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Thank you for the opportunity to contribute to the proposed National Aviation Policy Statement.

Archerfield Airport Corporation is a wholly owned subsidiary of Miengrove Pty Ltd. Miengrove is a local family company. In 1998, Miengrove purchased Archerfield from the Commonwealth under the Airport Privatisation Scheme.

We were delighted to be entrusted by the Commonwealth with the opportunity to enhance the value of the resource we acquired. A decade later, we are proud of the foundations we are laying for the future role of Archerfield.

Nevertheless, we are conscious that transformation has really just begun, so we offer some restricted comments from our experiences at Archerfield. We hope these observations have relevance to a broader context, and that they can enhance the final form of the National Aviation Policy Statement that you are developing.

The comments are in response to issues 1.3 General Aviation  
2.1 Airport Planning & Dev., and  
2.2 Air Traffic Management.

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### **1.3 GENERAL AVIATION :**

The Government has acknowledged that at the time of privatisation Archerfield was an under-managed resource. It operated in a subsidised environment. Unfortunately, within that environment, a culture of entitlement had developed among some clients.

That is why some airport users denied the right of the government to sell "their" airport. These few individuals set about undermining each and every effort to rationalise the use of resources at Archerfield.

In routine fashion they have initiated investigations by DOTARS, CASA, AsA, ACCC, AAT, ATSB, the Premier's Department, and Brisbane City Council. Then they have reactivated the sequence of investigations, notwithstanding that it has already been established that there is no substance to their allegations.

Each of the investigations has impeded development and absorbed resources.

Archerfield Airport Corporation has been at the centre of the storm they have created, and that is why we offer some observations in the context of GA that we hope can ease the transition of that segment of aviation from subsidised dependency towards vibrant self-sufficiency.

One of the valued rights in our society is access to elected representatives. That right needs to be protected. However, it can be abused. In respect to the privatisation process at Archerfield it has been abused. A small segment of GA has shamelessly exploited the rights afforded them.

They have refused consultation, mediation or explanation. AAC management has never met the chief protagonist at Archerfield, notwithstanding several attempts to do so. The long-standing manager of the FAC had never met him either. The protagonist broadcasts his disdain for interlopers and continues a misguided crusade.

The latest episode is a thirty-three page document that relies for credibility on fabricated and flawed data. We are denied the natural justice of access to the document whilst enduring further investigations by State and Commonwealth authorities.

The regeneration of Archerfield is unnecessarily impeded. Notwithstanding, movement activity is up. Quality of movements has improved. Support industries are booming. Transformational industries are emerging. After ten years it is time to move on, and the Commonwealth has a part to play in this process.

The former government became hostage by appeasement because “we need their votes”. But after ten years those votes are discredited and isolated.

**We urge blunt discouragement of those seeking to reverse the privatisation process in the interests of regeneration at Archerfield and throughout Australia.**

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## **2.1 AIRPORT PLANNING AND DEVELOPMENT**

We regard the privatisation of airports as a very significant program of public policy reform.

We observe the transformation at Brisbane Airport, and are proud to be part of a process that has enabled airports to cope with the setbacks and demand surges of the past decade. We believe that forward planning and reactivity at airports have been in stark contrast to the congestion of ports and roads, and the inadequacy of rail. We applaud the transformation of formerly moribund agencies, and we include Archerfield in that appraisal.

However, we are surprised and concerned that sections of government seem to have lost confidence in the benefits of privatisation, and the soundness of the framework within which it is set.

Nay-sayers have been heartened by the hesitancy they sense. Their baying threatens to undermine the benefits already achieved through privatisation, and the greater benefits that are still to flow from the process.

The Westfields of this world have dominated local authorities across Australia through the capture of planning expertise and the threat and practice of litigation. They are offended by any framework that they can't control. They take offence at competition. They claim future mandate through prior entitlement. It would be surprising if they didn't howl to the moon. However, due public process doesn't mean that their protests must be heeded.

Local Authorities continue to give expression to the sentiment expressed by the Chairman at an Australian Mayoral Aviation Conference. In response to an explanation by the guest speaker about the rationale of ex gratia payments and the concept of the competitive playing field, the Chairman retorted that A.M.A.C. "couldn't give a rat's about payment for services or contributions to costs, we want to tax the bastards!"

These sentiments are not new. Tension between the Commonwealth and Local Authorities has prevailed since the Second World War and has become embedded in the fabric of our society. Nevertheless, an uneasy truce has survived for more than half a century. We believe it would send a confusing message to abandon established policy, and it would undermine the credibility of the Commonwealth's position if it continued to hold the line for its own interests, and surrendered the line for its transferred interests.

We welcome the opportunity to challenge some assumptions that are pinpointed in *Issues Paper 2008*.

The central theme of *Airport Planning and Development* is the Government's objective "to ensure the leased federal airports continue to develop as airports." Yet at Archerfield the practical expression of that objective has been to delay development and preserve the status quo.

When Archerfield was privatised, there was general understanding. Twenty-two airports were subject to the same Act and Regulations, but of necessity there would be a variety of means of compliance.

For five years this ethos prevailed. However, a compliance audit by the National Audit Office eroded confidence in those responsible for administration of the Airports Act. DOTARS staff seemed to go into self-preservation mode. Uniform conformance became a priority, and the demanded level of conformance took no account of the size or capacity of the respondent.

The ABC and AEO became instruments of control. "Continuous improvement" became the mantra, and the continuous improvement sought was in paper work rather than outcomes.

Regressive minorities seemed to be the yardstick for determining the integrity of our endeavours. There was a crisis of confidence within the regulator, and additional checks and double checks became routine.

