

25 June 2008

The Department of Infrastructure, Transport,  
Regional Development & Local Government,  
GPO Box 594  
CANBERRA ACT 2601

Dear Sir/Madam,

**Submission – Towards a National Aviation Policy Statement**

I refer to the call for public submissions in response to the Issues Paper: *Towards a National Aviation Policy Statement* (April 2008) and provide the following comments for your consideration.

The Urban Taskforce represents Australia's most prominent property developers and equity financiers. Since 1999 the Urban Taskforce has been arguing for policies that support the growth of our cities and regions. The timely provision of essential infrastructure, including airports, is the key to the growth of urban Australia.

The Urban Taskforce has previously made submissions to the Government on this important matter and we are pleased to see that this Government is prepared to tackle such a complex issue.

Airport planning is challenging on several levels. At the most basic, policy development for airports always generates community concern, often leading to vocal opposition. Local communities struggle to see the "bigger picture" and are unable to properly consider the state and national significance of airport infrastructure. In this context, government policy development is particularly difficult.

Public opinion aside, agreement on acceptable local environmental outcomes and an appropriate planning system have also generated much debate with no obvious solution. Similar to local communities, local planning authorities (local council) have great difficulty balancing state and national infrastructure needs against perceived unacceptable local community and environmental impacts.

Even after costly extensive studies over many years no decisive action has been taken to secure our aviation future. The decisions that must be made by the government of the day seem to be considered too difficult and/or politically risky and hence, no decision on Australia's aviation future has been the preferred policy position of every government since 1946.

We understand that the development of a National Aviation Policy is part of the Australian Government's desire to provide:

- greater planning and investment certainty for the aviation industry; and,
- clear commitments for users of aviation services and communities affected by aviation.

If this Government is to make a positive contribution to airport management and planning, its policy position must deal with the:

- environmental planning systems regulating development on airport sites and development in the vicinity of existing and future airports;
- airport capacity constraints experienced in the Sydney region; and,
- future of the existing Badgerys Creek second airport site.

The Government's Issues paper raises a number of interesting and important issues and the following comments are provided in response to these.

#### Land use planning

By global standards, we are a distant nation and hence airports are vitally important entry points and essential for business and tourism growth. Airports provide a gateway to international markets and therefore promote high-value import and export activity. Airports also contribute significantly to job growth in their region. For instance, growth at Amsterdam Schiphol Airport between 1987-1998 led to an additional 48,000 jobs in the greater Amsterdam region.<sup>1</sup>

In fact, economic growth and the Government's ability to attract investment in Sydney has been aided by Sydney's role as Australia's main international air hub.<sup>2</sup> If we do not invest and expand airport infrastructure, it is argued that we will not be able to meet future business and tourism travel demand nor will we be able to cater for technological advancements such as new-generation aircraft.

While much attention is placed on business and tourism travel, the contribution that air cargo makes to economic activity should not be underestimated. It has been shown that nations with good air cargo connectivity have competitive trade and production advantage over those without such capability.<sup>3</sup>

It is encouraging to note that investment in Australia's major airports has accelerated and it is generally accepted that airports are a necessity and their existence is essential for international commerce. Airports are a class of development that have the potential to cause significant environmental impact in their own right, while also being an attractor to other businesses and industrial activities which cluster in the vicinity of the airport, giving rise to their own environmental impacts.

To be of any real value, airport planning strategies must address the entire complex structure of aviation. That is, planning must consider the people residing, working and schooling in the area and other factors such as the changing commercial and social environment brought about by additional expansion at the airport. A well rounded revision of airport planning therefore becomes a necessity.<sup>4</sup> This necessarily must involve the Commonwealth, State and local governments. The approval of on and off airport development is often an area of conflict between the different levels of government and the community.

In the case for airports in existing urban areas, local government is in the unenviable position of seeking to appease those who may choose to reside in the vicinity of a major metropolis,

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<sup>1</sup> Hakfoort, J. , Poot, T. and Rietveld, P. 2001. The Regional Economic Impact of an Airport: The Case of Amsterdam Schiphol Airport, *Regional Studies*, 35:7, 595 — 60

<sup>2</sup> Searle, G. & Bounds, M. 1999. State Powers, State Land and Competition for Global Entertainment: The case of Sydney. *International Journal of Urban and Regional Research*. Joint Editors and Blackwell Publishers Ltd.

<sup>3</sup> Kasarda, J. and Green, J. 2005. Air cargo as an economic development engine: A note on opportunities and constraints. *Journal of Air Transport Management* 11 (2005) 459-462

<sup>4</sup> Abeyratne R. 2000. Management of airport congestion through slot allocation. *Journal of Air Transport Management*. Vol. 6. pp. 29-41

with high levels of access and infrastructure, yet do not accept that these advantages may come at some environmental and local amenity cost.

