



Australian Government

AVIATION RECOVERY FRAMEWORK

# Flying to Recovery

→ DECEMBER 2021



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# Minister's foreword



**Regional Australians have long understood the critical role of the aviation sector for their communities. The COVID-19 pandemic has helped highlight the sector's national significance – as a key driver for the economy, job-creation, and community wellbeing and connectedness.**

COVID-19 posed the greatest risk to the aviation sector and triggered the most serious economic crisis since World War II. Overnight, an industry relied on, in one way or another, by the vast majority of Australians, was hit harder than anyone could have predicted at the time. Despite the challenges, the industry carried on. Planes continued to fly, delivering many thousands of tonnes of freight, bringing Australians home from overseas, and keeping people connected with their families in Australia.

Government policies and regulation should promote a competitive, safe and secure aviation sector that ensures Australians can access essential aviation services, and be underpinned by engagement with stakeholders. Regulation should be fair and risk-based and policies should foster innovation and growth.

After the enormous challenges of the COVID-19 pandemic, the Australian Government is now looking ahead to recovery and a stronger aviation sector in the long term. As a vast island nation, Australia relies on aviation for its economic and social prosperity, to connect our communities and business with each other and to the world.

Aviation is integral to our national supply chains, providing essential services to regional and remote communities, and enabling, for example, the tourism, mining, construction, manufacturing, agriculture and higher education sectors. Australia has led the world in delivering competitive, safe, high quality aviation services, but the industry has been hit hard by COVID-19. Public health measures—such as travel restrictions and border closures—impacted aviation earlier, harder and longer than many other sectors.

The Australian Government acted quickly and decisively in response to the COVID-19 crisis. In March 2020, we took action to support airlines in response to the unprecedented decline in aviation activity linked to the health response to the pandemic. Since the emergence of the pandemic in 2020, the Government has committed over \$5.3 billion in aviation support, ensuring critical air routes continued to operate safely and providing vital support for aviation jobs, particularly in our regions. The Government's support has been timely, targeted and proportionate.

As well as the immediate financial impact, the effects of COVID-19 may result in lasting changes to Australian aviation. More people are now working remotely, opening up options for where we live and how we work, and more Australians are looking to holiday at home while the health crisis continues globally. These changes may continue to change patterns of travel demand.

There are also ongoing technological changes, such as uptake of Remotely Piloted Aircraft Systems (RPAS) or drones, which will affect demand for many existing aviation services. These changes present challenges and opportunities, and their long term implications are not yet clear. That is why Australia needs effective, forward-looking policy settings that provide support, flexibility, and the right incentives for businesses to adapt to changing circumstances while still maintaining a safe operating environment.

The Australian Government will continue to work with the aviation sector as it responds to the unprecedented pressures of the COVID-19 pandemic. This **Aviation Recovery Framework** is a statement of the Government's confidence in the sector's capability to return to strength and underpin our economic prosperity. The Government will work in partnership with the broad aviation ecosystem as it does this. The Framework outlines the Government's response to COVID-19 by supporting operations and jobs through the most severe phases of the crisis and details how we will boost recovery, in line with the National Plan to transition Australia's National COVID-19 Response. It also sets out new policies to reposition aviation post COVID-19 to ensure a competitive, safe and secure aviation sector that meets the needs of Australians now and into the future.


The Framework will be implemented in phases, taking into consideration the impacts of revised policy settings. Critically, as it has done throughout the crisis, the Government will continue to listen to the sector with implementation of measures and reforms reviewed and adjusted as necessary. I am establishing a Strategic Aviation Advisory Forum to provide this advice directly to the Government over the next two years.

I thank the sector and the members of the Future of Aviation Reference Panel for their considered input to the Framework. Through the Chair, Professor Patrick Murray, Shannon O'Hara, Adrienne Fleming and Andrew Drysdale (the Panel) have consulted on the challenges and opportunities facing the sector. The Panel's insight and advice on policy directions, together with feedback from the General Aviation Advisory Network and submissions from the sector, has been invaluable. I look forward to implementing this Plan to support the sector's recovery and return to strength.



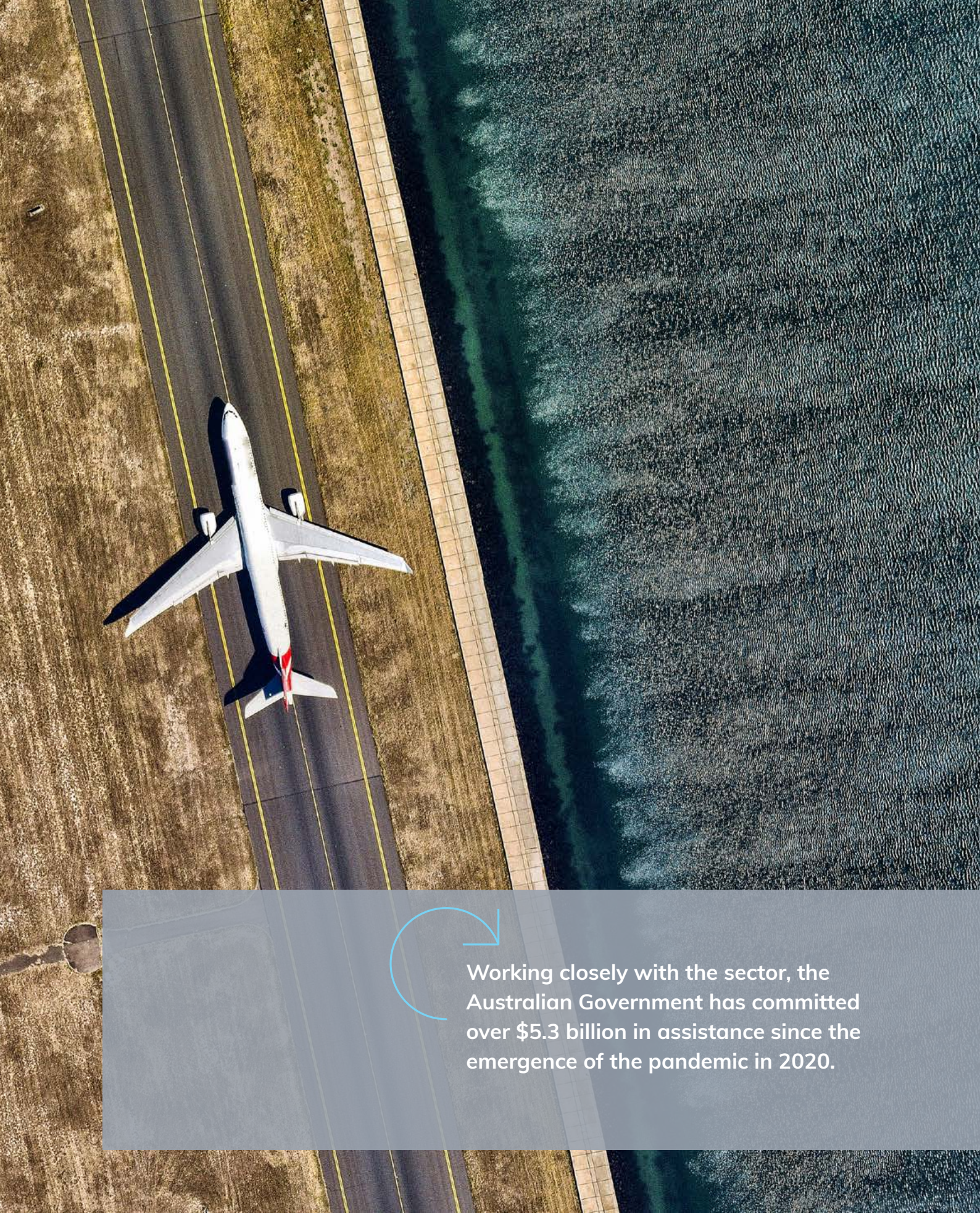
**The Hon Barnaby Joyce MP**  
Deputy Prime Minister  
Minister for Infrastructure,  
Transport and Regional  
Development

