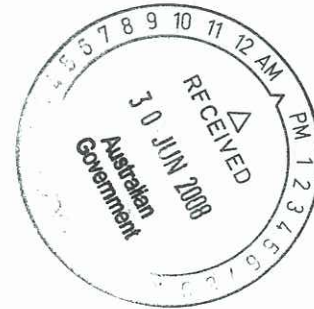


18 June 2008

Department of Infrastructure, Transport,  
Regional Development and Local Government  
GPO Box 594  
CANBERRA ACT 2601



Dear Sir/Madam

## **NATIONAL AVIATION INDUSTRY POLICY** **RESPONSE TO "ISSUE PAPER"**

### **INTRODUCTION**

The District Council of Ceduna is a small regional council in the far west of South Australia and operates the Ceduna Airport. The Airport is serviced by daily flights from Adelaide conducted by Regional Express (REX).

### **Executive Summary and Overview**

The District Council of Ceduna fully supports the Minister's initiative to develop a National Aviation Industry Policy. 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;
- quantify the social and economic significance that aviation plays in support of communities throughout remote, rural and regional Australia;
- 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 demand for airport infrastructure and services;

- commit the Government to the provision of adequate funding for security initiatives it imposes on airports and airlines, at least to the extent of passenger movement charge (PMC) revenue raising;
- be mindful of the significant costs in infrastructure investment that are required to meet future needs that, once made, cannot be moved unlike airlines' decisions with respect to aircraft fleet deployment;
- Airport infrastructure investments are generally substantial and require long periods for amortisation/depreciation.

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

### **1.2 Domestic Services**

- The current low number of regional airlines and the trend towards bigger aircraft is applying a lot of pressure to regional airports. Funding of required investments in infrastructure is risky as future airline revenue cannot be guaranteed and airport infrastructure is largely required to be purpose built and is not transportable. Regular Passenger Services are a strong economic driver for communities and governments need to share the risk with local councils in the provision of infrastructure that contributes to the economy of the region.

### **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;
- It is important that Governments 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 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, proximity to critical infrastructure, aircraft type etc is what is required for security arrangements at rural and regional RPT airports;
- The Government should consider a process to actually identify the contribution made to 'local' communities and their economies by airports and aviation generally.

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

- 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;
- There will be an increasing demand placed on future employment opportunities at airports located throughout rural, regional and remote Australia. This is, by

virtue of the fact that 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.

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';

- The exploration mining boom in South Australia, 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;
- 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 HECs 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**

- 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 interest of the airport, or the region or specific community it serves;
- Response from previous Commonwealth Governments has been that funding airports is no longer a Commonwealth responsibility. The Commonwealth is currently a major beneficiary from the mining-related boom around

- Regional RPT airports in the mining areas are struggling to keep up with the rapid increase in passenger growth. Some airports have approached the Commonwealth for funding or loans to undertake major upgrade programs. This raises the question as to the real role airports play in the 'infrastructure debate' and the supportive role they play in the provision of significant national economic infrastructure and enhancement of Australia's defence capability.

## 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;

## 3. **AVIATION SAFETY**

### 3.1 Safety Regulation and Regulatory Reform

- In terms of 'airports' there is little necessary to be done to enhance Safety management Systems (SMSs). CASA has engaged the airports in the development of their SMSs and these systems provide a sound, practical, airport specific mechanisms to maintain and improve safety at airports.

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

### 4.1 Aviation Emissions and Climate Change

The District Council of Ceduna 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. The District Council of Ceduna believes that:

- The party that is responsible for (has operational control over) the emissions, should account for and report the emissions;
- The calculations of greenhouse gas emissions from aircraft should be undertaken by using a standardised method and be independently verified and reported by the respective airline;

### 4.2 Aircraft Noise

- 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;

### 4.3 Consumer Protection

Consumer protection for 'aviation customers and consumers' should be treated no differently to any other part of Australian industry;

### 4.4 Disability Standards

- The District Council of Ceduna is of the view that current Transport Standards for those airline passengers with a disability are adequate and removes discrimination from air travel.

- The District Council of Ceduna 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 undertaken, on an airport-specific basis, before security decisions are made;
- 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 the population concentrations currently in place;
- Security measures introduced at capital city airports appear to have been deemed appropriate for regional airports. An example of this is the decision to extend CBS to all airports handling RPT Jet services. This occurred 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;
- 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 District Council of Ceduna'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;

Yours faithfully



**Grant Drummond**  
**GENERAL MANAGER OPERATIONS**