

## Aviation White Paper: Terms of Reference

### Queensland Airports Limited submission

10 March 2023

#### Introduction

Queensland Airports Limited (QAL) would like to thank the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' (the Department) for the opportunity to provide a submission to help guide the Terms of Reference of the Aviation White Paper.

This document is QAL's response to the Department's request for submissions, and within it QAL has addressed many of the scopes and themes highlighted in the Terms of Reference, outlining its top line position and points for the Department's consideration as the Green Paper is developed. QAL has also highlighted other issues or areas for discussion during the consultation process that are not currently captured within the Terms of Reference.

#### Background

QAL is an Australian-owned, Queensland-based company that owns and operates Gold Coast, Townsville, Mount Isa and Longreach airports. It is the largest regional airport operator in Australia and welcomed nearly 7.5 million passengers across its four ports in 2022.

QAL employs about 200 people directly, and its airport activities facilitate thousands more jobs across Queensland and into Northern NSW.

*Gold Coast Airport* is QAL's largest port and the sixth busiest airport in Australia, servicing 5.7 million passengers in 2022. It is estimated to contribute \$1.8 billion to the local Gold Coast and Northern NSW economy, and acts as the key gateway for more than one million residents living in its surrounding areas.

*Townsville Airport* is Australia's 11<sup>th</sup> busiest airport, facilitating around 400 flights per week to capital city and regional destinations. With 1.5 million passengers passing through Townsville Airport in 2022, it is a crucial gateway for the region's tourism, mining and defence sectors, with links to the fly-in fly-out employment opportunities available in the North East and North West minerals provinces.

*Mount Isa and Longreach Airports* play a critical role in the North Western and Central West Queensland communities in which they operate. In 2022, Mount Isa Airport welcomed 216,500 passengers, while Longreach Airport saw 34,000 passengers pass through its terminal. Both airports' passenger mix is predominantly business based, with a high frequency of travel in Mount Isa due to the nature of the fly-in fly-out market.

## Scope and themes

### **Aviation's role in economic development, trade and the visitor economy – general, domestic, regional and international aviation**

#### QAL's position

Airports facilitate domestic and international passenger movement, connecting communities, people and markets that in turn deliver significant economic benefits to the regions in which they operate through increased tourism and trade.

Gold Coast Airport is estimated to contribute \$1.8 billion to the local Gold Coast and Northern NSW economy, with tourism facilitated by the airport contributing a further \$1.25 billion to the region. It is also one of the largest employers in the area.

Townsville Airport generates over \$800 million in output annually, which translates to an approximate \$400 million contribution to the regional economy each year. The Airport supports 1,400 full-time jobs annually, with an additional 1,100 full-time jobs secured through the facilitation of visitation and tourism expenditure. In 2022, over 6,000 tonnes of air freight travelled through Townsville Airport, delivering goods to capital cities along the eastern seaboard, and also importantly to regional centres.

Mount Isa and Longreach Airports support a predominantly business-based passenger mix, with Mount Isa Airport in particular facilitating the fly-in fly-out market due its position as a major mining centre and regional centre servicing the Carpentaria Minerals Province.

#### Government aviation support programs

The Department has recognised the important role that aviation plays in servicing the needs of regional and remote communities across Australia, and as such, operates a competitive grants program to support this. QAL has been unsuccessful in securing grant funding under the Department's Remote Airport Upgrade Program, despite its submissions for Mount Isa and Longreach airports aligning with the scopes of work of the approved projects.

All remote airports need support to maintain financial viability and so it is disappointing that the projects that were successful in their funding applications were mainly local government entities, with very few private airports making the list.

QAL is committed to the regions in which it operates, far beyond its role as an airport. It is a proud local employer and contributes significantly to the economic and social growth of local communities through employment, procurement, sponsorships, grants programs, events and destination marketing.

**Consideration:** Greater clarity of selection criteria priorities and transparency of the outcomes of government aviation support programs to improve the aviation sector's understanding of the Department's decisions, leading to improved competitiveness for future program applications.

### The importance of air freight to Australia

The geographical distances between Australia's major cities, as well as with the rest of the world, necessitate air freight for transporting goods domestically and internationally.

The Covid-19 pandemic exposed the value of air freight to Australia, with the Government injecting more than \$1bn into its International Freight Assistance Mechanism to prop up the industry and keep global air links open.