December 2021



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Working closely with the sector, the Australian Government has committed over \$5.3 billion in assistance since the emergence of the pandemic in 2020.

# COVID-19 impact and the Australian Government response

Aviation was devastated by COVID-19, in Australia and around the world. At the peak of the crisis in Australia, passenger numbers fell 97% and tens of thousands of aviation workers were stood down or retrenched. Many of Australia's operators across the sector were forced to reconsider their future business models in order to remain viable into the future.

From March 2020, the Australian Government delivered a range of COVID-19 crisis support programs to the aviation sector under three objectives: maintaining essential air connectivity, preserving critical aviation capacity and protecting supply chains.

Working closely with the sector, the Government has committed over \$5.3 billion in assistance since the emergence of the pandemic in 2020. Support has been timely, proportionate and targeted. This assistance not only supported delivery during the crisis, but provided stability to the sector to drive the recovery into 2022 and beyond.

## Maintaining essential air connectivity

- Domestic Aviation Network Support (DANS): Support was provided from April 2020 to ensure minimum connectivity between capital cities and key regional ports. DANS ensured Australia's airlines continued services on the busiest routes.
- Regional Airline Network Support (RANS): The RANS program has ensured those living in regional and remote Australia have continued to receive a minimum level of air connectivity since March 2020, and will operate until 31 March 2022.
- The Australian Government assisted those stranded abroad to return home via the operation of flights, including from London, Hong Kong, Auckland, Los Angeles, Peru, Argentina, South Africa and India.

## Preserving critical aviation capacity

- Australian Airline Financial Relief Package (AAFRP): The AAFRP provided \$715 million in direct and indirect support from 1 April 2020 to 31 December 2020, back-paid from 1 February 2020, to airlines through fee-waivers, changes to operations charges, and some limited direct financial assistance.
  - The 50 per cent waiver of Airservices Australia charges was extended beyond the AAFRP from 1 January 2021 to the end of December 2021 for aeromedical and Regular Public Transport (RPT) flights. This lowered costs for airlines while they brought more of their domestic networks back online.



1  
Maintain essential air connectivity



2  
Preserve critical aviation capacity



3  
Protect supply chains

- **Support for federally-leased airports:** Federally-leased airports were granted temporary relief and deferrals from land-tax equivalent payments, if they provided rent relief to commercial tenants during the health crisis. This measure lowered cost pressures on airports as they managed reduced revenues from fewer flights, and ensured tenants were able to direct more of their resources toward operations and staff retention.
- **Regional Airlines Funding Assistance (RAFA):** Funding of \$100 million was made available between April and December 2020 to deliver last-resort cash flow assistance to regional air operators that provide essential services to regional and remote locations. Support allowed regional air operators to remain solvent through the crisis, and was discontinued as demand for services increased.
- **The Aviation Services Accreditation Support Program (ASAS):** The Government is providing support over nine months, between 29 March and 31 December 2021, to businesses providing ancillary support services to the aviation industry; for example, ground handling companies. The program supports retraining and reaccreditation to ensure safety standards are maintained for all flights.

- **Domestic Airports Security Costs Support (DASCS):** The Domestic Airports Security Costs Support program provides financial assistance to Australia's eligible domestic airports to assist with costs associated with mandated passenger and baggage screening requirements that must be met regardless of the volume of aviation activity.
- **International Airports Security Charges Rebate:** The International Airports Security Charges Rebate program provides financial support to federally-leased and major international airports that are currently receiving international services or are material to Australia successfully re-opening to international passengers.
- **Retaining Domestic Airline Capability (RDAC):** RDAC is intended to assist airlines maintain core sovereign domestic aviation capabilities, through the retention of essential aviation sector skills and knowledge. This helps ensure airlines can quickly increase capacity as border restrictions ease, recognising aviation is a key driver of growth in the broader economy.
- **International Aviation Support (IAS):** The international aviation sector continues to be affected by restrictions on international passenger movements. The Government's IAS grants have helped maintain a core Australian international aviation capability while these restrictions remain in place.

