



## NATIONAL AVIATION INDUSTRY POLICY

### Response to 'Issues Paper'

27 June 2008

#### **INTRODUCTION:**

The Australian Airports Association (AAA) is a non-profit organisation founded in 1982 and represents the interests of over 270 airports Australia-wide, from the local country community landing strips to the major international gateway airports. There are a further 85 Corporate members representing aviation stakeholder companies and organisations providing goods and services to airports.

The Charter of the Association is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

This submission is the AAA's response to the Minister's invitation to provide input to the development of a 'National Aviation Policy White Paper' and, in so doing, address the various matters raised in the 'Issues Paper' dated April 2008. While the AAA acknowledges that most of what is identified in the Issues Paper is germane to the development of a National Aviation Industry Policy, in our view the Paper appears to reflect insufficient recognition of the important role, relevance and implications of the 'total' aviation industry for remote, rural and regional Australia. In simple terms, the 'Issues Paper' seems to be more focussed on the 'big end of town' with insufficient acknowledgement of the problems and contribution made by aviation elsewhere throughout the country.

To a considerable degree, the AAA's response reflects a collation of responses of individual airports to the issues raised in the Paper. We hope that, at this early stage of the policy development process, this will be helpful.

However, it may well be that a member airport has a different view of the issues reflected upon in this submission. Should that be the case, we would expect that particular airport to raise those issues in their own individual submission.

We welcome the opportunity to participate and comment on an important and significant initiative that can ultimately benefit the Australian aviation industry. What follows is comment from an airport's perspective, relative to each of the subject captions in the Issues Paper. The comments demonstrate the massive range of issues facing airports across the length and breadth of the country as they seek to fulfil their vital economic and social role.

## Executive Summary Overview:

The AAA fully supports the Minister's initiative to develop a National Aviation Industry Policy. The absence of a coherently-elaborated national policy for this key industry, has been a marked failing of successive previous Governments. Aviation is now such a fundamental driver to Australia's economic advancement that this policy void must be filled as a matter of urgency.

To ensure that Government and industry can work co-operatively and effectively together, a National Aviation Industry Policy must:

- recognise the present and likely future role of the aviation industry in Australia's broader economic development in a global environment and not view the industry in isolation;
- make due allowance for the vastly different roles that are played and needs that are served by capital city, regional, rural and remote airports and air services;
- lay out a concrete action plan to authoritatively quantify the social and economic significance that aviation plays in support of communities throughout remote, rural and regional Australia;
- reflect a high degree of sensitivity to the reality that only some of Australia's 270+ airports can operate profitably as stand-alone business entities and that large numbers of rural and remote airports must be cross-subsidised by their local government owners if they are to meet local community needs;
- recognise there are a number of privately-owned and operated airfields across Australia that receive no financial support whatsoever from any level of Government, and yet they continue to provide essential air access for vital community services, such as air ambulance, fire-fighting, police and search and rescue;
- because of these factors, not adopt an inflexible "one size fits all" approach to the imposition of regulatory burdens on airports, but instead foster the development of an operational environment that is based on detailed and individual assessments of needs and affordability and that is not 'perception-based';
- recognise that commercial on-airport non-aeronautical or aeronautical-related developments are fundamentally essential if airport operators are going to have the financial capacity to make the massive infrastructure investments increasingly required to support the burgeoning demand for airport services;
- confirm a continuation of the current 'light-handed' approach to airport regulation under which mutually-agreed, highly-tailored and economically sound commercial agreements have increasingly been reached between airport operators and their major airline users, thereby ensuring an environment that promotes continued capital investment in the major airport infrastructure that is essential to Australia's economic success;
- recognise the need for a review of the present interaction between the concurrent planning provisions of the Airports Act and the Environment Protection and Biodiversity Conservation Act which has meant that the Major Development Plan process has become complicated and unwieldy but which can be greatly simplified while still achieving the objects of both Acts;
- contain a clear commitment to a true open-skies policy where all international airlines have unfettered access to the destinations of their choice;
- recognise that increased international services to regional airports are essential to meet future growth needs;
- provide for a fundamental review of airport curfews, giving due recognition to modern developments in aircraft engines, air traffic management strategies and other noise-abatement procedures;
- ensure that border control agencies have adequate resources to meet the demands of increasing international services and thereby promote and enhance Australia's reputation as a prime tourist and business destination;

