

Perth Airports Municipalities Group Inc.

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

Dear Commissioner

RESPONSE TO ISSUES PAPER - ECONOMIC REGULATION OF AIRPORT SERVICES

The Perth Airports Municipalities Group Inc (PAMG) makes this submission to the Commission's Inquiry into the Economic Regulation of Airport Services.

The PAMG's membership consists of eleven local government councils who are either directly or indirectly impacted by airports. The eleven local governments are the City of Armadale, Town of Bassendean, City of Bayswater, City of Belmont, City of Cockburn, City of Gosnells, Shire of Kalamunda, City of Melville, Shire of Mundaring, City of South Perth and City of Swan. The combined population of these eleven councils is in excess of 700,000 residents, which is just under 50% of population of metropolitan Perth.

The PAMG's comments only relate to specific aspects of the Commission's Terms of Reference for the Inquiry and not the inquiry terms as a whole.

Airport Planning Regulation and Transport

General Comments

The key statement in this section is the quoted objective of the National Aviation Policy White Paper, "... ensures that the airport planning system is properly integrated with the off-airport transport planning system and contributes to a coordinated transport system that supports our cities' broader economic productive capacity and avoids imposing unnecessary social and economic costs (Australian Government 2009, p. 157)".

It must always be remembered that the demands on and expectations of an airport such as Perth Airport are much more complex than simply making flights run on time. Perth Airport is a massive land holding in the middle of a significant industrial/logistics precinct. If the airport is to positively support and influence the economy of Western Australia then there is a need to ensure that the

Member Councils:

Armadale • Bassendean • Bayswater • Belmont • Cockburn • Gosnells • Kalamunda • Melville • Mundaring • South Perth • Swan



non-airside land is developed in such a way as to support a modern, integrated industrial/logistics hub. It is noted that there are many references to “inappropriate” developments on airport land. It is of concern that Government will take a myopic approach to deciding what is or isn’t “appropriate”.

For instance, statements have been made that a child care centre is an inappropriate development. This ignores the fact that approximately 8,000 people are employed on the airport site, both directly by the operators of Perth Airport or by one of the many companies that operate from airport land. If the airport precinct aims to be an effective and productive economic centre, then the provision of child care services for the persons employed on the site makes sense. Further to child care, there are a broad range of businesses and industries that can be considered to be enablers of broader economic activity and these range from sandwich bars to cafes, post offices, accountants, security firms, and all the other business types that are necessary to ensure the success of modern, integrated industrial & logistics precinct.

Another matter which has affected the PAMG’s membership in the past has been the question of rates equivalent payments. At this time, there is no conflict in relation to the payment of rates however there is concern that this issue cannot be completely put to bed because the only thing that stands between local government and rating revenue is a clause in a lease which cannot be changed because the term of the lease is effectively 99 years i.e. 50 years with a 49 year option. The situation is vulnerable through interpretation of the lease agreements, changes of legal opinion and changes of leadership (within airport operators). **Legislation is needed to document the liability for these payments and the system by which they are calculated and applied.**

The Issues Paper included some specific questions. These are addressed here:

1. *Are planning and development regulations working effectively?*

Perth Airport falls within the local government boundaries of three of the PAMG’s members, namely the City of Belmont (majority of airport), City of Swan and the Shire of Kalamunda.

In Western Australia, the Western Australian Planning Commission has two Statements of Planning Policy, Policy No. 5.1 – Land Use Planning in the Vicinity of Perth Airport and Policy (*Attachment A*) No. 5.3 – Jandakot Airport Vicinity (*Attachment B*) and more recently Policy No. 4.2 – Activity Centres for Perth and Peel (*Attachment C*), which are an effective tool for local government in managing development close to airports. Where it comes to developments on Airports, the main problem is still the disparity between Commonwealth, State and Local Government planning and development regulations. For example, one of our members containing a portion of the airport within its boundaries has advised that they have a Memorandum of Understanding with the Perth Airport to provide them with information on developments however, at the end of the day Perth Airport does not have to accept any feedback from the local government on a development because of airport operating under Commonwealth planning and development regulations.

Whilst the PAMG supports and is keen to have development on airports, which are generally of high quality, the Airport Master Plans are very broad and contain no land-use definitions and don’t provide enough research into the impact of developments outside the airport. To this end, the PAMG would like to see similar processes as the Town Planning Scheme used.

