Queensland Airports Limited
Aviation Green Paper submission

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Executive summary

Airports and air travel are vital to Australia's economic and social fabric and prosperity.

Australia's isolation and geographic vastness, means that aviation provides the only practical means of travel for many journeys.

Given Australia's reliance on air travel for transport, aeromedical, emergency, agriculture and education purposes, it is imperative that the industry receives widespread Government recognition and support to ensure long-term, sustainable growth.

As Australia's largest regional airport operator, Queensland Airports Limited (QAL) has addressed the topics and questions outlined in the Green Paper that are most relevant to its operations and experiences, providing background information and then outlining its top line position and points for the Department's consideration as the White Paper is developed.

These topics are summarised below:

- *Competition*

The Productivity Commission (PC) has conducted inquiries into the performance of the light-handed economic regulatory regime for Australia's airports every five years, since 2000, and has not identified any evidence that the four major airports exercise their market power. In addition to this, the PC review has consistently found that QAL airports do not possess market power over airlines.

QAL is not seeking any changes to the current regime and strongly recommends continuation of the five-yearly PC inquiry process into the economic regulation of airports, supporting that the terms of reference remain the same as previous inquiries.

- *Cabotage arrangements*

While removing cabotage restrictions could potentially promote competition on some domestic routes, the decision should be considered more broadly from a national interest perspective.

QAL considers only an **extremely restricted use of cabotage rights**, where consumer choice is greatly limited and additional capacity is unavailable from domestic airlines, to be an option for consideration by the Federal Government. **QAL does not consider that unfettered access to foreign airlines on all domestic markets will lead to positive outcomes for consumers or the economy.**

- *System inefficiencies*

When considering structural inefficiencies, particularly in the context of more rigorous consumer protection arrangements, the role of Airservices Australia and their culpability must be considered.

Given Airservices Australia's contribution to negative airport operational environments, resulting in poor customer experiences, **QAL believes they should be subject to increased consumer protections, including compensation to airports and consumers.**

- *Disability access and mandated principles*

QAL is focused on making its airports and workplaces welcoming and inclusive environments for its customers, communities and team.

QAL is wholly supportive of improving the accessible path of travel and recommends that the **Federal Government mandate accessible service standards with clear accountability on compliance and cost ownership**. This includes the **formation of a government-led working group** between airlines, airport operators and disability advocates to clearly determine a process for who supports the customer at any given time throughout their journey. **Standardisation of process nationally is key.**

- *Aeronautical Pricing Principles*

QAL consistently adheres to the Aeronautical Pricing Principles when negotiating with airlines, recognising their role as a guiding set of principles that provide transparency when undertaking robust negotiations.

QAL doesn't believe it is necessary to mandate the principles given they are proven to work as guiding principles and consecutive PCs have not identified any evidence of market power being exercised or even held outside of the four main gateway airports.

- *The importance of regional airports*

The only way to maintain viability of Australia's crucial air network and **future-proof regional Australia is through additional government funding assistance programs for regional airports**.

QAL supports continued Federal Government funding through programs such as the Regional Aviation Access Program and proposes formation of an additional regional funding scheme to offer extra support.

- *Sustainable Aviation Fuel (SAF)*

QAL encourages the release of the Australian Government's Net Zero Roadmap and Action Plan and commits to working with Government, fuel suppliers and industry to accelerate the adoption of SAF to assist in the reduction of scope 3 emissions.

It is imperative that **policies are developed to support the implementation of SAF, including Blending Mandates and Incentives** that are in line with international standards, as well as Government assistance programs for the implementation of SAF infrastructure.

Introduction

QAL is grateful to the Department of Infrastructure, Transport, Regional Development, Communication and the Arts (the Department) for its commitment to developing the Aviation White Paper, that has cast a welcome spotlight on the importance of Australia's aviation industry to the country's economic and social wellbeing and growth.

QAL appreciates the opportunity to participate in the White Paper's development process, commenting on future trends and helping to shape long-term policy directions.

In this submission, QAL has addressed many of the scopes, themes and questions set out in the Green Paper, as well as provided critical background information to give further context to QAL's position and suggestions.

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, welcoming just under eight million passengers across its four ports in FY23.

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

QAL's four airports play a crucial role in connecting communities, enabling economic activity, promoting social inclusion, and supporting medical and emergency response services.

QAL is committed to inspiring a sustainable future to create long-term benefit for its customers, partners and communities. It has committed to reaching Net Zero scope 1 and 2 emissions by 2030, with an aim of having 80% renewable energy by 2025.

Gold Coast Airport

Gold Coast Airport is QAL's largest port and the sixth busiest airport in Australia, servicing 6.1 million passengers in FY23, equating to 5.4 million domestic passengers and 700k international travellers.

Gold Coast Airport was the third fastest Australian airport to return to 2019 domestic passenger numbers. Its Sydney and Melbourne connections are ranked as the country's fourth and fifth busiest routes, with more than 4.5 million passengers travelling on either one throughout the last financial year.

The airport facilitates approximately 860 Regular Public Transport (RPT) flights per week, including direct links to Kuala Lumpur (Queensland's only direct Malaysia connection), New Zealand and Bali. In addition, approximately 480 General Aviation (GA) flights use the airport weekly, compromising of flight training, corporate aviation and aeromedical services.

Gold Coast Airport has also recently been named as Bonza's newest base, welcoming an additional 84 flights per week from mid-November 2023 to 14 destinations around Australia. The partnership will create 100 jobs for the Gold Coast and Northern New South and deliver more than $200 million in economic benefit to the region each year.

In FY23, Gold Coast Airport opened its Southern Terminal Expansion, after more than three years of construction through a global pandemic. The $260 million project, which commenced in 2019, doubled the footprint of the terminal by 30,000sqm, future-proofing the airport for predicted passenger growth.

Gold Coast Airport is currently developing its 2024 Preliminary Draft Master Plan, which will outline the strategic vision and growth objectives of the airport over the next 20 years, with a more detailed focus on the initial eight years. The Master Plan is scheduled to be released for public consultation in Q1 2024.

Economic analysis from the Master Plan shows that the estimated economic impact of Gold Coast Airport is $514 million in Gross Value Add (GVA). In addition, the tourism GVA contribution of travel

through the airport is $1.14 billion and overnight visitation is worth $1.04 billion to the local economy.

The airport is also one of the largest employers in the area, supporting 3,054 full-time equivalent jobs both directly and indirectly through the precinct's activities. It is estimated that an additional 10,897 jobs are supported by the passenger arrivals at the airport.

Townsville Airport

Townsville Airport operates under a Joint User Agreement with the Department of Defence, with the airport leasing an area of 81 hectares for civil aviation purposes.

The airport is a well-established and critical transport hub for North Queensland, serving a growing population of more than 235,000 people that is set to increase to 325,000 by 2041.

It is currently Australia's 11th busiest airport, facilitating around 500 flights per week to capital city and regional destinations.

More than 1.6 million passengers passed through the terminal in FY23, a 39 per cent increase on the previous year's figures.

In 2022, over 6,000 tonnes of air freight travelled through Townsville Airport. While the greatest quantities flow between Townsville and the major cities along Australia's eastern seaboard, Townsville also services essential freight flows between regional centres such as Mount Isa, Cloncurry and Moranbah.

Townsville Airport is intrinsic to the long-term success of North Queensland, a region that is currently undergoing transformational change with large-scale infrastructure projects such as CopperString 2032 bringing jobs, investment and opportunities. It is also crucial to the growing 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.

The airport used to facilitate international services to Bali and Port Moresby, however this was terminated in 2018. The airport and its government and partner stakeholders are committed to re-securing an international connection, particularly Singapore, given the Australia - Singapore Military Training Initiative will see up to 14,000 Singapore Armed Forces troops train in Central or Greenvale, North Queensland for up to 18 weeks of the year.

Townsville Airport has seen significant terminal improvements over the last two years, with circa $18 million invested in upgrades. Most notably, through the support of a Federal Government grant, state-of-the-art technology was installed in the security screening zone to streamline the passenger screening process and enhance security outcomes.

Check-in facilities, retail spaces and landside amenities were also all refurbished, including the addition of an adult Changing Places facility which is designed to cater to the needs of individuals with disabilities or mobility challenges.

