30 NOVEMBER 2023

AVIATION GREEN PAPER

TOWARDS 2050

Submission to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on behalf of Freight &Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA)

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"

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ABOUT THE ALLIANCE

Freight & Trade Alliance (FTA) is the peak body for the international trade sector with a vision to establish a global benchmark of efficiency in Australian biosecurity, border related security, compliance, and logistics activities.

FTA represents more than 500 businesses including Australia's leading customs brokerages, freight forwarders and major importers.

On 1 January 2017, FTA was appointed the Secretariat role for the Australian Peak Shippers Association (APSA). APSA is the peak body for Australia's containerised exporters and importers under *Part X of the Competition and Consumer Act 2010* as designated by the Federal Minister of Infrastructure and Transport.

APSA is also a member of the Asian Shippers' Alliance (ASA) and has board representation on the Global Shippers Forum (GSF) that represents shippers' interests and that of their national and regional organisations in Asia, Europe, North and South America, Africa and Australasia.

FTA / APSA also provide international trade and logistics advocacy support to the following associations:

• Australian Council for Wool Exporters and Processors;
• Australian Dairy Products Federation;
• Australian Horticulture Exporters and Importers Association;
• Australian International Movers Association;
• Australian Meat Industry Council;
• Australian Steel Association; and
• Tyre Stewardship Association.

The current APSA Officers and Committee of Management are listed below:

• Olga Harriton (Manildra Group) - APSA Chair
• Brian Thorpe (Visy) - APSA Vice Chair
• Flaminio Dondina (Casella) - Treasurer
• Paul Zalai - APSA Secretary
• Sarah Granger (Fletcher International Exports)
• Billy Davies (Australian Meat Industry Council)
• Brian Wright (Australian International Movers Association)
• Michael Lamperd (Norco Co-operative Limited)
• Mark Christmas (QMAG)
• Michael Brittain (AGT Foods Australia)

A list of all members and further information about FTA / APSA is available at www.FTAlliance.com.au

EXECUTIVE SUMMARY

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) represent leading import and export businesses including world class manufacturers and producers, supported by skilled customs brokers and freight forwarders. This broad membership of professional entities is ready to take advantage of the opportunities created by trade liberalisation measures and those economies recovering from the pandemic.

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) sees the Aviation Green Paper as a crucial step in developing the roadmap for the transformation of Australia's aviation sector into a more sustainable, efficient, and forward-looking industry.

FTA / APSA calls for collaborative efforts among government bodies, industry stakeholders, and the community to achieve these ambitious but essential goals towards 2050 with a more sustainable and innovative future for the Australian aviation sector.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) through ongoing engagement with key stakeholders, is poised to craft an Aviation White Paper that embodies a thorough and cooperative strategy for the advancement of the sector.

FTA / APSA in collaboration with our members, have contributed to providing feedback to the Department's Aviation Green Paper. FTA / APSA has prepared the following submission with twenty-one (21) recommendations in response to the specific questions as outlined in the *Aviation Green Paper – Towards 2050.*

CONTACT

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RECOMMENDATIONS

RECOMMENDATION 1 – The Australian Government is to prioritise environmental sustainability within the aviation sector by implementing goals and targets aimed at achieving net zero emissions by 2050.

RECOMMENDATION 2 – Government to explore cabotage to facilitate competition in the shipping industry, potentially leading to more competitive freight rates and improved efficiency in domestic transport.

RECOMMENDATION 3 – Government to review Demand Management Schemes to assist in facilitating growth.

RECOMMENDATION 4 – Implementation of mandatory performance standards applicable between both CTOs and landside transport operators.

RECOMMENDATION 5 – Implementation of a mandatory industry code administered against CTOs to safeguard against any unjustifiable rate increases imposed on landside operators.

RECOMMENDATION 6 – Implementation of a mandatory industry code administered against CTOs to safeguard against stoppages.

RECOMMENDATION 7 – Government to provide support and incentives to industry focusing on sustainability and sustainable aviation fuels (SAF).

RECOMMENDATION 8 – Government to establish regulatory frameworks that mandate emission reductions and encourage sustainable practices across all aviation subsectors.

RECOMMENDATION 9 – Government to engage with industry as a stakeholder on the framework for airport development.

RECOMMENDATION 10 – Incentivise the adoption of green technologies in airport development and operations.

RECOMMENDATION 11 – Government to engage with cargo sector as a stakeholder in the master planning phase.

RECOMMENDATION 12 – Government to focus on enhanced stakeholder engagement, ensuring reforms are data-driven and evidence-based.

RECOMMENDATION 13 – Government to ensure that the cost burden is fairly distributed across different stakeholders and engage with industry stakeholders to develop funding models that are viable and consider the industry's perspectives and capabilities.

