



Andrew Barr MLA

Chief Minister

Treasurer

Minister for Climate Action

Minister for Economic Development

Minister for Tourism

Member for Kurrajong

The Hon Catherine King MP

Minister for Infrastructure, Transport, Regional Development and Local Government

Member for Ballarat

PO Box 6022

Parliament House

CANBERRA ACT 2600

Dear Minister *Catherine*

Thank you for your letter to the ACT Minister for Transport and City Services, Chris Steel MLA, about the development of a new Aviation White Paper. I am writing on behalf of the ACT Government, as the Minister responsible for development of the ACT's aviation sector.

For the ACT and surrounding region, aviation plays a critical role in economic development and the opportunities for communities and businesses in the region. From now until 2050, the potential of Canberra as a hub for transport, freight and passengers to the broader NSW region relies on increasing services and connections to Canberra Airport.

Canberra is the nation's capital and the seat of government. This provides a range of intrinsic benefits, including providing consistent demand for skilled workers in key and emerging sectors, such as public administration and defence. As a major population centre, Canberra provides a deep workforce to draw from and opportunities for the development of innovative, knowledge-based economic clusters that require significant numbers of businesses and people.

The Canberra region's future prosperity relies on an efficient transport network to support a diverse economy and growing population.

ACT Legislative Assembly London Circuit, GPO Box 1020, Canberra ACT 2601

 @ABarrMLA

 +61 2 6205 0011

 barr@act.gov.au

 AndrewBarrMLA

 andrewbarrmla

Aviation supporting economic development

The ACT recommends the White Paper acknowledge the importance of aviation as a catalyst for economic development. Increased connectivity and improved infrastructure can support advancement of national, state and territory objectives by creating trade links and pathways for increased business engagement, tourism, international student and workforce attraction.

Canberra's first international aviation service to Singapore and New Zealand created a range of opportunities including development of a strong relationship with the city of Wellington through a sister city agreement. It also created tangible links with Singapore in trade, investment, tourism, film and education.

CBR Switched On - The ACT Government's economic development priorities 2022-2025, highlights the importance of developing Canberra as a global destination. A critical part of enabling this to occur is by making it cheaper and easier to access Canberra by air and for the community to connect with Australia and the world.

Private investment in airports

Canberra airport is a privately owned and operated global transport hub. More than A\$1.5 billion has been invested in the Canberra airport precinct, including A\$500 million on a new passenger terminal. Canberra Airport is an exemplar case study of how private investment in aviation infrastructure can provide flow on benefits to communities and support economic growth beyond aviation and freight. The ACT Government is continuing to work with Canberra Airport on several international routes to enable connection of the Canberra region to key international markets, including Singapore, New Zealand and the USA.

Airlines and airports play an essential role in supporting regional economies in proximity to where they operate. The investment that has already been made in Canberra Airport makes it a critical piece of infrastructure for future development of the Canberra region. Communities in the ACT and NSW are afforded a range of opportunities for employment in the aviation sector and the industries that rely on Canberra Airport's role as a major freight hub. The airport is a major contributing factor to increasing liveability in regional areas and supporting job creation in regional centres.

Canberra Airport's 20 year Master Plan delivers a vision to realise the airport's potential as an economic enabler for the Canberra region.

To continue aviation's positive impact on the community and economic activity of the Canberra region, alignment of local, regional, and national policy settings will support Canberra Airport to expand its aviation network and enabling transport systems, including roads.

Freight and critical transport links

As the Canberra region grows, continued investment in road and rail freight routes is required to increase access to markets and enable private sector investment in supply chain and logistics infrastructure. Investment in key enabling infrastructure that connect to airports is critical to supporting jobs in regional areas, positive housing and land management outcomes, as well as enabling access for communities to education, healthcare, and employment opportunities.

The ACT Government is working with Canberra Airport, the Government of New South Wales and the Australian Government to realise the freight potential of Canberra Airport as a 24-hour curfew free international transport hub. The Airport is uniquely positioned to connect the Canberra region to expanding domestic and global markets. Continued and coordinated investment in the road networks surrounding the airport will enable efficient movement of goods, increase access to markets and enable private sector investment in supply chain and logistics infrastructure.

Cross border collaboration will be key to realising the benefit of the opportunity, with this key transport hub providing a critical economic growth connection to our diverse region.

Environment

To maximise the aviation sector's contribution to achieving net zero carbon emissions between now and 2050, government, industry, and research institutes must continue to work in partnership to support the development of new technologies. In the meantime, policy settings should foster future innovation and support investment in emerging solutions such as hydrogen and other sustainable aviation fuels, electric planes, and sustainable battery power.

The transition to more sustainable models of aviation will take time as airlines transition their fleets to new models. In transitioning, the ACT notes steps taken by airline manufacturers and airlines to mobilise aircraft that are more fuel efficient and capable of using alternative fuels.

Support for ongoing research and development initiatives in Australia through our leading research institutions can support the transition to more sustainable models, skills attraction and investment in our aviation sector.

Sydney airport slot reform

The White Paper should seek to achieve reforms to the Sydney Airport slot management system. Sydney is the major gateway for Australia and is a critical piece of airport infrastructure for Australia's economy. Slot Management at Sydney Airport is managed by the *Sydney Airport Demand Management Act (1997)*. At most airports slots are used to manage the use of infrastructure, however the cap of 80 movements per hour at Sydney Airport restricts aviation movement beyond available infrastructure.

In addition, to the movement cap the White Paper should review the historic precedence to retain slots under the current legislation. There is evidence this prevents access of new entrants to the market or for any airline without historic precedence to obtain sufficient access for viable operations.

Airport development and planning processes

Careful consideration should be given to noise sharing issues. Canberra is mostly protected from aircraft noise and this should continue into the future. The curfew free nature of Canberra Airport is a critical advantage to retain and will leverage maximum benefit of the facility for the surrounding region. Therefore, the benefits of major transport infrastructure should be prioritised and receive thorough consideration in residential development decision making.

Bilateral arrangements

The Commonwealth can play a key role in supporting regional economies through aviation by ensuring negotiations on bilateral agreements provide incentives for airlines to create connections to regional airports. This provides additional benefit by relieving capacity constraints on major international gateways.

Canberra Airport already operates curfew free with no bilateral restrictions. These conditions are key points of difference to support negotiations with airlines and encourage dispersal of international passengers and freight to regional areas. The ACT Government urges careful consideration of amendments to bilateral arrangements and open skies policies. The ACT Government recommends amendments consider incentives to connect to regional centres to support development of regional economies through business, investment, and tourism.

Future industry workforce skills and training requirements

Current Australian Bureau of Statistics labour force data shows there are more than 16,000 individuals employed as Air Transport Professionals in Australia. This includes 378 Air Transport Professionals employed in the ACT. The aviation workforce doubled in Canberra over the past five years.

The ACT recommends the White Paper anticipate the future workforce required to support growth of the industry and the investment in training pathways required to transition the industry to more sustainable models of aviation and meet future demand. This includes the VET sector and opportunities for government, the aviation industry and employer co-investment in the training and skills development of the workforce.

Yours sincerely



Andrew Barr MLA
Chief Minister

27 March 2023