

28 March 2013

Mr Jonathan Coppel
Presiding Commissioner
Major Project Development Assessment Processes
Productivity Commission
Locked Bag 2, Collins Street East
MELBOURNE VIC 8003

Via email: major.projects@pc.gov.au

Dear Mr Coppel

Subject: Major Project Development Assessment Processes - Airports

Thank you for the opportunity to provide early input into the Productivity Commission study of Major Project Development Assessment Processes. I understand the Commission is going to look at ways to cut red tape in development approval processes to allow major infrastructure projects to get off the ground more quickly. We wholeheartedly support these objectives and hope your study results in reduced timing and costs for aviation developments, and development assessment benchmarking in line with off-airport jurisdictions.

The Commonwealth Government during 2008 – 2009 undertook extensive national consultation before finalising the National Aviation Policy White Paper. Amongst other issues the timely and cost effective delivery of aviation infrastructure to service an expanding demand was endorsed as a key drive of national productivity.

Objectives and Aviation Development

As prescribed in the *Airports Act 1996* (the Act) an airport master plan must be updated every five years, and undergo extensive public consultation for at least 60 business days. Then, an airport must demonstrate regard to public comment before submitting the master plan for approval by the minister. At Canberra Airport we have canvassed in previous master plans the need to extend the main runway to provide for greater efficiency in airport operations, and also the expectation that a parallel runway will be required in the long term. Both project plans have given rise to community concern, and in the case of the parallel runway, this concern amounted to the removal of this aeronautical development from the current master plan altogether. I fear community comment about a runway extension, which in coming years will be subject to a major development process under the Act, will mean this project may never be realised either.

I am concerned the legislative settings of the Act prevent us from doing our job in planning and developing public aeronautical assets for the Capital in a timely and cost effective manner. Further, I am of the view legislative settings will continue to undermine the current aviation expansion policies of the Government to meet the burgeoning needs of aviation users, and will fail Australia in its need to harness the opportunities of the Asian Century.

The assessment 'scaling' of projects like terminals, aprons, runways and taxiways should reflect the extreme public good to be derived from this infrastructure, and provide a suitably fast tracked approval and completion. Once agreed in a master plan, aeronautical developments should not be subject to a yet another approval process, because there is nothing to gain from duplicating ministerial or public consideration of these proposals. Reopening discussion about necessary aeronautical developments produces little more than controversy and community contention, and also leads to increased costs and delays while adversely affecting airline operations. Extended delays could ultimately jeopardise vital public assets.

Benchmarking

With regard to other developments I consider airport developments no different to off-airport developments, and I support the benchmarking of requirements in the Act against state/territory and local government processes.

1. Capital Cost Trigger: On-airport development is subject to a major development process if it exceeds AUD\$20 million and yet developments off-airport are not assessed based on cost. I support the scrapping of a monetary 'trigger' for developments on-airport and instead would like to see greater alignment for non-aviation development assessments with processes that are impact and risk focussed.
2. Consultation Timeframes: The unnecessarily lengthy consultation and assessment periods in the Act must also be amended to align with other jurisdictions.
3. Airport Building Controller: Another unnecessary inconsistency between on- and off-airport development processes that increases capital costs and undermines competitive practices is the airport building controller (ABC) framework. Airports must use the same ABC for all development certifications while off-airport certifications are sought from a panel on a project-by-project basis. Airport certifications should be open to tender on a development basis as well.

I wish you all the best with your study, and look forward to reviewing the draft report later this year.

Yours sincerely



Stephen Byron
Managing Director