

**South Australian Government
Response**

to

**The Department of Infrastructure,
Transport, Regional Development
and Local Government**

on

***Flight Path to the Future
National Aviation Policy
Green Paper - December 2008***

February 2009



**Government
of South Australia**

1 Introduction

- 1.1 The Minister for Infrastructure, Transport, Regional Development and Local Government, Hon Anthony Albanese MP, has invited interested parties to consider and make comment on the National Aviation Policy Green Paper. The Green Paper proposes various Australian Government initiatives that will form the framework of a National Aviation Policy White paper to be released in the second half of 2009.
- 1.2 Most of the issues raised and initiatives proposed were flagged in the Australian Government's Issues Paper *Towards a National Aviation Policy Statement* released in April 2008. The South Australian Government considered the Issues Paper and the Minister for Transport, Energy and Infrastructure, Hon Patrick Conlon MP, provided comments on 24 June 2008.
- 1.3 The Department for Transport, Energy and Infrastructure has considered the Green Paper in consultation with other agencies with interests in the issues in the light of the South Australian Government's previous comments. The following further comments do not raise new policy issues but can be regarded as confirmation of the South Australian Government's views, listed according to the sections of the Green Paper.

2 Chapter 1 - Aviation Safety, Safety Regulation and Airspace Management

- 2.1 The South Australian Government supports the priority placed on safety management and regulation, and the governance changes to the Civil Aviation Safety Authority (CASA) and the Australian Transport Safety Bureau (ATSB) that are in progress.
- 2.2 The South Australian Government supports the commitment to accelerating the pace of the regulatory reform program so as to complete it in 2010/11.
- 2.3 The South Australian Government expressed concern in its previous comments about the impacts on regional aviation of the under-resourcing of CASA's routine certification processes and their cost recovery. It welcomes the intentions to ensure that Australia's safety agencies are appropriately funded to enable them to perform their functions, and to consider options for limiting CASA's regulatory service fees to the regional and general aviation sectors.
- 2.4 The South Australian Government supports the intention to maintain Airservices Australia as a fully government-owned statutory authority, required to focus on delivering core air traffic and aviation rescue and fire fighting services. This policy should include a commitment to

consider ways to redress the competitive disadvantage of high unit charges for terminal navigation and rescue and fire fighting services at secondary gateways and towered metropolitan general aviation airports.

3 Chapter 2 - Aviation Security

- 3.1 The South Australian Government strongly believes that required security measures should be based on the proper and comprehensive assessment of risk. This applies to changes to current security settings or the removal of anomalies inherent in the underlying policy settings. The South Australian Government does not support the proposal to broaden the application of security measures on the non-risk basis of competitive neutrality.
- 3.2 The assessment of risk remains the primary responsibility of the appropriate Commonwealth agencies.
- 3.3 The South Australian Government is satisfied with the present risk assessment process and the level of consultation with state police forces and other relevant agencies that it incorporates.
- 3.4 The South Australian Government, however, remains concerned about the effectiveness of some of the security measures resulting from the process that are currently in place at regional airports. In particular, the experience of the South Australian Police (SAPOL) gained through the Securing our Regional Skies (SORS) program has highlighted inadequate or outdated surveillance systems and a lack of adequate measures to control access to airside operations, equipment and aircraft at some airports.
- 3.5 The South Australian Government commented previously that the provision of regional airport security measures at regional airports should continue to be at Commonwealth cost, and it supports the commitment that full cost impacts on remote and regional destinations will be part of the consideration of security requirements. This consideration must include the recurrent costs of required programs as well as their capital cost.
- 3.6 The SORS program was supported by the AFP Regional Rapid Deployment Team. The team, which is based in Melbourne, is of limited benefit to South Australia because of the delay in response inherent in its distance from South Australian airports. The Unified Airport Policing Model is restricted to Adelaide Airport and SAPOL remains the first and primary responder to all security matters that are beyond the capability of local staff at regional regulated airports to control. This lack of dedicated resources outside Adelaide must receive due weighting when regional airport security risk analyses are produced.

- 3.7 SAPOL recommends that the 'Known Traveller' program must be approached with a high degree of caution as many matters require clarification. They include the basis of exemption(s) (ie intelligence and/or criminal conviction basis), release and control of information provided, ownership of intellectual property and issues of administration, privacy, appeal provisions and cost recovery. This proposition is not supported in the absence of such detail.
- 3.8 The South Australian Government, through SAPOL, looks forward to further input on these matters through liaison with relevant Commonwealth agencies.

