29 November 2023

Director, Aviation White Paper Project Office
Aviation White Paper
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
Canberra ACT 2601

Dear Director,

Thank you for the opportunity to respond the Green Paper questions.

Overview of ASPA

The Association of South Pacific Airlines (ASPA) is a trade association of regional South Pacific airlines, which was established in June 1978 at the direction of the South Pacific Civil Aviation Council. The inaugural meeting of ASPA was in Suva, Fiji on 30-31 May 1979. ASPA represents the interests of member airlines and is a not-for profit organisation.

The objectives of ASPA are to promote cooperation among member airlines to develop commercial aviation in the South Pacific region; to provide a forum for members to air their views on common interests; to advise the South Pacific Regional Civil Aviation Council or other regional international bodies on matters relating to South Pacific aviation; and cooperation in areas of mutual interest such as marketing, training of personnel, maintenance and ground services.

Current members of ASPA include the following airlines:

- Air Caledonie
- Air Kiribati
- Air Marshall Islands
- Air Niugini
- Air Rarotonga
- Air Tahiti
- Air Tahiti Nui
- Air Vanuatu
- Aircalin
- Fiji Airways
- Lulutai Airlines
- Nauru Airlines
- PNG Air
- Samoa Airways
- Solomon Airlines

ASPA members operate into and out of Australia and will be impacted by changes to Australian aviation policy and regulations.

Challenges Facing South Pacific Airlines

The International Air Transport Association (IATA) recently published its Airline Profitability Outlook on 5 June 2023, in respect of the global airline industry. As part of that analysis, IATA has identified a number of risks facing airlines which include:

- The economic and geopolitical environment;
- Only 2.8% of operating profit stands between $803 billion in global revenues and $781 billion in expenses, so overall industry profitability is "fragile";
- Inflation fighting measures are occurring at different rates in different markets. Risk of a recession remains, which could lead to job losses;
- The wars in Ukraine and Israel could escalate further and have negative impacts on global aviation. Geopolitical tensions already weigh upon international trade and any escalation of the war represents a risk to the industry;
- Supply chain issues caused by geopolitical tensions and COVID-19 challenges. Airlines are directly impacted by aircraft parts supply chain disruptions that have not yet been resolved, which negatively impacts the delivery of new aircraft and the ability of airlines to maintain and deploy their existing fleets; and
- Regulatory cost burdens including increasing costs for compliance with punitive passenger rights regimes and regional environmental initiatives.[1]

Asia-Pacific carriers have not reached pre-COVID-19 levels of activity and demand has been slower than in other regions. In June 2023, IATA found that international traffic for the Asia-Pacific region was at 71% of pre-pandemic levels whereas traffic for the North American region already exceeded pre-COVID levels.[2] Net profit for Asia-Pacific carriers is -$6.9b YTD.[3]

There are several key challenges facing ASPA members which include:

- Local workforce capability and capacity which was severely affected by COVID-19 and is a major part of the post-COVID-19 recovery;
- Market scale – a key challenge for suppliers in the Pacific is the small scale of individual States;
- Regulation differences between States which leads to increased overheads for all commercial operators in the region;
- Safety and security assurance – the cost of compliance with international safety and security standards is essential but must be economically sustainable;
- Aviation infrastructure and assets – upgrading and modernisation of infrastructure, equipment, facilities and aircraft is essential for safe operations and functionality;
- Air traffic rights as a barrier to connectivity in the region.

The ASPA member airlines face other unique challenges:

Geographic Constraints and Long Distances: the vast distances between South Pacific nations and major international hubs, such as Australia, pose logistical challenges. Long-haul flights result in

[1] *Airline Profitability Outlook Strengthens*, IATA Press Release No. 26, 5 June 2023 https://www.iata.org/en/pressroom/2023-releases/2023-06-05-01/
[2] IATA - IATA Remarks at Airline Industry Day Laos
[3] Ibid.

increased fuel consumption, maintenance costs, and operational complexities. This challenge directly contributes to:

- **Higher Operating Expenses:** ASPA member airlines face increasing operating expenses whilst flying extensive thin routes to serve their geographically dispersed populations.
- **Majority-Leased Aircraft and Limited Fleet Flexibility**: ASPA member airlines mostly rely on leasing arrangements for their fleets due to the prohibitive costs of purchasing and maintaining aircraft. This limits their flexibility in adapting to changing market conditions or implementing specialized services. Leasing agreements contribute to higher fixed costs, reducing the ability of ASPA members to invest in modern, fuel-efficient aircraft or tailor their fleets to specific route demands.
- **Thin Profit Margins and Financial Sustainability**: Operating in regions with small populations results in limited passenger traffic, making it challenging for airlines to achieve economies of scale. Thin profit margins hinder their ability to absorb unexpected shocks or invest in infrastructure improvements. Financial sustainability becomes a critical concern, potentially affecting the ability of ASPA member airlines to maintain service reliability, safety standards, and overall competitiveness.
- **Limited Market Diversification**: The concentration of destinations, with Australia being a major hub, exposes ASPA member airlines to market vulnerabilities. Dependence on a few key routes leaves them susceptible to fluctuations in demand, regulatory changes, or external economic shocks. Lack of market diversification can amplify the impact of external factors, leading to revenue volatility and increased operational risks.
- **Ownership and Operation by Developing Countries**: Airlines in the South Pacific are often owned and operated by developing countries with limited resources. This can impede their ability to invest in modern technologies, infrastructure, and training programs. While contributing to national connectivity and economic development, the limitations in financial capacity may hinder these airlines in achieving international standards and remaining competitive in the global aviation landscape.