While international freight movements continue to recover, domestic air cargo movements are largely back at pre-Covid levels. Despite domestic recovery, distribution networks remain opaque. This makes it difficult for airports looking to increase their air freight traffic movements from accessing these established distribution networks, despite offering greater efficiencies for the movement of goods around the country.

**Consideration:** How can the government help integrate airports into surrounding freight networks to realise greater efficiencies and improve the distribution of goods domestically and internationally?

### **How to maximise the aviation sector's contribution to achieving net zero carbon emissions including through sustainable aviation fuel and emerging technologies**

#### QAL's position

QAL has developed a Net Zero Business Plan that commits to achieving Net Zero for Scope 1 and 2 emissions by 2030. Approximately 90% of QAL's Scope 1 and 2 emissions will be addressed by an effective mix of acquiring renewable energy through a Power Purchasing Agreement and solar, with the remaining 10% addressed through high-quality offsets and a continual focus on maximising energy efficient infrastructure across QAL's four ports.

A Net Zero Implementation Plan has been developed and QAL is working through the programme of key steps and specific initiatives to enable it to commit and deliver on its 2030 emissions reduction target.

### **Changing aviation technologies and ways to position our policies, regulations and systems to encourage uptake and manufacturing of new, more efficient, transport technologies**

#### QAL's position

QAL recognises and welcomes technological advancements that support improved mobility and connectivity.

Gold Coast Airport will likely be a natural recipient of the self-flying, electric air taxis that the Council of Mayors intends to introduce to South East Queensland ahead of the 2032 Olympic and Paralympic Games. As such, the necessary infrastructure to support Advanced Air Mobility (AAM)

will be considered in the next Gold Coast Airport Master Plan. QAL also considers that the airspace management framework will be a more critical development to allow the benefits of new technology to be fully realised.

**Consideration:** Provide an integrated traffic management framework, including appropriate resourcing to facilitate, that supports airspace users, while maintaining safety and efficiency ahead of the introduction of AAM.

### **Airport development planning processes and consultation mechanisms that consider the impact and changing nature of aircraft noise and related expectations of the role of noise sharing and noise mitigation**

#### QAL's position

QAL is committed to open and clear dialogue with its Community Aviation Consultation Groups (CACG), recognising the importance of the wider community in the long-term success of its ports.

#### CACG

The Gold Coast Airport CACG and Airport Noise Abatement Consultative Committee are particularly important forums, as they facilitate robust consultation between the airport and its government, airline, industry and community stakeholders. They provide an invaluable opportunity to share ideas and information, as well as to gather feedback from local community representatives.

In demonstrating its commitment to leading practice community engagement, Gold Coast Airport recently held an early-engagement session on its 2024 Master Plan, capturing key items of community feedback for consideration during the Master Plan development process.

Townsville Airport starts the formal Public Consultation phase of its Master Plan development process in April and will soon advertise its Community Aviation Consultation Group within local media to encourage greater participation from a wider cross-section of the local community.

#### Curfew

Gold Coast Airport adheres strictly to its 11pm to 6am (Qld time) curfew. Currently, four freight movements (arrival only) are permitted within curfew each week under the federal curfew regulations, though this provision is not currently in use.

### **How to support and regenerate Australia's general aviation sector**

#### QAL's position

QAL recognises the importance of Australia's general aviation sector, particularly as a key lifeline for rural communities that rely on aviation services such as aeromedical, emergency and agricultural.

However, a sustainable net funding source for General Aviation is required as currently airport operators are expected to provide and maintain general aviation infrastructure at a significant financial loss.

The Commonwealth's current funding pool for General Aviation through the Regional and Remote Airports Programs, Regional Aviation Access Program and the Building Better Regions Fund is too small and overallocated.

Airports are disincentivised to invest in General Aviation facilities given they bear the full cost, with no return. With aeronautical infrastructure for General Aviation at all QAL ports reliant on regular and ongoing maintenance, a solution to better fund investment in General Aviation facilities is required.

**Consideration:** Commitment from the Commonwealth on recurrent funding to sustain and grow General Aviation assets and facilities into the future.