RECOMMENDATION 14 – Consideration to be made for screening of cargo to certain Australian territories (e.g., Norfolk Islands) to ensure that the cost burden is reduced.

RECOMMENDATION 15 – As per previous recommendation in FTA / APSA submission to Simplified Trade System Implementation Taskforce, the Australian Border Force to engage with industry on implementation of a pre-load cargo reporting regulatory model and systems implementation.

RECOMMENDATION 16 – Government to invest in targeted education and training programs, collaborating with industry stakeholders to develop clear and adaptable training pathways and qualifications.

RECOMMENDATION 17 – Government need to invest in targeted inclusion programs, collaborating with industry stakeholders to fund and facilitate events aimed at addressing diversity.

RECOMMENDATION 18 – Government to prioritise career pathways for young Australians in the aviation sector, focusing on education and training initiatives that target domestic talent, especially among youth.

RECOMMENDATION 19 – A need for more flexible and transparent negotiation framework is required, with a more inclusive process that considers the interests of a diverse range of stakeholders, including both Australian and foreign carriers, as well as tourism and trade sectors.

RECOMMENDATION 20 – Government to support exporters on key trade routes as a priority.

RECOMMENDATION 21 – Government to ensure efficient allocation of resources for new or redeveloping ports, leveraging technology for border processing, and cost-sharing models between government and airport operators which are crucial.

Chapter 2 – Likely future directions out to 2050

Q: What emphasis should the Australian Government place on these trends to help guide the future of the sector? Are there any other trends the Australian Government could add?

The Australian Government should emphasize environmental sustainability in aviation, with implementation of specific goals and targets for achieving net zero emissions by 2050 to provide clear direction to industry. This focus, alongside maintaining safety and promoting competition, is crucial. In the cargo sector, integrating eco-friendly logistics and advanced security is key. Additionally, adapting to emerging trends and digitalisation will be vital for global competitiveness.

RECOMMENDATION 1 – The Australian Government is to prioritise environmental sustainability within the aviation sector by implementing goals and targets aimed at achieving net zero emissions by 2050.

Chapter 3 – Airlines, airports and passengers – competition, consumer protection and disability access settings

Q: What types of data and analysis should the Australian Government produce to support aviation competition outcomes?

To support aviation competition outcomes, the Australian Government needs to gather and analyse diverse data sets. This includes detailed information on market trends, consumer behaviour, and pricing strategies in the aviation sector. Keeping track of changes in airfares, airport fees, freight rates and how airlines utilise their capacity is crucial. Examining global best practices in aviation regulation and comparing these with international benchmarks will provide valuable insights. Additionally, gathering feedback through consumer satisfaction surveys can help understand passenger needs, freight needs, and preferences, which is essential for developing policies that encourage a competitive and consumer-centric aviation market.

Q: Would the Australian Government's publication, in consultation with industry, of a decision-making framework and guide for short term cabotage dispensations support clarity of current processes to manage future decisions to implement longer-term cabotage arrangements?

The Australian Government's publication of a decision-making framework for short-term cabotage dispensations, in consultation with industry, would enhance clarity in current processes and address the issue of uncompetitive domestic air freight rates. By providing a clear and structured approach to cabotage, this initiative could facilitate competition in the shipping industry, potentially leading to more competitive freight rates and improved efficiency in domestic transport. This step is also crucial in laying the groundwork for future decisions regarding long-term cabotage arrangements.

RECOMMENDATION 2 – Government to explore cabotage to facilitate competition in the shipping industry, potentially leading to more competitive freight rates and improved efficiency in domestic transport.

Q: What should the Australian Government take into account in designing the terms of reference for the proposed Productivity Commission Inquiry?

When designing the terms of reference for the proposed Productivity Commission Inquiry, the Australian Government should consider several key factors:
Scope and Objectives: Clearly define the inquiry's scope and objectives, ensuring they are aligned with national economic goals and address pertinent issues like market efficiency, competitiveness, and consumer welfare.
Industry and Stakeholder Input: Incorporate diverse perspectives by engaging with a range of stakeholders, including industry representatives, consumer groups, and academic experts, to ensure a comprehensive understanding of the issues.

Economic and Social Impacts: Assess the potential economic and social impacts of policy changes, including effects on employment, regional development, and environmental sustainability.

International Best Practices: Consider international benchmarks and best practices to understand how similar challenges are addressed in other jurisdictions, providing a global context to the inquiry.

Regulatory and Market Analysis: Examine current regulatory frameworks and market dynamics to identify areas for improvement or reform.

Technology and Innovation: Evaluate the role of technology and innovation in driving productivity and consider how government policies can support technological advancements.

Flexibility for Emerging Issues: Allow flexibility within the terms to adapt to emerging issues or unforeseen economic shifts during the course of the inquiry.