The Australian Government has also identified some of the key challenges specifically facing Pacific Island countries including their small and dispersed populations, narrow-based economies, and vulnerability to natural disasters that present significant constraints to development.[4] The ASPA members recognise the Australian Government's commitment to supporting 'a strong and united Pacific family'[5] and the desire to assist where possible in strengthening connections and economic prosperity.[6]

These many challenges facing the South Pacific region need to be acknowledged and understood, not only to understand the impact that any policy decisions will have on the region, but also to develop tailored policies, financial support mechanisms, and infrastructure investments that foster the sustainability and growth of these airlines in a region which is special to Australia.

[4] Dr Angela Clare, Foreign Affairs, Defence and Security, *Pacific Islands – key issues*, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/BriefingBook47p/PacificKeyIssues.
[5] https://www.dfat.gov.au/geo/pacific
[6] https://www.dfat.gov.au/geo/pacific/economic-prosperity-in-the-pacific

Aviation Green Paper - Towards 2050

A. Consumer Protection

In Chapter 3 (Section 3.2) of the *Aviation Green Paper - Towards 2050* ("**Green Paper**"), attention is drawn to consumer protections in the airline sector in Australia and particularly how customer complaints for flights cancellations and delays are addressed.

The Green Paper includes questions at the end of section 3.2 and we would submit answers to those applicable questions as follows.

1. Should the Australian Government look to revise current consumer protection arrangements and, if so, through existing or new mechanisms?

Australia's existing consumer protection regime is comprehensive and robust, providing adequate safeguards for consumers across various industries, including the aviation sector. The creation of aviation-specific protections is not necessary given the current framework.

The *Competition and Consumer Act 2010* and various State consumer laws provide a solid foundation for safeguarding the rights and interests of consumers. These laws encompass a wide range of protections, including guarantees relating to services, and consumers are entitled to expect services to be provided with due care and skill, to be fit for purpose, and to be supplied within a reasonable time.

Rather than developing aviation-specific protections, it may be more prudent to focus on enhancing public awareness of existing rights and ensuring effective enforcement. This approach can strike a balance between consumer protection and the health of the aviation industry, benefiting all stakeholders in the process.

It should not be forgotten that international flights to and from Australia are largely subject to the *Convention for the Unification of Certain Rules for International Carriage by Air* done at Montreal on 28 May 1999 (Montreal Convention 1999), although in some circumstances, its predecessor, the *Convention for the Unification of Certain Rules relating to International Carriage by Air made at Warsaw on 12 October 1929* (the Warsaw Convention) may be in force between Australia and those states which are parties only to the Warsaw Convention or its protocols. This international regime regulates the liability of air carriers to passengers and as the full name of Convention indicates, one of its principal objectives is to formulate uniform rules that would overcome conflicts of law problems.

The Montreal Convention and Warsaw Convention (as applicable) provide that the carrier is liable for delay in the carriage of passengers, baggage or cargo. The current limit of liability in the case of delay in the carriage of persons is 4,684 SDRs (Article 22(1)) but the limit may be broken in the case of intentional or reckless conduct (Article 22(5)). Whilst the Convention does not purport to deal with all matters relating to contracts of international carriage by air, in those areas with which it deals – and the liability of the carrier is one of them – the code is intended to be uniform and to be exclusive also of any resort to the rules of domestic law.[7]

[7] *Sidhu v British Airways* [1997] AC 430 at 453

Both the House of Lords and the US Supreme Court[8] have recognised that the Warsaw Convention (and Montreal Convention) provide the exclusive remedy in respect of actions arising from international carriage. This is reinforced by Article 24 of the Montreal Convention which further provides that "In the carriage of passengers, baggage and cargo, any action for damages, however foundered, whether under this Convention *or in contract or in tort or otherwise,* can only be brought subject to the conditions and such limits of liability as are set out in this Convention…".

A passenger rights regime extending to international aviation would undermine the foundational principle of exclusivity embedded in the Montreal Convention, its goal of uniformity and lead to a large number of legal challenges in the High Court of Australia.

If the Australian Government decides to develop a consumer rights regime for airline passengers, in view of the likely significant financial impact on ASPA member airlines and the pass on costs to consumers in the form of higher air fares, ASPA proposes that a stakeholder forum be created through which more detailed submissions, discussions and feedback can be made before any new mechanism is created.

In the development of a new regime, ASPA implores the Australian Government to take into consideration the following:

a. how any such regime will impact ASPA member airlines which serve as vital connectors into and within the South Pacific and which operate across vast distances with relatively small fleets; and

b. the application of the guiding principles, for example, the Core Principles on Consumer Protection issued by IATA and the ICAO Core Principles on Consumer Protection.

2. Would an expanded remit for the Airline Customer Advocate to educate customers on their legal entitlements be useful?

Airline regulations and consumer rights can be complex and vary by jurisdiction and many passengers are not fully aware of their legal rights and entitlements when it comes to airline travel. In line with the answer above, educating consumers can help clarify these regulations and empower consumers to assert their rights and make informed decisions.

However, considering only 599 complaints were lodged through the Airline Consumer Advocate it is not clear whether the forum is doing enough with its current remit and focus should be on advancing the forum in its current iteration before considering an expansion of its remit.

3. Previous consultation processes have explored options to refine the passenger liability and insurance framework under the *Civil Aviation (Carriers' Liability) Act 1959* – do stakeholders still consider amendments to this framework are needed?

This is not relevant to ASPA members as the *Civil Aviation (Carriers' Liability) Act* 1959 framework is mostly applicable to Australian airlines operating in domestic air transport operations.

[8] *Sidhu v British Airways* [1997] AC 430; *El Al Israel Airlines Limited v Tseng* 525 US 155 (1999). See also Walton v My Travel Canada Holidays Inc. 2006 SK QB 231 (Queen's Bench for Saskatchewan); Connaught Laboratories Ltd v British Airways 253 DLR (4th) 601 (Ontario C.A.)