### **Future industry workforce skills and training requirements**

#### QAL's position

Ongoing staffing shortages within Air Traffic Control present a significant risk to Gold Coast Airport's operations. AirServices Australia is lacking trained staff in Air Traffic Control, particularly those skilled enough to manage the diverse range of aircraft found at Gold Coast Airport. This issue is also evident at Townsville Airport, with the Department of Defence facing challenges to recruit Air Traffic Control roles, leading to tower hour reductions.

Ongoing 'unplanned absences' by Air Traffic Control negatively impact our customers and airline partners, particularly flight crew, whose workload increases significantly when they are forced to rely on Common Traffic Advisory Frequency procedures when operating into Gold Coast Airport's airspace.

**Consideration:** The Federal Government should require AirServices Australia to provide a clear timeline on how and when staff shortages will be satisfactorily resolved and then appropriately managed moving forwards, with those ports currently being most affected – of which Gold Coast Airport is one – treated as a priority.

### **Maintaining fit-for-purpose aviation safety, air navigation and aviation security systems and service delivery agencies**

#### QAL's position

QAL is committed to providing a safe and secure environment for its passengers and team, as well as a seamless and enjoyable customer experience.

### Biometric facial recognition

The use of biometric facial recognition technology is successfully used within several international airports, most notably Heathrow, where it has been in place for more than a decade. If biometric identification was adopted more readily in Australian airports, it could allow for a Common Departure Lounge, which would provide a smaller, more economic overall terminal footprint and an improved security environment.

### LAGs

In 2018, the Department of Home Affairs mandated new aviation security requirements for the screening of passengers and baggage at airports. Gold Coast Airport invested heavily in new equipment and installed four CT-based checkpoint screening lanes. This technology allows bags to be screened without personal belongings such as laptops and liquids having to be removed. Townsville Airport has also installed this new equipment with Commonwealth assistance.

The UK government has recently set a June 2024 deadline for airports to install new CT-based security technology that will eventually see the end of the current maximum 100ml limit for liquid, aerosols and gels (LAGs), with the limit set to increase to 2L. With a single terminal building and the main security checkpoint at 100% CT and body scanners at both Gold Coast and Townsville Airports, QAL is a firm advocate for measures that align domestic and international security standards within Australia as a pathway towards Common Departure Lounge.

**Considerations:** Can the Department provide guidance on the use of facial recognition technology? When will the government adopt a similar position to the UK on LAGs, as was committed to pre Covid-19? How can airports that have already invested in CT-based equipment ensure their technology remains fit-for-purpose as security requirements evolve?

## **The role of airlines and airports in supporting regional economies**

### QAL's position

As Australia's largest regional airport operator, QAL recognises the significant economic and social benefits that the aviation industry supports within regional areas.

As listed in the '*Aviation's role in economic development, trade and the visitor economy – general, domestic, regional and international aviation*' section above, QAL's ports contribute billions of dollars across the regional economies in which they operate each year, facilitating significant tourism and trade opportunities, and supporting thousands of full-time regional jobs.

### Bilateral agreements

Australia has an overall direction to increase open skies agreements with foreign governments, however as a large international airport classified as a regional access point, QAL supports continued iterations of bilateral Air Services Agreements that promote dispersal of traffic into key tourism markets such as the Gold Coast and Townsville.

**Consideration:** Continued development of bilateral agreements to help disperse the economic benefits of international Air Services Agreements to regional Australia.

### **Other significant issues raised during the consultation process**

#### Disability Review

QAL notes that the Terms of Reference do not mention disability or accessibility. Given the current review of the Disability Public Standards for Accessible Public Transport 2002 is underway, in addition to the focus on Queensland's Tourism strategy leading up to the 2032 Olympic and Paralympic games, with 2023 being the Year of Accessible Tourism in Queensland, QAL asks for clear guidance as to how the findings of the review will feed into this White Paper.

#### Productivity Commission

QAL believes that all aeronautical pricing issues should be dealt with in the transparent Productivity Commission Process, which has been successful over the past 20 years. The Productivity Commission is a specialist body suitably qualified to continue reviews of aero pricing issues.

### **Summary**

QAL again offers its thanks to the Department for the opportunity to shape the Terms of Reference of the Aviation White Paper and is grateful for the invitation to participate in the industry roundtables to discuss key themes further in the lead up to the release of the Green Paper.