Following an Expressions of Interest campaign, representatives from Townsville Airport, Townsville City Council and Townsville City Galleries chose local artist Brenda Stone to create a striking 150sqm artwork in the terminal that draws on the colours and climate of the local natural environment.

In addition, in January 2023, works began to install new escalators. This project represents an investment of $4m and formed part of a broader body of works to refresh the domestic terminal, offering seamless customer transfer experiences.

Townsville Airport has recently submitted its 2023 Master Plan to the Federal Minister for approval. The Master Plan sets out a roadmap of expansion opportunities to meet the future needs of the broader Townsville region, as passenger numbers are expected to double to 3.8 million in the next 20 years.

Mount Isa and Longreach Airports

Mount Isa and Longreach Airports both play a critical role in the North Western and Central West Queensland communities in which they operate. In FY23, Mount Isa Airport welcomed 226,000 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. There are currently more than 80 flights per week between Mount Isa and five destinations across Australia, serviced by five airlines.

In FY23, a $2.46 million grant through the Federal Government's Regional Airports Screening Infrastructure program, saw Mount Isa Airport benefit from the delivery of upgrades and a reconfiguration of its security screening zone. This provided opportunity to improve the food and beverage offering within the terminal, which saw a new café and bar opening in late 2022.

Longreach Airport has a daily QantasLink Brisbane – Barcaldine/Blackall – Longreach service, and a twice-weekly REX Airlines Townsville – Winton – Longreach service. The airport was acquired from Longreach Regional Council as part of a 99-year-lease arrangement in 2012.

A celebration was held recently to mark 10 years of QAL ownership, reinforcing the importance of the airport within its portfolio mix, and its role as a gateway to western Queensland for passengers and freight.

Both Mount Isa and Longreach Airports are part of the Department of Transport and Main Road's regulated air services, that aims to ensure regional Queensland communities have access to health, education and employment services.

Likely future directions out to 2050

QAL agrees that the Department has identified the key issues that are most pertinent to shaping the future of Australia's aviation industry out to 2050.

Importantly, QAL believes that all the objectives and trends identified in the Green Paper – safety & security, environmental impacts, noise & community, competition, workforce shortages, consumer protections, regulation and price monitoring, as well as improved accessibility – should all primarily be areas of responsibility for the Federal Government in order to achieve best possible outcomes for the future of Australia's aviation industry.

Airlines, airports and passengers – competition, consumer protection and disability access settings

The importance of Australia's airports

Airports and air travel are vital to Australia's economic and social fabric and prosperity. Australia's isolation and geographic vastness, means that aviation provides the only practical means of travel for many journeys, particularly given the lack of high-speed rail.

QAL welcomed just under eight million passengers in FY23, connecting individuals, families, industry and communities, helping to bridge the gap between cities and regional areas. Thereby, enhancing labour mobility, regional tourism, economic prosperity and the vibrancy of regional life.

Jobs and economic contribution

Recent Deloitte Access Economic analysis found that in 2022, Australia's airports contributed $105 billion to the national economy, supporting 690,000 full-time equivalent jobs or in other words, airports support more than 1 in 20 jobs across Australia.

QAL is a proud employer of approximately 200 people directly within Queensland and Northern New South Wales, but its four airports support 4,000 jobs indirectly through the services and utilities, security, and property sectors required to carry out the day-to-day operations of the airports. In addition, the domestic tourism activity it facilitates accounts for another 13,500 full-time equivalent jobs.

In terms of direct economic contribution, which takes into account four key components of airport associated activity: (i) core airport activities, (ii) airport precinct activities, (iii) facilitated tourism, and (iv) facilitated freight, QAL's airports currently contribute approximately $3.8 billion to their respective local economies each year.

Social importance

Beyond economic contribution and jobs, airports are the lifeblood of the communities they serve, keeping the country connected by providing critical infrastructure to support travel demands, industry activity, and medical and emergency response services.

As Australia's largest regional airport operator, QAL supports its communities in broader ways than passenger and freight transport activity. It provides the infrastructure necessary to facilitate medical and emergency response services, which are often out of reach of rapid road-based services.

Mount Isa Airport has this year signed a Heads of Agreement with the Royal Flying Doctor Service for a 25-year lease on a site within its General Aviation Precinct for a new aero-medical base, with construction set to commence in early 2024.

Regional airports also support a healthy General Aviation (GA) industry which is critical to the sustainability of the aviation industry overall. Australia's aviation industry relies on a highly skilled workforce to keep customers and cargo safe. Smaller airports play an important role in providing infrastructure for small aircraft and flight training schools.

More broadly, airports provide social support to their local communities through sponsorship programs and grant funding. The QAL Community Benefit Fund has gifted more than $250,000 to

local grassroots organisations over the last five years, helping to support groups ranging from children's sporting clubs to partnerships with indigenous community groups.

QAL also undertakes a dedicated corporate sponsorship portfolio, partnering with 23 organisations and events over the last financial year, and investing more than $400,000 back into its communities.

Australia's aviation sector

Setting the scene

Australian airports with limited competition could have market power that, if exercised, would be detrimental to the community, in the form of higher aeronautical charges, resulting in higher airfares and lower customer service standards.

Therefore, the economic regulation of airports must keep market power in check, while also promoting efficient operations and timely investment in infrastructure.

Australian airlines negotiate directly with airport operators on charges and other terms of access. Governments do not generally intervene in the setting of charges or terms but collect and publish information about airports' financial and operational performance. This is known as operating under a light-handed economic regulatory regime that is designed to facilitate mutually beneficial commercial arrangements between airport operators and airlines.

Light-handed economic regulation is intended to achieve outcomes that would be consistent with those found in markets with effective competition, but this is only possible if the airport operator is transparent about its performance and if there is a credible threat to the airport operator if it is found to be exercising its market power.

Australia's four major airports – Sydney, Melbourne, Brisbane and Perth – are subject to an Australian Competition and Consumer Commission (ACCC) price and quality of service monitoring regime, that focuses on prices, costs and profits for aeronautical services and car parking.

In addition to the ACCC's monitoring of the four major airports, a second tier of airports – Adelaide, Canberra, Darwin, Gold Coast and Hobart – are subject to a self-administered monitoring regime. These airports voluntarily publish information on their aeronautical charges, car parking, service quality and complaint handling procedures.

It is also of note that federally leased airports, such as the major airports, as well as Gold Coast, Townsville and Mount Isa Airports among others, face lease conditions that stipulate that the lessee must supply services to air transport operators, meaning that airports must provide access to airlines even without pricing agreements in place.

The Productivity Commission (PC) has conducted inquiries into the performance of the light-handed economic regulatory regime for Australia's airports every five years, since 2000. While the PC has recommended changes to the regulatory regime in the three previous inquiries, it has not identified any evidence that the four major airports exercise their market power. In addition to this, the PC review has consistently found that QAL airports do not possess market power over airlines.

The ex-Productivity Commission Commissioner Paul Lindwall said of airports during a speech in late 2022:

"There is little doubt that an organisation with unconstrained market power would exercise it. But our view is that the present regulatory approach together with the market structure greatly constrains that market power.

"And critically, the lease conditions which form the basis of the airport operations mandate that the services be provided. They cannot be withdrawn to force up the price.

"These lease conditions, together with the countervailing power of airlines, make the dynamics of airports substantially different to other regulated monopolies."

QAL's position

QAL recommends continuation of the five-yearly PC inquiry process into the economic regulation of airports, and strongly supports the terms of reference remaining the same as previous inquiries.

The PC inquiry process has proven itself to be independent, rigorous, and importantly transparent, leading to better outcomes for consumers and for Australia's aviation sector more broadly.

Given the five-yearly process is soon to fall due, QAL encourages the Treasurer of Australia to request a new PC inquiry review within an appropriate time frame.

South East Queensland and Northern NSW market and Gold Coast Airport

While QAL strongly supports the continuation of the light-handed regulatory regime and ongoing PC process, it is important to note that Gold Coast Airport operates in a uniquely competitive environment, unlike most other airports which tend to be natural monopolies.