- **Tourism Aviation Network Support (TANS):** The Tourism Aviation Network Support program was established to reduce the costs for tourists flying to key tourism regions hit hard during COVID-19. The TANS program also helped underwrite the cost of additional flights on certain routes to key tourism regions that remained at minimum connectivity levels.

### **Protecting international supply lines for air freight**

- **International Freight Assistance Mechanism (IFAM):** IFAM was established in April 2020 as a targeted, temporary, emergency measure to respond to COVID-19. The necessary travel restrictions imposed in response to the COVID-19 pandemic resulted in an initial reduction of more than 90% of passenger flights in and out of Australia. This had an immediate and devastating effect on Australia's ability to airfreight goods. As an island nation, Australia is heavily reliant on passenger flights for time sensitive freight, with 80% of Australia's airfreight typically carried in the belly hold of passenger flights. IFAM helps keep Australian businesses reliant on airfreight connected to existing international markets and facilitates critical imports, while giving Australian businesses time to align their operating models to 'new look' supply chains.



## → Economic Response to COVID-19

The Government's economic support during the COVID-19 pandemic has enabled businesses and households to withstand uncertainty and restrictions. The Government's measures have benefited all Australians over the long-term, by supporting overall confidence, employment and business continuity.

The 2021-22 Budget committed an additional \$41 billion in direct economic support, bringing total support since the beginning of the pandemic to \$291 billion.

The pandemic presented many challenges for industry. The Government provided targeted support to regions and sectors that were disproportionately impacted and to support them through reopening.

The Government regularly assessed the support provided to various sectors and regions to ensure that support provided was targeted and proportionate to impacts, in addition to supporting the transition to private sector-led growth and driving the unemployment rate lower.

## → National Plan to transition Australia's National COVID-19 Response

Opening back up in a careful and safe way is the highest priority of the Australian Government. Modelling from the Doherty Institute has given Australia a clear path and targets for how to do that.

On 2 July 2021, the National Cabinet agreed to formulate a plan to transition Australia's National COVID-19 Response from its current vaccination consolidation settings, focussing on minimising serious illness, hospitalisation and

fatalities as a result of COVID-19 with baseline restrictions, to post-vaccination settings focussed on managing COVID-19, consistent with the public health management of other infectious diseases.

The vaccination targets in the National Plan were agreed by all the States and Territories at National Cabinet on 6 August 2021.

The Government will continue to take action to respond to evolving circumstances such as new COVID-19 variants to protect Australians. Any additional actions will be targeted, proportionate to the risk and consistent with actions taken by other countries. Interventions need to factor in available evidence, medical advice and the impact restrictions have on the economy and society. This will ensure Australia can open safely, and stay safely open as we learn to live with the virus.

# Strategic priorities

While many parts of the Australian economy have bounced back as we have adapted to living with the COVID-19 pandemic, the recovery of the aviation sector will be ongoing. Governments and industry alike will need to remain agile and flexible to ensure the sector can remain safe, sustainable and competitive.

Full recovery of the aviation sector is likely to take some years, particularly for international aviation. COVID-19 may also result in long-term changes in demand, arising from increased remote working and videoconferencing.

Throughout the pandemic, the Australian aviation industry showed itself to be remarkably responsive, resilient and innovative in the face of the greatest shock to the sector in its history.

Now is the time to rebuild.

The Government's long term vision for Australian aviation focuses on a strong and competitive sector; safe, secure and sustainable aviation; and ensuring connectivity in Australia's regions through access to essential aviation services.

The Australian Government has six strategic priorities to boost the sector's recovery and achieve this vision.

Each strategic priority is initially supported by a range of measures to help the industry realise its potential, creating a policy and regulatory environment that provides industry with the certainty and confidence it needs to change and innovate in line with changing markets, and to plan and invest for the longer term. The Government will work with stakeholders and the new Strategic Aviation Advisory Forum to update and refine the priorities as appropriate, as the sector continues to evolve in response to COVID-19.

The Framework is focused on the priorities that will help drive investment and recovery, and lay the foundations for a sustainable industry underpinning business, essential services and connecting Australians. The Framework is not intended as a comprehensive summary of all of the Government's aviation policy positions.

Importantly, the strategic priorities complement the Government's broader approach to growing the economy and supporting the travel and tourism sectors.



## Strategic priorities to support Aviation Recovery





## → Reopening the international border

Australia is safely reopening its international border, step-by-step, working with the states and territories to ease restrictions on international travel in line with the COVID-19 National Plan.

Since 1 November 2021, fully-vaccinated Australian citizens, residents and their immediate families and children aged 17 years or less have been able to return from overseas into New South Wales and Victoria without having to go into hotel quarantine and being exempted from international passenger arrival caps.


Other jurisdictions have announced that they will be easing their quarantine requirements for international arrivals as they hit vaccination targets over the next few months.

Since 21 November 2021, fully vaccinated Singaporean citizens with a valid visa can also travel quarantine-free when entering New South Wales and Victoria. These arrangements apply to Singaporean citizens departing from Singapore.

The Government has announced that an increased number of fully vaccinated eligible visa holders will be able come to Australia without needing to apply for a travel exemption. These will include

skilled and student cohorts and temporary graduate visa holders, as well as humanitarian, working holiday and provisional family visa holders. If arriving into Sydney and Melbourne, these travellers will also not need to quarantine on arrival and be exempted from the international passenger arrival caps.

It has also been announced that fully vaccinated citizens of Japan and the Republic of Korea departing from their respective countries would also be able to travel to Australia without a visa exemption requirement, and enter Sydney and Melbourne on a quarantine free basis, exempt from the international passenger arrival caps.



## → Reimagining the Visitor Economy

The visitor economy was Australia's fourth largest export sector before the COVID-19 pandemic. In 2019, it was worth \$166 billion and employed 660,000 people. COVID-19 has compounded the challenges facing the visitor economy and has changed the landscape. Long-term strategic planning to rebuild and grow a resilient sector was required.