- commit the Government to the provision of adequate funding for security initiatives it imposes on airports and airlines, at least to the extent of PMC revenue raising;
- actively address the increasingly chronic skills shortfalls in the aviation industry at all levels – not just at airlines – and in all areas, but particularly in regional, rural and remote Australia;
- commit the Commonwealth to working co-operatively with State, Territory and Local Governments and their Road Transport Authorities to develop a much more active and integrated approach to road access to airports and planning in surrounding areas that preserves airport growth potential and flight paths;
- support the continued highly professional provision of air traffic management services by Airservices Australia;
- provide for enhanced governance of the Civil Aviation Safety Authority by the creation of a small, but independent and highly qualified management board;
- ensure that, in the event of any conflict between CASA safety requirements, and other laws, such as disability standards, safety requirements always prevail;
- mandate the principles that aviation industry participants should be responsible for reporting or offsetting only those emissions over which they are able to exercise operational control, and that emission measurement should be undertaken using a standardised and independently-verified method;
- commit to replacing the outdated ANEF system with a new system for assessing and managing aircraft noise in relation to background noise by using measurable units which can be readily understood by communities and all three tiers of Government involved in land use planning around all airports;
- extend airline security screening to include cargo, but otherwise revisit and reconsider, on an individual location-by-location risk assessment basis, the appropriateness and continued need for other security initiatives introduced since September 11;
- recognise that airports are the real risk-takers of the Australian aviation industry, because infrastructure investments, once made, cannot be moved (they are the classic 'sunk cost') unlike airlines' decisions with respect to aircraft fleet deployment; and
- reflect an appreciation that airport infrastructure investments are generally substantial and require long periods for amortisation/depreciation.

## **1. THE AUSTRALIAN AVIATION INDUSTRY:**

### 1.1 International Services

- It has always been the AAA's view that it would serve the best interests of the travelling public for Australia to have a 'true' open skies policy where all international airlines have unfettered access to the destinations of their choice;
- International carriers servicing Australia should be subjected to the same stringent aviation safety requirements as Australian-based airlines. When it comes to safety and security, there can be no compromise;
- The Commonwealth, State and Territory Governments should work more closely together to provide a cohesive and integrated strategy in attracting international airlines to Australia;
- There is a perception of inconsistency when 'foreign-interests' can own and operate a domestic airline in Australia with access to international routes denied. Perhaps Australia should be more generous in granting 5<sup>th</sup> Freedom Traffic Rights?;
- Continued growth in international services is necessary to lower airport unit costs and assist in the containment of airport aeronautical charges, and thereby help airlines to reduce the unit costs of their RPKs;
- The development of existing international air services to 'secondary' airports is important in terms of meeting future growth needs;

- Current airport curfews are an unnecessary constraint on international operations. The reasons for the imposition of curfews (many years ago) are now outdated and do not take into account the development of modern aircraft engines, air traffic management and noise abatement procedures;
- Perhaps more importantly, curfews are an impediment to the economic well-being of the communities they are supposed to 'protect';
- During the past 10 years the owners and operators of Australia's airports have met their responsibilities and community obligations regarding infrastructure investment;
- Interestingly, in the recent budget, there was not one mention of 'airports' in terms of insufficient infrastructure capacity. There can be no greater endorsement by the current Commonwealth Government that the 'privatisation' of airports has served the people (and investors) of Australia well without any financial burden whatsoever to date on the 'public purse';
- Australian-based airlines notwithstanding the established provisions of the 'Qantas Sale Act', should be able to access global investment markets on much the same basis as any other Australian-based company. However, we do acknowledge a number of issues. Ownership and control rules apply to airlines because of requirements in bilateral air service agreements reflected in Australian laws – the Air Navigation Act, which applies to all airlines other than Qantas and the Qantas Sale Act which applies to Qantas. A further twist in the tail is that the Qantas Sale Act applies to Qantas in its domestic, as well as its international capacity, while the Air Navigation Act only applies to Australian airlines flying internationally. The corollary of this is that there are no aviation-specific limits on foreign investment in domestic airlines other than Qantas. We recommend that, without breaching Australia's international obligations, Australian-based airlines should be able to access global investment markets on much the same basis as any other Australian company;
- Insufficient 'border control' agency resources are an impediment to the development of international airline services to a number of airports throughout Australia. The 'border agencies' cannot cope with the current demand;
- The concept of 'affordable border security' raised in the Issues Paper does not sit comfortably with the AAA. There should be adequate funding available from the revenue raised through the PMC to cover all costs for the provision of adequate services at existing international gateway airports as well as operations at any 'emerging' international airports in the regions.

