



AUSTRALIAN
AIRPORTS
ASSOCIATION

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Mr Dymowski,

Aviation White Paper –response to the Terms of Reference

The Australian Airports Association (AAA) welcomes the opportunity to comment on the Department of Infrastructure, Transport, Regional Development, Communication and the Arts' (the Department's) Aviation White Paper Terms of Reference (ToR).

The AAA represents the interests of more than 340 airports and aerodromes across Australia representing the full range of airport operations from landing strips in remote communities to major international gateway airports. The AAA also represents a further 150 corporate members who supply a wide range of products and services to airports.

Airports are vital to Australia's economic and social wellbeing. Our international gateway airports keep communities connected to essential services and maintain access to world markets. Australia's regional airports support export-oriented agribusiness, assist in medical evacuation and natural disaster relief and are entry points to world-renowned tourist destinations. Regional and remote airports often provide the only public transport links between regional and remote Australia and educational, medical and professional services in larger towns and cities.

The AAA's views on the Aviation White Paper (White Paper) ToR are outlined below. The first group of ToR are ranked as follows: The most important issues are ranked in a 'Top 5', while a second of four ToR are presented with equal importance; with a third and final group covering issues the AAA views as not currently examined in the ToR.

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

Airports are already one of the most heavily regulated parts of the Australian economy. This ToR deals with the conflicts between airports, many of which have been operational since the 1920s and other land uses, particularly in our major cities. Competing pressure to develop land to its highest, best use, including residential redevelopment around airports is leading to significant encroachment pressures, often expressed through aircraft noise complaints. Greater co-ordination of land-use, transport and infrastructure planning between all levels of government are required to resolve these conflicts involving airports.

The Australian Government's 2018 *Inquiry into Freight and Supply Chain Priorities* identified the safeguarding of existing airports (and other freight facilities) against encroachment of non-compatible land uses and the protection of land for future facilities and corridors such as airports as a priority area for action by governments across Australia.¹ However, stakeholder feedback during the inquiry identified that jurisdictional strategies for protecting freight corridors and strategic facilities from encroachment were inadequate.² The AAA views safeguarding of land and airspace around airports to permit relatively unrestricted passenger and freight operations as vital to the efficiency of Australia's national and international transport links.

In discussing the theme of *airport development planning processes*, a wider discussion on sensible and proportionate reform of airport regulation out to 2050 should take place as part of the White Paper to meet the intent of the *Airports Act 1996* (the Act) to provide access to airlines and supply the required infrastructure to meet forecast demand. Areas the Department should examine during the White Paper include:

- Airport development planning – Particular areas of concern include increasing the size of the Major Development Plan (MDP) threshold at Federally-leased airports the next gateway in 2024 from the current \$25 million to a figure that accounts for cost escalation in the construction industry. Reducing the complexity and cost of MDPs for proponents is also vital. The MDP process can take up to 18 months from lodgement to approval. This is significantly out of step with equivalent state and local government development approval processes across Australia, putting on-airport developments at a significant disadvantage to identical off-airport developments.
- Improving airspace safeguarding regulations – Past decisions in state and territory-based land use planning systems created challenges for aircraft noise mitigation with approvals of inappropriate off-airport developments infringing on airport buffer zones. The 2021 Review of the National Airspace Safeguarding Framework (NASF) called for a national approach to airport safeguarding. NASF currently struggles with conflicts between state and local governments and airport requirements to maintain safe flight operations. The AAA recommends bringing forward the adoption of NASF and its Guidelines into state and territory planning systems as soon as possible ahead of the current 2027 target. This would help prevent developments (such as windfarms) that may sterilise airports and their ability to function effectively now and into the future. The AAA also recommends airport representation on the National Airport Safeguarding Advisory Group (NASAG) to ensure decisions made on airport safeguarding have airports 'in the room'.
- Streamlined interactions between the *Airports Act 1996* and *Environment Protection and Biodiversity Conservation Act 1999* – There continues to be significant concerns of the increased time and money costs incurred by airports from lengthy and complex interactions between the two acts controlling planning and environmental consents at Federally-leased airports. The complexity is most clearly observed by the time taken in referrals between Departments in MDP and Master Plan processes. Of further concern to the sector more broadly are issues related to the role of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), including the design and approval of flightpaths by Airservices is referred to the Department of Energy, Environment, Climate Change and Water (DEECCW) and at regional airports where approval processes under the EPBC Act are often the same for minor works as they are for major projects.