Also a primary area of concern stems from the degree of uncertainty that currently pervades the area of development on airport land. PAMG member, the City of Belmont, is aware of one major developer who has stated that he will no longer seek to work on airport land owing to



the lack of certainty and perception of political influence surrounding major developments within the airport precinct.

2. *Can 'excessive' or 'inappropriate' economic developments at airports impinge on effective transport linkages to and from airports, or might such development facilitate better transport linkages?*

As stated earlier, the definition of 'excessive or inappropriate' economic development needs careful consideration. By taking a stance that the only developments that are not 'excessive or inappropriate' are those with specific and overt links to the aeronautical or logistics industries the Government will, in the long run, see a decline in the overall attractiveness of the airport precincts as preferred places of employment.

The question of whether transport linkages can be impinged upon by development seems to indicate that there is no flexibility in planning or implementation. Transport options can be many and varied, and should not be used as a means by which to designate some industries as more desirable than others.

It is felt that the growth of the airport precinct as a modern, integrated industrial & logistics precinct will lead to increased demand for transport linkages, especially public transport. The WA State Government has, in the past, linked public transport options at the airport to passenger numbers, ignoring the significant numbers of people who work on the airport precinct. It is noteworthy that there is currently no provision of public transport into the commercial and industrial precinct adjacent to the International Terminal. This is despite the fact that several thousand people work in the area. This, inevitably, adds to traffic congestion and detracts from the attractiveness of the area for future development.

3. *What mechanisms exist at airports to coordinate with local and state governments on planning issues?*

The PAMG has worked hard with the operators of Perth Airport in particular on the need for greater communication between the airport and its stakeholders in relation to planning and development matters. Over the last couple of years communication has improved and there is significantly more dialogue between the operators of Perth Airport and State and Local Government than in the past. Improvements still however need to be made in the timing of stakeholder engagement, and from a local government perspective, greater dialogue in the planning stages assists in ensuring all stakeholders concerns are discussed and hopefully resolved prior to the actual development.

4. *Can more be done by airports and governments to better coordinate planning of transport options?*

Perth Airport initially raised debate on transport planning issues with Main Roads Western Australia and Local Governments surrounding the airport as it identified external road network issues impacting on the airport and its customers. Gateway WA is the name given to this project and various groups have been formed such as high level Steering Committees,



Project Enabling and Community Liaison Groups, the Technical Advisory Panel and Public Forums facilitating community engagement.

Gateway Vision, the alliance for the Tonkin project, is currently working towards completing a business case to be put before the Federal Government by the end of this calendar year. Currently there is a push to bring the project construction timelines forward. This move has been influenced by the Airport's terminal consolidation plan and the proposed works at Fremantle ports relating to multimodal transport links to Kewdale Freight Terminal.

It is heartening to see that the Mayor and Chief Executive Officer from the City of Belmont are included on the Gateway WA Project Committee. Gateway WA will go a long way towards improving the roads based transport options into and around Perth Airport. The State also has a new master plan for public transport which will also impact on the northern part of the City of Belmont.

Within the PAMG's membership there are mixed views on extent of the Gateway WA project. The City of Belmont, where the greatest portion of the airport is situated has had considerable dialogue and planning/design involvement with the various consultation groups associated with this project. On the other hand, another member, the Shire of Kalamunda, has concerns the Project is in fact narrowly based. The Shire does not have any issue with the scope of the project in relation to the road network to the south and west of the airport, however, this scope is considered to be too narrow and not having regard to the current and potential freight activity and industrial growth to the east of the airport.

The expansion of the CBH terminal (Forrestfield Marshalling Yards, Forrestfield Container Depot), existing and planned industrial area, and the addition of new freight terminals, all on the eastern side of the airport, coupled with the closing of the rail links will mean a dramatic increase in road transport. Much of the resultant freight and commuter traffic will be traversing the Shire of Kalamunda to and from the land immediately east of the airport. Both Abernethy Road and Roe Highway will need to perform to a much higher standard as part of the freight network.

More specifically the impacts will be felt on Abernethy Road and its connection with Tonkin Highway, and Roe Highway with the intersection with Berkshire Road. The scope of the project at present does not accommodate these concerns.