As previously noted, investment in airport and supporting infrastructure is significant and we should ensure that the opportunity that this provides is maximised. The presence of an airport and the additional infrastructure that it attracts must be seen as an advantage and valued. Some of the conflict may be taken out of the decision making process if the area is appropriately defined and a definitive policy position with clear objectives for this zone is adopted by Government.

The nature of airport development is such that conflict between levels of government and community will continue to exist and it is not realistic to expect that a planning system will remove conflict altogether. However, when dealing with such a complex environmental planning issue, the Government would be added by a uniform planning policy that clearly:

- sets the aims and objectives for airport development and development in the vicinity of airports;
- outlines the planning process for the consideration of airport development and development in the vicinity of airports; and,
- defines the consent authority.

**Land in the vicinity of airports should not be subject to additional and overly prescriptive development controls. In fact, this area should be viewed as an area of “opportunity” and commerce.** This should be an area where intense, high quality industry and business activity is permitted. Within this area, appropriately designed and constructed residential development should also be permitted.

Growth, commerce and industry must not be unrealistically restricted and it is the role of planning to facilitate the right type of development in key locations. In this regard, it is suggested that any planning policy addressing airport development must include objectives that:

- recognise the importance of the aviation industry, airports and infrastructure;
- recognise that development in the vicinity of airports should make full advantage of location and maximise the opportunities that this provides;
- ensure compatible land uses are permitted; and,
- facilitate the identification and provision of supporting off-site infrastructure.

The adoption and/or refinement of the approaches outlined above would vastly improve state and Commonwealth integration while clarifying the role of local government when dealing with airport development matters.

#### ANEF and building regulation

Aircraft noise must be properly considered and appropriate planning must be undertaken to permit development that is suited to local environmental conditions. Appropriate planning does not mean that valuable land in the vicinity of airports should have their development potential restricted by the overly conservative use the Australian Noise Exposure Forecast (ANEF).

Under the *Airports Act 1996* leased airports must prepare a master plan and such plan must include an Australian Noise Exposure Forecast (ANEF) for the areas surrounding the airport. Local authorities then use the ANEF as a planning tool to manage development in the vicinity of the airport. In most cases, the local planning authority will make land use decisions, including the drafting of planning instruments and development control plans that respond to the ANEF. If properly used as an input to local planning, ANEF and *Australian Standard 2021-*

*1985 Acoustics - Airport Noise Intrusion - Building Siting and Construction* can provide some protection against unacceptable levels of aircraft noise. Furthermore, by drawing a line on a map, certainty is provided to those who may consider investment and/or development of land outside ANEF contour, but nonetheless within the vicinity of airports.

Despite the benefits of using ANEF as a planning tool, the way that these contours are establishment has received attention in the Federal Court of Australia.<sup>5</sup> It is apparent that the assumptions used as the major inputs for the generation of the ANEF contours are not only variable, but also not checked by Airservices Australia as part of their endorsement process. That is, Airservices Australia's role as one that focuses on the checking of the mathematical translation of assumptions into contours. However, whether the assumptions used are valid is not the role of Airservices Australia when determining if an ANEF for an airport should be endorsed.

It is of great concern that the practice of Airservices Australia when determining whether an ANEF may be endorsed "is not to assess any of the data in a qualitative way or to seek to determine the likelihood of the assumptions behind the relevant data actually occurring."<sup>6</sup>

**These ANEF contour maps have the potential to dramatically impact on the development potential of land in the vicinity of an airport and we do not think that it is appropriate that these maps can be prepared by the operator of the airport, based on their forecasts of a possible future operating environment without extensive testing of assumptions and validation of predictions made by the operator of an airport.**

Surely it is plainly obvious that it is in the interest of an airport operator to overstate the future operating environment of their airport as a means of creating artificially expanded exclusion zones in their vicinity.

It is argued that ANEF and building regulation in the vicinity of airports (existing and future) should not focus on the exclusion of certain land uses. Building regulation should consider the desired internal acoustic environment for differing land uses in the vicinity of airports and then provide acceptable standards of construction to meet these requirements and/or the opportunity for the formulation of design solutions to meet acoustic goals for the desired land use. Essentially, no land use would be prohibited, instead building regulation would seek to ensure that design and construction is appropriate for differing end use.