In terms of *community consultation mechanisms* that meet expectations on aircraft noise sharing and mitigation, the Australian Government has a critical leadership role to play in maintaining the effectiveness of airports as part of the national transport system, while also managing community expectations around aircraft noise through its aviation sector regulators. Meanwhile, as the airport is the immovable infrastructure of the aviation sector, airports are already heavily engaged in this space. For example, Brisbane Airport has implemented an Australian best practice example of an *ex post facto* community consultation process on noise and flight paths. However, community expectations around airport expansion would suggest government (led by Airservices Australia), airlines and airports engage in a *priori* community consultation on the likely effects of flightpaths and aircraft noise. Despite the best will of airports to be ahead of community attitudes, other industry participants continue to lag. The gap between community expectations and the

¹ Department of Infrastructure, Transport, Cities and Regional Development (2018), *Inquiry into Freight and Supply Chain Priorities*, Canberra, p. 12.

² *Ibid.*.p. 26.

government and aviation industry's response to aircraft noise management presents a clear challenge to the social licence of the aviation industry out to 2050.

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

It is vital for Australia's aviation sector to play its part in achieving the Australian Government's net zero emissions (NZE) target by 2050, particularly to reach the early goal of a 43% reduction in emissions below 2005 levels by 2030. The deployment of sustainable aviation fuel (SAF) is a key emissions reduction measure for the aviation industry. Therefore, the AAA and airports need strong representation on the Jet Zero Council to ensure the views of a key part of the SAF value chain are heard.

Airports will play an important role in helping Australian reach its NZE target, working across a range of areas in the airport business to reduce emissions and move the sector toward a more circular economy. These areas include:

- Increased use of recycled/recovered materials in pavements – Infrastructure Australia's recent *Replacement Materials Report* identified significant opportunities for replacing at least 27% of 'virgin' materials (asphalt, concrete and crushed glass) in road pavement, potentially rising to 43% with updated road standards and materials technology.³ The Australian Government has identified setting standards and targets for recycled materials in transport projects by 2025 as part of its *National Waste Policy Action Plan* (NWPAP).⁴ As road pavements and airport runways and taxiways share similar materials and construction techniques, extending the NWPAP target to the aviation sector to increase use of recycled materials at airports (while ensuring aviation safety outcomes) has strong potential to reduce the airport sector's 'Scope 1' emissions.
- Energy & water efficient airport buildings and equipment – In 2020, Australia's commercial building stock consumed around 24% of electricity consumption and 4% of gas consumption, accounting for 10% of national greenhouse gas emissions.⁵ The vast majority of this energy consumption involves heating and cooling of buildings and water. Ensuring the stock of buildings and aeronautical infrastructure on airports have a clear path to improved energy and water efficiency as part of an NZE strategy is essential, while financial support to similarly upgrade regional and remote airports would ensure no airport is left behind in reaching NZE targets.
- On-site renewable energy generation and storage – Australian major airports have already begun to invest in onsite renewable energy generation to reduce their Scope 2 emissions, with significant 'solar farm' operations at Adelaide, Brisbane, Darwin and Melbourne airports, generating over 24mW of electricity at full capacity. Developing a renewable energy generation capability at across major, regional and remote airports would allow decarbonisation of key airport operational infrastructure and should be part of any 2050 NZE strategy. The storage of renewable energy for use at night or in bad weather is the missing piece of a renewable electricity strategy at airports. A 2050 airport NZE strategy should address storage as well as generation of renewable energy.

Emerging technologies for alternative aviation fuels (such as hydrogen and battery-electric) and renewable energy are still at early stages of development. Concentration on electrification of as much as possible of the current and future stock of buildings and equipment at airports along with renewable energy generation and storage should be a priority.