Timelines and Reporting: Set clear timelines for the inquiry's stages and reporting, ensuring timely recommendations and implementation.

By considering these factors, the Australian Government can ensure that the Productivity Commission Inquiry is well-positioned to provide actionable insights and recommendations for economic and policy reforms.

Q: What measures should be taken to ensure Australian aviation markets operate efficiently, improve competition settings, and deliver optimal consumer outcomes?

Undertake a Review of Demand Management Schemes:

FTA / APSA supports reform that would help create a competitive environment and more international capacity.

As an example, FTA / APSA in a letter to the government on 6 April 2023, advocated for reform of Sydney Airport's scheme that would help create more international capacity into Sydney Airport. This would demonstrably benefit our members and the broader freight and logistics sector through the creation of vital air freight capacity, noting 80% of international air cargo is transported in the belly of passenger planes.

Sydney Airport plays a central role in Australia's international air freight task due to the fact it acts as the primary gateway to Australia, accounting for 40% of all international passengers arriving in Australia. In turn, 45% of all air freight is moved through Sydney at a total of 530,000 tonnes pre-COVID worth $53 billion.

At a briefing to the executives of major freight forwarding businesses on 4 April 2023, Sydney Airport representatives advised that the complex layers of its existing demand management scheme are impacting productivity and efficiency, preventing the limit of 80 flights per hour being achieved. As it stands the airport only ever facilitates around 73 flights per hour in peak times, leaving an opportunity for modest capacity growth within the existing curfew and hourly movement cap.

As outlined in the NSW Freight and Ports Plan, Sydney and NSW's freight task is predicted to grow 28% and 50% respectively through to 2036, however, without increased capacity, demand will outstrip supply making Australia less internationally competitive. Given that Sydney Airport will be the base for most international airlines for the foreseeable future, FTA / APSA sees merit in reform to its operating rules that could see the creation of important additional international air cargo capacity.

RECOMMENDATION 3 – Government to review Demand Management Schemes to assist in facilitating growth.

Supply Chain Performance – Mandatory Code:

Cargo Terminal Operators (CTOs) do not provide landside transport operators with any form of key performance indicator. Costs for periods of lengthy wait times are either absorbed by transport operators or passed on to the freight forwarder, importer or exporter customers.

A New South Wales regulatory precedent exists in the sea containerised cargo environment in the form of 'mandatory standards' that are embedded in the Ports and Maritime Administration Regulation 2021. They

came into force in 2010 and were last updated in September 2021 ensuring both transport operators and stevedores servicing Port Botany are subject to Mandatory Performance Standards.

Stevedores and transport operators compensate each other for failing to meet Mandatory Performance Standards with prescribed two-way penalties:

- Transport operators: early arrivals, late arrivals, no shows, and cancellation of bookings (listings)
- Stevedores: minimum number of slots offered per hour, truck turnaround time, failure or refusal to perform truck servicing, and time zone cancellations.

In September and October 2023, a major disruption impacted a wide range of logistics stakeholders, including freight forwarders, customs brokers, importers, exporters, and transport operators, due to an issue at Qantas Freight. Specifically, on September 23, 2023, Qantas Freight experienced system cutover challenges at all their key CTOs. This technical setback led to a significant delay in cargo release, as the operations had to revert to manual processes. The situation was exacerbated by the absence of a robust business continuity plan, resulting in cargo movements being significantly delayed or at a standstill in some cases until late October. The financial impact on industry was extreme, with costs for periods of lengthy wait times either absorbed by transport operators or passed on to the freight forwarder, importer or exporter customers. Mandatory performance standards would help elevate performance standards and provide accountability.

RECOMMENDATION 4 – Implementation of mandatory performance standards applicable between both CTOs and landside transport operators.

CTO Landside Charges – Mandatory Code:

The Productivity Commission report from 21 December 2022 titled Lifting productivity at Australia's container ports: between water, wharf and warehouse makes may interesting observation with parallels to the air cargo environment.
Specifically, the Commission notes that stevedores compete vigorously to provide services to shipping lines. Cargo Terminal Operators (CTOs) also operate in a highly competitive environment to retain and obtain airline customers.

In both instances, stevedores and CTO's have market power over landside transport operators who have no choice about where they pick up a containers / cargo because shipping lines / airlines choose which terminal to use for a shipment.

In context of containerised sea cargo, the Commission recommends a mandatory industry code.
The Australian Treasury would be responsible for developing the code and the code would be administered and enforced by the Australian Competition and Consumer Commission (ACCC).