Currently, reliance on ANEF, Australian standards and overly conservative land use controls has encouraged low density, low-tech development in the vicinity of airports. As previously noted, these areas are serviced by high quality transport infrastructure and in the case of Sydney airport, are in close proximity to the Sydney CBD. This location should not be a sterile undesirable area with an over supply of warehouse and low-tech industry, but an extension of the Sydney business zone. **Within this zone, all forms of land use should be permitted, provided such use occurs in appropriately designed buildings. There is no reason that office, retail, high tech manufacturing, warehousing and residential uses could not be located in the vicinity of airport development.**

#### Non-aeronautical development on airport sites

If the predictions are right, airports may soon be more than a gateway to a region or city. They may function as a city in itself, with living spaces, businesses and industries located around the airport, with major road and rail infrastructure connected to it. These airport cities or "aerotropolis" as they are known encourages an amalgam of high-value assets and will become a hub for other critical infrastructure such as rail and road transport.

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<sup>5</sup> *The Village Building Co Limited v Airservices Australia* (2007) FCA 1242.

<sup>6</sup> *Ibid.*

Airport development proposals are like any other land use proposal. They are subject to an assessment pursuant to legislation. Research indicates that airports perform at local or district centre level in terms of retail turnover.<sup>7</sup> However **we do not support the arguments advanced by some State Government planning authorities that airport development should be opposed because it creates defacto new 'centres' in competition with existing centres.**

The impact of rigid centres policies was considered in the report *Choice Free Zone* commissioned by the Urban Taskforce and authored by Professor Allan Fels, former ACCC Chairman.<sup>8</sup>

In short the study found that:

- Shoppers are paying too much for their groceries because of restrictive out-of-date planning laws. New supermarkets and larger food stores are being denied the opportunity to compete with existing shopping centres. The centres policy would be in breach of the *Trade Practices Act*, if it wasn't backed by State Government legislation. Less choice means higher prices for groceries and everyday household goods.
- An overhaul of centres' policies will mean greater competition and give people more choice. Grocery shoppers could pay up to 18 per cent less for basic food products and up to 28 per cent less for other household items.
- New supermarkets and larger food stores should be allowed outside established shopping centres, easing the transport burden and encouraging more "pedestrian friendly" communities.
- Reform of the system could mean \$296 billion for the Australian economy. It would also mean 147,000 extra jobs across Australia.
- The centres policy gives retail landlords the opportunity to charge higher rents. Some landlords charge between 17 and 21 per cent of retail turnover as rent. This compares with 9 to 12 per cent in other countries.

Protection of existing centres should not be used as a reason to develop existing airport land. However, ideally, the same legal regime should apply to a similar positioned land. **We advocate more flexible centres' policies across-the-board, for airport land, and non-airport land alike.**

#### Future airport needs

Sydney Kingsford Smith Airport is Australia's international gateway and despite being Australia's busiest airport, is constrained by a cap of 80 scheduled aircraft movements each hour and a strict curfew. Exhausting airport capacity has been an issue of concern for successive governments. Some of the most extensive environmental investigations have been undertaken, but no definitive solutions to capacity have been suggested.

Since the early 1980s, Badgerys Creek has been identified as the site for Sydney's second airport and the land necessary for an airport acquired by the Commonwealth. The necessary land remains in Commonwealth ownership. However, nothing has occurred on this site and it is noted that this Government, like its predecessor, does not support building an airport at Badgerys Creek. Hence, future airport capacity and the need for a second airport at Badgerys Creek continue to be unresolved.

**A National Aviation Statement should include the Government's policy on a second airport for Sydney, including its location.** If this is not to be Badgerys Creek, then the Government

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<sup>7</sup> Thompson B. 2007. Airport Retailing in the UK. *Journal of Retail & Leisure Property* VOL.6 NO.3 PP 203-211

<sup>8</sup> Choice Free Zone is available from the Urban Taskforce's website on [www.urbantaskforce.com.au](http://www.urbantaskforce.com.au).

must determine the most appropriate land use for this site. This has been a critical, unresolved matter for over two decades.

The State Government has released significant areas of land in close proximity to the Badgerys Creek airport site for development and recently the State Government announced funding and a timeline for a 13 kilometre railway link to Leppington. This is more than half of the necessary rail link to join an airport at Badgerys Creek to the Sydney rail system.

**If the Badgerys Creek site is not to be for airport uses, then it is time that the Federal Government dispose of this land so that it may be used for appropriate residential and/or employment generating activities.**

The Badgerys Creek airport site is adjacent to the Western Sydney Employment Lands Investigation Area and the South Western Sydney Growth Centre. The site could be readily included into current planning to determine its most appropriate use, whether that use is an airport or other use.

The Urban Taskforce looks forward to reading the National Aviation Policy Green Paper later this year and if I can be of any further assistance, please contact me on telephone number (02) 9238 3955 or e-mail: [admin@urbantaskforce.com.au](mailto:admin@urbantaskforce.com.au)

Yours sincerely  
**Urban Taskforce**

A handwritten signature in black ink that reads "Aaron Gadiel". The signature is written in a cursive style with a long horizontal stroke extending from the bottom of the name.

Aaron Gadiel  
Chief Executive Officer