This outcome threatens to strangle revitalization. Development approval has become increasingly difficult, and there doesn't seem to be any will or capacity to minimize detriment when procedural mistakes occur.

At the core of the problem seems to be an uncertainty about the viability of this airport, and a suspicion that if the regulator blinks, it might transform into a rubbish dump. This denies the reality of Archerfield.

It is true that historically Archerfield always operated at a loss. However, it is also true that the role of Archerfield was strangled by government policy.

AAC values the land surplus to airport needs as a valuable resource to fund the regeneration of Archerfield, but regards the airport itself as the pearl in the oyster. It is a unique resource within sight of the Central Business District of the fastest growing precinct in the region.

The notion that we would restrict future capacity of Archerfield defies economic common sense and ignores ten years of business strategy. It also ignores the example of a complementary point-to-point service from London City Airport, and last year's economic endorsement of the model when London City Airport sold for U.S. \$ 1.2 billion.

*Issues Paper April 2008* suggests that at airports close to major cities, pressures arise where the return from non-aeronautical uses of land on the airport site may be greater than the return from aeronautical uses. We challenge that suggestion. We believe that the highest value for Archerfield is as an airport, and that emerging demand will confirm that assessment, provided that the airport is not artificially restricted in its role.

**We urge a renewal of confidence in the process of privatisation and the framework within which it is evolving. Privatisation was a bold step undertaken by people of vision. It would be a national loss if it were allowed to regress because of a lack of conviction and leadership.**

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## **2.2 AIR TRAFFIC MANAGEMENT**

AirServices Australia is the inheritor of an enviable tradition and an exciting future. The organization is a multi-billion dollar conglomerate working towards a regional destiny in the international arena. It is widely respected for the quality of the service it provides. It continues to develop cutting edge technologies to exploit new efficiencies in aviation. It is pioneering new training regimes and fail-safe procedures.

The thrust of the organization is towards innovation and adaptability. It is therefore disappointing to observe that Regional Towers seem to be forgotten on the fringes of the organization.

Regional Towers work to industrial timetables set in past industrial arenas. They generate expedient data to support questionable processes. They juggle the incompatible roles of service provider and safety supervisor, and they too frequently succumb to overtures/temptations to play the safety card.

None of this is particularly surprising in a monolithic organization that is re-inventing itself, and neither would it warrant comment, except that we at Archerfield are suffering direct detriment.

During the privatisation process the Commonwealth acknowledged the awkwardness of a government instrumentality implanted in a commercial environment, and virtually controlling access to that precinct. In the case of the loss making operation at Archerfield, the sale hung on the resolution of this matter. The Commonwealth gave verbal and written undertakings to AAC. These undertakings have not been honoured.

We have carried a burden for a Location Specific Pricing regime that was ill considered, and that undermines the “user pays” policy that it was meant to promote.

We collect aeronautical income on behalf of AsA to overcome the inherent discrepancies in their billing system.

We have suffered disadvantage when incorrect cross-wind movement figures were used to challenge our master planning process.

And now we are enmeshed in a Pans-Ops matter that discredits AsA.

In our Tower Service, we have a neglected segment of a dynamic corporation implanted in our business. We are being unwittingly injured through insensitivity to the consequences of its processes.

**We urge that AsA continue to maximize the potential it embodies, but to remain mindful of its influence on micro-economic reform; and the very survival of vital elements of aviation infrastructure such as Archerfield.**

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The foregoing comments allude to several situations without going into chapter and verse. However, facts and figures are available to reinforce the comments. The brevity is deliberate. We have taken this opportunity to draw attention to dysfunctional interventions rather than to cause embarrassment to the individuals and agencies behind them. If any of the comments cause hurt, we apologize, because above all else our effort has been to contribute to the exciting future ahead.

We acknowledge that some persons might consider it presumptuous of us to contribute to such a broad debate. Aviation is dominated by hub-and-spoke airports, and major airlines, and integrated traffic control systems. Nevertheless, these awesome enterprises depend for their efficiency on the vibrancy of second and third tier support systems.

Archerfield is an irreplaceable asset. It has been restricted by past policy to loss-leading roles. Yet it has the potential to invigorate point-to-point air services, to headquarter air – taxi networks, to host innovative training initiatives, and to outperform financially.

It seems to us that the government has two clear choices – it can either endorse the judgement of the Office of Asset Sales when the Commonwealth transferred the responsibility for Archerfield to us, or it can continue the anxious oversight we have endured these past five years.

It can continue to be reactive to vocal regressive interests, or it can challenge those interests to confront facts.

We have already invested many millions to lay the foundations for the redevelopment of Archerfield. However, we need some assurance that there is an appetite for transformation before we commit the emotional and financial capital required to maximize the potential of the airport.

We need an understanding about ever increasing expectations of A.L.C.'s with respect to Environmental Strategies and Master Plans and Major Development Plans. It is dispiriting for an organization with finite resources, to have the public consultation process by Brisbane Airport Corporation with respect to the parallel run-way, held as a new benchmark for compliance.

Nevertheless, we remain enthusiastic about the future and grateful to have a role in that future.

We are pleased to convey that Archerfield is now financially sound and secure.

We are grateful that the Commonwealth entrusted the nurturing of this location to the common sense of a local family. We have a vision for the future and a long-term commitment to that vision. The next generation is now embedded in the business and committed to the future also. We remain mindful of the privilege and social responsibility entrusted to us, and we remain committed to discharging that responsibility.

Please convey our sentiments to all in government who have contributed to the process to date.