On 30 April 2021, the Government appointed an Expert Panel to advise industry and governments on the future of Australia's visitor economy. This report was released publicly on 25 November 2021 and contains 49 recommendations aimed at achieving long-term recovery and sustainable growth for the sector. Concurrently,

the Government also released for consultation a new draft national ten-year strategy for the visitor economy, THRIVE 2030 (*The Re-Imagined Visitor Economy to 2030*). THRIVE 2030 incorporates the findings of the report, under the themes of *Collaborate*, *Modernise* and *Diversify*, proposing a series of actions for industry and governments to implement over the short, medium and long term horizon that can guide the visitor economy through longer term transformation to sustainable growth. Subject to consultation and government consideration, THRIVE 2030 is expected to be finalised in 2022.

# Supporting aviation efficiency



The Government will enhance the frameworks that support a strong and competitive Australian aviation sector. By targeting investment and reforming regulation to benefit all participants in the aviation ecosystem, the Government will help businesses to thrive.

These actions will support aviation as a key capability that is essential to drive growth in the broader economy and serve the national interest.

## Promoting a fair and competitive aviation market<sup>1</sup>

- The Government is resourcing the Australian Competition and Consumer Commission (ACCC) to actively monitor and regularly report on the aviation market, ensuring it is competitive and fair, and providing services in Australians' interest.
- Active monitoring will also allow the ACCC to take early action to address any anti-competitive behaviour.

## A new Strategic Aviation Advisory Forum

- The Government will establish a time-limited industry Forum to advise Government on the sector's recovery via annual 'health checks' and bring the concerns and views of the sector to the Government through the recovery period.
- The Forum will also inform targeted research on priority topics.

## Independent review of aviation and maritime transport security regulatory settings

- The Australian Government is reviewing our approach to aviation and maritime transport security with a view to reducing unnecessary costs and red tape for industry.
- The priority for the review will be to identify ready-to-implement regulatory reform priorities that will help to facilitate the industry-led economic recovery from the COVID-19 pandemic.

- The review will identify opportunities to increase flexibility for industry to implement innovative business models and meet security requirements in different, scalable ways, reducing compliance burden while maintaining transport security safeguards. It will also be used to identify changes to balance the regulatory burden for industry in light of planned work to modernise the regulatory framework for critical infrastructure operators, and create a pipeline of future regulatory reform opportunities that can be leveraged to support the industry-led economic recovery.
- The Minister for Home Affairs has appointed Ms Kerri Hartland to lead an independent review, including engagement with industry representatives, and provide recommendations for targeted deregulatory initiatives.
- Ms Hartland will report to Government in early 2022, with further details on implementation arrangements to follow.

<sup>1</sup> Further information is available at: <https://www.accc.gov.au/regulated-infrastructure/airports-aviation/accc-role-in-airports-aviation>



# Revitalising General Aviation



The Government will recognise General Aviation (GA) as a key component of the aviation ecosystem. By identifying opportunities to refine the regulatory framework and better understanding its contribution, the Government will enable GA to fully realise its role in efficiently and effectively supporting business and the community, particularly in regional areas.

## Revitalising General Aviation Roadmap<sup>2</sup>

- The Government will develop a Roadmap to Revitalising GA in Australia. Key features of the roadmap will include:
  - Commissioning economic research from the Bureau of Infrastructure and Transport Research Economics (BITRE) into the value and growth opportunities of the GA sector in Australia to help guide policy and investment decisions that best serve the national interest;
  - A targeted review of the *Civil Aviation Act 1988* to identify and resolve regulatory bottlenecks, improve consultation processes, and encourage risk-based and outcomes-focused regulatory activity;

- Encouraging innovation, and exploring the removal of barriers to export opportunities for Australian GA-related goods and services, including through the pursuit of potential mutual recognition arrangements.
- This initiative responds to a proposal generated by the General Aviation Advisory Network (GAAN) and has been included in submissions provided to the Senate's GA Inquiry.

## Support to increase the uptake of ADS-B in General Aviation to enhance safety and access to airspace<sup>3</sup>

- The Government will provide \$30 million in rebates to eligible aircraft operators for up to \$5,000, or 50 per cent of the cost of installing Automatic Dependent Surveillance Broadcast (ADS-B) transponder technology.
- Situational awareness is a critical element of aviation safety. A clear understanding of what is in local airspace, and what is likely to happen next is fundamental to positive aviation safety outcomes. Australian pilots operating under 'Visual Flight Rules' (VFR) have long operated on the principle of 'see and avoid',

which essentially means looking out for other airspace users and avoiding them.

- Human scanning will always be important, but modern technology can support pilots in seeing and avoiding other aircraft. ADS-B technology enables aircraft to be accurately tracked by air traffic controllers without complete reliance on conventional radar.
- Australia has significant ADS-B surveillance coverage across the continent. Improved visibility of smaller aircraft through fitment of ADS-B devices will provide air traffic controllers and other pilots with better air traffic information and enhance search and rescue capabilities. A more accurate understanding of airspace usage will also promote efficient and effective utilisation of airspace, and potentially allow room for new and emerging technologies, such as drones, to utilise airspace more effectively.

<sup>2</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/general-aviation>

<sup>3</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/general-aviation>





# Optimising airport infrastructure



Twenty years after the Commonwealth completed the process of privatising our airports, the Government is revisiting the regulatory framework to make sure it remains current and fit for purpose. Modernising regulation, streamlining Commonwealth responsibilities and cutting red tape, while ensuring appropriate oversight and environmental management, will help optimise and preserve our important aviation infrastructure assets for years ahead.

## Enhanced regulation for major airports<sup>4</sup>

- To reduce red tape and administrative burden, and promote greater flexibility for federally-leased airports as they emerge from the COVID-19 pandemic, the Australian Government is modernising regulations under the Airports Act 1996 that are currently due to sunset on 1 April 2024, in line with the sunset provisions of the Legislation Act 2003.
- The Government recognises there is considerable work required to determine the details associated with the implementation and operation of these changes, and will use the valuable outcomes of recent stakeholder consultation as an initial guide to reform.

- The Government remains committed to further consultation on each proposed reform, and pursuing a collaborative approach with industry and the community, to ensure the framework remains workable and appropriately balanced.
- The Government assessment of draft Master Plans submitted by federally-leased airports and monitoring of on-airport building activity will also place a stronger focus on ensuring proposed developments to support airport operations, including works to encourage General Aviation participation, are delivered within indicated timeframes and not de-prioritised in favour of non-aviation development.