Due to the proximity of Brisbane Airport, and to a lesser extent, Ballina Byron Gateway Airport, as well as Sunshine Coast Airport and Toowoomba Wellcamp Airport, Gold Coast Airport operates in undoubtedly the most competitive area in the country when it comes to aviation – with five significant airports within a less than 300km radius.

Approximately 80% of passenger traffic at Gold Coast Airport is domestic. The airport services the key inbound tourist markets, as well as the outbound business and leisure travel of the Gold Coast catchment, which has the largest forecast population growth in Queensland, and is set to reach one million people by 2041.

The current domestic market is one of constrained supply by the two major airline groups, as both groups seek to drive strong yields and profit outcomes. This is an area of concern for QAL, particularly with the Gold Coast economy so dependent on tourism and current airline supply not meeting market demand. This is seen through the persistent increase in airfares, with observed fares on the key Gold Coast-Sydney and Gold Coast-Melbourne markets increasing by 11% and 15%, respectively, from 2022 to 2023, in comparison to the headline CPI of 5.4%.

Gold Coast Airport competes heavily with Brisbane Airport for airline capacity, particularly for international services. Unfortunately, Gold Coast Airport recently lost its Tokyo-Narita connection, which the airline chose to move to Brisbane Airport due to operational considerations, despite the service performing strongly for more than a decade and Gold Coast Airport's international charges being significantly lower.

Gold Coast catchment and destination demand data analysis shows that approximately 1.5 million passengers per annum utilise Brisbane Airport for international services when the intended/preferred origin/destination is within 68km of Gold Coast Airport, being the midpoint between the two airports.

Despite consistently more inbound international visitation to the Gold Coast and Northern New South Wales regions from key international markets, compared to Brisbane, Gold Coast Airport is required to compete heavily on aeronautical charges, frequency of service and customer experience to attract international capacity. Ultimately this delivers a benefit both to passengers in the form of lower ticket fares and to tourism operators (and other local businesses) in the form of increased international visitation and economic benefits.

ACCC monitoring of domestic airlines

QAL welcomes the Government's decision to recommence the ACCC's monitoring of the domestic aviation industry for an additional three years.

With Qantas Group and Virgin holding around 95 per cent of the domestic airline market share, they form an effective duopoly, with Qantas the dominant player holding between 60 – 65 per cent share. This was recognised by the ACCC in its June 2023 Airline Competition in Australia Report:

"The duopoly market structure of the domestic airline industry has made it one of the most highly concentrated industries in Australia, other than natural monopolies. The lack of effective competition over the last decade has resulted in underwhelming outcomes for consumers in terms of airfares, reliability of services and customer service."

In addition, the ACCC found that there are significant competition issues resulting from this highly concentrated market structure, such as:
- Airfares have risen above pre-pandemic levels, surpassing inflation-adjusted prices, and
- Recent cancellation and delay rates have regressed, indicating continued underperformance compared to long-term averages.

Major Australian airports are subject to a competition framework, as well as additional regulatory requirements under the *Airports Act 1996*. Four successive PC inquiries have concluded that airports have not exercised market power or do not possess market power in the instance of QAL, and that the current framework remains fit for purpose.

QAL supports the Government's decision to recommence the ACCC's monitoring, however it also calls for airlines to be held to a similar regulatory standard as airports, particularly on the exercise of market power.

It seems at odds that Australia's supermarket duopoly which holds an approximate 70 per cent market share (significantly less than the 95 per cent of the domestic airline industry) are in the Government's spotlight with a review of its Food and Grocery Code of Conduct, however Australian airlines continue to largely escape attention.

Air cabotage arrangements

Cabotage is the right for foreign airlines to fly domestic Australian routes. At present, the Government only permits cabotage in exceptional circumstances, typically if no Australian operator

is able to meet demand. New Zealand is an exception to this, with the Single Aviation Market permitting New Zealand carriers to operate domestic services in Australia and vice versa.

While removing cabotage restrictions could potentially promote competition on some domestic routes, the decision should be considered more broadly from a national interest perspective. The notion of allowing foreign airlines (particularly those with lower pay and conditions than Australian carriers) access to domestic routes would need to be balanced with any potential impact to the broader Australian airline sector leading to overall reduction of service, particularly on lower-demand regional markets where air access is critical, as well as an understanding of what rights from foreign jurisdictions Australia would receive in return.

QAL's position

QAL considers only an extremely restricted use of cabotage rights, where consumer choice is greatly limited and additional capacity is unavailable from domestic airlines, to be an option for consideration by government. QAL does not consider that unfettered access to foreign airlines on all domestic markets will lead to positive outcomes for consumers or the economy, given that it would be natural for foreign carriers to gravitate toward higher demand markets, undercutting domestic airline profits which could result in a reduction of carrier scale and therefore fleet availability to serve lower-demand regional markets at off-peak times.

QAL also observes that Air New Zealand has arguably the most suitable fleet for operations in regional Australia (with most other foreign airlines operating aircraft to Australia that are too large for most regional airports or markets) and the ability to commence domestic services at any time, yet currently does not operate within the Australian domestic market.

QAL strongly supports measures to improve competition in the domestic airline sector, however, believes that other levers such as the liberalisation (not removal) of the Sydney Airport Demand Management Scheme, implementation of ACCC monitoring of airlines and an airline consumer protection regime to be prioritised over any further consideration of cabotage.

If a decision-making framework and guide for short term cabotage dispensations was to be developed, then as Australia's largest regional airport owner and operator – the airports that would most likely be influenced by these decisions – QAL would appreciate being part of the decision-making process.

Consumer protections

Australia has no specific legally mandated aviation consumer scheme, unlike many other regions and countries around the world. Australian airlines have their own policies and procedures for flight cancellations and delays, that typically include refunds and/or flight credits.

The existing ombudsman in Australia – the Airline Customer Advocate (ACA) – is not independent, but rather funded and managed by participating airlines, and it has significant limitations. It will only hear complaints relating to the participating airlines and cannot issue binding decisions compelling airlines to pay compensation. This is unlike other mainstream ombudsman schemes in Australia, such as the Australian Financial Complaints Authority and the Telecommunications Industry Ombudsman who have the power to make binding decisions.

Throughout and following the Covid-19 pandemic, the airline industry has seen a sharp rise in consumer complaints relating to flight cancellations, delays and the terms & conditions of airline credits. This was highlighted in both the ACCC's June 2023 Airline Competition in Australia Report, which urged the Federal Government to establish an independent monitoring agency, and the select committee on Commonwealth Bilateral Air Service Agreements, which recommended that consumer protections be tightened.

QAL encourages the Government to explore a new consumer protection mechanism, while also undertaking a review of the root causes of the system inefficiencies that lead to poor customer outcomes.

System inefficiencies

The two largest domestic Australian airlines hold a staggering 95 per cent market share, making it one of the most highly concentrated industries in the country. Despite the welcome addition of independent low-cost carriers such as Bonza, there are no significant low-cost carriers that service enough routes in order to provide effective competition. Absence of a competitive airline industry, and a lack of government intervention to promote competition, has seen airfares remain high and quality of service low, with limited capacity servicing regional destinations.

Data inefficiencies

Currently, airlines report to the Department with the reasons for flight delays and cancellations – this data is published monthly by the Bureau of Infrastructure and Transport Economics Research, however the reason for the delays or cancellations is not published. In the absence of transparency, consumers are not able to make informed decisions about who they choose to fly with and 'vote with their feet' accordingly. Without transparency, it's impossible to know if cancellations and delays were justified or not.

One of the recommendations from the Review of the Sydney Airport Demand Management Scheme (the Harris Review) was that an independent accountancy or advisory practice undertake a constant selective audit of cancellations and publish its results. QAL is wholly supportive of greater transparency surrounding cancellations.

Once greater transparency has been achieved, then service levels could be monitored more effectively, and appropriate compensation schemes administered.

QAL has experienced multiple occasions where regional flights have been cancelled without explanation, forcing it to keep its terminals open overnight to house stranded passengers as there were no available hotels in these remote areas. These events have material implications to the business, including workforce compliance obligations and an increased operational cost base.

Sydney Airport movement cap

Increasing flexibility of the 80 movements per hour cap at Sydney Airport would improve efficiency in the system, offering better customer outcomes. As noted in the Harris Review, currently the cap applies a 15-minute rolling count on arrivals and departures, with the aim that any sequence of four 15-minute periods does not exceed 80 movements per hour.

