18th January 2007

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

Re Airports Amendment Act 2006

To Whom It May Concern:

The Launceston Chamber of Commerce welcomes the opportunity to make a submission regarding the proposed amendments to this Act.

The Chamber believes that planning for any activity on Commonwealth Airport land that is not directly related to the technical and operational functions of the airport should be required to comply with State Planning requirements.

It is understandable that true airport aviation and operational matters should continue to be under the control of the Airport Master Plan and may be outside the scope of State and municipal planning schemes.

The Chamber fears that many of the proposed amendments are being considered to ease facilitation of increased non-core airport business on Commonwealth-owned sites.

In particular, the Launceston Chamber is concerned about the Australian Government facilitating major retail developments or Direct Factory Outlets (DFOs) on airport land. Many aspects of this trend do not comply with the National Charter of Integrated Land Use and Planning**,** directly contravene the Planning rules of the regions in which they occur and are not related to airport operations.

This current trend could have us questioning how long it will be before other Australian Government facilities are offered for inappropriate uses that will benefit a handful of multinationals at the expense of local communities.

Local and State planning
Any non-aviation development on Commonwealth airport land should be required to respect and comply with 'local' (State and Municipal) planning rules and schemes.

To have the 'customers' (the developers) of the Australian Government excluded from complying with the laws of the State in which they wish to develop is farcical and makes a mockery of State planning processes.

It also discriminates against operators on non-airport sites who do have to comply with 'local' laws and schemes.

Reduced consultation period = reduced accountability
There is a high level of concern regarding the suggestion of reducing the public consultation period from 90 to 45 working days. This would give developers the luxury of unlimited time in which to build their case, while concerned citizens and communities would be required to lodge submissions within unreasonably tight timeframes.

That there is any notion of reducing this timeframe could suggest that the process is being engineered to deter opposition or opinion – and that would reinforce an already negative message.

The timeframe for submissions should be increased to 120 days – it should not be reduced – it should be increased to four months.

Currently the developers can work for months or years on their proposals, and under the current system they do not even have to provide data supporting their development.

This current process is inequitable and discriminatory and puts the 'local' communities that object to developments on airport land at a major disadvantage. Not only do local representative bodies (often voluntary or semi-voluntary) have to raise funds to develop a case, they have the added barrier of knowing that they are objecting to a situation facilitated by their own Australian Government.

The proposed amendments appear to work very much in favour of the developers who may have 'close' links to Government and are adequately resourced to secure expensive legal counsel and develop costly studies.

In many cases it is difficult for objectors to source funds, locate and appoint a suitably qualified consultant, wait for that consultant to be available, conduct a comprehensive study, collate information, create representation and lodge it within 90 days.

To reduce this timeframe will be viewed as a move to further muzzle community input.

Increase of building value threshold = reduced accountability
The proposal to lift the development value threshold to $20m, from the current $10m, will allow developers even greater opportunity to avoid public or ministerial scrutiny and is very disturbing.

Already it has been suggested that developers may stage developments in increments below the threshold to avoid accountability.

Support of this aspect of the proposed amendment will too be viewed as another 'special arrangement' for national and multinational developers. Such 'deals' are not available to those with whom they compete.

Non-aviation activity should not be supported by tax- and ratepayer-funded infrastructure
It would be inappropriate to reap the financial benefits of non-core airport development on Commonwealth land if the costs of supporting infrastructure were imposed on local rate and tax payers.

Any development application should be required to detail the necessary on-site (sewerage, drainage, etc) and off-site supporting infrastructure (major roads, etc.) and explain exactly who will be paying for and providing these services.

It would be inappropriate and insulting to use the funds of 'locals' to provide the infrastructure for a development that has the potential to harm their community while filling the pockets of remote shareholders.

Compliance with National Charter of Integrated Land Use and Planning
Any development on Commonwealth land should fulfil the aims of the National Charter of Integrated Land Use and Planning particularly, when assessing retail development, those listed below:-

- Integrated and inclusive processes
- Linked investment decisions
- Increasing accessibility by widening choices in transport modes and reducing vehicle travel demand and impacts
- Making better use of existing and future infrastructure and urban land
- Protecting and enhancing transport corridors
- Creating places and living areas where transport and land use management support the achievement of quality of life outcomes
- Increase opportunities for access in both the present and longer term
- A safer and healthier community
- Recognising the unique needs of regional and remote Australia

Any retail development, on any land in any area, should support the local retail hierarchy of the relevant region and main trade catchments. Such development on Airport land should not be exempted.

It is farcical to allow development on Commonwealth land without regard for the surrounding environment, markets and all other key factors affecting a community. Federal Government disregard for municipal and State planning expectations is difficult for existing and locally-owned businesses to reconcile or respect.

Independent businesses could be forgiven for questioning why Federal Government appears to be so keen to facilitate multinational developers at the expense of locally-owned businesses. This treatment is viewed as even more puzzling when supported by a Liberal coalition Government.

Assessment should be undertaken by qualified planners
That development on airport land is assessed by DOTARS is concerning. Decisions regarding major developments, that could change the entire economic and social balance of surrounding regions, should be dealt with by planning and community development experts in the context of the region affected.

It is not appropriate to have Canberra-based bureaucrats making decisions about developments in areas about which they have limited knowledge in terms of relevant geographic, economic and social factors.

Whilst DOTARS' ultimate aim may be to maximise profits from airport assets, this may be at odds with the well-being of the relevant State or region.

