

12 April 2011



COUNCIL OF CAPITAL CITY LORD MAYORS

Economic Regulation of Airport Services
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

8 Geills Court, Deakin
Canberra ACT 2600
Australia
T: (02) 6285 1672
F: (02) 6282 4253
info@lordmayors.org
www.lordmayors.org

Dear Commissioner,

The Council of Capital City Lord Mayors (CCCLM) represents the collective views of Lord Mayors of Australia's capital cities. The Lord Mayors acknowledge the important role that airports play in contributing to the liveability of our cities. Australia's cities are gateways to the world, and the effectiveness of our airports reflects upon our international competitiveness in a global economy.

The CCCLM welcomes recent changes introduced in the *Airports Amendment Act 2010*, in particular the requirement for airport master plans to align with State/Territory and Local Government planning laws; and the introduction of mechanisms to implement these changes including the establishment of Planning Coordination Forums.

Our major airports are vital international and domestic gateways and our capital city councils look forward to working closely with Airport operators in partnership for the benefit of our communities and airport patrons, and the continuing prosperity and economic growth of our capital cities.

Whilst the *Airports Amendment Act* provides for a much welcome and improved method of planning airport development by the requirement of alignment with local and state planning laws, as well as a more substantial community consultation requirement, the CCCLM would like to raise the issue of funding for the provision of infrastructure that may be required to support future development at airports. For example, a large development at a major airport may not only generate the need for the development of transport infrastructure, but also impact on things such as water and sewerage provision. Ideally, these issues could be identified through the new Planning Coordination Forums.

We are pleased to note that during the first five years of operation, airports master plans are required to incorporate ground transport plans, and information on proposed developments for purposes not related to airport services, and effects development have on employment levels and local community economies. The CCCLM would like regular reviews of airport master plans to be introduced, similar to the capital cities strategic planning system review, currently being undertaken by the COAG Reform Council.

As background, the COAG Reform Council was tasked to undertake a review of the capital cities' strategic planning systems (covering State/Territory metropolitan-wide city planning). A set of nine criteria were identified by COAG and cities' strategic planning systems have been critiqued against this criteria. Criterion five identifies the need to consider and strengthen the networks between capital cities and major regional centres, and other important domestic and international connections. We believe that the strategic planning systems of our cities should also be closely linked with development at airports.

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The CCCLM values the opportunity of providing its position on the economic regulation of airport services, and looks forward to the Productivity Commission's findings, and we would be welcome the opportunity to expand on comments contained in this submission.

Yours sincerely

Alderman Rob Valentine
The Rt Hon the Lord Mayor of Hobart
Chair – Council of Capital City Lord Mayors