To improve efficiency, it is recommended that the operational cap should be set at an average maximum of 80 movements per hour over a period of a day or a week, as other major slot-managed airports enjoy. This would create much greater flexibility, particularly in the event of significant weather disruptions, allowing the system to 'catch up' ahead of the 11pm curfew rather than the current situation where flights are cancelled, and passengers left stranded as a result of the arbitrary nature of the movement cap.

Airservices Australia

Additionally, when considering structural inefficiencies, particularly in the context of more rigorous consumer protection arrangements, the role of Airservices Australia and their culpability must too be considered.

It is well documented that Airservices Australia faces ongoing workforce shortages which has led to significant issues within the aviation sector and poor customer outcomes. Lack of appropriate staffing within Air Traffic Control contributes significantly to cancellations, delays and disrupted operations.

Given Airservices Australia's contribution to negative airport operational environments, resulting in poor customer experiences, QAL considers it equally important to subject them to more rigorous consumer protections, including compensation to airports and consumers.

Gold Coast Airport is frequently impacted by periods of Common Traffic Advisory Frequency procedures, early tower closures or reduced throughput, and is not confident that Airservices has a plan to deal with staffing issues within a reasonable timeframe. It would like to see contingency planning that would instil a level of confidence from a reliability and safety perspective that there is a pathway to normal operations.

QAL's position

QAL would support the formation of an independent ombudsman to monitor consumer protection arrangements and oversee the fair application of compensation schemes. Importantly, given contracts are between airlines and consumers, compensation schemes should only apply to what is in the airline's control.

Additionally, safety must always remain paramount. QAL would not endorse any mechanism that had the unintended consequence of poorer safety outcomes, airlines should always delay or cancel flights, if necessary, from a safety perspective.

Any proposed changes should focus on simplicity. The more complex the system, then the more bureaucracy is necessary and the greater opportunity for lengthy and costly complications.

Disability access

QAL overview

QAL is focused on making its airports and workplaces welcoming and inclusive environments for its customers, communities and team. It's well recognised that airports can be stressful environments for people of all abilities, and therefore QAL is committed to making its customers' experiences safe, comfortable and seamless.

While all airport operators are on a path of continual improvement, QAL has made headway in its accessibility journey, including the introduction of industry-leading support programs, such as Gold Coast Airport's Hidden Disabilities program developed in partnership with Aspect Australia.

Hidden Disabilities Program

Gold Coast Airport's Hidden Disabilities Program caters to adults, children and their families and friends, providing information to empower people to pre-plan their journey, and collateral that lets the airport team know that they may need additional support.

Terminal sensory maps, written and visual social stories, plus detailed terminal guides and helpful links, ensure that passengers can pre-plan for what their journey will look like through the terminal.

Gold Coast Airport also works with Bayley House, a service that supports people living with intellectual disabilities and the official partner of the Sunflower Program. The Sunflower identification program is a discrete way for customers to indicate to the airport team that they may need a little extra help, guidance or time with the airport processes.

All terminal team members and third-party contractors are trained in the Hidden Disabilities program. Including the 56 Ambassador volunteers who provide a welcome and understanding environment for customers passing through the terminal.

In addition, Gold Coast Airport passengers can enjoy a dedicated therapy dog program – AmbassaPAWS – who will soon be on-site every day to help ease the stress and anxiety that is sometimes associated with travelling.

The Hidden Disabilities program is continuously being extended, with the airport about to introduce communication boards for use at security screening to help customers who are feeling overwhelmed, are non-verbal, or have English as a second language.

Handover points

QAL recognises that airports are unusual environments given a range of third-party organisations operate together to deliver services to passengers.

It is the 'handover points' between the third-party organisations where responsibility for passengers changes hands that can provide accessibility challenges. These points are at various times of the airport journey – kerbside to check in/arrivals (and vice versa), check-in and bag drop/collect, through security screening, and then between the departure lounge and the aircraft.

Improving aviation accessibility

The customer experience is a collective effort driven by multiple third parties within the airport environment, and 'handover points' between third parties often pose challenges for travellers with higher access needs due to lack of consistency between approach and processes.

QAL proposes the development of a partnership or working group between airlines, airport operators and disability advocates to clearly determine a process for who supports the customer at any given time throughout their journey. Standardisation of process nationally is key.

QAL notes that Melbourne Airport is adopting a European model, in that persons with reduced mobility have the right to assistance during airline travel. This assistance is provided through the airport or a third party hired by the airport, and the costs of which are covered by the airlines, proportionate to the number of passengers each one carries.

This recharge model is similar to the way that security operations are undertaken, with the Federal Government issuing approval to airport operators to provide security – the cost of which is then passed onto airlines and reconciled each financial year.

QAL is wholly supportive of improving the accessible path of travel and recommends that the Federal Government mandate accessible service standards with clear accountability on compliance and cost ownership. Paying particular attention to how this could be done sustainably in Australia's regional and remote airports.

Disability Standards for Accessible Public Transport

QAL was an enthusiastic participant of the reform process to modernise the Transport Standards.

Rather than the creation of a standard specific to the aviation sector, which could create inconsistencies in standards, QAL proposes that the Federal Government bring together a working group of airlines, airport operators and disability advocates/those with lived experience to develop a process to determine nationally consistent standards so that everyone should expect no matter what airport they're travelling through.

Importantly, if national standards are developed, then QAL asks that the Federal Government assists regional airports with the minimum necessary capital and initial operating costs of complying with enhanced accessibility standards. This program could be conducted in a similar way to the Government's Regional Airport Screening Infrastructure Program, which both Townsville and Mount Isa Airports gratefully received.

Governments should also encourage airlines to offer comprehensive services for individuals with disabilities to enable passengers to better plan their journeys and improve the predictability of their experience.

Disability Access Facilitation Plans (DAFPs)

Airline and airport operators are encouraged to develop and publish DAFPs to provide detailed information on their approach to meeting the needs of travellers with disability. The Department describes them as, "useful communication tools between airline and airport operators and the travelling public on the availability and accessibility of services for passengers with disability."

Currently there is no standard template for DAFPs or their inclusions, which leads to inconsistencies across airlines and airports in their content, execution and digital location. QAL recommends that a structured is developed to aid improved communications and enable passengers with additional needs to better prepare for their air travel experience.

One common area of friction for passengers with disabilities is the security screening process. To simplify communications through DAFPs and better manage expectations, QAL recommends that the Department of Home Affairs introduces harmonisation of security screening notices across the country. Including specific guidance on how to approach and manage passengers with certain disabilities and hidden disabilities.

Consistency will ensure that passengers with disabilities know what to expect, and importantly know that there are other options for the screening of persons with special circumstances. QAL proposes that the government undertakes a marketing campaign targeting travellers with specific needs to educate them that alternative screening methods are available to ensure they are afforded respect and dignity throughout the screening process.

The Aviation Access Forum

In line with its previous positions above, QAL recommends that the Federal Government should bring together a working group of airlines, airport operators and disability advocates/those with lived experience to address issues faced by travellers living with disability. This working group should be accountable to the Department, reporting on actions and progress periodically.

Aeronautical Pricing Principles

Setting the scene

Airport charges are commercially negotiated between airlines and airports within a framework of non-binding Aeronautical Pricing Principles. These principles outline the Government's expectations for how airport operators should set access charges for aeronautical services and facilities and conduct aeronautical pricing negotiations.

Airports often use the building block methodology (BBM) to shape aeronautical charge discussions with airlines, which is a model that determines charges by 'building up' an airport's expected costs, such as capital and operating costs.

Charges are derived from the capital cost (both historical and forecast) of delivering and updating airport infrastructure that is both necessary for service delivery, legally required as per federal lease obligations and most importantly, necessary to deliver a safe environment for customers, staff and stakeholders.

Put simply, airport charges are calculated based on these capital and operating costs, divided by forecast passenger numbers.

These charges are reviewed annually, with published charges fluctuating according to the investment cycle for upgrade or redevelopment of facilities to accommodate airport growth and maintenance, as is required by the master lease agreement with the Commonwealth.