## 1.2 Domestic Services

- Interstate air services, particularly on the main trunk routes, are well scheduled and patronised. However, operational constraints such as curfews, noise-sharing etc. are continuing to impact upon the airlines' ability to conduct domestic 'back of the clock' operations to popular tourist destinations;
- In terms of 'competitive constraints' for overseas domestic entrants to the Australian market, the limitations on slots at Sydney Airport and the tightening of slots elsewhere on the east coast are not helpful;
- The current structure of the domestic airlines in Australia provides for timely responsiveness to consumers' needs – an airline seat is the most perishable of commodities and an aircraft the most transportable asset. In contrast, airports are huge chunks of immovable infrastructure.

## 1.3 Regional and General Aviation

- The Government must provide more support for regional and general aviation sectors if the industry is to develop and flourish as a whole. Ageing aircraft and tax concessions are matters that the Government must recognise as significant issues for the communities of regional Australia;
- In the first instance it would behove the Government to actually identify and quantify the social and economic significance that aviation plays in support of communities throughout remote, rural and regional Australia;

- Aviation security in Australia is currently regulated by the Government on the basis of a 'one size fits all' model. The security risk assessment at a capital city airport is simply not applicable to a small airport with limited RPT services elsewhere in the country. The imposition of 'perception-based' as distinct from actual 'risk-based' regulation in Australia is stifling many rural and regional communities;
- A commonsense approach with appropriate assessment mechanisms taking into account local conditions and attitudes is what is required for security arrangements at rural and regional RPT airports;
- General aviation businesses throughout Australia are not generally understood or recognised. Airports throughout rural and regional Australia go out of their way to encourage businesses (not only or necessarily aviation-related) to establish themselves 'on airport';
- The business activities that take place throughout rural and regional Australia on airports are surprisingly diversified. Many 'country' airfields have mechanics, upholsterers, painters etc., many but not all of whom are involved in some way with aviation;
- The Government should consider a process to actually identify and quantify the contribution made to 'local' communities and their economies by airports and aviation generally.

#### 1.4 Addressing Skills Needs in the Aviation Industry

- There has been much written recently about the lack of trained and skilled pilots, Licensed Aircraft Maintenance Engineers (LAMEs) and air traffic controllers. While this is true and of concern, the lack of skilled labour is a much more general issue for the whole of the industry. Let's look at it from an airport's perspective;
- Airport planning, airfield standards, OLS and specialist engineers and qualified airfield lighting technicians are now in short supply and many rural and regional airports must rely on consultants, most of whom are at, or close to, retiring age. There is no overall strategy to develop and train sufficient numbers of these types of staff (training courses are only available at considerable cost and time) and much depends on the operational focus of different airports;
- Former Airport Inspector and Pavement Specialist courses are long gone and even some of the specialist OLS, aircraft courses previously offered by CASA appear to have been scaled back;
- The former Department of Transport and Regional Services undertook to provide a specialised security training framework for regional airports, but in three years, little has come of it;
- The training issue is particularly important for secondary jet and regional airports, which otherwise need to rely on costly and centralised consultancy services. In the future, these 'limited' consultancy services may not be interested in the 'slim' pickings at smaller airports;
- In some ways, the airlines themselves are responsible for the skill shortages they are now encountering. The 'old' days of pilot cadetships and comprehensive apprenticeships are long gone.
- Developments (often non-aeronautical) at the major airports are currently providing employment opportunities for those in the construction industry. Presently there is in excess of \$2 billion of infrastructure work underway at Australia's airports, including many in rural, regional and remote Australia. Airports will need to employ staff with the appropriate level of 'skills' to provide the ongoing management of these infrastructure developments. There will be an increasing demand placed on future employment opportunities at airports located throughout rural, regional and remote Australia. This is, because there is a trend for staff of smaller airports to acquire qualifications, competency-based training and assessments, as well as experience, and then move on to airports with a much larger operational base;
- Airports, in support of the service, economic and tourism requirements of their communities, need to have regular public transport (RPT) air services to and from major population centres. For an airport to sustain RPT services, it requires the appropriate approvals from the Civil Aviation Safety Authority (CASA) and part of that approval process is that the airport must have suitably qualified and experienced airfield operational staff.