The Commission recommend that the code should include that:

- all landside fees should only be changed once a year with stevedores required to simultaneously notify the ACCC and industry of planned changes. The fees to be covered by this rule would need to be decided during the development of the code;
- the ACCC should have the authority to reject increases if it considers them to be unjustified. The ACCC could release guidance on how it will assess any application for a fee increase;
- if an increase is rejected, an operator cannot propose an alternative change in a charge;
- the ACCC's decision on whether an increase is justified should use fees charged on 1 December 2022 as the baseline;
- the ACCC should collect any metrics it needs to form a view on whether proposed increases are reasonable, for example on the level of revenue raised by an operator from incentive-based fees and on landside performance (only metrics that do not reflect an operator's commercial position should be made public);
- there should be an annual report to transport ministers and the Treasurer which includes analysis of any unintended consequences of the regulatory regime;

- consideration could be given to any penalties that might be required to support enforcement of the obligations under the code. The code should be reviewed after five years of operation by an independent body. If the exercise of market power is still a concern, a more explicit regulatory regime, such as the 'light handed' approach recommended by the Commission in its draft report or a more heavy-handed form of price setting, could be implemented.

RECOMMENDATION 5 – Implementation of a mandatory industry code administered against CTOs to safeguard against any unjustifiable rate increases imposed on landside operators.

Business Continuity Plans – Mandatory Code:

Recent major events in the Qantas Freight system cutover issues during September/October 2023 and the DP World cyber security incident, in both cases led to a breakdown in the supply chain whereby freight movements stopped for significant timeframes.

A robust Business Continuity Plan (BCP) would have been crucial in mitigating the impact of the system cutover challenges faced by Qantas Freight in September and October 2023. The BCP would have provided a pre-defined strategy to manage and quickly recover from such technical setbacks, minimising the delay in cargo releases.

With a robust BCP in place, Qantas Freight could have efficiently transitioned to alternative processes, reducing the dependency on manual operations that led to significant delays and standstills in cargo movements. This proactive planning would also have lessened the financial burden on the logistics industry, which faced extreme costs due to the prolonged wait times. Costs that were either absorbed by transport operators or passed onto freight forwarders, importers, and exporters.

Furthermore, implementing mandatory performance standards as part of the BCP could elevate overall operational standards and ensure accountability, leading to more reliable and efficient service delivery in the face of unforeseen disruptions.

RECOMMENDATION 6 – Implementation of a mandatory industry code administered against CTOs to safeguard against stoppages.

Streamlining the Cargo Intervention Model:

FTA / APSA understands the aim of the 'streamlining the cargo intervention model' is an important element of the federal government's Simplified Trade System (STS) initiative. It aims to develop new intervention models for sea and air cargo to enhance the detection of threats and risks and maintain the integrity of the border.
This will be achieved using automation and innovative non-intrusive technologies embedded in the logistics chain.

As outlined in FTA/APSA submissions to the STS Taskforce, this concept has limitations in both the air and sea environments where some sites are restricted by a limited 'footprint' to accommodate x-raying equipment and associated staging cargo facilities.

In context of air cargo, the potential exists to 'carve out' air cargo consolidations moving to express courier facilities and to high volume freight forwarder depots. This would ease congestion at on-airport CTOs with scanning to be completed offsite under strict underbond conditions. The proposal has merit as a means of keeping these airport gateways free of congestion and to keep cargo moving.

While new 'green field' sites such as Western Sydney Airport offer new modelling opportunities, legacy facilities were not intended and built (fit for purpose) for deconsolidation and to do so will likely introduce OHS issues amongst others.

FTA/APSA noted that any associated costs for these processes must be borne by the Federal Government and remove the onus on CTOs from using their own mechanisms to cost recover operational costs against transport operators. Should the Federal Government opt to recover costs from industry, this would require

further industry consultation. Assuming the cost recovery will be collected from importers via the Import Processing Charge (IPC), FTA/APSA see merit in the introduction of a differential (lower) payment from Australian Trusted Traders and 'green lane' biosecurity participants that presumably require a lesser level of intervention.

The amount of cargo directed for screening and examination must be directly proportionate to the availability of ABF staff. Where consequential delays will occur, ABF should have guidelines and business processes in place ensuring only consignments about which there are known alerts / intelligence. There should be a time limit within which cargo must be released for trade facilitation and to maintain the covert integrity of processes.

By way of background, during the 1990s, Australian Customs was a leading global border administration requesting 'pre-arrival' cargo reporting to be provided electronically via legacy systems Air Cargo Automation (ACA) and Sea Cargo Automation (SCA). The transition to the imports phase of the Integrated Cargo System (ICS) in October 2005 maintained this same requirement under Section 64AB of the Customs Act.

