

27 November 2020

Director Project Strategy Unit
Strategic and Economic Policy Projects
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
Canberra ACT 2601

Via Email - aviationconsultation@infrastructure.gov.au

Dear Sir/ Madam

RE: Issues Paper for The Future of Australia's Aviation Sector

We thank you for the opportunity to make a submission on this Issues Paper and are grateful for the extension granted to us to contribute to the futures of Australia's aviation sector within our region

Context in which we are making this submission

RDA works across the 15 local government areas in north and north-west Queensland, an area that covers nearly 26% of Queensland. To put our comments in context, I provide the following facts about our region based on statistics from the Queensland Government Statistician's Office April 2016 Regional profile.

- In June 2019, the population was approximately 267,000; the long-term forecast is for our regional population to increase to 353,000 by 2041.
- 73% of the population is located in Townsville, Northern Australia's largest city.
- 9.8% of the population identifies as being of Aboriginal or Torres Strait Islander background.
- The region has 81.9 homeless persons per 10,000 vs 45.6 per 10,000 in Queensland.
- Unemployment in the June 2020 quarter was 7.6% (10,510 persons).
- The majority of persons are in the region's two largest cities, Townsville and Mount Isa.
- Palm Island, Burke, Doomadgee, Mornington Island and Carpentaria have the highest unemployment rates ranging up to 54.9%.
- School and post-school completion/graduation rates are lower than the State average.
- Industries in which the region has a high employment specialisation ratio are agriculture/forestry/fishing, mining, utilities, public administration and education/training.
- The region is a strong mineral, beef cattle, sugar and horticultural producer with significant volumes of these products going to export markets, often directly from the Port of Townsville to nearby Asian markets.

Part A: COVID-19 Response

COVID Objective 1: Maintaining essential air connectivity

Providing a minimum domestic network

- **What constitutes a minimum RPT network in Australia?**
- **Are there options to improve the effectiveness of governments' support for maintaining a minimum RPT network?**

In capital cities, to facilitate the movement of residents and visitors, the governments heavily subsidise the public transport network of trains, buses and bike paths. In regional areas, to facilitate the movement of residents and visitors, the governments provide very low subsidies to aviation routes. There appears to be a great inequity in how transport is subsidised for metropolitan or regional residents or visitors. In most remote or very remote locations, the only connectivity is by air or road, with the latter often being impassable during weather events.

Equity of access and required levels of connectivity should be considered in setting minimum levels of service when the governments considers its support for maintaining a minimum RPT network.

COVID Objective 2: Preserving critical aviation capacity

Supporting airlines and airports

- **Are there options that industry and governments could consider to ensure these services are available to support the recovery of the aviation sector?**

One of the very significant impacts to the sustainability of smaller regional aviation airports, which has seen considerable decline over many years, especially in non-mining regions, has been the handing over of financial and management responsibility of airports – to local governments. The federal government made this change several decades ago and since that time, many regional airports have closed or lost services as local governments struggle to financially sustain their airport and achieve the revenue streams required from operators. This model is driving smaller aviation enterprises off airports and out of business. The business model which assumes airports should be a “business” rather than essential public infrastructure, such as roads, boat ramps etc., has been one of the fundamental causes that has contributed to regional aviation decline. Airports in our region are critical infrastructure to the livelihood of our remote and regional communities. Airports in our region are essential for accessing medical care, both life threatening (e.g. RFDS, Angel Flight) and routine medical visitors (e.g. visiting specialists, GPs, etc), as well as providing urgent retail goods and postal services, not to mention the delivery of goods and people during natural disasters and emergencies. Changing that funding model and policy from the federal government to support local governments to sustain this infrastructure, would be a massive, yet positive change to help rebuild the aviation sector in rural and regional Australia and not only sustaining, but developing the communities that these regional airports and associated industry support.

Essential aviation related businesses

- **How has the COVID-19 crisis and the downturn in passenger movements affected essential aviation-related businesses?**

The COVID-19 crisis and downturn in passenger movements has affected many businesses across our region. Not only have airline staff been laid off, but we have also seen a significant impact on the support services including catering, cleaning, baggage handling, etc. In our region, a aviation service business had to shut down for six months and has only had a small number of planes come through their doors for work since reopening. While JobKeeper might be assisting with keeping some staff with income, the business overall has been greatly affected, as has the supply chain that provides items to this business. Additionally, our charters flight companies have had to adapt, given the

decrease in both business and passenger movements. While our region has not experienced the same impacts with restrictions and lockdowns as others, the restrictions that were and continue to be in place have been felt by aviation related businesses throughout our region. Some local governments who run their airports have had to lay off support services, security personnel etc with the reduced passenger movements. The risk and ongoing issue, as things recover, will be how to attract these skilled people back to the region, particularly those in remote and rural centres. Once they are finished their jobs, many return to the cities and coastal towns, where work opportunities are more abundant.

- **Are there options that industry and governments could consider to ensure these services are available to support the recovery of the aviation sector?**

In the North and North West Queensland region, we feel there are growth opportunities ready to establish now. These include, but are not limited to:

- Defence simulator training
- Defence aviation maintenance
- Royal Flying Doctors Service (RFDS) development of a Super Hub in Townsville (maintenance and allied health services) and new facilities in Mount Isa
- Pilot training for fixed wing and rotary
- Drones, including the training and testing of new equipment
- Aircraft maintenance businesses
- Provision of remote training of LAMEs in regional areas, not as currently limited to the urban centres
- Components manufacturing

Part B: Future of Aviation: The Government's Five-year Plan for Aviation

Reducing the Regulatory Burden: General Aviation

- **The Government understands the key challenges facing the GA industry. Given the impact of COVID-19, are there other areas where governments should be focussing to support GA?**

We appreciate the acknowledgement by the Government on the challenges being faced by the GA industry. The current Senate inquiry into GA has already revealed some key challenges, which if immediately actioned, could start to support GA recovery. A key factor for the government to support GA would be the timeliness. An inquiry that goes for a long period (e.g. one year) is resulting in the GA industry waiting a long time to see the support implemented. Actions identified in ASRR 2014 report, were being delivered and if not yet, then we would suggest prioritising for immediate delivery. We need to see immediate action from this report, and the more recent senate enquiries as things have only gotten worse and more GA industry decline has been witnessed.