Some years ago the AAA and CASA recognised that the need for training local airfield operational staff for RPT airports in rural and regional Australia was going to become a major issue for employment opportunities in the future. As a consequence, the AAA developed (with CASA's support) a comprehensive training program for Aerodrome Reporting Officers (AROs) and Aerodrome Works Safety Officers (AWSOs). It is the only training course of its type in Australia and has the endorsement of CASA, as well as the peak training bodies. It cost the AAA tens of thousands of dollars to develop the program and, as of today's date, almost 600 participants from around the country have successfully completed the course. This statistic reinforces the high level of turnover of trained airfield staff at rural and regional airports;

- The simple fact is that, without local expertise necessary for the safe and secure running of an airport, there can be no RPT services, the absence of which would have a very detrimental impact on the local community and its wellbeing. The retention of qualified staff in remotely-located airports is always going to be difficult, particularly as the industry grows and 'good' staff embark on their own career development path that eventually leads them to the big, or bigger, airports. The introduction of a new aviation security regime for all RPT airports adds yet another dimension to training suitably-qualified staff to facilitate the airport's mandated 'Transport Security Program';
- For many local council-owned and operated airports, an integral part of the staff retention process relates to multi-skilling of their workforce, most of whom are generally embedded in the local community and with an eye on their future retirement benefits. However, it is becoming increasingly difficult to replace those retiring with younger people who are prepared to become embedded in the local community;
- Suitably trained and experienced airport staff are able to demand (and receive) a premium for their services. Often the costs of running the airport are a significant drain on the local council's operating budget – particularly when the council does not have access to regular revenue streams from airport operations sufficient to cover all of the costs involved. A major component of these costs is associated with employment and other 'fringe benefit' costs for the retention of qualified personnel;
- While some councils with RPT operations do not charge any landing fees, it is important to recognise that this is because they see RPT access to their airport as providing support for local tourism, the economy and to fulfil community service obligations;
- It is often said that there are currently insufficient 'taxation' incentives extended to those working in rural, regional and remote locations;
- The mining boom in South Australia, New South Wales, Western Australia and Queensland continues to attract skilled tradespersons away from local airport employment by offering huge incomes and incentives that simply cannot be matched by the local Council. Recognising the economic and social benefit of maintaining a certified airport, the White Paper should consider a subsidy scheme, to assist Councils in rural, regional and remote Australia to retain skilled staff;
- Housing, the cost of utilities, family employment, motor vehicles, health insurance, paid air fares to a major centre once or twice a year in conjunction with extended annual leave entitlements are all given consideration when employing qualified staff at many airports throughout rural, regional and remote Australia. It is important to acknowledge that there are also exceptional circumstances for the provision of suitably-qualified staff to work at remote airports in support of indigenous communities. Many of these communities are becoming more reliant on the impact of tourism, as well as travel to historic and generally inaccessible sites;
- In a more general sense, there is a view in the Australian aviation industry that Governments at all levels do not positively acknowledge and give the appropriate status to those studying 'trades'. By way of example, University students are able to access the HEC's scheme, yet trainee 'trades' must rely on the generosity of their employer and their parents or guardians. University students (and eventual graduates) receive more credit and kudos than those who choose to attend a trade school. In regional, rural and remote Australia, trade skills are essential in keeping necessary infrastructure (airports, roads, utilities etc) functioning for the benefit of the local community.