³ Infrastructure Australia (2022), *Replacement Materials Report*, p. 7. Accessed on 27 February 2023 from:

https://www.infrastructureaustralia.gov.au/sites/default/files/2022-12/IA22-Replacement-Materials_REPORT_HR_0.pdf

⁴ Department of Climate Change, Energy, Environment and Water [DCCEEW] (2022), *National Waste Policy Action Plan Annexure 2022*, p. 7; 9. Viewed on 27 February 2023 from:

<https://www.dcceew.gov.au/sites/default/files/documents/national-waste-policy-action-plan-annexure-2022.pdf>

⁵ Strategy, Policy, Research for DCCEEW (2022), *Commercial Building Baseline Study 2022 Final Report*. Viewed on 23 February 2023 at:

<https://www.energy.gov.au/sites/default/files/The%20Commercial%20Buildings%20Energy%20Consumption%20Baseline%20Study%202022.pdf>

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

The regulatory systems governing Australia's aviation sector has remained largely the same since the formation of the safety regulator (CASA), airspace manager (Airservices) and after airport ownership was transferred from the Australian Government to private operators or local governments in the mid-1990s. Similarly, the planning and administration of airports has matured over the past three decades along with the evolution of the aviation security system into its current form following the 9/11 terrorist attacks.

The stress placed on the aviation regulatory system by the pandemic has exposed the ability of the existing institutional frameworks to function as intended, particularly around staffing and resourcing. Recent regulatory changes from CASA (the MOS 139 reforms) have added significant compliance costs to airports, while Airservices' consolidation of the air traffic management system has disrupted and degraded the capacity of the network to operate at its full capacity. Emerging technological changes are also disrupting the ability of the Government to adequately fund their regulators through the erosion of existing funding sources (fuel excise), while challenges attract and retain staff with the right mix of technical skills and abilities remain.

Similarly in aviation security, the rapid evolution and broadening of responses to security threats in recent years from a 'traditional' counter-terrorism lens to one increasingly made up of cybersecurity and 'all hazards' threats including the effects of climate change. This step-change to an all hazards methodology has taken place at the same time as a significant upgrade to aviation security infrastructure and service delivery. Some of the issues airports are experiencing on aviation security regulation represents issues within Home Affairs as the Cyber and Infrastructure Security Centre (CISC) stands up to develop a new capability while maintaining core competencies on transport security. Again, the challenge to attract and retain staff with a right mix of skills and abilities for CISC is a cross-cutting issue across aviation regulators.

As part of the White Paper process, the AAA recommends the Department examines the level and composition of funding for bodies regulating the sector (Airservices Australia, CASA, Home Affairs, Infrastructure) to adequately provide staff with the necessary skills and expertise to meet the current demands of capital and operational investment cycles and emerging regulatory challenges from new aviation technology and a changing social licence for aviation.

4. *Future industry workforce skills and training requirements.*

During the pandemic, the airport sector and the aviation industry more broadly suffered a skill drain as aviation workers either retired or left the industry for other parts of the aviation industry or elsewhere in the economy. As a global industry, aviation suffered severely. It was estimated 2.3 million jobs (or 21 percent of the global aviation workforce) were lost across airports, airlines and civil aviation bodies, posing significant global challenges to the commercial aviation industry at a time when recovery remains fragile.⁶

While the Australian Government invested heavily in the retention of skilled airline workers during the pandemic, as part of its \$3.22 billion in financial support to airlines (63.5% of all financial support to the aviation industry)⁷, airports were less able to retain their significant skills base, with losses falling particularly heavily in safety and security-critical roles that ensure aviation safety and regulatory compliance. This has affected the status of jobs in the aviation industry as high-status, secure work.

Unlike other parts of the economy, increased overseas migration will not necessarily solve the shortage of people and skills in aviation over the short-term. Many operational roles in the aviation industry have requirements for Australian citizenship or Australian residency and working rights as a requirement to be employed in airside roles and to attain an Aviation Security Identification Card (ASIC). While the return of international students to Australia will go some way to dealing with short-term workforce pressures at some capital city airports, more substantial change will be required to build a strong, sustainable pipeline for the aviation workforce out to 2050. Such measures could include:

⁶ Nicholas Fearn (2022), 'Aerospace industry grounded by lost jobs and lack of staff', *Financial Times*, 20 July. Viewed on 3 March 2023 from: <https://www.ft.com/content/93736968-8fcf-425f-b8e5-fcd9736d37f6>

⁷ 2022 figures based on Australian Airports Association analysis of Australian Government data on its support to the aviation industry.