For larger airlines, separate commercial-in-confidence negotiations are undertaken and typically charges are lower than the published standard rates, due to being spread across a multi-year contract timeframe, though still following the BBM approach and providing contracted carriers with cost certainty.

In addition, airport charges are often heavily discounted for the provision of new or expanded capacity and locked in for several years to support the introduction of these services and provide an element of 'risk sharing' between airports and airlines.

With regard to collection of airport charges, this is undertaken by airline operators as part of the ticket price before being paid to the airport. The airport receives the collected charge after the flight has been taken, despite the fact the airline will typically have collected that charge many months earlier. If a ticket is not used, the airline retains all revenue despite collecting airport charges which it would not otherwise be entitled to retain.

It is also worth highlighting that airport charges are typically up to 10 per cent of the average airfare and do not fluctuate with demand as airfares do. Commercial agreements between airport operators and large airlines are typically in place for as long as 10 years (e.g. the 2022 10-year agreement between Virgin Australia and Townsville Airport).

In addition, airport charges have remained largely consistent throughout the pandemic period and cost-of-living crisis, unlike airfares which soared by 22.6 per cent between 2019 and 2022, as recorded in the ACCC's Airline Competition in Australia Report (June 2023).

QAL's position

QAL has historically focused on keeping costs low to attract carriers and the low airport charges at its two largest airports, the Gold Coast and Townsville, are evidence of this given the competitive landscape.

Gold Coast Airport is a large international airport, offering an efficient, single terminal building, enabling it to keep its international airport charges significantly lower than that of Brisbane Airport, which is only 100km away.

For new markets, QAL has and will continue to be pressured to discount airport charges to allow new capacity to build to sustainable levels.

QAL consistently adheres to the Aeronautical Pricing Principles when negotiating with airlines, recognising their role as a guiding set of principles that provide transparency when undertaking robust negotiations.

QAL doesn't believe it is necessary to mandate the Principles given they are proven to work as guiding principles and consecutive PCs have not identified any evidence of market power being exercised or even held outside of the four main gateway airports.

Airport operators rely on stable regulatory settings as they invest significant sums in building capacity ahead of demand in order to facilitate growth. Changing the settings of the regulatory landscape when there has been certainty for decades could create uncertainty around future investments.

If the Government does move to mandate the Principles, then QAL asks that it is actioned through the PC process to ensure the necessary resources and time are given to a proper review (much like the introduction of the Principles themselves that came about following three successive PC public inquiries dating back to 2002).

Should the Principles be mandated then both airlines and airport operators should be obligated to adhere to them and face consequences for falling short. However, this raises the practical challenges of legislating the Principles, which could see airport operators and airlines in lengthy and costly legal disputes attempting to demonstrate that they had adhered to the legislation.

In terms of improving the Principles, QAL supports the PC's recommendation that any agreement between an airport and an airport user must not contain anticompetitive clauses.

The role of airlines and airports in supporting regional economies

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.

Beyond their economic impact, airports make a crucial contribution to the social fabric and welfare of their local communities, facilitating better health, education and social outcomes.

The geographical distances between Australia's major cities and regional centres, and the lack of other transport options such as high-speed rail, necessitate cost-effective and reliable air travel.

Government support programs

Regional and remote airports do not have the financial capability of managing and maintaining their aerodrome infrastructure without the support of government funding.

The Department recognises the important role that aviation plays in servicing the needs of regional and remote communities across Australia, and as such, has and continues to finance a range of assistance programs for regional airports.

While QAL is grateful for the financial assistance it has received for Townsville and Mount Isa Airports through the Department's Regional Airports Screening Infrastructure Program, it believes that the Federal Government's funding envelope needs to extend further as there is a significant infrastructure deficit at regional airports.

QAL was 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.

The increasing costs of infrastructure development, maintenance, compliance and general operations, paired with a declining population (customer base) in many regional areas, mean that airport charges are unable to cover the costs of maintaining aeronautical assets.

As an example, the forward capital requirements at Mount Isa Airport for essential pavement maintenance works would see per passenger charges increase by almost 60 per cent, from $24 to $39, placing upwards pressure on ticket pricing and cost of living in the region. Any decline in population or volume of passenger traffic through the airport associated with the mining downturn or another reason would see this price increase proportionally.

The only way to maintain viability of Australia's crucial air network and future-proof regional Australia is through additional government funding assistance programs for regional airports. QAL supports continued Federal Government funding through programs such as the Regional Aviation Access Program and proposes formation of an additional regional funding scheme to offer extra support.

Including funding for new technology such as SmartGates within regional airports with or restarting international operations, to make them more feasible and improve the overall customer experience.

Further investment more generally in regional areas to encourage population growth would enhance regional aviation outcomes and support regional communities. QAL supports the development of a domestic bioenergy feedstock industry in Australia's regions - jobs, investment and people drive growth. These investments are critical to the green energy transition in Australia and will help secure the success of our regions in industries of the future. Policies should favour producers converting to feedstock and incentives should be made available to pilot Sustainable Aviation Fuel (SAF) initiatives.

The Government's Net Zero Roadmap and Action Plan should consider the refinement of SAF in regional areas, closer to the source product and regional airports. Government is at a critical point in the build out of the SAF industry in Australia and there is an urgency to make decisions on this front sooner rather than later.

Intra-state aviation services

State and territory governments are traditionally responsible for subsidising connectivity between urban centres and regional areas to deliver better health, education and investment outcomes for residents.

Regulated air services are subsidised or protected from competition by state and territory governments when demand is too low for a route to be commercially viable for airlines in an open market. While still providing a crucial link for remote communities, these schemes are limited in their effectiveness as applicable flights are extremely restricted and difficult to stimulate in order to deliver scale benefits to consumers. Additionally, these services are only available on intrastate routes which also limits their usefulness for consumers.

Even outside of the regulated route scheme, there are still difficulties providing lower costs of access for consumers. Mount Isa Airport is the gateway to the community, facilitating investment, freight, jobs and access to healthcare. The airport's passenger mix is predominantly business based, with a high frequency of travel due to the nature of the fly-in fly-out market. Because of the local business community, Mount Isa residents also often face extremely high airfares when they want to travel any significant distance. Despite the availability of direct flights, both regulated and deregulated, many Mount Isa residents choose to drive 10 hours to Townsville or 12 hours to Cairns, and fly onwards from there, as opposed to paying the relatively high airfares available. QAL does work with local airlines to provide discounted resident fares, matching discounts on airfares with discounts to airport charges, as outlined below.

Outcomes for local residents could be improved if the regulated route system was expanded, and supported by the Federal Government, creating consistency across the states and territories, and opening up subsidised intrastate travel.

Emerging aviation technologies

Emerging aviation technologies may offer new opportunities to increase the connectivity of regional communities while supporting the transition to net zero.

Currently it is difficult for airlines to service remote markets at the same frequency as urban centres as they do not have the critical mass to support frequent services.

Emerging aviation technologies providing smaller, higher frequencies at lower costs would drive substantial community social benefits. For example, day return trips for medical appointments could be possible, rather than facing the additional cost of nights in hotels either side of appointments to fit within a limited flight schedule. However, Australia's vast geography could prove a limiting factor in the viability of electrified aircraft, making it most suitable to routes between 300km – 500km as opposed to direct connections to capital cities.

Importantly, regional airports are critical infrastructure for the viability of regional Australia. The sector is underfunded and in an infrastructure deficit. New technologies should not be pursued without funding for trunk infrastructure that could be used to move towards more sustainable aviation practices.

Transition to net zero

QAL is committed to inspiring a sustainable future to create long-term benefit for its customers, partners and communities. It has committed to reaching Net Zero scope 1 and 2 emissions by 2030, with an aim of having 80% renewable energy by 2025.

Australia's move towards Net Zero is critical, and QAL is engaging with its precinct partners and other third parties to help to influence their wider airport-based carbon emissions (scope 3).

Climate change challenges

The increased frequency and intensity of natural disaster events demonstrates the reliance on regional airports to support communities and provide relief.

Heatwaves are among the most dangerous natural hazards, with heat stress accounting for 2 per cent of total deaths in Australia between 2006 and 2017, according to a recent ANU research study. With the number of heatwave days increasing across Australia as a whole since 1950, access to reliable air travel is critical to ensure regional communities receive timely medical care and support.