## 2. AVIATION INFRASTRUCTURE:

### 2.1 Airport Planning and Development

- A key element in ensuring the ongoing preparedness of airport operators to commit to ongoing major airport infrastructure development is the continued application of a light-handed regulatory regime. Airports increasingly now have comprehensive agreements with their major airline users. These agreements are frequently complex and highly layered and bundle services in different ways, thus ensuring that the individual needs and priorities of the parties can be met in an optimal and flexible way. Future regulation should not intrude on these mutually agreed and economically sound commercial arrangements;
- Any future reviews of airport regulation should be undertaken by the Productivity Commission, but none should be necessary for at least the next 4 years or so;
- The Airports Act planning provisions already require airports to demonstrate how they have consulted with their local community, and the Government last year issued detailed guidelines on consultation with stakeholders. We see no reason why these guidelines (reinforced by recent amendments to the Airports Act) need to be further amended or changed. It simply makes good business sense to communicate and consult with your community, but the methodology should not be overly prescriptive and inflexible. The former and present Governments have done a good job in balancing airport, State and Local Government issues by means of conditions applied to approvals as a result of the guidelines and amendments to the Airports Act;
- Despite the comprehensive planning requirements of the Airports Act, the introduction of the concurrent requirements of the Environment Planning and Biodiversity Conservation Act have made airport development activities significantly more onerous. The interaction between the two Acts has meant that the Major Development Plan process has become complicated and unwieldy. The AAA believes that this process can, and should, be greatly simplified while still achieving the objects of both Acts;
- Appropriate State planning guidelines for protection of airport growth and flight paths are a welcome outcome in some States. However, in order to ensure that future traffic growth needs can be economically financed and met, the Commonwealth can and should do more to limit new residential developments on greenfield sites under the flight paths of major capital city airports;
- The commitment by State Governments to providing decent road access to airports varies greatly. We would recommend a much more active and integrated approach on this issue by State Road and Transport Authorities. The Commonwealth Government should take the lead on this with a mechanism to recover costs from respective State and/or Territory Governments where and when they fail to provide adequate access;
- In terms of current and future pressure points in relation to airport capacity, pressure from land developers around airports, regulatory impacts such as border controls and environment, community action groups, road access and transport all impact. This can lead to different agendas being pursued and not always in the best interests of either the airport, the region or specific community it serves;
- This issue of airport planning and development is discussed in more detail in Section 4.2 in relation to Aircraft Noise.
- The slow creep of high-rise developments around all airports is restricting current capacity growth and future operational expansion opportunities. The present system of identifying and evaluating potential breaches of the OLS and Pans Ops at airports by Local and State/Territory Governments needs to be reviewed and CASA should become more proactive in the assessment process;

- Response from previous Commonwealth Governments has been that funding airports is no longer a Commonwealth responsibility. The Commonwealth is, however, a major beneficiary from the mining-related boom around Australia and particularly in Western Australia. At the same time, RPT airports in the mining areas are struggling to keep up with the rapid increase in passenger growth caused by that boom (let alone the commitment to introduce CBS by 01 December 2008). The paper needs to acknowledge the real role airports play in the provision of significant national economic infrastructure and enhancement of Australia's defence capability, and to contemplate the provision by the Commonwealth of funding or loans to allow such airports to undertake major upgrade programs.

## 2.2 Air Traffic Management

- Australia is well-catered for in terms of ATM, with Airservices Australia (AA) reputed to be one of the world's best practice service providers;
- AA has embraced technological advances over recent years and assessed (in partnership with industry) their applicability to Australian airspace;
- The Australian aviation industry is a 'system' – all elements must be able to work together – AA has consistently maintained a 'consultative' approach to the way in which it 'manages' its ATM activity and is mindful of the role it plays in maximising airport productivity;
- Any national air traffic management plan should be developed and implemented by Airservices Australia.

## **3. AVIATION SAFETY:**

### 3.1 Safety Regulation and Regulatory Reform

- In terms of 'airports' there is little necessary to be done to enhance SMSs. CASA has engaged the airports in the development of their SMSs and provided a more general and valuable service to the industry on all matters to do with SMSs;
- We propose that CASA have an 'independent' Board of respected and notable industry 'experts' representing a wide cross-section of aviation and business involvement who do not have any current 'conflict of interest' issues;
- The AAA has always maintained a professional and cordial, although sometimes through necessity 'strained', relationship with CASA – always respecting their position as the regulator and ultimate umpire on all matters to do with aviation safety;
- The reason for the longevity of the CASA Regulatory Reform Process is that industry has become very involved and this has consequently drawn-out the consultation process. CASA has unwittingly contributed to this situation by trying to be as consultative as possible. Given that the Australian aviation industry is, at best, very dysfunctional, this has been no easy task. However, there comes a time when CASA needs to stop endless consultation and take decisive action if the process is to be brought to a timely conclusion;
- The independence of the 'Miller Report' and its recommendations should provide the Government with the appropriate level of guidance to determine the future relationships between Australia's aviation safety agencies;
- The skills shortages besetting the industry in general are also having an effect on CASA. This leads to a disconnect between CASA's headquarters and its 'field operatives'. Accordingly, there is still a high level of inconsistency in the way in which field officers interpret CASA regulations;
- Further or additional self-administration in aviation ought not to be encouraged without qualification and strict CASA oversight. In some instances it may well create the opportunity for safety to level out at the lowest common denominator. Satisfactory self-administration already exists for some industry sectors (eg. airlines) through the delegate system.