- Develop legible airport career pathways – Many current airport workers have ‘fallen in’ to a career in airports through other roles in the transport industry or local government. There is not a clear career path for management roles at airports in terminal operations, security or ground handling, compared to those for pilots or aircraft engineers. Identifying, developing and promoting clearer paths for the range of careers available at airports will help improve attraction and retention, provide avenues for upskilling existing workers and better align existing training programs to industry needs.
- Increased First Nations participation – Many safety and regulatory roles, particularly for Airfield Reporting Officers (AROs), are difficult to fill at airports in outer regional and remote Australia. AROs are essential to ensuring airfields operate safely and comply with CASA regulatory requirements and is an airfield job facing major skills shortages, particularly in regional and remote Australia. With low barriers to entry to an ARO credential, training and developing First Nations people for ARO roles in regional and remote communities is a meaningful way to provide ‘on country’ employment and provide a valuable and portable skill required at every airport.
- Improved participation of women – The Australian Government’s Workforce Gender Equality Agency’s figures show that on average 8% of technical roles at airports are filled by women and around 35% of management and professional roles were held by women.⁸ While this is better than the broader Transport, Postal and Warehousing sector, there is still a need to attract and retain more women into airport careers. The Department’s current ‘Women in the Aviation Industry’ program tends to focus on pilots, aviation engineers and air traffic controllers rather than airport roles. The Department should aim to target airport roles to women as part of this program.

The AAA also makes the following recommendations on future workforce issues:

- Commission an inquiry into airport-specific skills needs – As stated previously, Australian Governments have focused almost exclusively on pilots and aviation engineering skills, as was the case in the last major study of skills and training in the sector, 2018’s *Report of the Expert Panel on Aviation Skills & Training*.⁹ An airport specific inquiry would be welcomed and focus on the range of roles at airports and include forward looking matters such as the future of work, technological change and changes to skills and training.
 - Ensure aviation is a specific industry skills cluster – As part of any future Australian Government reform to vocational education and training (VET), the aviation sector should become its own industry-specific skills cluster alongside the space sector which share similar technology and training requirements for safety and regulatory compliance.
 - Improve the skills and expertise of aviation regulators – The AAA also recommends recruitment, retention and training regimes at key aviation bodies (Airservices, CASA, Home Affairs, Infrastructure) can provide staff with the necessary skills and expertise to meet the current and emerging regulatory challenges facing the aviation sector.
5. *The role of airlines and airports in supporting regional economies* – The aviation sector plays a vital role in supporting regional economies. The network of airports across major urban centres and regional areas constitutes an integral part of Australia’s economic infrastructure and are critical to connecting communities and enhancing Australia’s broader economic performance. Prior to the pandemic, regional aviation accounted for over 25% of all domestic RPT passenger movements and approximately one in every eight domestic RPT passengers.¹⁰

Regional airports play vital roles in sustaining regional economies and communities by:

⁸ Workplace Gender Equality Agency (2022), *WGEA Data Explorer*. Viewed on 2 March 2023 at: <https://www.wgea.gov.au/data-statistics/data-explorer>

⁹ Department of Infrastructure, Regional Development and Cities (2018), *Final Report of the Expert Panel on Aviation Skills and Training*. Viewed on 1 March 2023 from: https://www.infrastructure.gov.au/sites/default/files/migrated/aviation/publications/files/Final_Report_of_the_Expert_Panel_on_Aviation_Skills_and_Training.pdf

¹⁰ Australian Airports Association (2018), *Regional Airports: Contributing to and connecting our communities*. Canberra, p.1.

- Enabling access to specialist health, education, commercial and recreational facilities, and social connections. Aviation often provides the only form of public transport for large numbers of regional and remote communities.
- Facilitating domestic and international tourism, which is a significant economic driver for many regional communities. Prior to the pandemic, it was estimated regional Australia accounted for 45% of output from Australia's tourism sector, with regional airports providing critical gateways.¹¹ The AAA understands that up to 30% of inbound international tourists utilise domestic aviation to get to their in-country destinations, many of which are in regional and remote Australia.
- Supporting efficient development of Australia's natural resources, weekly bringing thousands of Fly-in/Fly-out workers to remote mining, energy and other primary production sites.
- Providing lifesaving medical evacuation, firefighting and search and rescue aviation operations, being able to deliver these services to places road or sea transport cannot reach in time. Regional airports and aerodromes facilitate over 6000 emergency medical evacuations a year and housing over 500 fixed and rotary-winged firefighting aircraft.¹²

While regional airports make a significant contribution across many sectors of the economy, they also face significant challenges to continue delivering the expected levels of service to the communities they serve. In 2017, AAA research indicated the declining state of regional airport infrastructure was compounded by an annual \$17 million maintenance 'deficit', equating to a \$170 million shortfall in essential infrastructure and maintenance funding at regional airports over the next 10 years.¹³ Part of the infrastructure deficit at regional airports is the cyclical challenge occurring every 10-15 years as runways reach the end of their operating life, requiring re-surfacing and rejuvenation. These projects are usually the highest cost capital project for regional airports and are often unaffordable for local government airport operators without both State and Australian government funding.