4 Chapter 3 - International Aviation

- 4.1 The South Australian Government supports the intention to pursue an active strategy to further liberalise the aviation sector and to continue to offer foreign airlines unlimited access to secondary gateways. It supports the application of national benefits tests to the negotiation of bilateral treaties and the changes proposed to better equip Qantas to compete in foreign capital markets.
- 4.2 The South Australian Government maintains the view expressed in its previous comments that parallel proactive policies are necessary to increase the effectiveness of the regional package. The previous comments suggested some policies that could be applied. Since the Australian Government has stated an intention in the Green Paper to take foreign airlines' preparedness to invest in Australia into account in assessing the national interest in bilateral negotiations, investment in regional services should be considered as part of this.
- 4.3 The Green Paper appears to confuse the need to encourage foreign airlines to utilise secondary gateways with the issue of international access to regional airports. It should be noted that "smaller airports" that are secondary gateways generally do not have lower landing and airport charges as suggested, because of higher unit charges resulting from their low traffic volumes. The South Australian Government has already noted the effect of cost recovery of terminal navigation and rescue and fire fighting services in exacerbating the cost differential between secondary and major gateways.

5 Chapter 4 - Domestic and Regional Aviation

- 5.1 The South Australian Government, in its previous comments, supported current policy settings relating to the deregulation of domestic services.

- 5.2 The South Australian Government strongly supports the intention to consider options to work with the States on models for assistance for regional aerodromes and services. It has already demonstrated a willingness to participate in the Australian Government's existing Remote Air Services Subsidy Scheme and the Remote Aerodrome Safety Program and, while it cannot make commitments to funding outside the Budget process, it is keen to consider joint policy options to broaden these programs.
- 5.3 The South Australian Government, other than through its participation in the Remote Air Services Subsidy Scheme, has not introduced subsidies for commercially operated regional air services, as have some other States. It has legislated to declare and license intrastate routes when that is in the public interest, and the issue of licences on the Coober Pedy and Port Augusta routes was material in the retention and replacement of services on them. Neither required subsidisation. The Coober Pedy licence has now lapsed and the route is open to competition. The Port Augusta licence was offered competitively for a limited term and the South Australian Government rejects the Green Paper's contention that a subsidy – unnecessary in this case – would have been a more appropriate intervention.
- 5.4 The previous paragraph suggests that the differing circumstances prevailing in the various states and territories will make a nationally uniform approach to intrastate aviation unlikely to succeed. The South Australian Government suggests that the way forward is the joint development of nationally uniform programs in which the parties can elect to participate or not according to their circumstances.
- 5.5 The South Australian Government supports the intention to consider options to reduce the burden of aviation regulatory charges, including charges on the regional airline sector, and believes that this should extend to consideration of continuing the Enroute Charges Scheme beyond its currently planned termination date of June 2012.

6 Chapter 5 - General Aviation

- 6.1 The South Australian Government generally supports the broad way forward for General Aviation described in the Green Paper.
- 6.2 General Aviation in Australia requires a model of cooperation between CASA and Industry to address the issues relating to the regulatory environment. Specifically, this involves an appropriate balance of safety and training regulation to ensure the ongoing viability and general growth of the general aviation sector. The South Australian Government supports regulatory reform (through CASA) to remove unnecessary regulatory impediments that are a barrier to the ongoing growth of the general aviation sector.

- 6.3 Airport users require certainty on the future aeronautical uses of airports and the proposed improved planning arrangements at Australia's leased airports are supported.
- 6.4 The South Australian Government supports measures to address barriers to the development of aircraft manufacturing and assembly, parts and maintenance capability.