The self-regulation of certain small aircraft activities via organisations with operational and airworthiness responsibilities should be subject to proven competence and capability of the organisation, its compliance with applicable standards and effective oversight by CASA. Self-administration of safety rules applicable to airports, via delegates, should be given due consideration by CASA.

## **4. CUSTOMER AND COMMUNITY PROTECTION:**

### 4.1 Aviation Emissions and Climate Change

The AAA is highly aware of the climate change issues and how aviation contributes to global emissions, in particular, the projected contributions as a proportion of total global emissions. As a consequence, the AAA is committed to taking actions to assist airports to effectively measure and report greenhouse gas emissions from activities for which they have operational control. The AAA has developed and published a clear policy on this issue, and climate change more generally, and is working actively with the Department of Climate Change to develop accurate and verifiable assessment and reporting procedures for greenhouse gas emissions. The key points in relation to climate change are as follows.

- The party that is responsible for (has operational control over) the emissions, should account for and report the emissions;
- As Airports will report the emissions that they have operational control over, then Airports, should they exceed the established threshold, will trade in the Australian Emissions Trading System for credits to meet their requirements;
- The calculations of aviation greenhouse gas emissions should be undertaken by using a standardised method and be independently verified and reported by the responsible party; and
- The AAA supports the cap and trade-system for emissions trading as proposed by the Department of Climate Change, but wishes to ensure the unique position of airports is reflected in the way the system will operate for aviation.

### 4.2 Aircraft Noise

- The AAA proposes that, as aircraft continue to be designed with air frames and engines that are successively quieter, the use of capacity controls at airports based on noise emission, such as curfews and slot allocations, should be annually reviewed;
- As aircraft are demonstrably quieter than those operating decades ago when the current ANEF system was instituted in Australia, it is time for a review of the aircraft noise monitoring and reporting system including the calculation and publication of information of maps depicting areas affected by aircraft noise surrounding airports;
- The ANEF system for forecasting aircraft noise impacts is outdated and needs review. Since the implementation of the current ANEF system, community impacts from the noise and noise environments around airports have changed dramatically. Noise from inner city living and road transport has significantly increased non-aviation background noise levels, but the ANEF system does not take this into account. The TNIP program, developed by the Department of Infrastructure, has more relevance in dealing with current ambient noise levels and has measurable units which have relevance in environmental assessments. The ANEF has no measurable units that allow for comparisons of background to aviation noise;
- It is therefore proposed that a new system for assessing and managing background noise, which has measurable units and can be readily understood by communities, and all three tiers of Government in land use planning around all airports, should be developed;

- For many airports in Australia, aviation noise in relation to existing background sources, is becoming an increasingly vexing question as local governments fail to implement controls required under AS2021 and residential developments continue to creep towards airport boundaries. There are flaws in State Government planning policies regarding development in areas affected by aircraft noise and these are exploited (albeit legally) by developers building inappropriate developments. In some instances, this has led to expensive and time-consuming litigation in a range of Courts around Australia. The AAA proposes that a review of aircraft noise and land use planning should be undertaken to define a common Australian aircraft noise protocol which protects the national aviation industry and infrastructure from continued developments that will eventually constrain any further growth of the industry and as a consequence, constrain national growth. While AS2021 may be appropriate for the acoustic insulation of buildings around airports that are already surrounded by residential development, a higher standard may be appropriate for application in undeveloped land around airports where alternative locations are available for residential development.

#### 4.3 Consumer Protection

- Consumer protection for 'aviation customers and consumers' should be treated no differently to any other part of Australian industry;
- Airlines are best left to justify and comment about the reasonableness or otherwise of their conditions of carriage;
- The ACCC monitors to some degree, the performance of passenger airports that are subject to the Airports Act. Consumer/passenger awareness is an important part of the monitoring process.