An extensive joint Customs and industry review was conducted in 2007 to examine the potential to follow the US 7+1 cargo reporting requirements to be provided 'pre-load'. This did not progress at the time due to complex design requirements and a somewhat understandable requirement to have systems stability (minimal systems changes) following the flawed ICS imports implementation. Since this time, many Customs administrations globally have implemented a 'pre-load' model. The most recent notable development is that the European Union (EU) with their Import Control System2 (ICS2).

Chapter 4 – Regional and remote aviation services

Q: What opportunities do emerging aviation technologies present for regional and remote Australia?

Emerging aviation technologies offer significant opportunities for regional and remote Australia. These innovations, such as advanced aircraft designs, unmanned aerial vehicles (UAVs), and enhanced communication systems, can greatly improve connectivity and accessibility in these areas. They facilitate more efficient and cost-effective transport of goods and people, potentially leading to enhanced economic development and access to essential services like healthcare and education.

Additionally, these technologies can support industries like agriculture and mining through improved logistics and surveillance. Overall, the adoption of advanced aviation technologies holds the promise of bridging geographical distances and fostering growth and prosperity in Australia's remote and regional communities.

Chapter 5 – Maximising aviation's contribution to net zero

Q: How can Government work with industry to ensure a strong and sustainable aviation sector that supports emissions reduction targets while growing jobs and innovation?

The government can collaborate with industry to develop and invest in sustainable technologies and infrastructure, such as alternative fuels and electric aircraft, and offer incentives for green innovations. Additionally, updating regulatory frameworks to encourage sustainable practices can align emissions reduction goals with industry growth and job creation.

Q: Given there are a number of measures that industry and Government could pursue to help achieve net zero by 2050 in aviation, are there specific measures that more emphasis and support should be given to?

Emphasis and support should particularly focus on advancing sustainable aviation fuels (SAF) and enhancing energy efficiency to achieve net zero by 2050 in aviation.

Government should also look to examples set by IATA/ICAO and the IMO (for sea) in regard to ensuring regulatory targets are set and held to account.

RECOMMENDATION 7 – Government to provide support and incentives to industry focusing on sustainability and sustainable aviation fuels (SAF).

Q: What should be included in relation to aviation in the Australian Government's Transport and Infrastructure Net Zero Roadmap and Action Plan (including for sectors such as GA and airports)?

The Australian Government's Transport and Infrastructure Net Zero Roadmap and Action Plan for aviation should include:

- Sustainable Aviation Fuels (SAF): Initiatives to develop and integrate SAFs, critical for reducing aviation emissions.
- Energy-Efficient Aircraft Technologies: Support for research and deployment of more efficient aircraft, including electric and hybrid models, with a focus on General Aviation (GA).
- Airport Infrastructure Development: Investment in modernising airport infrastructure to accommodate new technologies, such as charging stations for electric aircraft and facilities for SAFs.
- Carbon Reduction Targets and Monitoring: Establish and enforce clear carbon reduction targets for aviation, including GA and airports, with robust monitoring and reporting mechanisms.
- Incentives and Regulatory Support: Provide incentives for adopting green technologies in aviation and create regulations that encourage sustainable practices.
- Education and Training Programs: Develop training programs for industry professionals on sustainable aviation practices and technologies. Also introduce workforce initiatives to provide pathways and entry level roles for youth.
- Collaboration with Industry: Foster partnerships with industry peak bodies (such as FTA / APSA) and aviation industry stakeholders to align with international standards and practices to ensure a coordinated approach to achieving net zero emissions.

Including these elements will help guide the aviation sector, including GA and airports, towards a sustainable future while aligning with the broader goal of net zero emissions by 2050.

Q: How can the Australian Government ensure all emitters in the aviation sector play a role in meeting Australia's emissions reduction targets?

The Australian Government can ensure that all emitters in the aviation sector contribute to meeting Australia's emissions reduction targets by implementing a comprehensive and inclusive approach. This could involve setting sector-specific emissions targets, providing incentives for the adoption of sustainable aviation fuels (SAF) and more efficient aircraft technologies, and investing in research and development for innovative solutions.

Additionally, the government could establish regulatory frameworks that mandate emission reductions and encourage sustainable practices across all aviation subsectors, including commercial airlines, general aviation, and airport operations. Collaborative efforts with industry stakeholders and alignment with international standards would further ensure a coordinated and effective approach to reducing emissions in the aviation sector.

RECOMMENDATION 8 – Government to establish regulatory frameworks that mandate emission reductions and encourage sustainable practices across all aviation subsectors.

Chapter 6 – Airport development planning processes and consultation mechanisms

Q: How can the existing consultation framework be improved to facilitate efficient planning and development, while preventing environmental harm and ensuring continued access for aviation users?

To improve the existing consultation framework for airport development, a more inclusive stakeholder engagement process is essential, bringing together aviation users, local communities, environmental experts, government bodies, and industry peak bodies such as FTA / APSA.