7 Chapter 6 - Industry Skills and Productivity

- 7.1 The South Australian Government believes the Industry Skills and Productivity component of the Green Paper is a good summary of the workforce issues that are being reported in South Australia with regard to pilots and related aviation and aircraft maintenance. The expansion of the mining and resources sector is placing significant pressure on the demand for pilots to support fly in-fly out workforce arrangements. The South Australian TAFE system has had difficulty in maintaining training facilities for the relatively small numbers of maintenance apprentices that are employed by local companies and the relatively high infrastructure costs associated with that training.
- 7.2 Industry engagement with workforce planning is an important element of any forward planning to meet skills in demand. It is difficult, however, for industry to articulate its needs beyond the immediate because of the close industry linkage with economic cycles.
- 7.3 The Australian Government's responses are consistent with its policy and program initiatives, including the establishment of the Skills Australia, the funding of the Productivity Places Program, and the establishment of Trade Training Centres, skilled migration programs etc. Training is not the only solution to skills shortages and it is welcome that the proposed way forward includes a commitment by the Australian Government to reinforce with industry its responsibilities for improved workforce planning and the adoption of workforce conditions and arrangements that attract and retain workers, including strategies to better market job and career opportunities in the sector.
- 7.4 The South Australian Government welcomes the recognition of skills related matters in the National Aviation Policy Green Paper, including:
 - The recognition of the value of training at times of economic downturn;
 - The move towards improving consistency and mobility between civil and military aviation sectors and particularly improvements to skills transferability as a result of the development of the Aviation Training Package 2008;

- The role of Industry Skills Councils in providing advice to government and other key stakeholders in relation to the aviation industry skill needs. The South Australian Government has State based industry skills board structures for the industry to identify skill needs to state and territory governments. In South Australia the relevant boards are Transport and Distribution Training (SA) and the Manufacturing Industry Skills Advisory Council;
- Industry commitment to skills development through subsidised training; and
- The need for long-term training and planning for the Australian aviation industry and the importance of the industry remaining internationally competitive in retaining key staff and in attracting new entrants to the workforce.

8 Chapter 7 - Consumer Protection

Consumer standards

8.1 This chapter highlights the emergence of low-cost carriers that strictly enforce terms and conditions that many consumers do not read or fully comprehend when purchasing travel. The South Australian Government's Office of Consumer and Business Affairs suggests that airlines should be required to provide a plain English summary of key terms and conditions of travel, including a clear explanation of what happens in the event a flight is cancelled.

Compensation Arrangements

8.2 The South Australian Government notes the intention to release a discussion paper as the first step in a comprehensive review of Australia's carriers' liability framework. This will include the relationship between State and Commonwealth legislation and the South Australian Government will necessarily participate in that review.

Disability Access

8.3 The South Australian Government has participated in the review of the *Disability Standards for Accessible Public Transport* and has included comment on inconsistencies evident in the Standards as they apply to air services and infrastructure in its submission to the draft report of the review. We look forward to the Australian Government's response to the final report of the review.

8.4 The South Australian Government understands that the establishment of the Aviation Disability Access Working Group proposed in the Green Paper has already taken place.

- 8.5 The South Australian Government supports the formation of the Group but has a number of concerns that it believes should have been resolved through consultation with existing consultative bodies prior to its formation. For instance, neither the relationship between the Group's objectives and the outcomes of the yet to be released five year review of the Disability Standards, nor its interaction with the Accessible Passenger Transport National Advisory Council, are clear.
- 8.6 The South Australian Government recognises that the aviation sector has unique access issues and regulatory conflicts that must be resolved, and that a modal Group is a sensible way to do so. It is concerned, however, that the Group may establish precedents that may or may not be beneficial to other modes. This aspect of the Group should be expressly addressed to ensure that all transport sectors are aware of the Group's capacity to shape outcomes.
- 8.7 The South Australian Government suggests also that the establishment of the Group may be an opportunity to pursue development of the co-regulation model for administering the Standards. These issues should be clarified and resolved early in the life of the Group.

9 Chapter 8 - Aviation Infrastructure

Planning at federal leased airports – on airport

- 9.1 The South Australian Government has accepted that the Commonwealth Minister will retain final decision-making authority for land use planning and development on the leased airports. We have previously commented that we generally regard the planning and development mechanisms under the Airports Act 1996 and our level of consultation with Adelaide Airport Ltd as acceptable. We do not regard the current assessment processes as being a deterrent to investment.
- 9.2 There have, nevertheless, been occasions when the South Australian Government has not supported developments proposed by Adelaide Airport Ltd. The South Australian Government therefore strongly supports the development of cooperative arrangements with the states and territories to better integrate the respective planning processes, and the establishment of Airport Planning Advisory Panels to reduce the likelihood of disagreements occurring in the future.
- 9.3 The South Australian Government recommends that the Airport Advisory Panels be established along similar lines to the State's Development Assessment Commission: an independent statutory body whose seven members are selected from various fields of expertise. The Presiding and Deputy Members must have

qualifications and experience in urban planning, building, environmental management or related disciplines. Members are appointed for a term of two years while the Presiding Member may serve up to five years. Airport Advisory Panels would of course also require members with appropriate aviation expertise.