In early 2023, North West Queensland experienced a flooding event that saw much of the area's road network underwater. Mount Isa Airport became a critical freight hub during the floods, ensuring the community was supplied with food and medical supplies.

This again demonstrates the criticality of a well-maintained network, that requires additional federal and state funding support.

A key consideration for regional airports in the pursuit of Net Zero is the availability of a supplier of green energy in such remote areas at a reasonable price point. A viable green energy supplier is imperative to ensure energy usage assists towards a low carbon future.

Maximising aviation's contribution to net zero

QAL is committed to inspiring a sustainable future to create long-term benefit for its customers, partners and communities. It has committed to reaching Net Zero scope 1 and 2 emissions by 2030, with an aim of having 80% renewable energy by 2025.

Scope 1 & 2 emissions are those that are under the operational control of the airport:

- **Scope 1 emissions** are direct on-site emissions under the control of the airport, for example air conditioning refrigerant loss, and generator and vehicle emissions.

- **Scope 2 emissions** are indirect emissions associated with the use of electricity on-airport that is generated off-site.

QAL is committed to reaching Net Zero scope 1 & 2 carbon emissions by 2030. A set of 18 program initiatives have been developed to enable QAL to ensure it reaches this goal, with the aim of having 80% renewable energy by 2025. The plan also establishes responsibilities and accountabilities across the business, outlining the critical path for success. This includes a power purchase agreement (PPA) for renewable energy, on-site solar and a plan to boost electrification together with its precinct partners.

QAL is already making headway across its ports, including:
- 820 solar panels on the roof of the car park shade structures at Mount Isa Airport, providing more than 80 per cent of the airport's daylight electricity usage,
- 396 solar panels on Longreach Airport's terminal building, providing about 95 per cent of the airport's daylight electricity usage,
- 120 solar panels on the roof of the Townsville Airport Management Centre, providing more than 50 per cent of the building's daylight electricity usage, and
- Being in market for a green PPA for Gold Coast Airport, covering over 80 per cent of its energy needs by Q1 2025.

Gold Coast, Townsville and Mount Isa Airports have achieved level 2 accreditation under the Airports Council International (ACI) Airport Carbon Accreditation Program. Longreach Airport is level 1. QAL is on course to achieve Level 3 accreditation across all of its airports by 2025.

Airport Carbon Accreditation independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions.

GRESB

QAL participated in the annual Global Real Estate Sustainability Benchmark (GRESB) assessment in 2023. GRESB is a global ESG measurement tool for infrastructure assets.

QAL recorded a two-point improvement on its previous year's score, taking its assessment to 95 out of 100, with a five-star rating (the highest possible GRESB rating). This result is significantly higher than the GRESB average of 81 and the peer average of 93. QAL scored a perfect 60 out of 60 in the Performance component of the Benchmark, measuring energy, greenhouse gas emissions and other airport outputs and inputs.

Scope 3 emissions

Scope 3 emissions are emissions generated by the airport's stakeholders (e.g. airlines) and are not under the airport's direct control e.g. carbon emissions generated by aircraft taking off and landing, or ground transport options to and from the airport.

QAL's 18-step strategic workplan is focused on reducing Scope 3 emissions in three areas:
- **Aviation-related** through engagement with airlines, governments and other parties,
- **Surface access** through engagement with key government and industry stakeholders, as well as precinct partners and passengers, including creating an holistic electrification strategy to support the reduction of surface emissions, and
- **Waste** through reduced waste generation and increased recycling / diversion from landfill.

Currently QAL is undertaking a body of work at Gold Coast Airport to inform its electrical transition. It has engaged electrical engineers to investigate all areas of the Airport's proposed electrification program and its effect on the embedded network. This includes the car rental companies, as well as lease tenants such as Southern Cross University, who are on their own pathways to net zero. By understanding what the future demand on the network may be, QAL can better facilitate the transition of the network, including providing for its stakeholders, to effectively implement its electrical strategy.

Sustainable Aviation Fuel

Sustainable Aviation Fuel (SAF) is critical to decarbonising Australia's aviation industry in the short-to-medium term, particularly given Australia's size and geographical location mean other options, such as electrification, are severely limited.

Australia is well positioned to play a key role in SAF, both as a source of feedstocks and as a SAF producer. Developing Australia's SAF industry should be a key priority for Federal Government and QAL supports the formation of the Australian Jet Zero Council to drive action on SAF as quickly as possible.

Development of a domestic SAF industry offers significant economic opportunities for Australia, as well as providing for enhanced domestic fuel security, and supporting significant investment in regional Australia (as mentioned on page 22). Failure to develop a SAF industry in a timely manner may hurt Australia's overall ability to be competitive in future, in a world where Europe and America are already well ahead of us in their work in this space.

QAL encourages the release of the Australian Government's Net Zero Roadmap and Action Plan and commits to working with government, fuel suppliers and industry to accelerate the adoption of SAF to assist in the reduction of scope 3 emissions.

Noting the necessity of policies supporting the implementation of SAF, including Blending Mandates and Incentives, Government financial assistance, such as grants or subsidies will be necessary for the implementation of SAF infrastructure, including any requirement for duplicate hydrocarbon and SAF infrastructure during the transition period.

Additionally, the pursuit of a local SAF industry shouldn't hamper consecutive support of other sustainable fuel industries, such as electrification and hydrogen propulsion technologies.

Airspace management

It is important to recognise the role of flightpaths when looking to reduce emissions. Currently when sequencing aircraft for arrival at major Australian airports, air traffic control (ATC) relies on techniques such as speed control, vectoring and holding to absorb delays. These techniques have a higher negative impact on the environment (both emissions and noise) than Continuous Climb / Descent Operations (CCO/CDO).

CCOs and CDOs allow aircraft to follow a flexible, optimum flight path that delivers environmental and economic benefit in reduced fuel burn, greenhouse gas emissions, noise and fuel costs – without impacting safety.

Airservices Australia is currently trialling a CDO 'predictable sequencing' procedure for arrivals into Melbourne Airport, with plans to expand the trial to other major airports. QAL supports the extension of this trial and the ongoing application of the CCO/CDO airspace management technique whenever appropriate.

Airservices Australia's ATC needs to take reasonable steps to avoid inefficient traffic management techniques that result in excess fuel burn.

![Queensland Airports Limited logo]

Airport development planning processes and consultation mechanisms

QAL community consultation

QAL is committed to community consultation, recognising the importance of its local communities as stakeholders and ambassadors. The Gold Coast Airport Community Aviation Consultation Group (CACG) takes place three times a year, and in addition, the supporting Aviation Noise Abatement Consultative Committee (ANACC) is held three times per year. Townsville Airport hosts a CACG twice per year with the Department of Defence in attendance.

Local, state and federal government representatives, as well as airline and other industry partners are invited to attend and meet with the community to receive feedback, provide information and participate in ongoing dialogue.

In 2024, Gold Coast Airport's two committees (CACG & ANACC) will be combined and extended, meeting quarterly, with a view to improving productivity by securing increased participation from elected representatives and external agencies. The group will continue to be chaired by former Australian Aircraft Noise Ombudsman Mr Ron Brent.

In preparation for the development of the Gold Coast Airport 2024 Master Plan, an extra-ordinary early-engagement session was held with the CACG to capture their clear points of feedback for consideration throughout the Master Plan development process. Additionally, another session will be held out of cycle to update the CACG on how their feedback was incorporated into the Master Plan ahead of the public consultation period.

Australian Noise Exposure Forecast

Land use planning in the vicinity of an airport takes into consideration aircraft operations and flight paths to prevent unsuitable development in areas subject to aircraft noise impacts. The primary method for predicting aircraft noise impacts and developing a planning response is the Australian Noise Exposure Forecast (ANEF) system, described in AS2021:2015 Acoustics – Aircraft Noise Intrusion – Building Siting and Construction.

AS2021:2015 contains land use compatibility advice for areas impacted by aircraft noise, and describes types of development permitted within each ANEF contour.