4. Would policies pursued in other jurisdictions – such as a Passenger Bill of Rights or a stronger ombudsman model – deliver benefits in Australia's aviation sector?

The Green Paper refers to 'longstanding advocacy by Australian consumer groups for aviation specific rules similar to European arrangements'[9] in respect of rising complaints by consumers about airlines.

The European Union has a population of around 448 million people and numerous member countries. The European Union Regulation 261/2004 (the Regulation) which provides for the passenger rights regime, was introduced against a backdrop of significant growth in the aviation market in the EU since its liberalisation in 1992 with new airlines, new business models, additional routes and expanding passenger numbers.[10] The Regulation provides for compulsory passenger assistance and compensation for denied boarding, cancellations and long delays, subject to certain conditions being met. The number of cases on the interpretation of Regulation 261/2004 brought before the Court of Justice of the EU has demonstrated that clarification and revision are required and that it is not a straightforward regime.

The compensation regime has not, in practice, provided compensation directly to passengers. The EU model, with its focus on compensation for flight delays and cancellations, has led to the proliferation of claims companies that operate on a percentage-based fee structure, deducting a significant portion of the settlement funds intended for passengers.

The entry of claims companies may divert a substantial portion of compensation away from consumers. Companies like Bott & Co, Fairplane, Hayward Baker, Sky Legal, and Flightright tend to deduct up to 50% of the claim in fees, leaving consumers with a reduced portion of the compensation. Claims companies often leverage technology-based solutions to process large volumes of claims, and the automated nature of these systems raises questions about the potential for automated claims farming, impacting the integrity of the compensation system. These "claims farm" agencies that have stepped in to exploit the difficulties with the Regulation and the upsurge in court cases attempting to clarify the legislation.

The European Commission has issued guidance to passengers on these agencies and their dubious practices include submitting claims without asking for the passenger's permission and unsolicited telemarketing.[11] IATA advises that passengers should only deal with a claim agency that is transparent about its charges, has a clear power of attorney, and has a robust data privacy policy.

The costs for airlines to provide compensation for passengers have run into the many millions of dollars, pounds or Euros.

- Lufthansa (2018): 500 million Euros[12]
- IAG (2019): estimated 65 million Euros over three days after a power failure at Heathrow Airport
- Easy Jet (2019): 39 million pounds over the first 9 months of 2019
- Wizz Air (2018): 10% of its pre-tax profit.

[9] *Aviation Green Paper – Towards 2050*, p 51.
[10] Sara Drake, Cardiff School of Law and Politics, PE 608.843 – November 2018, p 2 [1] https://www.europarl.europa.eu/cmsdata/226409/Case_analysis_on_the_transposition_and_implementation_of_the_Regulation_on_air_passenger_rights_.pdf
[11] https://airlines.iata.org/2017/08/30/eu261-road-clarity
[12] Wow: Lufthansa Paid 500 Million Euros In Compensation In 2018 - One Mile at a Time

The prospect of additional cost burdens through passenger compensation, particularly those associated with the activities of claims agencies and 'claim farms,' poses a significant threat to the ongoing viability of airlines in the South Pacific. ASPA airlines often operate in regions with small populations, necessitating thin profit margins to remain competitive.

Any increase in operational costs, especially those associated with additional compensation claims facilitated by claims agencies, could seriously compromise the financial stability of these airlines. The South Pacific region lacks the economies of scale enjoyed by larger airline markets, making it challenging for ASPA airlines to absorb unexpected or significant increases in costs. Additional financial burdens may exacerbate the challenges of achieving economies of scale, further straining the already delicate financial position of these airlines.

ASPA airlines, by nature of their operating environment, are likely to pass on increased costs to consumers to maintain financial sustainability. The end result of additional financial pressures on airlines is an inevitable transfer of these costs to passengers, potentially leading to higher ticket prices and reduced affordability for travellers in the South Pacific. Airlines in the South Pacific also play a vital role in providing air connectivity to remote and underserved regions.

Any compromise to the viability of these airlines could result in reduced services, flight frequency, or even route cancellations, adversely affecting the connectivity and accessibility of these regions. ASPA airlines also contribute significantly to the economic development of the South Pacific by stimulating tourism, trade, and employment. Financial strains on these airlines could lead to a ripple effect, impacting regional economies that depend on the aviation sector for growth and sustainability.

The interconnectedness of these challenges, including the potential transfer of costs to consumers, threats to air connectivity, and adverse economic impacts, underscores the importance of carefully considering the regulatory landscape to ensure a fair and sustainable passenger rights framework in the region. Collaborative efforts involving regulators, airlines, and consumer advocacy groups are crucial to strike the right balance and safeguard the viability of the aviation industry in the South Pacific.

If a passenger rights framework is introduced, it should address legitimate claims while mitigating the potential negative impact on airlines, striking a balance between consumer protection and industry sustainability.

B. Aviation International Engagement

Section 11.3 (Aviation International Engagement) of Chapter 11 (International Aviation) of the Green Paper highlights Australia's active participation in the Asia-Pacific and in particular its continued capacity building in the Pacific through the Sustainable Pacific Aviation program and the DFAT-funded support to the Pacific Aviation Safety Office (PASO).

At the end of Section 11.3, the Green Paper states the:

1. the Australian Government's proposed continued support of its program of international and regional aviation engagement including capability and capacity building in the Asia-Pacific; and
2. the Australian Government will also consider additional opportunities to provide support, such as a targeted Pacific program that collaborates closely with other countries and Pacific aviation organisations.

The following questions are then raised:

What areas should Australia target through its international aviation programs? Are there opportunities for improvement and where would the greatest benefits be achieved?