The current 'objection' process in inappropriate
Objectors are required to submit their concerns to the development proponent who, in turn, summarises those concerns for the Transport Minister. Even more disturbing is that the developer is not required to provide his economic and social impact studies to the communities that will be affected by the proposed development.

Assessment processes must be independent and informed
There is always a high level of discomfort when any project or developer appears to enjoy 'special' benefits, is not required to provide information that would enable rigorous assessment and obviously enjoys the support of any level of Government that may be a major financial beneficiary.

This is just another example of the 'special treatment' that is not afforded to operators on non-airport land.

'Need' for development should be demonstrated
Need for development, particularly retail or non-airport related activity, at 'out-of-town' centres (including airports) should be demonstrated and proven.

In some areas (particularly Tasmania), its small population simply does not provide the critical mass to sustain the proposed Hobart Airport DFO without cannibalising trade from existing centres, and in many cases jeopardising their viability and potential to remain operational.

Excerpt from Chamber submission opposing Hobart DFO -
'The current retail spend in the Hobart MTA is estimated at $1.1billion per year. Predicted retail growth, taking into account minimal population growth of .5% pa, indicates an increase in retail sales of only $47.6 million in the next two years.

The proposed centre will create a net addition of 32% (70,752m2) to the entire Hobart specialty and bulky goods retail floor space total.

National figures indicate that, on average, centres of this nature require a total catchment of 500,000 people. This Centre is to be the largest in the country and is proposed for a State with a total population of less than the average anticipated catchment area.'

There is obviously no 'need' for this project. To ensure that any development is considered in context it must be assessed at a State level.

What is even more disturbing about the proposed Hobart DFO is that the proponents openly expressed confidence in their development proceeding, doing so before submissions had even been lodged with the Minister.

In addition to this extraordinary and somewhat arrogant sign of confidence, the developer had the audacity to advertise nationally (June 2006) that the Hobart DFO would be 'opening later this year' and advised that leasing agents had been appointed.

Perhaps the above examples will help those assessing this process to understand why it is viewed with scepticism in many circles.

Environmental sustainability – fuel, costs, infrastructure, etc.

- **Reduce consumer reliance on vehicle use and transport**
  Globally, it is recognised that sound environmental developments aimed at consumer markets should be centrally located to reduce the need for transport and the associated 'lost time' and fuel costs.

  Communities and centre planning should also be focussed on reducing decentralisation and maximising connectivity with urban populations.

  Very few Commonwealth-owned airports could be viewed as being 'centrally' located. Whilst some in major capital cities may be well serviced by public transport, those in regional centres are not.

- **Commonwealth airport land should be used for developments that are not 'environmentally' suitable for urban locations**
  Development on Commonwealth-owned airport land should be reserved for activities that are best suited to 'out-of-town' and airport locations, e.g. warehousing, transport-related activity, export packaging, etc.

  Savvy development of airport land, aimed to best serve our communities before opportunistic developers, could see the relocation of some businesses no longer suited to current locations. Relocation of industries that are now deemed inappropriate for suburban areas would free up centralised sites for high consumer-related development.

- **Nature of development should be environmentally sound**
  Run-off and drainage management have been identified, globally, as major issues linked to developments that require large areas of sealed land around them (particularly DFO/big box developments). The associated environmental and financial impacts of these issues should be subject to close and independent scrutiny.

Discrimination against 'local' retailers

There is a perception that major developers enjoy special arrangements with the Federal Government in the area of planning guidelines on airport land.

This situation, be it a reality or a perception, casts doubt over the integrity of any approvals process and perpetuates the view that Government is more interested in deferring to national and multinational operators than respecting the social and economic impacts on relevant communities. Support for many aspects of these proposed amendments will perpetuate this commonly held view.

In the case of DFOs on airport land, it has been revealed that 'local' retailers are excluded from participation – that these centres are open only for national and multinational retailers.

It's difficult for independent business operators to see the Australian Government offering advantages to inappropriate developments that have the potential to destroy their businesses, degrade local towns and communities – and exclude them from participation.

In summary development should be considered in the context of its environment.

There should not be a blanket rule for what is or isn't appropriate for development on Commonwealth airport land – other than that any non-aviation activity should be subject to local and State planning processes.

Each site and State has its own unique issues – be they geographical, environmental, or related to population, the local economy, local supply, infrastructure, etc.

Local and State communities should be secure in the knowledge that any major development will only proceed after assessment of the economic and social impacts on their regions, centres and lifestyle.

It is not realistic to treat an airport near a major mainland city in the same way as one in a regional centre such as Hobart where the entire population is smaller than many mainland suburbs, where population growth is questionable and participation rates decreasing. In fact, Tasmania's entire population is less than the industry average catchment area for a major DFO.

The Chamber urges Senators to reject any Amendments that **"simplify planning controls"** for **non-core airport related development.** "Simplified planning controls" may result in reduced rigour in the assessment process.

The community expects their elected representatives to ensure equity for businesses in their own electorates. The plethora of independently owned businesses around the country should receive equal consideration to those 'big end of town' operators that often have easier access, geographically, socially and economically, to our political masters.

Bad timing & timeframe for inquiry - The Chamber is disappointed at the timing and deadline for this Inquiry. Provisions of this Bill were referred to the Senate Rural and Regional Affairs and Transport Committee on 7th December 2006 and the deadline for public submissions was 19th January 2007. For some organisations, this timing has prohibited access to professional services required to prepare submissions. That is was run over the Christmas and holiday period is viewed with cynicism.

The Chamber will closely watch the progress of this Bill and report outcomes and processes to Members and the local community.

Yours faithfully

Josephine Archer
Executive Officer

cc. Launceston Chamber Members