



Andrew J Parker
Senior Vice President
Public Affairs, Government Affairs, Environment Affairs
Tel : +(9714) 7083335
Fax : +(9714) 2864046
Email : andrew.parker@emirates.com

29 June 2008

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

Fax: +61 2 6274 6749

Dear Sir / Madam

'Towards a National Aviation Policy Statement' - Issues Paper of April 2008

Emirates thanks the Australian Government for the opportunity to respond to its issues paper *'Towards a National Aviation Policy Statement'* and fully supports this initiative to provide greater planning and investment certainty for the industry, whilst at the same time supporting efforts to overcome the tyranny of distance for Australia. As an airline which now flies to a total of 99 destinations in 62 countries across six continents, Emirates takes a close interest in all international aviation policy developments and reviews.

The day we first flew into Melbourne in 1996 we knew Australia would grow into a thriving destination for Emirates and that we would have a vital role to play in developing and fostering tourism, investment and exports. Over a decade later the Australian market has exceeded all of our expectations.

Dubai and Australia are now successful long-term trading partners. Our local investment of over one billion dollars since 1996 has been strongly rewarded, and we believe we have made an important contribution to the national economy by promoting Australia on the world stage.

Last year the Australian Government announced Emirates would be able to increase flights to Australia from our then limit of 49 flights a week, to a total of 84 flights a week in a progressive manner over the next three years. As we said at the time, this was great news for Emirates but also, in our view, great news for Australia.



Emirates could not grow in a market like Australia without strong support from our friends within the Australian community – governments, airports, tourism bodies, business leaders and our many other commercial and sponsorship partners.

Emirates has welcomed over 7.4 million passengers on our Australian services since first flying to the country in 1996 and we are committed to growing this partnership. In October the airline will launch an additional daily flight into Brisbane, and next February we will launch our inaugural A380 service into Sydney and offer a triple daily service into Melbourne. It is an exciting time for the airline which will be topped off with the opening of the Wolgan Valley Resort & Spa in late 2009 in the Blue Mountains.

In Emirates, Australia has a committed and willing partner to further the Australian Government's objectives in terms of tourism and trade.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Andrew J Parker".

Andrew J Parker
Senior Vice President
Public Affairs, Government Affairs, Environment Affairs



Emirates response to the Australian Government's 'Towards a National Aviation Policy Statement' Issues Paper of April 2008

Executive Summary

Emirates operates a total of seven daily flights between Dubai and Brisbane, Melbourne, Perth and Sydney along with four daily trans-Tasman services and is one of the largest international airlines operating to Australia.

Australia is one of the key destinations on Emirates network. Since the commencement of operations to Australia in 1996, Emirates has been active in growing the Australian aviation market – particularly from non-traditional points in Europe, Africa and the Middle East. We believe there is still significant demand along with substantial growth opportunities for Australia, from these regions.

In contrast to some carriers that no longer fly to, or have significantly reduced their services to and from Australia, Emirates has been 100% committed to the Australian market since it commenced operations here in 1996.

In November 2007 Emirates outlined an exciting period of growth for our Australian operations which include:

- Growing from 49 flights a week to 56 flights a week during 2008
- Increasing this to 70 flights a week during 2009
- Flying twice daily to Brisbane in 2008
- Flying three times daily to Melbourne and Sydney from 2009
- Launching Airbus A380 direct services to Sydney and to Melbourne in the near future
- Commencing construction of Emirates Hotels & Resorts first luxury conservation resort in Australia, the Wolgan Valley Resort & Spa scheduled to open in late 2009

The second daily service to Brisbane will be introduced in October 2008 using the state-of-the-art Airbus A340-500 and the third daily service to Melbourne will commence in February 2009. Sydney will expand to a triple daily service in late 2009. These three additional flights will all be non-stop from Dubai.

These new services will provide Australian and international passengers with a superior level of choice and comfort and will help ease the current industry wide capacity shortfall in and out of Australia.

Emirates first Airbus A380 services to Australia will commence in February 2009 with a direct service to Sydney. The A380 service to Melbourne will come online as more aircraft are delivered. Australia will be among the first countries to be serviced by Emirates A380s.