In view of ASPA's unique place in representing its airline members across the Pacific, ASPA is well placed to collaborate and coordinate with the Australian Government to identify the key requirements and facilitate any program with the delivery of support and funding on a non-discriminatory basis across its member airlines, their aviation regulators and other stakeholders.

Whilst the Australian Government has continued to provide various support in the aviation sector across the Pacific, ongoing assistance is required in the following areas:

1. **Training and education**: There remains a continued need to develop skilled workers and managers to support each ASPA airline member, particularly focusing on the development of employment opportunities for South Pacific nationals. This includes the recruitment, development and importantly retention of aircraft pilots and aircraft maintenance engineers.

2. **Aircraft financing costs**: ASPA members face significant impediments in procuring modern aircraft because of financing and securitisation challenges. ASPA desires working with the Australian Government to identify how the costs could be reduced through various mechanisms e.g. development of a program for ASPA member nations developing domestic legislation and adhering to the Cape Town Convention regime, assistance through various Australian Government agencies including through export credit loans, bonds and guarantees.

3. **Aviation infrastructure**: The development and maintenance of aviation infrastructure across the Pacific remains a priority, with modernisation of airports, air navigation systems and air traffic control required.

4. **Aviation safety regulation**: The continued development of aviation safety regulation and the training and retention of skilled aviation safety regulators, is a continuing challenge across the region. Whilst benefits have been derived through PASO, continuing work is required to ensure that the South Pacific does not get left behind.

We are happy to participate in any way that will assist in resolving these issues.

Yours sincerely,

Brett Gebers

ASPA Chairman

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Demand side drivers likely to shape the demand for aviation services.
Supply side drivers likely to shape how the aviation industry will supply services to the market, and
Sustainability drivers of change impacting the sector's long-term decarbonisation.

Chapter 2 – Likely future directions out to 2050

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?

In respect of the demand, the Government should think about how future events such as pandemics are going to be managed. The airline industry is very capital intensive and is usually run as a high-volume low profit margin business. The opportunity to accumulate a large cash balance to ride out the storms is simply not there for most airlines. We have all witnessed that with the stroke of a pen, almost the entire industry can be brought to a halt. The demand can be instantly turned off with devasting consequences to the industry. There is a distinct possibility that if high interest rates and inflation continue to erode disposable income, there will be a decline in demand for leisure travel at least in the short term.

As far as the supply side goes, there is a shortage of personnel in the industry as many skilled and experienced people left the industry and found alternative easier and more stable employment. The shortage of skilled, licenced and experienced engineers and pilots will hamper growth. Whilst it is possible to pour money into training, and improve training courses to reduce their duration, experience can only be gained through doing the job. This takes time. A potential solution to the shortage of skilled people is to provide suitable visas to attract the right people. This has been the case in the USA for a few years.
New aircraft and engines are not being delivered on time. This is hampering the ramp up of some services particularly as during the COVID-19 pandemic older aircraft were retired and many were parted out. Government should consider a task force to find solutions to the issues highlighted above.

Sustainability is a popular topic. To quote Jill Blickstein of American Airlines "Decarbonisation comes down to cold, hard cash and where does the money come from." Willie Walsh of IATA says "to be net zero by 2050 is starting to look uncomfortably close and eye-wateringly expensive." 'Many people pushing this issue do not understand that vast amounts of money must be available for research and development, or we will not see the step advances in technology that are required for a net zero by 2050. The current battery weight /energy ratio does little to enhance the use of electric short-range aircraft. Hydrogen will take time and lots of cash to develop not to mention the enormous amount of energy required to make hydrogen. Sustainable Aviation Fuels or SAFs are currently 5 times more expensive than Jet A1 fuel. Whilst it is possible to operate with SAFs, there is not enough of it and this situation is driven by a shortage of refineries and feedstock. Some feedstocks are very dependent on the weather and may not be feasible solution if the climate continues to change rapidly.
Sustainable aviation will require a large investment in infrastructure at the airports. The drive towards sustainable aviation will ultimately see ticket prices increasing to support the higher costs. Is the travelling public prepared to pay? The sensible solution is to use less fuel. This can be achieved through newer aircraft and more fuel-efficient engines, direct routes as well as from flying less. Flying less can be achieved at the expense of competition. Instead of two half full aircraft from competing carriers flying a route, it will save a significant amount of fuel by flying one full aircraft. Other savings can be generated though optimum flight paths and altitudes as well as reducing taxi time on the ground.
Government should consider a feasibility study on how to replace fossil fuels which are used for much more than travel.

The aviation regulations should be harmonised and streamlined across the Pacific. Whilst it would be great to see this across the world, it will not happen in our lifetime. This project should result in savings and make it easier for licenced personnel to move from one country to another.

Investment in training and training facilities is required for pilots and engineers. The training facilities and equipment is costly, the regulations are onerous on the school and the trainers who are hard to find. The aviation training academies require financial support.

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

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

No comments.

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 challenges with cabotage is that foreign carriers are allowed to operate on routes which domestic carriers service using a different set of rules. For example, flight time and duty limits in New Zealand are not the same as in Australia allowing the potential for unfair competition on Australian domestic cargo routes.

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

No comment

Should the Australian Government look to revise current consumer protection arrangements and, if so, through existing or new mechanisms?

Current consumer protection is sufficient. Adding more protection will result in higher ticket prices as someone will have to pay for the compensation. Airlines do not generally make lots of money and do not have large bank balances to dip into to pay for additional compensation.

Australia's existing consumer protection regime is comprehensive and robust, providing adequate safeguards for consumers across various industries, including the aviation sector. The creation of aviation-specific protections is not necessary given the current framework.

Would an expanded remit for the Airline Customer Advocate to educate customers on their legal entitlements be useful?

Passengers should be educated on what their legal entitlements are and at the same time let's educate them on what acceptable behaviour is and what rights the airlines have.