Land use planning for areas surrounding airport land is subject to State, Territory and Local Government control. The National Airports Safeguarding Framework (NASF) process is largely effective if applied appropriately, however can result in poor social outcomes for the community if an area previously free of ANEF considerations are exposed to aircraft noise. The Department should ensure NASF guidelines are better understood and force jurisdictions to adhere to NASF in their planning decision. Greater support from the Federal Government in this regard would provide an effective step towards safeguarding the process and improving noise outcomes for communities.

The use of ANEF contours does have its limitations, one being that it doesn't indicate what level of noise people can expect. Given noise is highly subjective, communities should be given as much indication as possible about what noise and frequency of activity they could be subject to.

N-above contours show the number of daily noise events that can be expected above a specific level of decibels (normally 60, 65 or 70). As it did with its Townsville Airport Master Plan, QAL will use N-

above contours in parallel with ANEF in its 2024 Gold Coast Airport Master Plan to best inform community members of aircraft noise impacts.

Technology

Remotely Piloted Aircraft Systems (RPAS), such as drones, and other future technologies, given their high level of flying activity, will likely have dispersed and serious noise and privacy impacts on communities across Australia.

QAL supports the development of an outcome-based framework for emerging aviation technologies, noting that noise impact from drones should be managed differently to that of traditional aviation, which a deep and long-established contribution to Australia's economic and social wellbeing.

Aircraft Noise Ombudsman

QAL would support the independence of the Aircraft Noise Ombudsman from Airservices Australia, to increase community trust and confidence in the independence and enforceability of the Ombudsman.

Should the Ombudsman report directly to the relevant Minister then a clear process needs to be developed to acknowledge and address significant issues, and ensure that corrective actions are measured in their response.

Major Development Plans

QAL is supportive of the Federal Government's proposal to lift the monetary threshold for Major Development Plans (MDPs) to $50 million in 2024 to factor in cost escalations within the construction industry. The cost and associated administrative complexities of MDPs, which can take up to 18 months from lodgement to approval, are out of step with local and state government development approval processes and can be detrimental to on-airport projects, limiting investment potential and opportunity.

General Aviation

A healthy General Aviation (GA) industry is critical to the overall health of Australia's aviation industry, providing resilience to the sector and ensuring its future sustainability. GA performs an essential role providing services such as charter flights, aeromedical, emergency, pilot training and aircraft maintenance work across Australia, but particularly, it is a key lifeline for rural communities that rely on aviation for transport, aeromedical, emergency, agriculture and education.

GA is also the entry point for commercial aviation personnel, providing a training pathway for pilots and maintenance workers. Without a healthy and resilient GA workforce, Australia's commercial aviation industry would be forced to rely on imported labour rather than qualified and professional talent with locally acquired skills and competencies.

Despite 14 years having passed, Australia's GA industry continues to face similar issues today as it did during the 2009 Aviation White Paper process, including ageing GA aircraft, access to airspace and development at airports.

Government incentives

Currently, airport operators are expected to provide and maintain GA infrastructure at a significant financial loss. Airports are disincentivised to invest in GA facilities given they bear the full cost, with no direct return. With aeronautical infrastructure for GA at all QAL ports reliant on regular and ongoing maintenance, a solution to better fund investment in assets and facilities is required.

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

QAL encourages a commitment from the Federal Government on recurrent funding or alternative commercial terms, such as commercial Regular Passenger Transport levies, to sustain and grow GA assets and facilities into the future. Without a government-led revitalisation of the industry, GA is largely unsustainable and commercially unviable in its current form, which will result in airports' inability to invest to support non-compliant improvements, and in some cases, a need to reconsider the scale of onsite GA activities.

Air Traffic Control (ATC)

Gold Coast Airport continues to face ongoing issues with Airservices Australia's inability to provide ATC services effectively often resulting in reduced staffed tower hours. Airservices Australia likens the diverse range of aircraft at Gold Coast Airport – both commercial Regular Passenger Transport planes and GA aircraft – to "the Galapagos Islands" citing this as the reason why there is a lack of available trained staff, which often leads to reduced tower hours and restrictions on GA operations as RPT services are prioritised. Gold Coast Airport is currently operating under reduced tower hours, and will do so until at least 24 February 2024, as a result of under-staffing and poor roster resilience and training at Airservices Australia.

GA appropriate airfields

The Gold Coast Airport 2024 Preliminary Draft Master Plan will see forecast GA aircraft movements decrease over the next 20 years as domestic and international commercial Regular Passenger Transport (RPT) flights increase.

Currently, GA aircraft movements are already constrained at Gold Coast Airport, and are limited to off-peak times to manage runway capacity with RPT traffic and improve airfield efficiency.

Gold Coast Airport's existing GA precinct is also nearing full development given the spatial constraints of the airport boundary and airfield configuration, leaving limited space for tenants and private operators to expand beyond their existing facilities.

Gold Coast Airport predicts that the largest GA segments utilising its facilities, for example flying schools, will eventually seek alternative base locations that will enable them to expand their operations over the next 20 years. Whereas aeromedical, corporate aviation, freight and aircraft maintenance activities will continue on-precinct.

As the lifeblood of Australia's aviation industry, it is important that GA operations are supported throughout a wide range of Australia's aerodromes. However, as always safety is paramount. Where GA activities could pose safety risks due to potential conflict with high volume RPT movements, it is recommended that other, more GA appropriate airfields are considered as a base.

It is important to note that QAL is wholly supportive of GA operations continuing to expand at its other, less space constricted airports, namely Townsville, Mount Isa and Longreach Airports, dependant on ongoing government financial support.

Fit-for-purpose agencies and regulations

Unlike other industry sectors, aviation has no clear owner that holds ultimate responsibility. While QAL, as an operator of federally leased airports has the Department as its landlord, it is still beholden to other government agencies e.g. Department of Home Affairs that sometimes gives competing requirements creating uncertainty.

The regulatory systems governing Australia's aviation industry have remained largely static for more than 25 years. Both CASA and Airservices Australia have seen their responsibilities grow considerably since inception, particularly Airservices Australia which was originally primarily designed for air traffic management, but now sees its focus and resources spread thinly.

Both agencies' funding structures have also failed to keep pace with the growth of the organisations, which QAL is concerned contributes to a lack of focus and service delivery. QAL also now questions what will replace CASA's existing fuel excise-based funding model as new aviation technologies emerge.

QAL faces challenges obtaining feedback and responses from CASA due to their chronic understaffing. Additionally, Airservices Australia's ongoing workforce shortages continue to contribute to poor customer outcomes, with a lack of appropriate staffing within Air Traffic Control causing cancellations, delays and disrupted operations.

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

Currently, QAL has no confidence that CASA or Airservices Australia has a clear timeline on how and when ongoing staff shortages will be resolved and managed. QAL asks that as a matter of urgency, the Federal Government provides staff with the appropriate skills and expertise to meet the current and future demands of Australia's aviation industry.

Opportunities for improvement of current arrangements

The *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005* contain numerous inconsistencies in relation to their application and interpretation. Since they were first introduced nearly 20 years ago, new legislative updates have been slotted into the regulations that now misalign with other sections of the document making it difficult for airports to implement. As a result, implementation is often up to the interpretation of the regulator and individuals within the Department at the time which leads to ambiguity and lack of clarity around the path forwards.

To date, rather than a review of the Act and Regulations, sub documents have been introduced which also add to the complexity e.g. the Aviation Screening Notice. These requirements do not always appropriately address risk and can result in an inconsistent application. For example, the requirement of Powders, Liquids, Aerosols and Gels (PLAGS) screening for international flights but not domestic is inconsistent and confusing for passengers. Another example that does not seem sensible is that law enforcement agencies are exempt from screening, except for Australian Border Force, who if they present to a screening point must be screened, however are also able to enter a cleared area without first being screened.

QAL recommends that the Government review the legislation to ensure that it is fit for purpose and represents the modern era and global best practice, removing inconsistencies of application.

Mitigation measures should be risk based and approached consistently across Domestic and International passengers and Staff.

Security screening arrangements

QAL is committed to providing a safe and secure environment for its passengers and team, as well as a seamless and enjoyable customer experience. It engaged closely with Government following the introduction of enhanced security requirements, and now has CT and body scanners at Gold Coast and Townsville Airports.