This represents a multi-billion dollar fleet commitment to the Australian market and will be supported by additional Australian jobs and promotion of Australian tourism, particularly in our 22 European markets.

Emirates have driven the growth in passengers travelling to Australia from the Middle East in particular. Prior to Emirates commencing operations into Australia in 1996 the country did not feature as a top destination for travellers from the Middle East. In contrast, today high yield travelers from the Middle East are visiting Australia at an impressive rate.

Emirates could not have achieved this without the constructive support of successive Australian Governments, as well as from other aviation stakeholders, nor without their on-going commitment to liberalised aviation policies.

Emirates believes the Australian Government needs to continue on this path to provide certainty for Australian and international carriers so they can invest in new aircraft and develop new routes.

1.1 International Services – A case for greater liberalisation

“We know that there has been clear evidence of a progression to aeropolitical multilateralism in the past twenty years. More and more countries are subscribing to the fact that liberal air access has a multiplier effect on their economies and that protection of their national carriers no longer stacks up in the cost benefit equation or serves their national interest. Unwittingly they have been subsidising their national carriers through a fortress mentality of aero-political protectionism and the elimination of competition, whilst other primary sectors of their economies have suffered as a result.”

- Tim Clark, President Emirates Airline, Lindbergh Address – March 2007

Emirates is strong advocate of open-skies. Operating from our hub in Dubai, Emirates exists in a highly competitive market served by over 120 airlines. Competition is the driver for service and efficiency gains which ultimately benefit our passengers, open up new links and provide improved services to the destinations we serve.

There is a well-understood link between the provision of direct flights between two points and the growth in tourism and trade between the same destinations. The increased growth in trade and tourism between the Australia and the Middle East is a clear demonstration of this relationship.

Emirates is optimistic that any review of the trends and developments in international aviation should produce a policy which moves beyond the traditional restrictive bilateral system which, in Emirates view, only stifles the growth of efficient airlines and at the same time disadvantages consumers together with the wider economy.



Any limitations on market access invite similar reciprocal restrictions from other countries and serve to hinder both the expansion of Australian carriers into potentially lucrative international markets as well as access by foreign carriers to major destinations in Australia.

A restrictive international aviation policy runs counter to Australia's free market philosophy. Any restrictions on trade – in terms of goods or services such as aviation – are likely to negatively impact on the growth of economic activity, incomes and jobs.

The overriding objective of Australia's international aviation policy should be to present consumers with a wide range in airline options, routings, products and competitive fares.

Emirates strongly urges the Australian Government to adopt a true open-skies policy, and in this respect we are encouraged by recent suggestions that Australia and the European Union are moving towards a fully liberal multilateral agreement

2.2 Air traffic management

Emirates was one of the first airlines operating in Australia to capitalise on Air Services Australia's FlexTracks initiative, which we have used progressively since 2003 on our flights to and from Australia. This initiative has enabled us to cut average flight times on a typical flight from Dubai to Sydney or Melbourne by more than 6 minutes, as well as saving more than 1 ton of fuel on average.

Thanks to this initiative, in 2007 Emirates was able to save on our Australian routes a total of 3,157 tonnes of fuel and 200 hours of flight time – resulting in 10,061 fewer tonnes of CO₂, 3,911 fewer tonnes of H₂O, 66.67 fewer tonnes of NO_x, 3,093 fewer kg of SO₂ and 1,768 fewer kg of CO. Every minute of flying-time that we can save, reduces our fuel consumption by an average of 62 litres and cuts CO₂ emissions by 160 kilograms. This is industry leading examples of how AirServices Australia and Emirates are using best practice techniques to the betterment of environment, whilst also improving fiscal responsibilities. We encourage such innovation to continue.

With respect to other air traffic control related issues, Emirates is also of the view that the current, often inflexible processes surrounding application of the Sydney Airport Curfew Act are, at times, failing to deliver against the desired intent, have the potential to create significant flight operational concerns and should therefore be the subject of on-going review to allow for appropriate flexibility and to ensure minimal passenger disruption. Recent examples, of which the Australian Government is aware, have highlighted the need for degrees of flexibility at the margins of this policy to ensure airlines, passengers and the Sydney community are not disadvantaged.