Transparency in communication and decision-making is crucial, alongside early and thorough environmental impact assessments to mitigate potential harm. Additionally, balancing development objectives with environmental conservation and ensuring compliance with relevant regulations can facilitate efficient planning while preserving access for aviation users and protecting the environment.

RECOMMENDATION 9 – Government to engage with industry as a stakeholder on the framework for airport development.

Q: How could the Australian Government improve regulation to facilitate efficient planning and development while preventing environmental harm and protecting airports for aviation use?

The Australian Government can improve regulation to balance efficient airport planning and development with environmental protection by implementing a robust regulatory framework that emphasises sustainable development practices. Also, as per Recommendation 4, regulating mandatory performance standards for CTOs would also safeguard airports and ensure continuity in times of need.
Stricter environmental impact assessments, mandatory sustainability standards for construction and operation, and clear guidelines for land use around airports to safeguard them for aviation purposes.

Additionally, incentivising the adoption of green technologies in airport development and operations, coupled with regular monitoring and enforcement, can ensure both environmental integrity and the efficient functioning of airports.

RECOMMENDATION 10 – Incentivise the adoption of green technologies in airport development and operations.

Q: Do the current master planning processes support all airport users, including general aviation?

No, the current master planning processes may not adequately support all airport users, including general aviation (GA). This is particularly evident in the context of cargo users, where further industry engagement is needed.

Cargo operations have specific requirements and challenges that may not be fully addressed under the current planning frameworks. This includes considerations for logistics infrastructure, cargo handling facilities, and dedicated areas for cargo aircraft, which can differ significantly from passenger operations and general aviation needs.

To better accommodate these users, it's essential to engage more deeply with the cargo industry, understand their unique needs and integrate these considerations into the planning process. This approach ensures that the development of airport infrastructure and services is responsive to the needs of all stakeholders, including those in the often-overlooked cargo sector.

RECOMMENDATION 11 – Government to engage with cargo sector as a stakeholder in the master planning phase.

Chapter 8 – Fit-for-purpose agencies and regulations

Q: Do you have concerns with current arrangements of roles and responsibilities within the Australian Government? Are there opportunities to improve these arrangements?

The current arrangements within the Australian Government are broadly effective, but they face challenges in adapting to technological advancements and the transition to net zero emissions. Opportunities for improvement include enhancing adaptability to new technologies through flexible policy development, clarifying and coordinating roles among government agencies, engaging more actively with stakeholders for stronger policy leadership, and implementing a robust framework for transparent and accountable progress reporting. These improvements aim to ensure efficiency and responsiveness to evolving challenges and stakeholder needs.

Q: Do you have any suggestions to improve current reform processes?

To improve current reform processes, it's crucial to focus on enhanced stakeholder engagement, ensuring reforms are data-driven and evidence-based.
Continuously evolving and integrating international best practices, while maintaining strong collaboration with international partners, can further strengthen the reforms. Additionally, a balanced approach that aligns safety outcomes with industry growth should be maintained, along with transparent and ongoing evaluation of the reform outcomes for diverse aviation sectors.

RECOMMENDATION 12 – Government to focus on enhanced stakeholder engagement, ensuring reforms are data-driven and evidence-based.

Q: What should the Australian Government consider when determining cost recovery arrangements to ensure a safe, equitable and accessible aviation system?

The underlying serious concern is that government-imposed cost recovery fees are increasing without a commensurate improvement in services to facilitate legitimate trade, resulting in importers and exporters failing to meet commercial commitments to retailers and adding to supply chain costs (including storage and shipping line container detention fees) fuelling inflationary pressures across the Australian economy.

Government needs to ensure that the cost burden is fairly distributed across different stakeholders, including industry players and consumers, while considering the varying scales of operations and capabilities.

FTA / APSA would like to see government engaging with industry stakeholders to develop funding models that are viable and consider the industry's perspectives and capabilities, whilst considering international best practices and standards in funding and cost recovery to maintain global competitiveness and compliance.

RECOMMENDATION 13 – Government to ensure that the cost burden is fairly distributed across different stakeholders, and engage with industry stakeholders to develop funding models that are viable and consider the industry's perspectives and capabilities.

Q: Do you support the Australian Government introducing enhanced security obligations?

FTA / APSA support the Australian Government introducing enhanced security obligations. Given the evolving nature of threats, including cyber security, espionage, and natural hazards, it's essential to adopt an 'all hazards' approach. This approach ensures comprehensive and robust security measures are in place to protect the aviation sector, infrastructure, and services, aligning with global best practices and Australia's commitment to maintaining a secure and resilient aviation system.

Q: Do you have any comments about current security screening arrangements?