## Fit for purpose Demand Management arrangements at Sydney (Kingsford Smith) Airport<sup>5</sup>

- The Government will continue to progress work to ensure the Sydney Airport demand management objectives remain relevant and fit-for-purpose, including through:

- Providing for the efficient use of airport infrastructure, while managing the impacts of noise to maintain liveability for the Sydney community;
  - Encouraging competition and resilience within the industry; and
  - Facilitating recovery from the COVID-19 pandemic, such as through being responsive to changes and opportunities in the market.
- Following the independent *Review of the Sydney Airport Demand Management Scheme* at Sydney Airport, led by Peter Harris AO (the Harris Review), the Government is consulting with stakeholders through technical working groups before providing its response to the Harris Review. This consultation includes more detailed analysis of the impacts of the full suite of recommendations from the Harris Review, and potential reforms to Sydney Airport Demand Management more broadly.

<sup>4</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/aviation-legislation-regulation-policy/sunsetting-aviation-legislation>

<sup>5</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/airports/review-sydney-airport-demand-management-scheme>

**Support for airports to investigate and manage PFAS contamination<sup>6</sup>**

- The Government is providing \$130 million over four years to investigate per- and polyfluoroalkyl substances (PFAS) contamination at civil airports, and support airports to manage contamination.
- Funding will be used to analyse and determine the extent of PFAS contamination at the airport, investigate any risks to airport users and people in nearby areas, and develop management plans to respond as needed.
- Site investigation results will determine the extent of PFAS contamination and identify what risk, if any, is posed to surrounding areas. Clarity will ensure all stakeholders, including airport operators and state and local governments, are well-placed to develop targeted management and response plans.

<sup>6</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/vehicles/aviation/environmental>





Artist impression of the terminal at Western Sydney International (Nancy-Bird Walton) Airport, set to welcome its first passengers in late 2026.

## Developing Western Sydney International (Nancy-Bird Walton) Airport

Aviation demand in the Sydney region is forecast to double to approximately 87 million passengers by 2035 and double again by 2060. Sydney (Kingsford Smith) Airport cannot accommodate this demand alone.

In response, the Australian Government is investing over \$5.3 billion in WSA Co Ltd (WSA) to develop and operate the Western Sydney International (Nancy-Bird Walton) Airport (WSI) at Badgerys Creek.

Development of the airport will include delivery of a 3.7 kilometre runway, terminal and airport facilities for 10 million annual passengers by 2026. The WSI project is expected to support over 11,000 jobs during construction. By 2031 (five years into operations), WSI is expected to support nearly 28,000 direct and indirect jobs.

Since construction began in September 2018, significant progress has been made towards Sydney's second international airport. As at 31 October 2021,

construction of the airport, first proposed in 1969, is now over 25 per cent complete.

The bulk earthworks package, being undertaken on a site around three times the size of the Sydney CBD, has recently passed the 75 per cent complete milestone, with more than 21.8 million cubic metres of earthworks cut/fill being moved to the end of October 2021.

If it were a standalone city, Western Sydney would be Australia's third largest economy and fourth largest city. Providing easily accessible aviation access for such an important region will have tangible benefits for the broader Australian economy.

Without the second airport, aviation capacity constraints in the Sydney basin risks compromising between \$34 billion and \$59.5 billion in foregone gross domestic product from 2010 to 2060. In 2060 alone, the annual estimate of foregone jobs would have been approximately 57,000 in NSW and 77,900 nationally, if WSI was not developed.

Delivery of WSI is supported by \$8.8 billion in additional Australian Government investment in road and rail infrastructure in the Western Sydney region. This includes:

- \$5.25 billion on a 50:50 basis with the New South Wales Government to deliver Sydney Metro Western Sydney Airport, a new 23 kilometre metro railway that will connect WSI to Sydney's public transport network.
- \$3.5 billion in the Western Sydney Infrastructure Plan (WSIP). WSIP will provide better road linkages within Western Sydney and benefit the region's growing population. WSIP, which includes the 16-kilometre-long M12 Motorway, will deliver a quality surface transport network, ensuring the efficient movement of passengers, employees and freight, when WSI opens in 2026.

# Connecting regional communities



The Government will continue to provide targeted support for air access in regional and remote areas. While intrastate aviation remains primarily the responsibility of state and territory governments, the Government recognises the importance of air services to the social and economic wellbeing of Australians living in regional and remote areas.

Investment in regional aviation infrastructure will be central to the Government's approach, to facilitate safe and secure air travel and ensure communities can access flights. Additionally, the Government will continue to support passenger and freight services to targeted remote communities, where flights are not commercially viable.

## Regional airport safety and accessibility<sup>7</sup>

- The Government will run a third round of the Regional Airports Program in 2022, so that the program can continue to fund the improvement of critical aviation infrastructure in Australia's regions, and support capital investments which may have been delayed due to the pandemic.
- Funding will be provided to eligible regional airport and aerodrome operators to invest in aviation safety and access infrastructure.

## Support to upgrade remote airstrips<sup>8</sup>

- The Government will provide an additional \$15 million to improve the safety and accessibility of airstrips in remote communities through a ninth round of the Remote Airstrip Upgrade (RAU) Program.
- The program promotes opportunity and fairness for all Australians by facilitating air access for remote towns and Indigenous communities across Australia. The additional funding will help ensure communities have continued access to essential goods and services including

fresh food, mail, health and emergency care, employment and education opportunities, as well as improved delivery of these services.

## Flights to remote regions<sup>9</sup>

- The Government has provided an additional \$6.6 million over four years from 2021–22 for the Remote Air Services Subsidy (RASS) scheme, which currently facilitates weekly flights to 269 remote communities, including 86 Indigenous communities, where flights are not commercially viable. This funding is on top of the \$55 million already allocated to RASS for that period.
- Complementing the RAU program, the scheme is particularly important to improve health and education outcomes in remote Indigenous communities. Improved air access is one way to address these issues, overcoming the long travel distances by road (which can be cut off seasonally) necessary to connect to regional centres.

