

6 March 2022

Director,
Airport Reform
Sunsetting and IFAM Section, Airports Branch
GPO Box 594
CANBERRA ACT 2601

Dear Director,

I write to you in my capacity as Chair of the *General Aviation Advisory Network* (GAAN), which has been established to provide advice to the Minister for Infrastructure and Transport on matters affecting the general aviation (GA) sector.

Members of the Network have been selected by the Minister for their skills and expertise in the aviation industry, and work collaboratively to respond to pressures facing the GA sector.

They come from a cross section of the diverse GA sector, covering rotorcraft and fixed wing services, including flight training, sport, recreational, regional, business, aeromedical, remotely piloted aircraft systems and aircraft maintenance.

The Network thanks the Department for the opportunity to respond to its paper *Sunsetting Airports Regulations Stage 1a: Cutting Red Tape Consultation Regulatory Impact Statement* dated December 2021.

Over the last two years, the GAAN has given much consideration to the challenges faced by the general aviation sector under the current economic and regulatory arrangements that apply to metropolitan secondary airports, most notably in our paper *A New Strategy for the Australian General Aviation Sector*¹. We hope you are able to give full consideration to the comments provided below.

The Problem

The general aviation (GA) sector has been negatively impacted as a result of the privatisation of the capital city secondary airport operators, which continually seek to reduce the land available for aeronautical use in favour of more lucrative non-aviation developments.

This has particularly affected small to medium enterprises (SMEs) in the sector, which typically lack the commercial corporate resources and weight of capital to negotiate the long-term leases that large non-aviation airport sub-lessees have been able to achieve.

We point out that the majority of GA businesses have no alternative other than to operate at an airport, since they must have direct access to runways and taxiways. If suitable airside access is not available, these businesses must either close or relocate.

Non-aeronautical businesses, on the other hand, do not need to be located at airports, but choose to do so for purely commercial purposes.

¹The paper may be retrieved at <https://www.infrastructure.gov.au/sites/default/files/documents/GAAN-New-Strategy-for-the-General-Aviation-Sector.docx>

The result is fewer jobs in aviation, lack of investment in aircraft fleet renewal, loss of upskilling and industry capability, all of which are essential for the sector’s viability. This should be a matter of national concern.

Whilst the privately leased airport owners may be operating within the law, it does not mean that the wider interests of the community and economy are being served, or that government should not act to address these critical issues.

Addressing the Impact on General Aviation Jobs and Growth

The GAAN has identified the importance of addressing the following aspects of airport planning and development at the privately leased metropolitan secondary airports:

- Security of tenure and access to suitable property leases for aviation businesses;
- Parity or otherwise with normal commercial lease arrangements; and
- Impact on general aviation businesses, employment, skills and the wider economy.

A thorough review of the criteria applied when assessing leased airport development proposals should be conducted, with a view to ensure GA needs are fairly and transparently considered, and calibrated to support the GA sector’s current needs and future growth.

Through its powers and required approvals of airport master and major development plans, government can set conditions on the head lessees. It is wrong to deny GA businesses with economic and operating conditions that are available to non-aviation businesses simply because they must necessarily be located at an airport.

The GAAN strongly believes that the Australian Government should revise its policy towards the approval of leased secondary airport master plans to ensure that the interests of the GA sector are adequately protected.

Response to the Consultation Paper

Set out below are summary responses to the questions posed at Appendix B of the consultation paper. The GAAN does not seek to comment on matters that do not support policy outcomes within its terms of reference. Accordingly, a consolidated summary of the GAAN’s position on each option is given below.

Option 1: Status quo: Allow the Airports Regulations and the AOISRs to sunset

The GAAN’s strategy supports regulation to ensure that the privately-leased metropolitan secondary airports remain viable business locations for general aviation.

It is inconceivable that the Australian Government would choose to ignore the intent of the *Airports Act* and deny itself visibility of the ownership structure, sub-leases and licensing agreements made by privately-leased metropolitan secondary airports.

Option 2: Remake the Airports Regulations and the AOISRs without changes

The GAAN has previously called out the failure of the current regime to support a healthy, viable and sustainable GA sector.

Whilst recognising that Stage 1a is concerned with ownership, control, sub-leases and licensing of and by the privately-leased airport operators, the opportunity to align regulatory intent in these matters with additional legislation to address other concerns should not be lost.

Option 3: Remake the Airport Regulations and the AOISRs with changes

Option 3 provides an opportunity for the Department to address the loss of land available for aeronautical use at the privately leased secondary metropolitan airports.

The GAAN does not seek to express a view about the efficacy of purely administrative arrangements that do not serve a policy purpose for more jobs, greater investment and growth in the GA sector.

The Network would welcome the opportunity to elaborate its views with your office directly.

In the first instance, contact may be established through the GAAN Secretariat by e-mail (GAAN.Secretariat@infrastructure.gov.au).

Thank you for considering the general aviation sector's perspective in this matter.

Yours sincerely



Andrew Andersen
Chair