The PAMG would welcome the support of the Productivity Commission to ensure the scope of the Gateway WA Project adequately reflects the transport needs of all local governments who share Perth Airport within their local government boundaries e.g. to additionally accommodate existing and future freight activity and industrial growth to the east of the airport as indicated on the plan at *Attachment D* as this is critical to future development within the local government area and the overall State freight network.

The PAMG is unaware of any similar efforts to coordinate better planning of transport options by the operators of Jandakot Airport. Future developments at Jandakot Airport include dual carriageways within the airports lease holdings which will discharge traffic into surrounding suburban streets which do not have sufficient capacity to handle the increased demand.

5. *Will recent changes to legislation to impose additional requirements on airport Master Plans (such as ground transport plans) help to alleviate past problems?*



Legislation is only as good as the people and institutions who adopt, monitor and enforce. There is a distinct and urgent need to develop modern, integrated and sustainable ground transport plans. Currently, it seems that the only plans receiving any form of enthusiasm are traditional car and truck based road networks. The implementation of the legislation must act to include other forms of public transport and cycleways.

Public Transport access to Perth and Jandakot Airports is restricted to a limited bus services as there are no rail services. The bus services do not cover the full hours of operation of the airports forcing passengers then to resort to costly use of private vehicles (parking costs), taxis, airport shuttles and car hire.

A Perth Airport Transport Master Plan has been developed and will be implemented over the next 10 years or so, however it is critical to develop a passenger rail system taking in the airport as soon as possible.

The PAMG supports rail access to the airport from the Perth-Midland line. Planning for the future needs to be continued to ensure long term sustainability of public transport systems.

There has been much discussion over the last 2-3 years on passenger rail line services to and through the airport. Several strategies are being considered and the most viable and sustainable option is to include passenger services that encompass communities outside of the airports boundaries e.g. through Perth's eastern suburbs. Rail access east of the airport could potentially generate sufficient daily usage to justify the provision of a rail line to the airport. The cost of not providing an efficient and effective public transport system will potentially result in a doubling of the number of cars on our roads within the next 40 years. An increase in passenger transport such as heavy rail, light rail and bus services is a high priority to minimise congestion and expansion of major road networks.

Additionally, there is a potential need for heavy rail for freight within the airport precinct. It would be logical, with the Kewdale Freight Terminal being in such close proximity to Perth Airport that an East to West spur be developed within the airport land to service large supermarket chains (e.g. Woolworths) that already have warehouse facilities on airport land. It would be advantageous to Airport tenants to have access to heavy rail and would aid in reducing freight movement costs, road network usage by heavy vehicles etc.

The PAMG strongly supports the development of sustainable rail transport, both passenger and freight, networked to, from and within the airport precinct.

Parking

Perth Airport has experienced numerous issues with parking for some time and has been working diligently to resolve these problems with the construction of several new parking areas for both short-term and long-term situations. High short-term parking fees have forced people to try and avoid parking at the airport when going to collect passengers and this activity has caused a high level of illegal parking along Brearley Avenue in Redcliffe. The illegal parking has caused obstruction to traffic flows, traffic accidents and anti-social behaviour. This situation has caused a lot of angst between the airport, local government and State Government with regard to the taking ownership of the problem (who is responsible). Perth Airport has worked to try to resolve this issue. One of the main concerns is that whatever solution is implemented, it must not just relocate the illegal parking problem to local community roads.



The Western Australian Government is considering expanding its Perth Parking Strategy to locations which have been identified as needing particular regulation and specifically the Murdoch Activity Centre. Jandakot Airport, which is situated nearby would not be subject to the same policy and would be advantaged by an imposition of licensing parking bays and controls put in place in the Murdoch Activity Centre. A possible solution would be to have metropolitan airports subject to a parking strategy where revenue from the strategy is used to support public transport.

Yours sincerely

Cr Glenys Godfrey
PAMG CHAIRPERSON &
MAYOR OF THE CITY OF BELMONT

Enc: Attachment A – WA Planning Policy No. 5.1
Attachment B – WA Planning Policy No. 5.3
Attachment C – WA Planning Policy No. 4.2
Attachment D – Potential Freight Activity Map - Shire of Kalamunda