## Ensuring aviation security in our regions

- In 2019, the Australian Government introduced mandated enhanced security

<sup>7</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/regional-remote-aviation/regional-airports-program>

<sup>8</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/regional-remote-aviation/remote-airstrip-upgrade>

<sup>9</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/regional-remote-aviation/remote-air-services-subsidy>



screening at domestic airports, including re-classifying some regional airports triggering screening requirements for the first time.

- While longstanding policy is that industry is responsible for meeting security costs, the Government recognised that mandatory security screening activities have a relatively high fixed cost element which could disproportionately impact regional areas, and implemented measures to support the implementation at regional airports.

- The \$50.1 million Regional Airport Security Screening Fund supported regional airports to purchase, or upgrade, their security screening equipment, and the \$66 million Regional Airports Screening Infrastructure (RASI) program is assisting regional airports with the minimum necessary capital and initial operating costs of complying with enhanced security screening requirements.
- The objective of these programs is to reduce the cost burden of security compliance on regional airports to avoid those costs being passed on to airlines and airport users.
- The Australian Government continues to assess the impact of security screening costs on regional airports, to inform consideration of longer term support options.

### **Ensuring support remains fit-for-purpose as the sector emerges from the COVID-19 crisis**

- The Australian Government's suite of regional aviation programs have been critical to maintaining air connectivity for regional communities, both prior to and during the COVID-19 crisis.
- As the sector emerges from the crisis, the Government will evaluate these programs, in consultation with industry, to ensure they remain fit for purpose. This includes reviewing the Airservices Australia Enroute Charges Payment Scheme, which is not currently operating due to the range of support measures available to air operators as part of the Government's COVID-19 response.

# Building a sustainable pipeline of workforce skills



As the recovery progresses, workforce pressures will return.

Prior to the COVID-19 pandemic, industry forecasts pointed to severe shortages of skilled pilots and maintenance engineers due, in part, to the rapid and ongoing expansion of carriers in the Asia-Pacific region. Aviation businesses reduced their workforces in response to the pandemic, seemingly addressing the looming skills shortage.

However, a range of anecdotal indicators suggest that long term workforce capacity may suffer as a direct result of the COVID-19 pandemic. Skilled workers may be leaving the sector, choosing to deploy to more stable industries, or take mandatory and early retirements. Reduced numbers of students, closed international borders and extended closures of flight training schools have impacted the ability of students to complete their courses. Ongoing uncertainty and volatility appears to be deterring new entrants to the industry - seen anecdotally through both reduced enrolment numbers and increased deferrals.

Industry forecasts suggest long-term demand for professionals remains strong, even after accounting for the impacts of the COVID-19 pandemic.

While the Government's short term initiatives such as the Aviation Services Accreditation Support, International Aviation Support and Retaining Domestic Airline Capability helped preserve critical capability over the short term, further action is required to address longer term challenges. Many of these longer term challenges were identified in the Government-commissioned Report from the Expert Panel on Aviation Skills and Training (the Panel) which recommended in July 2018 strategies for, amongst other things, a sustainable and successful aviation training sector to support the adequate training and retention of aviation professionals. While work to address the challenges identified in the Report was derailed by the global pandemic, the Government will turn its focus to actions to address these challenges.

The Expert Panel made a number of recommendations relating to the need to review, streamline and align regulatory pathways and frameworks. These frameworks relate to, among other things, licencing pathways and the relationship between CASA regulations and the Vocational Education and Training framework under Australian Skills Quality Authority (ASQA), and flight examiner upgrade pathways and examiner/instructor qualifications. The Government will work with industry to determine how best to address these issues and promote the sector to build a reliable supply of fit-for-purpose workforce skills. Our approach will recognise Australian aviation skills will be the engine that drives industry growth in Australia and abroad.

A key element of this is the recognition of how critical it continues to be to support Australian women to be the future talent the industry needs to thrive. Attracting and training more female aviation professionals will be key to meeting future skills demand and securing a better, brighter future for this industry.



**New projects to build workforce capacity through encouraging more female participation<sup>10</sup>**

- An additional \$4 million is being provided to extend the Government's existing Women in Aviation Initiative to fund programs through a multifaceted approach to

continue to actively address the barriers to female participation in the aviation workforce, and promote more female engagement in the aviation industry.

- It will support a range of activities and initiatives that build confidence and increase awareness about a wide range

of rewarding career options in the aviation industry, helping us to attract and train bright talented women. This additional funding will enhance and complement the work of industry groups already active in promoting aviation careers.

<sup>10</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/women-aviation-industry>

## Delivering critical skills for our economy

The Australian Government works closely with state and territory governments to ensure the Vocational Education and Training (VET) sector delivers the skills critical to our economy. In 2021-22 the Australian Government is investing a record \$6.4 billion in the VET sector (as at Budget 2021-22). This includes around \$1.6 billion provided to state and territory governments to support VET delivery under the National Agreement for Skills and Workforce Development (NASWD) Specific Purpose Payment as well as other initiatives including:

- **JobTrainer Fund**, to be matched by state and territory governments, to rapidly provide more Australians with access to free, or low cost, training places in areas of identified skills need. **Revitalising TAFE Campuses Across Australia program** to support small infrastructure projects, in partnership with state and territory governments. This includes such things as buildings and construction works to expand, upgrade or refurbish TAFE facilities and buildings, purchasing or upgrading specialist-training equipment, and investing in technological infrastructure.
- **Boosting Apprenticeships Commencements (BAC)** wage subsidy to rapidly boost the uptake of new Australian Apprentices.