Reducing the Regulatory Burden: Airline access to domestic and international routes

- **Are there ways to further liberalise air access arrangements while maintaining Australia's high regulatory standards?**

In light of COVID-19 and future economic growth and development, we would need to ensure our regions opens up air access for tourism. Tourism is an enabler for growth in our region with flow on effects that we need to consider for broader benefit. Incentivising new routes in both the domestic and international markets would assist many places across Northern Australia, in particular Townsville, within our region.

Reducing the Regulatory Burden: Facilitating new and emerging technologies

- **Are there barriers to the take-up of innovative technologies in the aviation sector?**

The use of drones in a variety of aerial applications is on the rise throughout our region. They are used in the maintenance of crops and livestock, in the maintenance and monitoring of flora, fauna and our reef systems. Drones are used by businesses and government departments, but also by individuals for leisure purposes. Our region has the capacity to offer drone training, testing and leisure space opportunities. While we would like to expand these opportunities for both business and leisure purposes, the ever changing policies and guidelines around the use of drones and the distance to travel for training and support, have massive impacts on these opportunities being development within our region.

In addition, in 2019, through a consultation process with local industry, some of our aviation component manufacturing businesses indicated that current restrictions and lack of recognition between our standards and overseas standards, meant they were unable to supply/manufacture parts for overseas clientele. It is too costly and time consuming to undertake the requirements to achieve this status for small to medium businesses. Businesses in our region indicated they would like to see the government invest in supporting small to medium businesses across the aviation sector by working with overseas regulatory bodies to have our standards recognised. This would have a huge impact on these businesses by driving overseas exports, increasing local employment in Australian businesses and growing the Australian economy. As the aviation industry continues to increase over the coming years, as we come off the impacts of COVID-19, we could be preparing our businesses now to be ready to take advantage of the opportunities to come.

Targeted assistance: Funding of regional airports

- **Do current Government airport grants target key priorities for regional airports?**

The current grant programs are not presenting enough flexibility and true consideration for what constitutes a regional or remote airport. The funding criteria needs to be modified to support regional airports. There are a few airports in our region, that are not eligible. To give an example, Ingham airport is not eligible for most of the R&R airport funding, because they are too close to Townsville airport, therefore they are not considered remote enough, however during times of natural disasters, the Ingham airport is just as critical as some of the far more remote airports, as it provides essential support to community, due to the flooding impacts that even cuts off airport from town (2km away). Hinchinbrook Shire Council has repeatedly tried to achieve airport funding to upgrade the airport and has consistently been unsuccessful, due to this criterion. Simply modifying this criterion could make significant difference to grant funding options for these communities.

Targeted assistance: Aviation skills and workforce development

- **Are there other or modified options to improve the aviation workforce training framework to better meet the current and future needs of industry, beyond those identified in the Expert Panel Report?**

The Expert Panel Report has a very strong focus on pilot training and only touches on maintenance engineering staff skills shortages. It could be argued that there is a far greater urgency to focus on increasing engineering skill staff, as without these staff, aircraft cannot fly. This was an issue the industry was facing prior to COVID and continues to experience, particularly in our regional areas. There also needs to be a strategy put in place to address the rural and regional shortages especially for GA, as this is an additional issue – not only are there shortage of engineering staff, it is more pronounced in the regions, because of lifestyle choices.

- **Are there options to improve the longer-term development and/or retention of aviation skills?**

Very importantly, there is a need to develop the skills required for 21st century jobs. Science, Technology, Maths and Engineering (STEM) skills are in demand and will be even more important in years to come. This is particularly evident for the longer-term development of aviation careers in our region.

The aviation industry is not clear in the pathways available and the general awareness of aviation career opportunities is minimal. We need to focus on development training opportunities within the region so we can train and grow our own aviation industry. Additionally, we need more succinct and clearer aviation career pathways, with more support available for people of influence such as parents/carers and careers advisors (within schools). Our region is keen to develop our aviation industry, we wish to train our own, who will then live and work in our region.

RDA has proposed a STEMBooster project to drive STEM skills across our entire region. While not an aviation specific project, the aviation industry would be just one industry that would benefit from STEMBooster. Its core components are to work in partnership with industry in the region, engage with students, families, teachers and communities, put smart technology into schools where they do not have access and tailor curriculum into the Northern Australia setting. Based on industry and educator advice, the program would commence in years 7 to 10, and after embedding that it would then extend into grades 4 to 6. For more information, visit <https://www.rdanwq.org.au/projects/stembooster/>

Without intervention, to significantly expand the awareness, interest, study at all levels of education and use of STEM skills, our industries and businesses will not have the required skill sets to sustain and grow. From a broader regional perspective, we also risk further population decline if opportunities are not created locally which would encourage an expanding drift of young people to cities.

In addition to the above, one of the greatest risks to development and retention of skilled staff, is the sustainment of business to host those staff and support the industry. Again, many regional businesses are closing down, thereby reducing the capacity for apprentices and trainees to gain employment and “hands on” skills. This is a very large risk to the entire GA sector viability.

I would be delighted to respond to any questions you may have. [REDACTED]

Yours Sincerely
[REDACTED]

Cr Mary Brown

RDA TNWQ Committee Treasurer