The current security screening arrangements in Australian aviation, while essential for safety and security, present challenges, especially for cargo operators and regional airports. The cost of providing security screening can be disproportionately high, potentially impacting the viability of services. This concern highlights the need for a balanced approach that ensures robust security while considering the economic sustainability of operations and services.

Current security screening arrangements for cargo, while crucial for safety, need to consider the unique challenges of different regions, including external Australian territories like Norfolk Island. Currently treated in the same manner as exports to non-Australian territories, the cost and logistical aspects of cargo screening is significantly impacting the viability of services, particularly for remote and regional areas dependent on air freight for essential goods and exports.

RECOMMENDATION 14 – Consideration to be made for screening of cargo to certain Australian territories (eg Norfolk Islands) to ensure that the cost burden is reduced.

Q: In the air cargo environment, how could industry and Government better work together to leverage advances in technology as well as industry investments in infrastructure and technology to streamline movement of cargo?

In the air cargo environment, to better leverage advances in technology and industry investments in infrastructure, both industry and government should collaborate closely, particularly in adopting and implementing technological solutions such as pre-load cargo reporting.

The recommendation for pre-load cargo reporting, as suggested in the FTA / APSA Submission to the Simplified Trade System Implementation Taskforce, is a significant step. This model, where cargo reporting is done before loading, enhances security and efficiency. It allows for more effective risk assessment and ensures only reported cargo is loaded, thus addressing issues of late or incomplete data submission.

To implement this, the government should engage with industry stakeholders to develop a regulatory model and system implementation that aligns with global best practices. Utilising technologies like artificial intelligence and machine learning in developing algorithms for threat detection and cargo inspection can further streamline the process.

Such collaboration will enable the handling of increasing cargo volumes and evolving threats more effectively, ensuring both the integrity of supply chains and the smooth facilitation of legitimate cargo.

RECOMMENDATION 15 – As per previous recommendation in FTA / APSA submission to Simplified Trade System Implementation Taskforce, the Australian Border Force to engage with industry on implementation of a pre-load cargo reporting regulatory model and systems implementation.

Chapter 10 – Future industry workforce

Q: Can alignment of training with regulatory and licencing requirements be improved?

Alignment of training with regulatory and licensing requirements can be improved. This requires collaborative efforts between industry bodies, regulatory agencies, and educational institutions.

By closely aligning training programs with current and anticipated regulatory changes and licensing standards, the workforce can be better equipped with the necessary skills for emerging technologies and the net zero transition. Such alignment ensures that training is relevant, up-to-date, and effectively prepares individuals for the evolving demands of the aviation sector.

Q: How can government policy enable industry to support the net zero economy and the future skills, training, and workforce needs that entails (including future fuels)?

Government policy can enable industry to support the net zero economy and future skills, training, and workforce needs by investing in targeted education and training programs, especially in areas like advanced digitisation, automation, and new aviation technologies including future fuels.

Collaborating with industry stakeholders to develop clear and adaptable training pathways and qualifications is essential. Policies should also focus on funding and incentives for both individuals and organisations to pursue training in these new areas. Furthermore, integrating skills development into regulatory frameworks and aligning them with industry needs ensures that the workforce is adequately prepared for future challenges.

Lastly, continuous dialogue between government, industry, and educational institutions is crucial for timely and relevant updates to training and workforce development strategies.

RECOMMENDATION 16 – Government to invest in targeted education and training programs, collaborating with industry stakeholders to develop clear and adaptable training pathways and qualifications.

Q: Would an analysis of future skills and workforce needs help position the aviation industry to pre-emptively respond to emerging needs?

An analysis of future skills and workforce needs would be highly beneficial for the aviation industry. It would enable the industry to proactively identify and respond to emerging needs, particularly in areas like net zero technologies, automation, and advanced digitisation.

Such an analysis would inform targeted training and development programs, ensuring the workforce is equipped with the necessary skills and expertise to adapt to future technological advancements and industry shifts. This proactive approach is crucial for maintaining a competitive and efficient aviation sector.

Q: How can industry and Government help industry to attract a more diverse workforce, and increase the number of women and young employees who pursue aviation careers?

Industry and Government can help attract a more diverse workforce in aviation by implementing targeted recruitment strategies focused on inclusivity. This includes creating awareness programs about aviation careers tailored for women and young people, offering scholarships and training opportunities like the ones by Qantas, and developing mentorship and support networks within the industry.

Addressing workplace culture is also crucial, promoting an inclusive and safe environment and implementing policies that actively combat discrimination and harassment. Collaborating with educational institutions to provide clear and attractive career pathways and emphasizing the importance of diversity in enhancing industry innovation and competitiveness, are key to broadening the appeal of aviation careers to a more diverse pool of potential employees.

RECOMMENDATION 17 – Government need to invest in targeted inclusion programs, collaborating with industry stakeholders to fund and facilitate events aimed at addressing diversity.