Under the Heads of Agreement for Skills Reform, the Australian Government and all state and territory governments committed to reforms so that Australians can access high quality and relevant training and employers can access the skilled workers they need. Despite the challenges presented by the pandemic and associated lockdowns, the Australian Government has already made substantial progress and laid the foundations to strengthen the skills system, including:

- Establishing the National Skills Commission (NSC) to provide expert advice and leadership on labour market, current and future skills needs.
- Establishing the National Careers Institute (NCI) to ensure Australians have access to authoritative and accurate careers information and support, whatever their age or career stage.
- Extending the JobTrainer fund to December 2022, subject to state and territory agreement, which will bring the total funding available for free and low-fee training under the Fund to \$2 billion.
- Progressing immediate reforms under the Heads of Agreement for Skills Reform, to ensure quality of training and support registered training organisations to focus on excellence; simplify and streamline VET qualifications; and strengthen the role of industry and employers.

- This includes new Industry Clusters, which will be established to provide industry with a stronger, more strategic voice and a broader role in ensuring Australia's VET system can respond rapidly to changes in Australia's economy and build a resilient workforce that delivers on industry's needs. Under the current proposed nine cluster model, the skills needs of the aviation industry would be supported by the Wholesale, Retail, Transport and Logistics cluster, noting that industry will have the opportunity to propose alternate cluster groupings through the grants round and these arrangements might change.

The Heads of Agreement for Skills Reform also sets out an approach and priorities for a new National Skills Agreement to replace the NASWD, to improve efficiency transparency and confidence in the VET sector so that people get the right skills for the right jobs, supporting Australia's economic recovery and future growth and prosperity.



The Local Jobs Program brings together expertise, resources and access to funding at the local level to focus on reskilling, upskilling and employment pathways for people across Australia. COVID-19 has had an unprecedented impact on the Australian labour market. Together with longer term economic trends that are changing skill requirements in many jobs and occupations, there is urgency

in assisting job seekers to navigate this change. The program draws on Employment Facilitators who provide on-the-ground support for employers, employment services providers and education and training organisations.

As part of the New Employment Services Model, a panel of **Workforce Specialists** will be established from July 2022.

These organisations will deliver projects to meet the workforce needs of identified key industries and occupations, connecting them to suitable job seekers.

These measures will help ensure all sectors of the economy, including aviation, can access the skilled workers necessary to grow their business.

# Embracing new technology including drones



The Government will position Australian businesses and industries to adopt and integrate emerging aviation technologies, to facilitate the safer, cheaper and more sustainable movement of people and goods.

## Digital technology solutions to manage the drone and eVTOL market<sup>11</sup>

- The Australian Government is developing and deploying digital technology solutions to manage the operating environment for drones and electric vertical take-off and landing (eVTOL) aircraft, ensuring it is safe, secure, efficient and competitive, and considerate of the community and the environment.
- These solutions can be scaled and adapted as the market grows and evolves, and include:
  - An Action Plan for the development, deployment and management of a digital Uncrewed Air Traffic Management (UTM) ecosystem, in partnership with industry. This will enable the commencement of efficient low altitude operations at scale while balancing an array of operational, commercial and community objectives;

- The development of a Flight Information Management System (FIMS) by Airservices Australia, which will integrate the UTM ecosystem with the broader air traffic control system; and
- A National Drone Detection Network (NDDN) to protect assets, activities and events in the air and on the ground.

## Streamlining regulation for emerging aviation technologies<sup>12</sup>

- The Australian Government is undertaking regulatory development and reform with the intention to ensure regulators implement streamlined, outcome focused, risk-based and proportionate arrangements to manage risks and impacts associated with emerging aviation technologies.
- To support regulatory reform:
  - The Government is working with state, territory and local governments to develop a Drone Rule Management System (DRMS) to coordinate and manage operating rules for drones from different agencies across jurisdictions. Rules under the DRMS will address issues such as security, noise, privacy, environmental impacts and cultural sites;
- The Government is developing an infrastructure planning framework for drone and eVTOL landing sites;
- The Government is reviewing and amending legislation relating to cyber security requirements, infrastructure security requirements and management of counter-drone capability;
- The Civil Aviation Safety Authority (CASA) is preparing a roadmap for the future development of safety regulation for emerging aviation technologies;
- The Government is implementing a coordinated enforcement scheme to allow state and territory police to issue infringement notices for minor breaches of rules and regulations related to drone operations; and
- The Australian Government is working with state, territory and local governments to develop an outcomes-based noise framework for emerging aviation technologies utilising UTM.

<sup>11</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/emerging-aviation-technologies/drones>

<sup>12</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/emerging-aviation-technologies>



### Promoting emerging aviation technologies<sup>13</sup>

- The Government is growing the Australian emerging aviation technology sector through the \$32.6 million Emerging Aviation Technology Partnerships (EATP) program. The EATP program will support strategic partnerships with industry, using emerging aviation technology to address community needs, particularly in regional Australia.
- The program will encourage the demonstration of operational capabilities of emerging aviation technologies and includes scope for research on enabling functions, such as the regulatory framework and supporting infrastructure.
- The EATP will support the pathway to commercial operations for emerging aviation technologies in Australia and provide an opportunity for the Government to refine approaches to regulation and digital service delivery, to enable the growth of commercial

operations with increased complexity and scale.

### Sustainable Aviation Fuel (SAF)<sup>14</sup>

- The Government is providing \$33.5 million in additional funding to further support and advance Australia's bioenergy sector for the development and deployment of advanced sustainable aviation and marine biofuels.
- This investment will help realise the significant potential of bioenergy, which by the 2030s could include \$10 billion in additional GDP; 26,200 new jobs; a 9% reduction in emissions; and enhanced fuel security.
- Pilot programs and public-private partnerships will be created to increase the uptake in biojet fuels, with stakeholder collaboration and co-investment supporting the development of commercial scale SAF production.

- SAF has the potential to reduce the emission profile of air travel by 80%. Airlines and industry have indicated that SAF's are one of the easiest ways for the aviation industry to materially reduce emissions, which has more limited options to reduce emissions and address fuel costs compared to other transport modes. Investing in domestic SAF production plants is key to achieving this reduction in the coming years.
- This will also create significant opportunities for regional and rural Australia, with many feedstocks sourced from agricultural activities, such as sugarcane waste and livestock industries. Bioenergy investment will support long-term regional employment, provide additional revenue streams for farmers and drive economic growth.