- 9.4 While it is understood that the Panels would report to the Commonwealth Minister, state and territory Planning and/or Infrastructure Ministers should be invited to recommend nominees to him.
- 9.5 The South Australian Government notes the proposal that the Minister be empowered to require airport lessees to establish independently chaired community consultation groups. Such groups, called the Adelaide and Parafield Airport Consultative Committees, have long existed in South Australia. While they provide an effective consultation mechanism on local issues, it should be noted that their existence does not absolve the lessee or airport users and service providers from consulting more widely on specific issues. Recent proposals for new flight paths affecting constituents not represented on the Adelaide Airport Consultative Committee are an example.
- 9.6 The South Australian Government supports the proposed refinement of approval processes, including a review of major development plan triggers and Ministerial call-in powers to obtain additional details about non-aeronautical development precincts and sensitive proposals. The South Australian Government will continue to expect that the approval of non-aeronautical developments on airports should be conditional on the cost of transport and community infrastructure they require being met by airport operators/developers.
- 9.7 The South Australian Government strongly supports the commitment to prohibiting the development of non-aeronautical facilities or uses that are likely to be incompatible with the realisation of the full potential of the sites for aeronautical uses. The appointment of members to the Assessment Panels with appropriate qualifications to assess that will be essential.
- 9.8 The South Australian Government also supports the objective of achieving greater transparency and certainty about future land uses at airports through the master planning process. We believe developments that require a major development plan or minor variation to the master plan, or have been deemed "merit" under their master plans by airport operators, should be subject to review by the proposed Airport Planning Advisory Panels. Our previous comments have already stated the view that major development plans should include detailed plans of the proposals and generally a higher level of detail than presently provided.

- 9.9 The South Australian Government previously commented that Parafield Airport is constrained by airspace limitations resulting from the proximity of Adelaide and Edinburgh Airports and increasing residential encroachment. These circumstances are shared by other leased metropolitan general aviation airports and the South Australian Government recommends that the National Aviation Policy should include a commitment at some stage in the future to undertake a review of each site's continued suitability as an airport, and an examination of options for their relocation.
- 9.10 Given the larger strategic issues that may necessitate such reviews, it is hoped that this option is not closed off. If, however, the Australian Government is committed, as the Green Paper suggests, to the continued development of these sites to their full potential as airports for the entire duration of their leases, then an unequivocal statement to that effect is necessary to eliminate uncertainty as to their future.

Planning at federal leased airports – Protection of airports

- 9.11 The South Australian *Planning Strategy for Metropolitan Adelaide* includes policies to protect Adelaide and Parafield Airports from inappropriate surrounding development. It is clear, however, that these policies are not given sufficient effect in some surrounding councils' development plans.
- 9.12 The South Australian Government will consider options to improve the necessary safeguards and supports the commitment to development of a national risk-based framework for this. It should be noted, however, that is unlikely that national consistency can be achieved given the different circumstances of the various airports and the extent of existing urban residential development in their vicinity. This is discussed further in our comments on Chapter 10 – Noise Impacts.
- 9.13 The South Australian Government jointly developed with the former Federal Airports Corporation changes to relevant councils' development plans to include maximum building heights maps. Proposals for buildings that exceed the heights depicted must be referred to DOTARS (the present federal Department's predecessor) according to a Schedule of the State's Development Regulations. This applies to the councils surrounding Adelaide and Parafield Airports but also captures regional airports where the surrounding council has included a building heights map in its development plan.
- 9.14 These processes are not entirely consistent with the referral procedures of the *Airports (Protection of Airspace) Regulations* for the leased airports, or Part 139.E of the *Civil Aviation Safety Regulations 1998* for other airports. The South Australian Government is investigating options to change its Development Regulations. This refers not only to the need for a consistent referral

authority, but also to procedures to ensure that appropriate protections are included in the development plans of all councils where building height and other planning restrictions to protect the viability of airports are necessary. The South Australian Government therefore welcomes the commitment to work with the states and territories to improve national arrangements.