#### 4.4 Disability Standards

- The AAA is of the view that current Transport Standards for those airline passengers with a disability are adequate and removes discrimination from air travel;
- The AAA is of the further view that, in the operational context, should there be any unintentional conflict between disability standards and CASA's safety requirements, the CASA requirement must always prevail.

#### 4.5 Compensation Arrangements in the Event of an Accident

- The Government has legislation before the Parliament to bring Australia's international carrier liability regime into line with the Montreal Convention of 1999. Australia's domestic liability limits already reflect the Montreal Convention;
- No third party or additional liability coverage should be contemplated at this time.

### **5. AVIATION SECURITY:**

- Security risk assessments, business cases and community cost benefit analyses should be the order of the day on an airport-specific basis before aviation security decisions are made;
- The AAA shares the Government's view that our aviation security system must be structured in such a way as to be able to adapt quickly, firmly and positively to any new or emerging threats;
- However, historically speaking, it would appear that many aviation security initiatives have been introduced to manage political perceptions as distinct from a risk-based assessment made on the best up-to-date advice available;
- A 'one size fits all' approach is not appropriate for a country the size of Australia, so reliant on aviation and with its extremely diverse population concentrations;

- Whilst acknowledging that aviation security must remain a key focus for the Government and industry, it should not subvert the necessity or opportunity for similar vigilance over all other modes of transport. International experience has shown that aviation is no longer on the top of the list for terrorists' attention;
- The Issues Paper states that the "Australian Government has made a \$1.2 billion commitment to Australian aviation security since September 2001". The AAA would be very interested to learn the break-down and how such a substantial amount was actually spent on aviation security initiatives so that there could be a more informed public consideration of the appropriateness of what has been done to date;
- Security measures introduced at capital city airports appear to have been inappropriately deemed to be suitable or required for regional airports. An example of this is the decision to extend CBS to all airports handling RPT Jet services which was made with no prior consultation or any proven publicly available advice that either a real threat actually exists or that those measures were the most appropriate response;
- Air cargo security appears non-existent at regional locations. From 01 December 2008, the cargo loaded onto the same jet as passengers who have had themselves and their checked baggage screened will continue to be unscreened;
- The delivery of security services across different airports does not appear to be consistent and sometimes lacks commonsense. For example, Pilots and Cabin Crew are required to be screened, yet ground staff, refuellers and other staff working within the secure areas remain unscreened;
- The AAA questions the need for the continuance of current airport security categorisation. The major airports received security funding 'in kind' through policing and CTFR (although many would argue that such an arrangement ought not to be aviation-related, rather for the good of the community), while many remote, rural and regional airports received funding through the RAFP. This has created an inequitable situation for 'secondary' jet RPT airports (such as Launceston, Sunshine Coast, Newcastle, Broome etc.) who received no funding assistance at all;
- Practical and high level experience in 'aviation security' matters is not apparent in the Department of Infrastructure. While we acknowledge many measures have, in the past, been introduced for 'political reasons' the Department should be able to clearly articulate and implement a broad framework of security principles and policies based on a risk approach;
- The Department also needs to develop and enunciate an 'exit strategy' for security measures which are no longer relevant. Significant and costly security upgrades at airports may be appropriate when jet services commence, but such measures should no longer be required when RPT services are withdrawn. The introduction and management of new security measures also needs a much more 'savvy' and effective media strategy (although, to give credit where credit is due, the LAG's introduction was well-handled by the Department);
- We recommend that the Department should have a small, specialist cell of 'experts' within OTS to ascertain, assess, consult and maintain an up-to-date awareness and register of security technology applicable to all modes of transport;
- The AAA's view is that the current aviation security requirements ought to be reviewed, amended as appropriate, and simplified for the benefit of passengers and industry participants;
- It would seem to the AAA that there are currently serious anomalies in terms of security requirements for passengers and their baggage, as opposed to the screening and checking of cargo. We are in favour of any initiative likely to enhance security arrangements for air cargo;
- Background checks on aviation participants requiring an ASIC must be robust, effective and timely. Any strengthening of the ASIC eligibility criteria would be supported. However, there should be a simple and inexpensive review mechanism for those participants initially deemed to be ineligible;
- Background checking and access control are complementary and should remain that way for the foreseeable future.