Importantly, for airports that have already invested in CT-based equipment, the Government should subsidise any further necessary upgrades to ensure technology remains fit for purpose.

International passenger facilitation

The Passenger Movement Charge (PMC) was originally designed to offset the cost of the provision of passenger facilitation at airports, namely customers, immigration and quarantine functions. This charge has increased numerous times since it was first introduced in 1995 and there is now little transparency between the charge and the cost recovery of delivering border services, with funds flowing into Treasury as consolidated revenue.

Surplus PMC funds should be re-invested in the provision of border services at current and emerging international airports.

QAL would like to acknowledge Part Four of the Tourism & Transport Forum's (TTF) Green Paper submission, which it made in partnership with global aviation consultancy Airbiz. QAL wholly supports this chapter of TTF's submission which outlines numerous initiatives and recommendations for improving international passenger facilitation, including contactless border processing.

Townsville Airport previously facilitated international services and QAL is confident that it will re-establish international connections, with its commercial team in ongoing discussions with international airlines. However, it is at a disadvantage in its discussions as it is lacking up-to-date border service infrastructure and staff. QAL requests Federal Government funding support for new border facilitation technology to make the reinstatement of international operations more feasible and efficient, in order to attract international connections to regional airports.

More broadly, visa processing systems also need a digital overhaul to streamline visa acquisition procedures and reduce bureaucratic inefficiencies to facilitate easier travel. Currently, Australia's visa processing app is only available in English – a simple in-language interface would improve usability significantly and increase Australia's attractiveness as a destination. Visa rejections are also seemingly arbitrary, with numerous examples of large family groups cancelling travel to Australia when the visa application for an infant is rejected. QAL questions the true effectiveness of the $144 million budget for Tourism Australia when, but for relatively inexpensive solutions for translation of visa portals and additional visa processing resources, our reputation as a difficult country to access impedes growth of valuable inbound visitation.

Air cargo facilitation

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.

Some known freight inefficiencies around Gold Coast Airport include the 3.5 million kilograms of export beef that either travels up to Brisbane Airport (straight past Gold Coast Airport) to be flown back down to Sydney for onward distribution or is trucked down to Sydney (despite air travel being far less carbon intensive). Another example is the 65% of Australia's blueberries that are produced around Coffs Harbour, and then despite Gold Coast Airport being closer geographically, are then trucked down to Sydney Airport for distribution.

There is no single source of truth outlining the origin and destination of freight movements in Australia (air cargo included). Increased transparency within the freight industry would see freight pathways optimised leading to improved environmental outcomes.

QAL requests that the Federal Government compel primary producers and freight forwarders to improve reporting and seek the most efficient path of travel to minimise their environmental footprint.

Future industry workforce

Workforce pressures continue to create a challenging outlook for the aviation industry some 18 months after the world returned to a sense of normality post Covid-19. Australian airports in particular lost many skilled workers – QAL unfortunately had to downsize its workforce by one third, with Gold Coast Airport closed for 45 consecutive days during 2020.

The aviation industry once had a reputation as being glamourous and secure, however this has largely been lost post-Covid and will be difficult to re-establish again.

The housing crisis, in tandem with cost-of-living pressures has seen people leave the airline industry for better paid, less physically taxing jobs in other industries. For example, Mount Isa Mines is one of Australia's oldest and largest mining operations and is well-established as an employer of choice in the region, offering lucrative long-term contracts to the fly-in fly-out workforce. This environment has made it more difficult to secure and retain skilled workers at Mount Isa Airport.

Gold Coast Airport too faces workforce challenges, with the lack of available rental properties and ready access to schooling in some areas of the Gold Coast and Northern New South Wales a deterrent to potentially highly talented employees.

QAL as an employer

As the largest regional airport operator in Australia, QAL is a proud employer of approximately 200 people directly, and its airport activities facilitate thousands more jobs across Queensland and into Northern New South Wales.

QAL is focused on being an employer of choice and has a strong emphasis on Diversity, Equity and Inclusion (DE&I). In the past 18 months, QAL has welcomed its first female CEO and a female Chair. Also, more than 40 per cent of QAL's Leadership Team (Executive Committee and General Managers) are female.

Women represent four out of seven Board Members and three out of seven of QAL's executives. Beyond gender, QAL is actively seeking out and recruiting candidates from diverse backgrounds, identities, and experiences. In addition, it uses diverse recruitment channels and networks to reach a broader pool of candidates and eliminate barriers to entry.

QAL is focused on closing the gender pay gap and has recorded improvements in closing the gap to as low as 7.6 per cent in 2022. It also continues to take proactive steps towards improving Diversity, Equity & Inclusion.

All QAL roles can take up a flexible work option whether in the form of remote work, flexible start and finish times, or reduced work weeks or fortnights.

Employees at all levels, including the Leadership Team are provided with training on DE&I, on topics such as unconscious bias, cultural competence, and inclusive language provided by the Diversity Council of Australia and LinkedIn learning. This training helps employees recognise and challenge their own biases and create a more welcoming and supportive work environment.

QAL has recently partnered with the Diversity Council of Australia to help deliver further training in this area scheduled for late 2023 and focused on removing bias through the lens of privilege.

QAL has recently been formally recognised as a Great Place to Work for the third time – the only Australian airport to receive this accreditation. 91 per cent of QAL employees surveyed believe that QAL is a great place to work, which is an 8 per cent improvement on last year's results.

Net Zero workforce

Transitioning to a Net Zero workforce should be a key priority for Government, with education and training programs established in partnership with industry and education centres focusing on low carbon technology.

Australia needs to establish a Net Zero workforce and supply chain that is sustainable given the intense competition there will be for these skills and infrastructure from around the globe. Regional areas should be a focus to ensure skilled resource is available to assist in the emerging needs due to climate change.

Skilled migration pathways

Many operational roles within the aviation industry require Australian citizenship or residency, meaning overseas migration is not a short-term solution to Australia's aviation workforce shortage. However, the return of international students will see short-term improvements to the workforce pressures at capital city airports and the hospitality and tourism industries more broadly.

International Aviation

As an airport group that serves both a predominantly inbound tourism destination (Gold Coast), as well as regional communities, QAL understands the impact that high airfares have on the quality of life of those living and working in the surrounding communities.

Australia is a vast country with great distances between its urban centres, necessitating the need for reliable and affordable air travel - both for passengers and freight - particularly given the lack of viable transport alternatives such as high-speed rail.

Air travel is the lifeblood of many regional communities, facilitating investment, jobs and access to healthcare. In tourism centres, air travel underpins the region's growth and prosperity, with many communities wholly reliant on the discretionary spend of tourists to support their livelihoods.

Increased aviation capacity to any region has a profound effect on local economies, with tourism dollars stimulating economic activity broadly across many sectors. For example, a daily service from a hub carrier into Gold Coast Airport with primarily UK/Europe inbound visitors, has the potential to drive a $160 million a year uplift to the Gold Coast and Northern New South Wales economies.

QAL is in constant discussion with airlines, working to grow existing and secure new services to its ports, recognising that increased supply drives greater competition and ultimately puts downward pressure on airfares.

Typically, the more airlines that service a region or the higher the frequency of services, the lower airfares tend to become, driven by competition and economies of scale. In essence, the more aircraft seats, the lower the airfares, offering considerable economic and social benefits to the regions they support.

QAL supports the continued development of bilateral agreements to help disperse the economic benefits of international Air Services Agreements into regional Australia, including key tourism markets such as the Gold Coast and Townsville.

Gold Coast Airport is a large international airport, offering an efficient, single terminal building, enabling it to keep its international airport charges significantly lower than that of Brisbane Airport, which is only 100km away. As the fastest growing major city in Australia, the Gold Coast provides a compelling opportunity for new international airline connections, particularly given 370,000 trips were taken between Europe/UK and the Gold Coast in 2019.

QAL will continue to work closely with its partners – State Governments, City Councils and peak tourism bodies to continue to encourage the introduction of new international connections.

Next steps

QAL again offers its thanks to the Department for the opportunity to shape the Aviation White Paper's development process, commenting on future trends and helping to shape long-term policy directions.

Should the Department have any questions or comments then please feel free to reach out to Queensland Airports Limited via: ████████████████████████████