<sup>13</sup> Further information is available at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/emerging-aviation-technologies/drones/eatp>

<sup>14</sup> Further information is available at: <https://arena.gov.au/news/paving-the-way-for-australias-bioenergy-industry/>



## **Implementation timeline**

The Australian Government is committed to working closely with industry to roll out the framework and expedite the sector's recovery.

To ensure Government actions are adjusted in line with prevailing conditions for the industry, the new Strategic Aviation Advisory Forum will advise the Government on progress of the sector's recovery. It will deliver an annual 'health check' on the sector, and bring priority aviation issues to the Government's attention.



## Supporting aviation efficiency

Category	2021	2022	2023	2024
<b>Establishing a strategic aviation advisory forum</b>		Forum is established Q3 2022 Sectoral health check Q4 2022 First research projects commissioned and delivered Q4 2022	Sectoral health check Q4 2023 Second Research projects commissioned and delivered Q4 2023	Final research projects Forum concludes Q2 2024
<b>Promoting a fair and competitive aviation market</b>	Quarterly Reporting on Airline Competition in Australia by the ACCC			
<b>Independent review of aviation security regulatory settings</b>	Independent reviewer appointed Review commences	Review completed and Independent reviewer reports to Government for consideration	Implementation of accepted review findings	



## Revitalising General Aviation

Category	2021	2022	2023	2024
<b>Roadmap to revitalise General Aviation (GA)</b>				
General Aviation Roadmap		Development of draft Roadmap and stakeholder consultation Q4 2022 Release of Roadmap		
BITRE GA Economic Research Report		Report delivered		
Review of Civil Aviation Act 1988		Review completed and submitted to Government		
Removal of barriers to export		Commence engagement with counterpart regulators in key markets		
<b>Rebate for installing ADS-B devices in small aircraft</b>				
Stakeholder engagement and promotion of the rebate		Rebate scheme commences on Q1 2022	Scheme concludes on 30 June 2023, or whenever funds are exhausted	



## Optimising airport infrastructure

Category	2021	2022	2023	2024
<b>Streamlining the federal airport legislative framework</b>	Internal and external consultation and analysis  Establishment of a framework for review of the package of six regulations	Government to consider policy position and potential amendments to regulations to cut red tape and streamline Commonwealth responsibilities on airports	Progress reforms to cut red tape and streamline Commonwealth responsibilities on airports, subject to decisions of Government	
<b>Fit for purpose demand management arrangements at Sydney (Kingsford Smith) Airport</b>	Consultation with established groups and stakeholders to inform the Government's response to the Review of the Sydney Airport Demand Management Scheme undertaken by Peter Harris AO	Government to finalise its response to the Review of the Sydney Airport Demand Management Scheme undertaken by Peter Harris AO	Government to progress any reforms set out in its response to the Review of the Sydney Airport Demand Management Scheme undertaken by Peter Harris AO	
<b>Managing PFAS at Australian airports</b>	Site investigations begin	Initial investigations conclude with outcome to inform broader program roll out	All site investigations completed and consultation on implementation plans begin	First implementation plans complete



## Connecting regional communities

Category	2021	2022	2023	2024	2025	2026
Support to upgrade remote airstrips						
Remote Airstrip Upgrade Program		Round 9 applications open, projects assessed and commence  Program evaluation undertaken	Round 9 projects underway	All program funds committed and projects completed by 30 June		
Regional airport safety and accessibility						
Regional Airport Program		Round 3 applications open, projects assessed and commence  Program evaluation undertaken	Round 3 programs underway	Round 3 projects underway	All program funds committed and projects completed by 30 June	
Flights to remote regions						
Remote Air Services Subsidy Scheme	Ongoing subsidy for regular air transport services to remote communities					
Ensuring aviation security in our regions						
Regional Airports Screening Infrastructure program	Grant Agreements entered into and projects underway	Ongoing project delivery  Program evaluation undertaken	Projects completed  Program concludes 30 June 2023			



## Building a sustainable pipeline of workforce skills

Category	2021	2022	2023	2024	2025	2026
<b>Building workforce capacity in the aviation industry</b>	Women in Aviation initiative programs continue, including career expos.  Ongoing activities at domestic and international conferences, workshops and careers events, publishing complementary online resources, and working with industry to market Australia as an ideal place to study aviation.					Concludes 30 June 2026



## Embracing new technology including drones

Category	2021	2022	2023
<b>Digital technology solutions to manage the drone and eVTOL market</b>			
Uncrewed Air Traffic Management (UTM)	Development of UTM Action Plan led by Department, in consultation with Airservices, CASA, industry	Implementation of Action Plan	
Flight Information Management System (FIMS)	Request for prototype	Prototype begins	Further development
National Drone Detection Network (NDDN)	Commence design of ICT system and legislative framework	Network trials begin (subject to Government agreement)	Initial implementation of network
<b>Streamlining regulation for emerging aviation technologies</b>			
Infrastructure framework	Consultation with government agencies, industry and states and territories	Endorsement and publication of guidance material for drone and advanced air	
Drone Rule Management System (DRMS)	Scoping of DRMS functionality and viability	System development (subject to Government agreement)	Trials and early implementation
Security and cybersecurity requirements	Desktop research	Consultation with security agencies	Amendment of legislation, if required
Strategic Regulatory Roadmap	Co-design with industry roadmap	Public consultation on Roadmap and initial implementation	Ongoing implementation and refinement
Rule enforcement	Consultation with states and territories	Design of appropriate legislative frameworks for enforcement of drone rules	As appropriate, implementation of legislation and regulation
Noise management	Interim noise regulation framework developed	Interim noise regulation framework in place  Work begins on outcomes-based noise framework	Initial testing of outcomes-based framework
<b>Emerging Aviation Technology Partnerships Program</b>			
Emerging Aviation Technology Partnerships (EATP) Program	Establish EATP  Release of the Round One grant opportunity	First partnerships announced  Release of the Round Two grant opportunity	Last partnerships announced  Program concludes
<b>Sustainable Aviation Fuel (SAF)</b>			
	Launch of Australian Renewable Energy Agency (ARENA) led funding program focused on sustainable aviation fuel		

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