Previous consultation processes have explored options to refine the passenger liability and insurance framework under the *Civil Aviation (Carriers' Liability) Act 1959* – do stakeholders still consider amendments to this framework are needed?

No.

Would policies pursued in other jurisdictions – such as a Passenger Bill of Rights or a stronger ombudsman model – deliver benefits to Australia's aviation sector?

This is likely to add more costs to the industry. If anything, a stronger ombudsman is the better choice.

What further improvements can be made to the Disability Standards for Accessible Public Transport to accommodate the unique requirements of air travel?

The standards for large aircraft and operations from large airports seems to be adequate. It is not adequate at the regional airports where the aircraft are not designed for significant disabilities and nor is there appropriate ground support equipment available to assist with loading.

What improvements can be made to aviation accessibility that are outside the scope of the Disability Standards for Accessible Public Transport?

No Comment

What are the specific challenges faced by people with disability wishing to travel by air in regional and remote areas?

Firstly, the typical Turobpropeller commuter type aircraft was not designed to carry passengers with significant mobility problems. Secondly most of the small regional airports don't have equipment to facilitate the loading of these passengers. The combination of these two issues can lead to significant challenges for the ground staff, the crew and the passenger when trying to accommodate the passenger.

How can Disability Access Facilitation Plans by airlines and airports be improved?

Through Federal and States providing funding to make the carriage of people with disabilities easy for all.

How should the Aviation Access Forum (AAF) be restructured to be more effective and better able to drive and enforce change to address issues faced by travellers living with disability?

Access for passengers with disabilities at major airports is relatively easy and there is equipment available to load passengers and their equipment on to the larger aircraft. The aircraft serving regional airports are usually not suited to moving wheelchairs and people with significant disabilities. Expecting airlines to provide these facilities does not work.

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

It is easy in a country with a large population to encourage competition for expensive but essential services. This is challenging for rural Australia and the Pacific Islands where the population is small and those who can afford to pay for the true cost of the service are even fewer. Improving competition in this environment is difficult.

Are the Aeronautical Pricing Principles fit-for-purpose? How could they be improved?

The gap in the APP seems to be in how operators on the airport are treated. Towing aircraft for maintenance purposes is costly because of the limitations placed on when aircraft can be towed. Parking for aircraft which are not required for flight can be difficult to find and is often expensive. The maintenance activities which may be carried out on the ramp / parking area are limited. This makes the day to day management of aircraft on the ground difficult and expensive.

Should the Australian Government mandate use of the Aeronautical Pricing Principles? Why or why not?

Yes. There is no real competition in respect of airports. They are monopoly organisations which the airlines have to accept if they are to service a specific city. It is acknowledged that airports must generate a fair income to ensure maintenance and the upgrade of facilities but with no mechanism to manage prices, airports can become unaffordable or have limited access for the smaller carriers and this in turn will result in a decline in competition between airlines.

Chapter 4 – Regional and remote aviation services

Where should the Australian Government focus its engagement in regional and remote aviation, including helping achieve Closing the Gap outcomes, noting established state, territory and local government responsibilities and programs?

No Comment

Traditionally, subsidies for intra-state aviation services have been carried by state and territory governments. Does this remain the best structure?

If reasonable services are to be provided to the rural communities, it is preferable that the subsidies should be provided by the Federal Government. This creates an opportunity to ensure there are equivalent services across Australia rather than within a state.

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

The proper use of ADS-B will assist with safety. Greater use of other technology should enable ATC clearances etc. to be obtained without relying on HF radio.

What are specific issues experienced by the regional and remote aviation sector in the context of decarbonisation? What elements should the Transport and Infrastructure Net Zero Roadmap and Action Plan include to recognise the specific circumstances of the regional and remote aviation sector?

The chances of using SAF in GA aircraft are minimal. There is a small chance that Turboprop aircraft may use it but the volumes used are small and it would be better to use more SAF in larger aircraft as they generate significant amounts of CO2 during taxi, takeoff and in the climb stages of flight. This is much less of a problem in Turboprop aircraft which are far more fuel efficient at low altitudes. We need a significant development in battery technology for the current Turboprop fleet to be electrified and then each airport will require facilities to recharge

the batteries between flights. It is likely that charging stations with storage facilities will be required. This assumes that on arrival the batteries are exchanged for fully charged ones.

We need significant amounts of cash to be invested in research and development for alternative power sources for commuter type aircraft. We know under the right conditions rechargeable batteries can work even if not efficiently, the use of hydrogen comes with many challenges which must be managed.

What opportunities are there to develop domestic bioenergy feedstock production and collection in Australia's regions, and what policy settings from Government would support this?

The opportunities to grow feedstock is available. Australia is a dry country and growing feedstock for SAFs may come at the expense of growing food when drought conditions prevail. If feedstock is planted only to have the crop fail because of drought, what happens to the supply of SAF? This will create challenges for the makers of SAF. Investment in research and development to find the best feedstock that requires minimal rain is required.

What are the challenges faced by regional and remote aviation and airports posed by our changing climate?

Hotter ambient air temperatures affect the performance of aircraft. Some runways are prone to flooding following extensive rain. Both of these challenges are manageable. Heavy rains encourage the growth of grass and other foliage alongside runways, and this can encourage wildlife to move close to the runways posing a hazard to aircraft.

How do local governments and aerodrome operators consider climate resilience when managing their aviation assets?

Not sure.

Chapter 5 – Maximising aviation's contribution to net zero

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

To quote Jill Blickstein of American Airlines "Decarbonisation comes down to cold, hard cash and where does the money come from." Willie Walsh of IATA says "to be net zero by 2050 is starting to look uncomfortably close and eye-wateringly expensive."