Q: What role can reforms to skilled migration pathways play in addressing immediate aviation personnel shortages?

Reforms to skilled migration pathways can play a crucial role in addressing immediate aviation personnel shortages by facilitating the influx of skilled international workers into critical roles such as pilots and aircraft engineers.

This can temporarily alleviate workforce gaps, especially in the context of global competition for aviation professionals. Streamlining visa processes and ensuring mutual recognition of qualifications through bilateral agreements can attract skilled aviation workers to Australia, thus supporting the industry in the short term while long-term workforce development strategies are implemented.

Firstly prioritising career pathways for young Australians in the aviation sector is essential. Focusing on education and training initiatives that target domestic talent, especially among youth, can create a strong, homegrown aviation workforce.

This includes enhancing visibility and accessibility of aviation careers through robust vocational education and training programs, apprenticeships, and scholarships. By investing in and promoting these pathways, the industry can inspire and equip young Australians with the skills necessary for aviation roles, fostering a resilient and skilled workforce for the future. This approach not only addresses current personnel shortages but also ensures the long-term sustainability of the aviation workforce in Australia.

RECOMMENDATION 18 – Government to prioritise career pathways for young Australians in the aviation sector, focusing on education and training initiatives that target domestic talent, especially among youth.

Chapter 11 – International aviation

Q: Are there other issues or concerns associated with the Australian Government's approach to negotiating aviation bilateral agreements that you wish to highlight?

The Australian Government's approach to negotiating aviation bilateral agreements, while effective in promoting growth and connectivity, may raise concerns regarding equitable access and competition. The focus on 'capacity ahead of demand' and 'open skies' agreements benefits large and established airlines, but could potentially overlook smaller, emerging carriers who may struggle to compete in this framework.

Additionally, while seeking to balance national interests, there is a need to ensure that these agreements do not inadvertently limit market diversity or hinder the growth of the Australian aviation sector in the long term. The government also need to consider the need for competition to allow cheaper pricing in the marketplace, particularly in the midst of Australians facing cost of living pressures.

It's also important to consider the environmental impact of increasing flight capacities, ensuring alignment with global sustainability goals.

Q: What opportunities exist to improve the approach to international negotiations?

Improving the approach to international aviation negotiations involves balancing the national interest with the benefits of increased connectivity and competition.

The recent situation involving Qatar Airways and Qantas underscores the need for a more flexible and transparent negotiation framework. Opportunities lie in fostering a more inclusive process that considers the interests of a diverse range of stakeholders, including both Australian and foreign carriers, as well as tourism and trade sectors.

Enhancing the transparency of decision-making processes and ensuring that negotiations are not overly influenced by individual carriers can help maintain a competitive and vibrant aviation market. This approach could lead to more equitable access for international carriers, potentially increasing route options for consumers and fostering healthy competition within the sector.

RECOMMENDATION 19 – A need for more flexible and transparent negotiation framework is required, with a more inclusive process that considers the interests of a diverse range of stakeholders, including both Australian and foreign carriers, as well as tourism and trade sectors.

Q: What areas should Australia target through its international aviation programs?

Supporting exporters on key trade routes should be a priority, ensuring that vital trade links are maintained and enhanced. This could involve facilitating smoother cargo operations, improving infrastructure, and ensuring efficient and secure air freight channels to bolster Australia's trade and economic ties with key global markets.

RECOMMENDATION 20 – Government to support exporters on key trade routes as a priority.

Q: Are there opportunities for improvement and where would the greatest benefits be achieved?

Improvement opportunities lie in enhancing collaboration and sharing best practices with more countries and regional aviation organisations, particularly in areas like environmental sustainability and emerging technologies.

Focusing on capacity building and safety standards in the Pacific region can yield significant benefits, strengthening regional connectivity and economic development. Further, expanding the scope of existing programs to include newer areas like unmanned aircraft systems and digital aviation technologies can provide substantial benefits, both in terms of safety and operational efficiency.

Q: What issues would be important to cover in a review of the framework for New and Redeveloping International Ports?

Key considerations should include balancing the expansion of regional ports with resource constraints of border agencies. It's important to assess the economic benefits of regional ports serving international trade against the costs of maintaining high security and biosecurity standards.

Efficient allocation of resources, leveraging technology for border processing, and cost-sharing models between government and airport operators which are crucial. Additionally, the framework should consider the strategic importance of regional ports in enhancing Australia's connectivity and supporting local economies, while ensuring that any expansion aligns with national security and biosecurity requirements.

RECOMMENDATION 21 – Government to ensure efficient allocation of resources for new or redeveloping ports, leveraging technology for border processing, and cost-sharing models between government and airport operators which are crucial.