



27 June 2008

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

Dear Sir/Madam

## **NATIONAL AVIATION POLICY STATEMENT**

### **Background**

The Australian Local Government Association (ALGA) represents the interests of the more than 600 councils at the Federal level. Its membership is made up of the associations of local government in each state and territory. The ACT Government is also a member in its role as the local authority in the Australian Capital Territory.

ALGA seeks to bring to the attention of the Committee, in general terms, a number of issues relevant to the current review and development of a National Aviation Policy Statement or White Paper. Specific matters relating to individual airports, services and programs are being brought forward separately by individual councils and State and Territory Local Government Associations.

The areas of national aviation policy of interest to Local Government relate to:

- Regional aviation
- Aviation services to remote Australia
- Major airport planning and development

### **Regional Aviation**

#### Regional Airports

Local Government is a key stakeholder in the provision of aviation services to regional Australia through its ownership of regional airports. Local government took ownership of these airports from the Commonwealth as part of the deregulation of the aviation industry in the early 1990's.

There was some financial support for councils to take over ownership of airports but this was not provided on an ongoing basis. Since that initial support was provided there have been changes in the requirements for airports, for example security requirements. While there has been some financial assistance provided by the Federal Government for security upgrades it has been on an ad hoc basis. There have also been other limited ad hoc programs for airport upgrades.

Local government experience with airports has varied. Some airports at major regional centres have proven cost neutral and in some cases profitable for councils. The more common experience however is that airports have become a major call on council budgets. Councils have felt it necessary to fund these costs to maintain and attract aviation services that underpin the social and economic development of their communities. It should be noted that in many remote communities, councils reluctantly accepted this additional responsibility to ensure that vital air services were maintained to provide access to essential services.

ALGA is not aware of any estimates of total financial contribution councils have made to maintain and keep up to date airports since taking over ownership and is not in a position to make those estimates.

### Aviation Services to Regional Australia

Aviation services to regional Australia are a necessary transport services for communities and businesses in those areas. Regional Australia is a major contributor to the Australian economy through agriculture, tourism and mining and efficient and speedy access is a requirement for doing business. Efficient aviation services are not an optional extra for regional Australia, just as efficient airline links between capital cities are a necessity for businesses in those cities.

The level and quality of services varies considerably between centres and, in part, this reflects the standard of the regional airport infrastructure. The Discussion Paper also correctly notes that the age of aircraft providing these services and issues of accessibility of regional airline operators to the major capital city airports have a major negative impact on the quality of aviation services provided to regional Australia.

### Comment

While regional aviation is a relatively small component of the total aviation industry it is disappointing that only single paragraph is specifically devoted to it in the Discussion Paper. Regional aviation is important to the millions of people and the related business outside metropolitan Australia. On equity grounds these communities and business should receive a similar service to other Australians.

Local government understands and recognizes that many regional aviation services are provided, and will need to continue to be provided, on a community service basis. Local government has subsidized these operations by contributing to the cost of regional airports rather than fully recovering costs from users through the operators. The level of support in some case has become a significant impost on council budgets.

It would be appropriate, as part of this review, to evaluate the policy of devolving responsibility for small regional airports to local government, including an estimate of the cost incurred by councils in maintaining and upgrading their airports. The evaluation would need to examine the cost to regional and remote communities of providing support to local air strips as a community service within the context of the principles agreed by all three spheres of government under the Inter-Governmental Agreement Establishing

Principles Guiding Inter-Governmental Relations on Local Government Matters (the Intergovernmental Agreement on Cost Shifting signed in April 2006).

While local government welcomes the contributions made by the Commonwealth and states to assist with airport infrastructure there is a concern that the support is provided on an ad hoc basis and there does not appear to be any strategy behind the support.

Local Government understands and recognizes that since the handing of responsibility for airports to councils much has changed, for example there have been ongoing improvements in road infrastructure. Local government believes that there is scope, especially for the Commonwealth, to use funding to encourage and leverage a regional approach to planning for the provision transport services taking into account the capabilities of all modes. A regional multi-modal approach is likely to lead to the most cost effective transport outcomes for communities and businesses in regional Australia.

ALGA is not in a position to make specific comments about safety and security arrangements on regional aviation services. In broad terms, however, there is no reason why users of regional aviation should have a lower level of safety or security than travelers on the major inter-capital routes.

In imposing standards, especially security standards, however the Government needs to recognize the cost impost on regional and remote airports and the relatively low security risk for regional aviation.

### **Aviation Services to Remote Australia**

Aviation plays a critical role in providing access for remote communities. At times of the year aviation services provide the only access to some communities

These communities are often small and it is unrealistic to expect that either the communities or individuals could afford to provide a reasonable level of access. The government recognises this and appropriately provides subsidies for flights to these communities.

Local government welcomes these programs and recommends that they be continued.

### **Major Airport Planning and Development**

The capital city airports were originally established on Commonwealth land on the outskirts of major cities. Excluding these facilities from state and local planning at that time may have been a reasonable approach given the relatively low impact on the surrounding, largely rural, areas. The growth of our cities has meant that in some cases these airports are now surrounded by urban developments. Airports have also become major generators of road traffic.

The situation has been exacerbated in recent years with a significant shift in the use of airport land from a purely aeronautical purpose to other commercial developments. These

commercial developments are in fact no different to commercial developments elsewhere in our cities yet are excluded from normal state and local government planning processes.

The Discussion Paper correctly identifies that “airports are not islands, and the growth of the airports can have impacts on the communities surrounding airports”

ALGA accepts that the aviation elements of airports are key parts of the nation’s infrastructure and their planning is a matter for the Australian Government. The extensive non-aviation commercial developments on airport land does not, in ALGA’s view, constitute key national infrastructure and does not justify being excluded from state and local planning regimes.

While ALGA recognizes the Australian Government’s desire to keep control over the planning for airports sites as a whole ALGA asks that in relation to commercial developments on airport land the Minister be required, at a minimum, to appropriately consult with local government and explicitly state in any decision whether developments are consistent with state and local plans and if not why they should proceed. The Minister in making a decision should also be required to take account of the impact of the proposed development on nearby residents and businesses.

Given the proximity of all capital city airports to urban and in particular residential areas, and the ever increasing change of use of airports to include the provision of non-aviation services, consideration should also be given to charging commercial developments on airport land the equivalent of rates, and where appropriate, developer contributions to councils to help pay for any infrastructure requirements.

### **Conclusion**

ALGA would be pleased to discuss the local government position and participate in the review as required. The contact within ALGA for this issue is Andy Hrast on 02 6122 9432.

Yours sincerely



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**Chief Executive**