

The developers who strafed the low flyers



Wings clipped ... Dieter Siewert walks past one of his aircraft at Bankstown Airport. He believes changes at the newly privatised airport are killing his aviation business.

Photo: *Kate Geraghty*

March 4, 2006

Anger has greeted Bankstown Airport's plan to squeeze out small aviators, writes Scott Rochfort.

IT WAS the sudden appearance of a two-metre fence at Bankstown Airport last December that had some tenants worried.

Not only did the "security" fence cordon off a large chunk of land at the southern half of the airport, it blocked aircraft from using some taxiways that had been in use for decades.

Having already seen a runway's closure and having had their lease fees more than double earlier in the year, many aviation businesses saw it as confirmation that the main priority for Bankstown Airport's new owners did not lie in running an airport.

The subsequent appearance of bulldozers digging up the taxiways in the fenced-off area suggested the owners were far more interested in developing the 104 hectares of land they have deemed "surplus" to the 313-hectare airport's aeronautical needs.

"The fact that we take off and land here is basically not part of their agenda," said Bill Miller, who has operated his charter business Bankstown Helicopters at the airport since the mid-1980s.

"Aviation is just a nuisance to them. We're just being steamrolled," said Mr Miller, who has seen his rent increase 108 per cent in the past year.

Compounding Mr Miller's troubles is the airport's 20-year masterplan, which was approved by the former federal transport minister, John Anderson, last year. The development plan will quarantine aviation tenants to the airport's north, uprooting dozens of businesses - including Miller's - which are presently located to the south and west of the site.

Once the area is clear, Bankstown Airport will be free to develop the so-called Bankstown Airport Zone, which will include space for retailers, manufacturing, logistics and a business park. The airport has already leased an extra four hectares of land to the transport company Toll Holdings, and says it is talking to several prospective tenants, which include "some government and some private" bodies. It

has made no secret of wanting to attract bulky goods retailers, such as the Bunnings and Aldi outlets that occupy the site.

However, the company developing the fenced-off area, BAC Devco, remains coy about its plans. "We're not being specific at the moment about what we are doing in terms of tenancies," said Mark Gray, the NSW manager of Leighton Properties, which is a part-owner of Devco.

The Federal Government sold Sydney's three remaining general aviation airports - Bankstown, Hoxton Park and Camden - for \$211 million in November 2003 to a consortium led by the now Mirvac-owned property developer James Fielding.

At the time, the general manager of James Fielding, Greg Paramor, noted how the consortium would control 150 hectares of "extremely attractive development land in strategic locations" and that the company "had some exciting plans".

More than two years on, relations between the owners and the 100-odd aviation businesses at the airport have hit rock bottom. Already faced with soaring fuel prices and high landing charges, some operators reckon the airport is mounting a covert campaign to drive them out of business to free up more space for development.

Bankstown Airport Limited's chief executive, Kim Ellis, made no secret of the fact that some of his long-term tenants were unhappy. He agreed that some smaller aviation businesses at the airport could struggle to survive in the new "market" environment.

"Bankstown is in the middle of the CBD and it's a business airport," he said, noting that it would soon offer incentive packages for businesses to leave. He cites the much larger aviation businesses, Boeing and Hawker Pacific, as outstanding tenants.

He added that the owners of the airport - Mirvac, Commonwealth Bank and the superannuation trust Westscheme - planned to make a tidy return on their investment. "I think it was a very, very clever investment," he said.

Ellis also makes no secret of the airport's recent move to almost triple rents paid by some aviation businesses and of the airport's preference to see some operators relocate to Camden. "A lot of them when they arrived here almost paid no rent. Change is a hard thing for them," said Ellis, who argued that the airport's recent push to double rents is a reflection of market prices.

"They've been subsidised by the Government and now the place has been sold and the place is not being subsidised anymore."

However, some tenants believe BAL is being misleading about the land's value.

Another sore point for operators is that the airport is not renewing some leases. "The asset we acquired for old age is no longer available to us," claimed Katrina Dukats, who said she originally set up her business at Bankstown on the understanding she would be able to sell it on when she retired.

Dukats said she believed when she acquired the land during government ownership that, although it was not freehold, it would be hers in perpetuity .

But Ellis said there was always a "caveat emptor" when people built businesses on leased land. "There's always a degree of uncertainty when a lease ends: will the landlord renew?"

Aircraft operators, however, argue the uncertainty only came when the airport fell into private hands.

One non-profit flying club already forced to relocate to Bankstown after Schofields Airport was closed in the 1990s reckons the rent rises will send it bankrupt. Schofields Flying Club's head instructor, Rodney

Hyde, said the rent rises will mean an extra \$14,000 in costs a year for his club, which the club cannot afford. "We did well last year, we made a small loss," he said.

Perhaps the best illustration of the rapid decline of aviation at Bankstown is the number of aircraft movements, which has halving since the late-1980s.

Aviation entrepreneur Dick Smith laid the blame not on the owners but on the Federal Government for selling the airport. "They've unintentionally destroyed a very viable general aviation industry because they have no policy," he said.

Bankstown City Council is also worried about the airport's redevelopment, given that it needs development approval only from the Federal Government since it is still Commonwealth land. Like Sydney Airport, Bankstown has been leased out for 99 years.

Bankstown's Mayor, Helen Westwood, said her relations with the airport owners had been cordial. But she admitted council has little power to stop development. "Our concern is that the development is appropriate for our area," she said.

"What we don't want to see is development there that takes away from our existing commercial centres," Westwood said. She said she was yet to see evidence of the airport following Sydney Airport's lead and developing a shopping centre.

The council is also concerned about the impact planned earthworks at the airport will have on the flood plain in the areas.

Westwood said the Federal Government did not divert any of the money it earned from the sale of Bankstown into the surrounding infrastructure. Roads around the airport, for instance, could feel the strain of more trucks.

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