The travelling public want lower airfares and it is clear that using SAFs and battery technology will cause the cost of operating aircraft to rise. SAF is currently 5 times more expensive than JetA1 and with fuel accounting for around 20% to 30% of the operating cost of an aircraft, prices of tickets will have to rise, or subsidies must be introduced to offset the increased costs. The cost of fuel at the main airports in Australia is approximately half of the cost per litre at some of the Pacific Islands and is at least 25% to 30% less than the cost of fuel at some of the regional airports. The reasons for these large discrepancies are the cost of transport and the low volumes delivered in some places means that the cost of the infrastructure and maintenance is recouped over much smaller volumes.

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?

It is highly unlikely that Net Zero in aviation can be achieved by 2050 unless there is a radical change to the way of life in Australia. There are severe constraints in mining, and technology to overcome before we can hope to mine enough minerals achieve net zero by 2050. We can obviously continue working towards reducing the CO2 emissions.

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)?

Understand what regional Australia and GA world needs in respect of services, airports, technology, training and facilities to support alternative means of powering aircraft. This analysis should also include how this will be funded. The regional market is small and can't be expected to fund the R&D and infrastructure required to achieve net zero. There is likely to be far greater scope to make some significant reductions in CO2 in the large transport world. These reductions would go a long way towards making up for GA and the regional Turboprops doing little if nothing about reducing CO2. Using battery powered aircraft for training in GA is going to be feasible a lot sooner than powering existing Turboprop aircraft with batteries and hydrogen.

With Aviation accounting for about 2% of the world's CO2 emissions, there is a lot of room for improvement in the remaining 98%. The return on investment in other sources of CO2 may be more significant than in the aviation sector.

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

Provide incentives to reduce CO2 emissions but taking into account that operators of large aircraft will have more opportunities than the small aircraft operators will. Large aircraft operators will have easier access to SAF than the smaller operators will.

What are the benefits and risks associated with updating the National Greenhouse and Energy Reporting (NGER) scheme and/or other policy mechanisms to enable unique claims on sustainable aviation fuel (SAF) sourced through common infrastructure? How can risks be managed?

No comment

What types of arrangements are necessary to support industry confidence in the quality standards and sustainability certification of SAF?

None. This is unlikely to be a problem because all fuels are currently certified and managed very carefully by the suppliers such as Caltex, Shell / Viva energy.

Should policy and regulatory settings be refined to support development of domestic SAF production capability and industry take-up of SAF?

The industry will use SAF if it is cheap enough and is available at sufficient airports to make it worthwhile using.

What are the current and future challenges in developing an Australian SAF production industry, including challenges associated with growing, refining and consuming feedstocks?

There are no refineries in Australia making SAF however this can be changed. The biggest facility is in Singapore. Facilities must be established to make the SAF and ensure that the quality meets the specifications. This will require investment.

How can policy and regulatory settings support research and development and subsequent investment in emerging low and zero emission technologies and related infrastructure?

Make sure that the projects are either funded through loans or grants or alternatively ensure there are meaningful tax breaks to encourage the development and use of SAF and other emission reduction technology.

What information and guidance is needed to support regional aviation's net zero transition in the context of these emerging technologies?

Regional aviation suppliers must know what aircraft / propulsion systems are going to be available and how these systems would work in the regional environment. Range, recharging, hydrogen supplies, maintenance, staff etc. all affect the operation. This requires a task force to investigate these issues and provide a report or recommendations.

Chapter 6 – Airport development planning processes and consultation mechanisms

Do you have comments on how the operation and effectiveness of the Noise Complaints Information Service could be improved?

It is essential that all parties understand the other's position in the noise issue. Curfews etc. ultimately push costs back on to the user through cancelled flights due to weather etc. Education is important. In Brisbane the "People before Planes" group seems to think that Airservices Australia is getting rich from allowing lots of flights in and out of Brisbane.

How could the Australian Noise Exposure Forecast, and use of the ANEF in Government planning processes, be improved?

No comment.

What are appropriate, modern noise metrics that should be used to communicate aircraft noise impacts?

No comment.

How can governments better communicate with potential purchasers of properties which will be affected by aircraft noise in the future?

In most instances, the airports existed long before many of the residential dwellings now in close proximity to the airports existed. People moved out to the airport areas for many reasons including the fact that land was cheaper as it was far from the CBD. Having moved to these areas, they now want the noise to be turned off. This comes at a cost to the economy. Noisy trucks, cars and motor bikes also add significant noise to the suburbs. Perhaps comparing aircraft noise with other noise and publishing these facts will assist to communicate the level of noise in a suburb.

How can new and different types of noise impacts from projected growth in drone use best be managed?

Drone noise is generally going to be isolated to a small moving area. The drone noise could be contrasted to other forms of delivery. Perhaps there should be limits on the drone noise – e.g. the same as the noise certificates for aircraft.

Do these processes provide sufficient opportunity for impacts on the community to be identified and taken into account? How can they be improved?

No comment.

What can be done to proactively mitigate noise impacts by better informing residents and land-use planners?

Write the noise into the developer's contracts so that people purchasing property know there will be noise.

What else can airlines and airports do to support better management of aircraft noise?

Listen to the community. Change flight paths, encourage airlines to use newer quieter aircraft. Look at alternative noise abatement techniques. Allow light and fast climbing aircraft to use different routes that spreading the noise around.

What can be done to facilitate increased adoption and implementation of the National Airports Safeguarding Framework principles for land planning to optimise land-use activity and reduce community impacts?

No comment.

Could governance arrangements for the Aircraft Noise Ombudsman be improved to provide greater independence, including publishing its findings and reports?

Yes, this could provided the ombudsman fully understands all the issues at stake.

Are there opportunities to improve transparency by publishing information about other decisions made by CASA, Airservices or airports around flight paths, and how aircraft approach and depart airports?

No comment.

