor's and CEO's of the surrounding four cities and invites relevant elected Members of Government to address the group on issues of mutual interest. We also provide the venue and permanent secretariat.

In addition, AAL is quite open in its information sharing through its public web site, quarterly newsletters and regular public speaking program within the broader metropolitan area. We also have a sound working relationship with local talk back radio to ensure that a balanced opinion is provided to the community at large. At certain times, we arrange public meetings and regularly liaise with local resident groups about potential developments adjacent to their areas.

In the planning sense, since commencing our lease term and following due and proper consultation, we have submitted no less than 16 formal submissions for Ministerial approval under the Airports Act planning regime and all of them have been approved without requirement for additional information.

Consequently, almost \$500m in capital improvement to the airport asset has been achieved, directly growing on site employment to 5,070 jobs with a flow on effect of a further 13,000 jobs in the community. Our airports contribute approximately 2% to State GDP.

In summary then, Adelaide Airport Limited through formal consultation and presentation of the identified issues with the Department of Transport and Regional Services is generally supportive of the proposed amendments but feels that there are a few areas that may require some additional detail and/or support.

### **Planning Control**

History shows that States and Local Government through short term politically motivated incentives, which we completely understand, do not manage major infrastructure developments well and for that matter do not consider the importance of a national infrastructure framework. Also State and Local Government planning has failed in terms of urban encroachment to all forms of industry including aviation. Consequently it is then left to the Commonwealth to manage this lack of clear focus by State and Local Government through the establishment of noise levy imposts, curfews, noise insulation programs and the like.

We are also aware that Salisbury Council's current strong preference would be to infill Parafield with residential housing. This is used as an example of potentially conflicting agenda between Local / State and Federal Governments. The long-term development of land currently designated as airports must be retained Federally to ensure long-term development in the National best interest, whilst consulting with Local / State Government to ensure convergence of interests where this is not detrimental to the long-term National interest. The City of West Torrens would allegedly discourage on-airport commercial activity, in preference to maintaining open space (unlike areas under their direct control) which could occasionally be used for flood mitigation.

Identifying these concerns, we adopted a strategic initiative to consult on a formal and regular basis with relevant State Ministers to ensure the socio-economic benefits to the State were not compromised by poor planning decisions by Local Government. Successful infrastructure development of the new terminal at Adelaide Airport assisted by strong relationships with the Minister and major retail outlets directed to the airport by the State Government are examples of how the Commonwealth planning regime can prevail.

It is worth noting that the recently released State Government Metropolitan Planning Strategy has for the first time identified the Airports as Activity Centres and formally recognised the Airport Master Planning regime. At the same time the State Government has been concerned at the conflicts of interest that exist in

the Local Government Planning processes and has changed Planning Legislation with the aim of establishing independent Development Assessment Panels for each Council – at present there is a high risk of creating an atmosphere of no development due to uncertainty in these areas (such uncertainty militating directly against investment).

The review includes many amendments that ensure the control of on airport non-aviation planning is retained by the Commonwealth, the AAL investors understood the rules as set at time of 'privatisation' as the basis on which the bids were made and is of the view that "if it ain't broke, why fix it?"

### **ANEFs and Flight Paths**

AAL fully supports the concept of providing ANEF and Flight Path plans in the Airport Master Plan and in fact we have been doing this since day one of our lease obligations.

However, we would request that consideration be given to an amendment to the review that indicates that an Airport Leasing Company only be required to follow the Minor Variation process if the change to the ANEF is brought about by Airport related activities, (runway extensions, or new runways etc). Other changes to ANEFs are caused by processes outside the control of the Airport Leasing Company i.e. by Airservices Australia or the Airlines. It does not seem appropriate to open up all the master planning issues such as precinct zoning plans, if a change occurred only to outer flight paths.

We also recommend that the provision of an Ultimate Capacity ANEF be included, as this is more helpful to the land-use planners than to have periodical reviews of the ANEF during the life of the airport. Additionally, the ultimate capacity ANEF accounts for the ultimate design of the airport and would only change if there is a significant change to flight paths, fleet mix and frequencies which would be at the discretion of the airlines serving the airport or Airservices Australia as mentioned above.

### **Changes to Definition of Triggers and Costs Associated with Major Developments.**

AAL supports the amendments but would prefer to see that some appropriate inflator applied to the monetary triggers be included in Regulation.

### **Changes to the Public Display Periods and Methods for Master Plans, Major Development Plans and Environment Strategies.**

AAL supports these amendments but suggests that to clarify any uncertainty within the public/others' perception to that of timescales and rules for the "stop the clock" provisions, be formally explained – after all there is very little difference between calendar days and business days when you take into account week-ends and public holidays etc., and at the end of the day all respondents wait until the last day to submit any comment

### **Contact**

Finally, should it suit the Committee, Adelaide Airport Limited would welcome the opportunity to discuss in detail, any of the issues identified above, at the forthcoming series of public hearings. Thank you for the invitation to make a submission and please be advised that the principal contact for any further advice is Mr John McArdle, Manager Corporate Affairs and Risk, e-mail [jmcardle@aal.com.au](mailto:jmcardle@aal.com.au).

**Yours sincerely**

**Phil Baker  
Managing Director  
Adelaide and Parafield Airports**