4.1 Aviation emissions and climate change

In the air and on the ground the Emirates Group is committed to acting sustainably in the interests of our customers, our business, the natural environment and the more than one hundred destinations we serve worldwide.

However, meaning well on the environment is not the same as making a meaningful difference. This is why in any consideration of the environment Emirates can make the single biggest difference through the development, selection and operation of our aircraft fleet. In this area Emirates operates the most advanced and fuel efficient aircraft in the world. We also maximise efficiencies by moving our customers over our geo-central mega hub in Dubai.

From our current and future A380, A350 and new B777 aircraft Emirates is an emission efficiency standout. Our technologically sophisticated fleet has an average fuel burn of less than four litres for every 100 passenger kilometers - we fly better than most small cars. When our A380s come into service, including on the Sydney route in early 2009, we will witness a further substantial reduction in per-passenger fuel usage and emission levels.

Emirates is also an industry leader in terms of new initiatives to make our flights even more efficient. These include flexible flight routings and new airspace access procedures. When our A380 fleet is fully delivered, our per-seat fuel use will be lower than that of a Toyota's hybrid Prius based on typical passengers used by each mode of transport. We will continue to innovate and implement technology to make further environmental gains.

Emirates also invests in conservation tourism projects across the world, supports local and environmental projects and pursues many sustainability initiatives. Emirates Hotels & Resorts have been pioneers in conservation tourism developing the Al Maha and Wolgan Valley projects in Dubai and Australia respectively. The Emirates Foundation – a charitable organisation supported by the Emirates Group and our customers – supports dozens of community and environmental programs worldwide.

Aviation accounts for approximately 2% of the world's CO₂ emissions. International aviation accounts for less than that. It is Emirates view that improvements in environmental performance can lead to more efficient industrial processes, lower energy and resource costs. Improved environmental performance can stimulate innovation and new technologies.

We encourage global policy makers, including the Australian Government, to take a more holistic and balanced view on environmental protection and the link between aviation, the economy and the environment otherwise this potential will be compromised.

Despite our planned growth and the opening of important new routes throughout the world in the future, Emirates is committed to further fuel and emission reductions as part of our operations.

4.2 Aircraft noise

Emirates possesses one of the worlds' most technologically advanced and fuel efficient aircraft fleets.

The push to reduce aviation's environmental footprint has also delivered significant noise reductions, which we believe should be factored into the long-term policy planning of the Australian airports at which we operate.

Blanket policies targeting aircraft noise, without an appreciation for the noise contours of specific aircraft have the potential to negatively impact on the competitiveness of some Australian airports.

Global fleet and network routing demand 24 hour scheduling. Brisbane, Melbourne and Perth have a distinct advantage as they provide Emirates with greater scheduling flexibility and connectivity for our passengers.

Also, Emirates is utilising the Australian Government's Transparent Noise Information Package (TNIP) as a viable measure for us to self-scrutinise our operations and their impact on various externalities.

Emirates believes TNIP ought to be the industry standard in measuring the environmental impact of aircraft in Australian airspace.

We commend the Australian Government on TNIP's development and implementation.

Conclusion

Emirates has long argued that it plans to grow the total passenger market to and from Australia and open up new tourist and trade markets for Australia. Unlike other carriers, Emirates connects Australia to a wide range of destinations, including secondary airports in Europe, the Middle East and Africa.

Emirates believes the real growth opportunities for Australia are in markets currently not served, or under-served by Australian carriers. Emirates firm conviction of the potential of such non-traditional markets has been the cornerstone of its success in Australia since 1996.

Emirates is committed to growing its Australian services and investing in the latest aircraft technology to provide passengers with the best service, greatest connectivity in the most time and eco-efficient way.

Emirates appreciates that successive Australian Governments have adopted increasingly liberalised air services agreements with a number of foreign countries and since 1999 have been willing to enter into open-skies agreements when it is in the Australian 'national interest'. In Emirates view a fully liberal international aviation policy for Australia ought to be the achievable goal.



Many countries around the world are gradually adopting more liberal international aviation policies. Australia, like the UAE, is a leader in fair, free and open competition. Aviation should be no exception.