How can the flight path design principles be improved?

Allow aircraft meeting lower noise criteria to use different flight paths. Change the flight paths regularly as was done at JFK some years ago. Consider early turns where housing can be avoided and allow the aircraft to head over less populated areas. One of the departures from JFK required a very early turn to avoid a noise sensitive community.

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?

No comment.

Are Community Aviation Consultation Groups (CACG) working for the community? What are good aspects, and what can be improved?

They are not very visible from the airport / government side. The anti-noise lobby is more successful at publishing their dissatisfaction especially in Brisbane. Regular discussion is an essential part of preventing people from becoming very upset.

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

No comment.

Is a monetary threshold still an appropriate mechanism for determining a 'major airport development' requiring an Major Development Plan (MDP)? What other significance tests could the Australian Government consider?

This question is not easily answered and requires a workshop to look at alternatives.

Do current master planning processes adequately account for climate risks and if not, how could they be improved?

No comment.

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

Activities on the airports are not properly considered. Some airports have draconian measures in place which make it very difficult for on airport residents to function. This affects GA and the airlines. Accessing maintenance hangars and then what work is allowed to be performed in them is regulated by CASA and the Airport owners / lessors.

Chapter 7 – General Aviation

Do policy and regulatory settings adequately facilitate the General Aviation (GA) sector's evolving role in Australian aviation?

No. GA is the poor cousin. The money is made from the big operators who also have more sway i.r.o changes in the regulations etc. GA is essential for training pilots or the big carriers.

Are there any changes to policy and regulatory settings that might facilitate the GA sector's evolving role in Australian aviation including through protections at GA airports and supporting the transition to a sustainable, net zero GA sector?

No GA airport should be under the threat of closure. They are too important for training for the bigger carriers and organisations such as the RFDS. GA provides air taxi services, aero medical services, survey, etc. GA airports don't require very complicated and expensive infrastructure but what exists must be maintained. GA airports are important to the local community.

Are existing consultation mechanisms, including the General Aviation Advisory Network (GAAN) and CASA-led Aviation Safety Advisory Panel (ASAP) and Technical Working Groups (TWG), appropriate?

No comment.

Chapter 8 – Fit-for-purpose agencies and regulations

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

Firstly, CASA has insufficient staff to regulate aviation in Australia! Secondly, CASA has limited people who are actually in touch with the challenges of the operators. It can take months for a new aircraft to be purchased and enter service in Australia with all approvals in place. This is because the people who know how to do the job are overworked.

Allocate funds to CASA and employ more people and encourage people who have retired from industry to join CASA. This will be a difficult challenge because the industry is already short of skilled aviation personnel. This is a worldwide problem which may be alleviated in Australia to some extent by encouraging migration.

Do the other agencies fully understand the challenges experienced by the operators?

Do you have any suggestions to improve current reform processes?

Get the right people into the reform process. Encourage or incentivise industry participants to contribute.

What should the Australian Government consider in adopting technology to fully utilise airspace and ensure access for different parts of the sector?

Ensure that all aircraft are fitted with ADS-B. Make it easier to get up to date weather reports and forecasts without paying more for them.

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

Don't pass any more costs on to the industry. The industry is already burdened with huge costs of compliance. Don't add more charges which must be passed back to the consumer. For example, the industry is forced to pay CASA for numerous services which should be done in a few days but take months to do. This is already a huge cost to industry.

Do you support the Australian Government introducing enhanced security obligations?

Not until we understand what the enhanced measures are, how they will be implemented, how much they will cost, how much the passenger and cargo flows will be disrupted and what this aims to achieve.

Do you have any comments about current security screening arrangements?

They are cumbersome. They are not applied equally at each airport in Australia. They don't seem to be keeping pace with changes in other countries.

Are there any specific initiatives that should be supported globally, regionally and nationally to continue improvement in international passenger facilitation?

Anything that can make it easy for a passenger to check in, drop bags, proceed through security and immigration will be welcomed by all. As things stand now, a passenger gives up control over his / her life the moment they walk into the terminal. They are told to queue her, present this, do that etc. The fewer stops required, the better. Some countries are trialling biometric passes etc.

How can Government optimise partnerships with industry to streamline the movement of passengers and modernise the border, while also enhancing security?

Does security require enhancement? In the USA, it is possible to subscribe to a system of minimal searches etc. but it is predicated on knowing the customer. Why can't this be done in Australia?

TSA PreCheck is one of a few government-run trusted traveler programs, designed to allow members to use expedited security lanes at more than 200 U.S. airports. With TSA PreCheck, you can speed through security without removing your shoes, laptops, belts or jacket.1

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?
No comment.

Chapter 9 – Emerging aviation technologies

How can we build on Australia's strengths to ensure that Australian industry in the sector is able to be competitive internationally?

Australia has numerous Universities and TAFEs, all of whom can be encouraged to research and develop technology specific to the aviation industry. Australia does not deal with the large numbers of travellers found at most major foreign airports so is ideally positioned to trial new technology.

How could the Australian Government create an environment that fosters private investment in emerging aviation technologies?

Encourage R&D through tax breaks and provide loans / grants. Get organisations like CASA to assist industry with approvals and certification.

What skills are needed for the emerging aviation technology sector workforce?

All skills are required. These skills extend from the design of the airport, extensions of airports, check in system, boarding, security, loading of aircraft, parking, airport design, structural engineering, mechanical, electrical engineering aircraft engineers, loading crews, ground staff, managers, trainers, pilots, R&D for SAFs and alternative power supplies for aircraft etc. All branches of aviation have been badly hurt by COVID-19 and the draconian steps taken to shut the industry down. It will take ages for people who have left the instability of the industry to recommend that others join it.

How can the Australian Government best work with states and territories to foster a supportive environment for investment in manufacturing of these technologies?

