



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

SESSION REPORT: FUTURE OF AUSTRALIA'S AVIATION SECTOR

Public Consultation

December 2020

This record of meeting was produced by a third-party provider, and does not represent the views, or policies, of the Department of Infrastructure, Transport, Regional Development and Communications or the Australian Government.

THE COVID-19 RESPONSE: Lessons Learned

All participants welcomed the Commonwealth's recognition and financial support for regional air services as an essential part of the Australia's national infrastructure. It was said that many regional airlines would not have survived without assistance.

There was concern about the lack of government support for the broader critical supply chain operators that have been equally affected, including ground handlers, security operators and caterers, noting that the speed of aviation recovery will be impacted if these suppliers are not also supported.

It was proposed that some Commonwealth underwriting of flights may need to be ongoing to maintain a base level of service and ensure regional connectivity. Stakeholders called for the critical role played by aviation for communities in rural and remote areas healthcare to be factored into recovery planning.

Participants welcomed the improved collaboration between government and stakeholders and increased speed in responding during COVID-19. They would love to see this continue, and encouraged more consultations attracting a wide range of opinions, views and experiences.

Participants felt that the COVID response has highlighted the importance of governments taking a broad strategic approach to aviation and avoiding piecemeal decision-making.

Participants identified the need for future transparency and certainty on border changes to support the sustainability of the entire aviation industry.

Operators outlined continuing challenges in managing quarantine for flight crews, some of whom had previously depended on simulator access in Hong Kong and while temporary CASA approvals for local simulators has helped, they are only short-term. "Quarantine fatigue" was identified as also affecting pilots limited to work and home isolation.

KEY ISSUES

Federally-leased airports

Concerns were expressed by general aviation operators, ground services handlers and airline representatives that the viability of aviation providers is threatened by continuing cost increases at airports. They called for increased regulation of airports including more ACCC oversight of airport charges.

Some participants called for airports should be treated as community infrastructure assets, whether privately operated or local government owned. It was proposed that rather than focusing on reducing red tape, reform should look at the way airports generate revenue.

It was noted that the Productivity Commission Inquiry found that airports were operating well under light touch regulation.

Some participants proposed establishing a negotiate/arbitrate system for managing disputes between airports and airlines, as currently operates for the gas pipeline industry.

Stakeholders called for Commonwealth collaboration with States and Territories to ensure that all Federally-leased airports have appropriate public transport access as car transport to and from airports significantly increases congestion in the wider road network.

Funding for regional airports

Participants called for increased rigour in analysing the needs and services provided by the regional network.

Government policy and funding decisions should recognise that while most airports are independent financial entities, from a safety perspective, they need to operate as part of a whole aviation infrastructure network.

Operators expressed concern that Councils sometimes seek funding for ambitious projects beyond their needs (e.g. some regional airports wanting to extend runways to accommodate larger jets) resulting in increased charges for airlines and general aviation operators.

Participants called for an expansion of capital grants funding for regional airports with appropriate guideline development and consultation.

Some stakeholders expressed frustration that they are unable to apply for funding (e.g. Building Better Regions) for their regional airports because they are privately operated. One participant proposed that eligibility for regional airport grants should be based on services and needs assessment and not simply based on distance from a larger centre.

Local government owned aerodromes

Participants did not support providing more autonomy to local governments in managing local airports, with expressed reasons including:

- Councils are not aviation experts
- Local airports are important local infrastructure but are also part of wider state and national networks, including some on regulated routes
- Councils do not always fully appreciate the broader economic and community benefits
- Local airports also provide essential connectivity when medical and other emergencies occur (RFDS, national disasters)
- Regional airports are expensive to run because the same mandated security and safety requirements need to be met despite fewer passengers and lower revenue.

Several participants called for more Commonwealth oversight of local aerodromes, rather than less, either preventing councils from selling off land or at least providing more support and education for local government in their management of local airports.

It was noted that many Councils do value the benefits of local airports and most are prepared to run them at a loss for the benefit of the community and broader economic benefits.

Participants called for a 'triple bottom line' assessment of airport development proposals, assessing economic and community impacts and benefits. He is seeking more Commonwealth engagement in identifying which small regional airports are and aren't suitable for large scale flying schools. He called for the Reference Panel to plan more engagement with interested community groups.

Participants identified the importance of Councils exploring all options for building financial sustainability, including non-aviation activities, provided they fits within the airport mandate.

The difficulty in setting criteria for allocating limited funds and ensuring both connectivity and commercial opportunities are assessed was noted by participants.

Stakeholders expressed concern that rents are too high for general aviation operators who need the space but can't afford commercial (non-aviation) rates. It was proposed that aviation operations should not have to pay commercial (non-aviation) rates.

Aviation skills and workforce development

Aviation skills and workforce development was identified as a priority issue by participants, and aircraft engineer shortages, especially in general aviation, is one of the biggest challenges for recovery. Misalignment of CASA licensing requirements with ASQA training requirements as causing significant confusion and is a deterrent to people joining the industry.

It was proposed that a whole of industry career pathway campaign be developed, that could promote the industry as desirable for younger people and showcase diverse pathways in the aviation industry.

Participants expressed concern about a looming pilot shortage within next five years, proposing action to retain the skills of the current cohort and keep them job ready for recovery. One option may be a government and industry funded skills development and maintenance program for key aviation professionals.

Some representatives expressed concern about the expense of pilot training being a disincentive to new entrants.

Increased collaboration between the aviation and higher education sectors, was suggested as a way to better define skillsets required, including future skillsets, for a range of aviation-related roles.

Stakeholders proposed changes to Civil Aviation Safety Regulations Parts 141 and 142, calling for a more "common-sense approach" to requirements for senior pilots requiring instruction rating. It was suggested pilots should be removed from the skilled migration list to encourage industry to invest in training to upskill local pilots.

There were calls for an increased focus on developing future workforce through general aviation. Participants identified an ongoing workforce pattern where smaller airlines recruit through general aviation, and then find their workforce recruited up to larger airlines. Rex established their pilot training and cadet program to ensure ready availability but still need to recruit overseas if skills are not immediately accessible.

Regulatory processes and consultation

Several participants proposed that aviation transport security should move from Department of Home Affairs back to the Department of Infrastructure to provide more consideration of commercial realities as the cost of security may make some smaller operations unsustainable.

Stakeholders proposed increased co-ordination and simplification of the regulatory environment to improve both safety and efficiency. They consider the current CASA regulations to be too complex and difficult to interpret, despite the intention that tier 3 regulation should be easy to understand.

It was acknowledged that CASA has tried to increase standardisation but there is still unnecessary complexity (for example 757 engineering qualification has different time requirements in Australia despite having the same course content as the European Union Aviation Safety Agency).

Aviation fees and charges

Participants argued that the airports and international airlines operating in Australia should also contribute to costs of regulators, rather than the burden falling solely on domestic airlines. Others questioned whether this would be allowable under international agreements.

Some stakeholders proposed that the Australian Government's planned changes to ex-gratia land tax payments should not proceed.

Other issues raised

Affordable airfares

Participants believe the goals of the five-year plan should include affordable airfares but are concerned that increased security requirements and airport charges will result in higher costs for consumers.

Other policy proposals

Participants proposed:

- cessation of grandfathering of slots at Sydney Airport so that all unused slots can be available and used;
- a national population strategy focused on regional decentralisation would significantly contribute to future sustainability of the aviation sector; and
- action to ensure public transport access to federally-leased airports was a key enabler for sustainability.