The pandemic has accelerated the airport maintenance deficit as local governments have deferred or reprioritised spending on maintaining and upgrading aviation assets. The Australian Local Government Association's *National State of the Assets 2021* report indicates that the value of local government airport assets in Poor condition have increased from \$155 million (or 5% of the total council airport asset base) in 2017 to \$414 million (or 13% of the airport asset base).¹⁴ This has occurred at a time when Australian Government grant funding programs to regional airports have been wound up, with the final rounds of the Regional Airports Program (RAP) and the Remote Airstrip Upgrade Program (RAUP) occurring in 2022.

To help offset the continued decline in the condition and level of service at regional airports into the future, the AAA recommends the Australian Government:

- In the short term, re-instate the RAP and RAUP to continue to fill the funding gap at regional and remote airports and keep the infrastructure in a state of good repair.
- In the medium term, place the RAP and RAUP on a more sustainable footing by setting up an on-going 'Regional Aviation Infrastructure Fund' to provide certainty of funding and a less spasmodic 'boom and bust' grant funding cycle for regional and remote airports.
- Sets up a mid-sized airport grant funding program to recognise how the diverse range of ownership models and activity levels at mid-sized airports make them either ineligible for existing regional airport grant programs or constrain their access to long-term capital for investment in essential infrastructure maintenance and upgrading.

The AAA has previously identified 77 shovel-ready projects at regional, remote and mid-sized airports worth \$396 million, covering airfield lighting, pavements and drainage, taxiways, fuel storage and other aviation-related infrastructure. Initial project evaluation by the AAA indicates

¹¹ *Ibid.* p. 1.

¹² ACIL Allen Consulting for the AAA (2017), *Regional Airport Infrastructure Study – Economic contribution and challenges of Regional Airports in Australia*. p. ii.

¹³ *Ibid.*

¹⁴ The Institute of Public Works Engineering Australia (2021), *National State of the Assets 2021 – A report to the Australian Local Government Association*.

these projects would create more than 2,600 direct construction jobs, 25,000 direct and indirect ongoing jobs and generate up to \$9 billion in wider economic benefits.

The second group of ToR are grouped as important, but not as critical as the top 5 ToRs above.

6. *Aviation's role in economic development, trade and the visitor economy – general, domestic, regional and international aviation* – A viable airport sector adds depth and diversity to Australia's economy. Prior to the pandemic, Australia's airports provided employment for more than 206,000 Australians, including 8,700 people directly employed by airports. Airports added \$34.6 billion (around two percent) to Australia's Gross Domestic Product, consisting of \$4.9 billion in direct economic activity from core aviation activities plus a further \$29.7 billion of indirect and value-added airport-related activities.¹⁵ The AAA recommends the White Paper process reviews the Bilateral Service Agreements (BSA) process to ensure Australia's forward aviation services agreement negotiation is more strategic in nature, compared to current tactical, 'just-in-time' approaches aimed at specific countries and markets.
7. *Changing aviation technologies and ways to position our policies, regulations and systems to encourage uptake and manufacturing of new, more efficient, transport technologies* – The AAA supports Australian Government initiatives in the development and deployment of new aviation technology, particularly the OneSky air traffic management project being delivered by Airservices Australia, which will increase capacity of Australia's aviation network over the long-term. The AAA also views the following aviation technology projects as essential to the long-term future of Australia's aviation sector, requiring further support from the Australian Government in implementation:
 - Rollout of Satellite Based Augmentation System (SBAS): To support better management of airspace, particularly in regional and remote Australia, the AAA recommends resourcing CASA, Geoscience Australia, Airservices and the Department to deliver SBAS in a safe, integrated and timely way. The prompt implementation of SBAS would allow aviation network controllers to better manage Australian airspace, while general aviation (GA) aircraft and vertical take-off and landing (VTOL) aircraft would be enabled to use continuous vertical guidance for safe landings at airports without needing to install and maintain expensive fixed Instrument Landing System (ILS) infrastructure.
 - Regulating Advanced Air Mobility (AAM) systems: Ensuring safe operation of large or human-rated AAM systems in controlled airspace and at airports will be vital in supporting the development of vertiports in urban, regional and remote areas. The AAA recommends the Infrastructure and Transport Ministers Meeting (ITMM) endorses development of a regulatory regime to support the safe deployment of AAM systems in Australian skies, similar to recent efforts undertaken by the National Transport Commission to support the safe deployment of connected and automated vehicles on Australian roads.
 - Develop a new NASF guidelines on 'vertiports' to provide guidance for national, state and local government agencies to plan the safe introduction and development of take-off and landing infrastructure for AAM systems.
8. *How to support and regenerate Australia's general aviation sector* – General Aviation (GA) forms an important part of the aviation sector and has a strong presence at many airports, particularly in terms of flight training and agricultural aviation. Since the 2009 Aviation White Paper and other inquiries, GA continues to face the same issues, namely¹⁶:
 - Tensions between aeronautical and non-aeronautical development at airports
 - Access to airspace
 - An ageing GA aircraft fleet
 - Compliance with air safety regulations