Run competitions for investment into the states and territories to be used for the development of manufacturing facilities and research and development.

What regulatory roles in particular do stakeholders see as critical for the Australian Government to lead to enable the advantages of new technologies while managing the risks?

From an operational perspective, CASA has enormous power to approved or disallow activities. CASA is really short of staff who understand the industry needs and how to assist the industry to achieve those outcomes. The ACCC also lacks understanding of the industry perspective on what is perceived to be a consumer protection issue. Consumers must be protected, and competition is essential but at the same time the aviation industry in Australia is small and economies of scale are difficult to achieve through numerous small organisations. Considering the concept of cabotage to increase competition shows a lack of understanding of the challenges that the industry must manage. The costs of compliance are enormous.

How will priorities of Government agencies need to evolve as the uptake of emerging aviation technologies continues?

The Government must facilitate and promote the adoption of these new technologies through grants, getting bureaucracy out of the way and providing incentives.

Do Government policies and regulations need to change to better support growth in emerging aviation technology manufacturing?

Yes, they do. Encourage and facilitate people from the industry to work with Government to understand the challenges with getting things done in a restrictive environment. We all understand that there must be control to ensure things are done safely but at least ensure that there are enough qualified and motivated people to assist the industry to implement new ideas and technology.

As competition for access to airspace is expected to increase, how can government ensure fair and equitable access while maintaining safety and efficiency of this public use asset? How could a safe, open, competitive and commercial Uncrewed Aircraft System Traffic Management (UTM) market operate?

Competition for airspace is less of a problem that the competition for airport facilities. There is a lot of technology that allows more aircraft (be they manned or unmanned) to operate in a block of airspace than in years gone by. Aircraft can be separated vertically by altitude and laterally by flying parallel tracks and then flying behind other aircraft. You cannot physically park aircraft on top of each other, taxiways and runways all have physical constraints. If we are to increase traffic, manned and unmanned, we must look at where these aircraft arrive, are parked, loaded, maintained and depart. Airspace is important from a noise perspective but has less limitations than the ground facilities.

Uncrewed aircraft will definitely be a part of the future. There will be some significant public confidence issues to manage before it becomes an everyday event. Moving into this type of aviation will require considerable workshops, planning and very careful introduction.

How do we achieve a balance between mitigating the negative impacts of drones and Advanced Air Mobility (AAM) while realising the potential benefits?

Get an industry work group together to work this out.

What form should a legislated scheme to mitigate risks of third-party damage from drone accidents take?

Perhaps limiting damage claims through mechanisms such as such as with the Warsaw Convention etc. may work but it is likely that the lawyers will have their view on this subject.

What frameworks does the Australian Government need to ensure community acceptance as the sector continues to develop, and particularly if it reaches some of the more optimistic growth projections?
It must be done safely and not to the detriment of manned flight.

Chapter 10 – Future industry workforce

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

Yes, it can be. Make it easier to get the training done by overseas providers recognised and endorsed on the pilot / engineer's licence with minimal delay. The time taken to get overseas training recognised is too long. Perhaps the requirement of sending everything to the big black bottomless pit called Reg Services at CASA could be improved.

The requirements for licences must be evaluated and checked to ensure they are still fit for purpose.

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 should make a big investment in developing the technology first and foremost and then from this the skill set for the various technologies will be easier to ascertain. This can be followed by a Training Needs Assessment from which the training requirements will be developed. Once this is done then we will know what the training establishments must aim for.

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

It is difficult to know what the future skills will be when the technology is still being developed. We don't know if using hydrogen to power commercial aircraft will be feasible as yet. There is lots of work being done in this field but the technology is far from mature.

How should governments and industry prepare Australian workers for the new skills required for the technological transition and net zero fuels?

Encourage school children to study the STEM subjects.

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

Are there opportunities to improve recognition of overseas training qualifications?

Australia requires skilled migrants. The average age of aircraft engineers in Australia is far too high. There are lots of opportunities to recognise overseas qualifications. Aircraft are flown much the same way no matter where they are in the world and aircraft are repaired in accordance with the manufacturer's instructions no matter where they are. The legislation does change from one part of the world to another. From these basic facts we should be looking at addressing the regulations and any other differences when accepting a foreign qualification. The foreign applicant could work under the supervision of a local mentor for a limited period of time until they were deemed to be proficient in the Australian way of doing things.

Chapter 11 – International aviation

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

The bilateral agreements are often not equal. For example, some states insist that the marketing carrier and the operating carrier are the same. Fiji and Australia are a good example but at opposite ends of this requirement. Fiji is very protective of its own industry and its major carrier, and this is one of the reasons why Fiji Airways is successful.

What opportunities exist to improve the approach to international negotiations?

Involve the local industry and ensure that their concerns are listened to.

Are there problems or potential improvements related to the Australian Government's approach to managing foreign investment in Australian international airlines?

Should it really matter who owns the airline? There are enough mechanisms in place to ensure that the airline can be operated safely.

What areas should Australia target through its international aviation programs? Are there opportunities for improvement and where would the greatest benefits be achieved?

Providing resources to the Pacific Island nations is of great benefit to the inhabitants of these islands. The islands are far apart and depend on aviation to provide connectivity for many reasons. The aviation industry requires appropriate

ground facilities, properly maintained aircraft (even unmanned aircraft must be maintained), crew / operators, engineering and a variety ground staff. All of which must function in an adequately regulated environment. There is no shortage of opportunities to provide aid. One of the biggest opportunities is to ensure airports and ground facilities are all adequate and properly maintained so that airlines can function.

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

These ports can be divided into two groups. Ports in developing countries and those in developed countries. The two groups have very different requirements. Consult with industry about what is required for each group and decide what assistance if any the Australian Government is prepared to provide.