

Dissenting Report – Australian Labor Party

Background

1.1 Aviation is a significant creator of jobs and a driver of economic development in our cities and regions. Indeed, the sector contributes in excess of \$30 billion per annum (equivalent to 2 per cent of annual GDP) to the Australian economy, and directly and indirectly supports over half a million jobs.

1.2 In particular, our airports are critical pieces of national economic infrastructure. They connect us with each other as well as with the rest of the world. But their operations can impact significantly on the social amenity of the communities of which they are a part of.

1.3 That's why developments at our airports must be well planned and communities properly consulted. Accordingly, while in government Labor, as part of its National Aviation White Paper, implemented the following:

- prohibited developments incompatible with aviation use on federal airport sites unless exceptional circumstances exist, and making sure nearby developments are compatible with airports' core activities and long term planning;
- required federal airports to establish Community Aviation Consultation Groups to address planning and development issues and a range of other operational matters, such as aircraft noise;
- obligated federal airports to submit more detailed Master Plans (MP);
- introduced a new Major Development Plan (MDP) trigger that will be activated by any development with a significant community impact, regardless of size or cost, ensuring the community and stakeholders get the opportunity to scrutinise developments that may be contentious within the local area;
- established the Aircraft Noise Ombudsman;
- stopped older, noisier aircraft flying over residential areas; and
- maintained curfews at Sydney, Adelaide, Gold Coast and Essendon Airports.

Airports Amendment Bill 2016

1.4 The Airports Amendment Bill 2016 (the Bill) seeks to amend the *Airports Act 1996* to streamline processes for development at and around federally-leased airports.

1.5 Unusually for infrastructure, the Federal Government is the consent authority for major airport development, with States and Territories playing a secondary role. Under existing Federal legislation, 19 of the 21 federally-leased airports are required to prepare an MP every five years, for final approval by the Federal Minister. The MP spans a 20-year forward horizon and outlines the strategic direction for development of the airport.

1.6 The MP update process requires community consultation. In addition, specific major developments at airports (including certain projects currently above a \$20 million construction cost) require Federal approval of a MDP.

1.7 The twenty-one airports subject to this legislation are: Canberra, Sydney, Brisbane, Darwin, Bankstown, Gold Coast, Alice Springs, Camden, Townsville, Tennant Creek, Archerfield, Mt. Isa, Melbourne, Hobart, Adelaide, Perth, Essendon, Launceston, Parafield, Jandakot and Moorabbin.

1.8 Western Sydney Airport is also included.

Issues raised by the Bill

1.9 While Labor supports the majority of the amendments to airport planning proposed by the Bill, it holds concerns over two key amendments that have been put forward.

Consultation periods for Major Development Plans

1.10 The Bill proposes to introduce, via a new subsection 92(2BA), a legislated timeframe in which the Minister must determine a request for a shorter consultation period on an MDP.¹ If the Minister does not make a determination within 15 business days, the request for a reduced consultation period will be deemed approved.

1.11 Labor cannot support this 'deemed approval' provision. It should be well within a Minister's capability to consider a request for reduced consultation, within 15 days. In circumstances where this doesn't occur, it would not be appropriate that the request would be deemed approved anyway.

1.12 Labor believes that the current legislative regime provides adequate scope for reduced consultation periods, and that further relaxation of these rules is not justified. The right balance is achieved under the existing legislative framework.

Monetary triggers for Major Development Plans

1.13 An MDP must be completed in a number of circumstances, including when a monetary trigger is reached. The current monetary trigger of \$20 million was determined in 2007, and the Bill proposes to increase this threshold by 75 per cent, to \$35 million.

1.14 It is Labor's view that this increase is excessive. The Government has argued that this increase reflects changes to construction industry costs and other economic conditions that have occurred since 2007. Labor disagrees with this position and takes the view that a \$15 million increase does not reflect changes in construction costs over a 10-year period. Indeed, according to the ABS Construction CPI, costs have increased by 20 per cent since 2007.

1.15 Further, a number of major and sizeable airport construction projects would fall under a \$35 million threshold. Therefore, such projects would be exempt from

1 The consultation period for public comment on a draft MDP is 60 days, or a lesser period approved by the Minister, of not less than 15 business days.

public consultations and other assessments on what impact these developments would have on various stakeholders, both on and off-airport.

1.16 Labor proposes that \$25 million is a more appropriate monetary trigger threshold for MDPs.

Conclusion

1.17 The Bill is being considered against a backdrop of considerable growth in air travel. Over the last twenty years, international passenger movements have grown at an average annual rate of 4.5 per cent while domestic passenger movements have increased by 2.5 per cent.

1.18 It is also being considered at a time when there is considerable development around the nation's major airports, with a new greenfields airport underway in Sydney, and major developments at different stages of progress in Melbourne, Brisbane and Perth, among others.

1.19 Labor strongly supports this investment in aviation infrastructure. However, development at our airports must be well planned and communities properly consulted.

1.20 Accordingly, Labor is of the view that the Bill should be amended to reduce the monetary trigger threshold for MDPs to \$25 million, and to remove the automatic approval of requests for shorter public consultation periods in relation to MDPs.

Senator Glenn Sterle
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Senator for Western Australia

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