¹⁵ Australian Airports Association (2018), *Connecting Australia – The economic and social contribution of Australia's airports*, Deloitte Access Economics, Sydney.

¹⁶ Department of Infrastructure, Transport, Regional Development and Local Government (2009), *National Aviation Policy White Paper: Flightpath to the Future*, Canberra, p. 62-69. Viewed on 6 March 2023 at: https://www.infrastructure.gov.au/sites/default/files/migrated/aviation/publications/files/Aviation_White_Paper_final.pdf

- Support for domestic and export GA manufacturing and GA services markets.

A solution for GA's ongoing issues must be developed by the Australian Government, but the solution must not come at the expense of the ability of federally leased airports to meet their obligations under their headleases to optimise non-aeronautical development or constrain local governments to seek the best economic returns for their airport investments.

9. *Appropriate consumer protections and access to services* – Airports (and the aviation sector more broadly) are one of the most heavily regulated parts of the Australian economy. The AAA views the current economic regulation environment as fit for purpose, despite the Australian Competition and Consumer Commission's (ACCC) efforts to further increase its role. The ACCC's efforts contradict the findings of four successive Productivity Commission (PC) reviews of airport economic regulation from 2002 to 2019 which concluded the market power of airports is balanced by the countervailing power of airlines. The AAA strongly recommends the White Paper ensures matters relating to economic regulation of airports continue to rest with the PC and its 5-year reviews of monitored airports.

The AAA also recommends the White Paper acknowledges the existing role of the ACCC in monitoring of major airports and that the Australian Government continues the ACCC's airline competition monitoring program. This would arguably improve consumer protection by helping focus the ACCC to maintain effective, long-term oversight of airline competition, pricing of airfares and other consumer matters within the ACCC's remit.

In terms of accessibility, airports have worked extremely hard to not only meet but exceed the minimum standards of accessibility set by the Australian Government under the Disability Standards for Accessible Public Transport, the Building Code of Australia and other relevant standards. The AAA is leading the aviation sector with its Hidden Disability training, which is currently being rolled out to airport staff and other on-airport personnel. Several recent, high-profile incidents have highlighted where there are gaps in accessibility across the whole aviation journey, generally at the interfaces between ground transport, airports and airlines. This is an area the sector can work on together to improve the passenger experience and improve accessibility to the national and international aviation network.

10. *Other significant issues raised during the consultation process* – The AAA brings to the attention of the secretariat the following significant issues:

- The role of Government in aviation – The White Paper ToR focuses on airports and airlines; however Australian governments exercises the defining influence on the aviation sector. The effects of the extensive and often overlapping regulatory environment from Federal, State and Local authorities on the sector is outlined throughout this submission, influencing air traffic management, aviation safety, airspace safeguarding, customs, immigration, biosecurity, infrastructure standards, planning, development control and economic regulation. The AAA recommends the Department critically examines the role of government and its role in improving the long-term viability of the sector.
- Airfreight – The absence of airfreight in the ToR is puzzling. As the Department's own *Inquiry into National Freight and Supply Chain Priorities* found in 2018, "Australia's domestic and international air freight task represents 21 per cent of our total international trade value, while being less than 0.1 per cent by volume", with the vast majority (around 80%) of airfreight being carried in the holds of passenger aircraft.¹⁷ Similarly, investment of more than \$1 billion (over 20% of total Australian Government aviation support money) on the International Freight Assistance Mechanism (IFAM) to maintain global airfreight connections during the pandemic shows the importance of airfreight to the sector and to the economy more broadly. The AAA recommends examining how to best to integrate air freight into policy/planning/investment into airports and the broader national freight transport network including intermodal connections to port, rail and road links.
- Effects of climate change on airport operations – By 2050, the full effects of climate change will become apparent. Beyond sea level rise, which poses significant risk to many low-lying coastal airports, the increased intensity and frequency of severe weather,

¹⁷ Department of Infrastructure, Regional Development and Cities (2018), *Inquiry into National Freight and Supply Chain Priorities, Supporting paper No. 1, Air freight*, March 2018, p. 2. Viewed on 6 March 2023 at: https://www.infrastructure.gov.au/sites/default/files/migrated/transport/freight/freight-supply-chain-priorities/supporting-papers/files/Supporting_Paper_No1_Air_freight.pdf

heatwaves and bushfires will both threaten airport infrastructure and cause serious delays to aviation operations. Modelling undertaken in 2019 indicates weather-related flight disruptions at Australia's busiest airports are set to increase due primarily to an increase in heatwave and thunderstorm activity.¹⁸

- Defence Strategic Review – Media reports surrounding the Australian Government's *Defence Strategic Review* (DSR) indicate a potential change for roles and posture of airports and aerodromes in northern Australia to have a more 'dual' civilian/military role. An examination in the White Paper of how the recommendations from the DSR may affect airfields in northern Australia would be useful.
- Outreach to South Pacific/near North partners – As part of the Australian Government's broader engagement reset in the South Pacific, it would be useful for the White Paper to examine how Australia's aviation sector can support capacity and capability building with our partners in the Pacific and the near North (Timor Leste, Indonesia) to improve safety, regulatory compliance and provide important opportunities for Australian companies to bid for contracts to upgrade aviation infrastructure in the region.
- Climate change-related security threats to aviation's social licence – Following climate change-related protests at UK airports during the COP26 summit in 2021 and a protest at Essendon Airport in February 2023, there is concern airports are vulnerable to disruptions to terminal and aeronautical operations by climate change-related issue-motivated groups (IMGs) ranging from non-violent 'flight shaming' protests outside terminals to direct action of occupying terminals and aircraft or blocking runways, as seen at London's City Airport in 2019. While not a current aviation security threat, climate change-related IMGs have a potential to undermine the sector's social licence to operate.
- Australia's CORSIA negotiating stance – As the international aviation sector moves to reach agreement on emissions reduction through the International Civil Aviation Organisation (ICAO) and its Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), it is vital that the Australian Government considers its negotiating stance for CORSIA to ensure we remain connected to global aviation network. Australia's position at the end of the global network could potentially see significant reductions in accessibility, with few available substitutes for aviation.
- Legislative reform – The AAA views the wholesale re-assessment of the continued efficacy of the *Airports Act 1996* and regulations as essential to a fully developed vision of Australia's aviation sector out to 2050. For example, the current regulatory sunseting process only patches up the existing Act. Since the Act and Head Leases of federally leased airports were drafted in the 1990s, regulatory setting envisaged then do not reflect challenges facing airports now or in the future. For example, long-term investment in industrial and commercial developments with pay-back periods of 30 years or more rub up against Head Leases expiring in the 2040s. The AAA recommends the White Paper considers the ability of these airports to exercise their options for early lease renewal.

In conclusion, the AAA looks forward to working with the Department and facilitating the airport sector's participation in the White Paper process to the greatest possible extent. Should you require further information regarding this submission, please contact Mr Scott Martin, Director of Policy and Advocacy on telephone _____ or via email at:

Yours sincerely,

James Goodwin
Chief Executive

¹⁸ S Browning, T Mortlock and R Crompton (2020), 'Weather-related flight disruptions in a warming world', *Risk Frontiers Newsletter*, Vol. 19, Issue 3. Accessed on 8 March 2023 at: <https://riskfrontiers.com/insights/newsletter-volume-19-issue-3/>