Economic regulation

9.15 The South Australian Government supports the proposals to continue price monitoring, including car parking fees, at the major airports until at least 2012; and the implementation of a 'show cause' process to respond to serious pricing misbehaviour. It will comment further as necessary when consultation papers on quality of service monitoring and 'show cause' guidelines are released.

Regional airports

9.16 This section commits to continue working with state and territory governments through the Remote Aerodrome Safety Program to fund essential aerodrome upgrades in remote aerodromes; and to continue with financial support for local governments through untied Financial Assistance Grants. The South Australian Government is concerned that it omits the commitment made in Chapter 4 to consider options to work cooperatively with the States on models for assistance to regional aerodromes.

Use of Defence airports for civil aviation

9.17 The South Australian Government is concerned that this section commits to an examination of increasing civil use of Defence airports that already cater to civil services, while omitting any statement of the Government's position on opening additional Defence facilities to civil use.

9.18 Since one of the aims of the White Paper is to provide greater planning and investment certainty for the industry, it should be explicit in stating whether or not consideration of civil use of other defence airports, including Edinburgh Airport in South Australia, will be made.

10 Chapter 9 - Aviation Emissions and Climate Change

10.1 The South Australian Government reiterates its previous comments and supports the way forward proposed.

10.2 In particular, it supports a comprehensive carbon pollution scheme that includes domestic aviation but believes that international aviation should be excluded at this stage.

- 10.3 It supports other measures to reduce aviation emissions that are based on strong complementarity principles such as the fuel saving measures proposed in the Green Paper, and the investigation of fuel efficiency standards for aircraft.
- 10.4 The South Australian Government remains concerned about the impact of higher fuel costs on 'public good' aviation services such as the Royal Flying Doctor Service and other remote services, and supports mitigation of such impacts.

11 Chapter 10 - Noise Impacts

- 11.1 The South Australian Government recognises that the amenity of residents surrounding airports must be protected, and that Adelaide Airport's inner urban location requires the provision of a jet curfew.
- 11.2 The South Australian Government notes that the *Guidelines for Dispensations for Aircraft to Operate at Adelaide Airport during Curfew Hours* sensibly provide for reasonable flexibility in the granting of dispensations during irregular operations and special circumstances. While it has no objection to the proposal to publish curfew dispensations approved for Adelaide Airport, it would be concerned if that led to a lessening of the existing flexibility.
- 11.3 The South Australian Government, in its *Planning Strategy for Metropolitan Adelaide*, details a policy to "Protect and manage airports to give priority to freight and passenger movements and ensure adjacent land uses are compatible with airport activities".
- 11.4 The Strategy is prepared in accordance with Section 22 of the *Development Act 1993*, and provides direction and a resource for metropolitan councils undertaking strategic and planning processes, including land use zoning, in their development plans.
- 11.5 The South Australian Government is also preparing a *30 Year Plan for Greater Adelaide*, which will become a volume of the State Government's Planning Strategy (pursuant to section 22 of the *Development Act*), giving it statutory effect in guiding development. It will be the principal document to set policy and principles that guide the preparation and updating of local government strategic plans, Section 30 reviews and development plans.
- 11.6 This process began in November 2008 with a series of workshops between State and Local Government, and will include community consultation during 2009.
- 11.7 It will be important to ensure that this process is coordinated with the proposal to "work through the Council of Australian Governments and other appropriate forums to ensure a national land-use planning

regime is put in place near airports and under flight paths to avoid noise-sensitive developments being located in these areas and to protect communities from excessive levels of aircraft noise.”

- 11.8 The COAG process will need to recognise that while land-use planning principles should be nationally consistent, they will necessarily vary according to the circumstances of the various airports. For instance, the *30 Year Plan for Greater Adelaide* will examine bases on which residential development exclusion zones around Adelaide and Parafield Airports should be implemented. These zones should recognise *Australian Noise Exposure Forecast* contours as the only existing statutory land use planning tool but may vary from established *Australian Standard 2021* in its entirety, given the existing urban encroachment of the airports and competing priorities of urban regeneration and airport protections.
- 11.9 The process of ensuring that council development plans contain adequate airport protections should not be confused with the need for better public information about the location, intensity and duration of aircraft noise. The South Australian Government supports the proposal to continue development of a new noise information framework to ensure information on noise exposure patterns is better presented.

Department for Transport, Energy and Infrastructure
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