

Submission to the Aviation Green Paper, Towards 2050

From: The Hume Residents Airport Action Group

29<sup>th</sup> November 2023

The Hume Residents Airport Action Group presents this submission which is specific to airport development and competitiveness in the Melbourne gateway, I believe the matters presented are consistent with the broad terms of reference, and it is necessary to review the operations of the Melbourne gateway.

Airport operations have long been considered to operate in a vacuum on the basis of economic prosperity they provide whilst the people exposed to aviation impact every day, all day are not represented in airport regulation, they are very much part of aviation and this paper should consider them.

My responses and recommendations are drawn from years of involvement in community advocacy, numerous submissions on aviation policy, and discussions with Federal, State and Local government planning officials.

The Aviation Green Paper: Towards 2050 notes the following;

- A competitive airline sector The Australian domestic aviation market is highly concentrated and the market is experiencing structural change which may impact the competitive dynamic in the future.
- With airlines no longer competing 'head to head' and focussing on market niches, the Australian Government recognises a reduction in competitive tension could adversely impact consumers and businesses that rely on aviation, potentially leading to higher prices and lower service outcomes.
- The Australian Government is actively seeking outcomes that deliver a more competitive aviation sector, whilst at the same time securing Australian jobs and is interested in stakeholder views on options to improve competition and market outcomes in the sector.
- Some stakeholders have suggested the Australian Government consider introducing greater cabotage rights for foreign airlines, allowing them to operate on domestic routes.
- The Australian Government considers the existing 'case-by-case' approach to cabotage likely remains appropriate. The Australian Government proposes to publish, in consultation with industry, a decision-making framework and guide for short term cabotage dispensations to provide clarity on existing arrangements and provide an administrative framework to manage any future decision to implement a longer-term arrangement.

### **Pre-determined considerations**

One of the principle aims of the aviation green paper is to engage with industry and interested parties to bring forward a collective of ideas from which to formulate aviation policy.

It is disappointing to have, in the context of this paper, the commonwealth articulates pre-determined positions on matters which government has invited ideas and discussion. If existing positions are to remain, what purpose does this process serve?

## **Airport Competition**

Having competition within the aviation sector, including airports, is a clear policy direction of the Aviation White Paper 2009, quote:

“In cases where a major gateway is served by more than one airport, the Government will treat the market as a single gateway rather than consider individual airports in isolation. For example Avalon Airport largely serves the same market as Melbourne Airport and will be treated as part of the greater Melbourne market”.  
(Aviation White Paper,2009)

When both Melbourne and Avalon airports were privatised in 1997, it was the intention that they would operate in the same market serving the Melbourne gateway.

Since 2009 government policy has strayed away from a competitive aviation environment to a highly concentrated and monopolised market.

Poor government decisions are categorised in the following:

Recently Melbourne Airport submitted a Third Runway Major Development Plan, claiming it is required to meet aviation demand till 2042. The plan forecast over 420,000 aircraft movements per year and is also seeking ministerial consideration for an extension to the approval period beyond what is allowable in the Airports Act 1996.

Communities have understood and expect the regulatory conditions of the Airports Act 1996 will be adhered to.

Melbourne Airport's four runway ultimate capacity was firmly established in the endorsed plans of 1989, by the Federal Airports Corporation (FAC).

Since privatisation of Melbourne Airport's capacity is now quoted as un-capped, we are not aware of any ministerial declaration, as required by the Airport Act 1996, changing the ultimate runway capacity of the four-runway plan by Dames & Moore.

Avalon Airport sits outside the regulation of the Airports Act 1996, and beyond the administration of the commonwealth department of infrastructure and transport which oversees aviation planning for 21 Federally leased airports.

The Avalon Airport Master Plan (2015) was endorsed by the Commonwealth Department of Defence in 2015 and sets out the long-term vision for expanded operations and activities of the airport. This intended expansion was to elevate Avalon Airport's role and function as Melbourne's second international airport.

Air Asia commenced two international flights per day to Kuala Lumpur before the COVID-19 pandemic, but by November 2022 has moved back to Melbourne Airport.

The following statement from the chief executive of Avalon Airport confirms Avalon Airport is constrained through the current regulatory framework:

"The Commonwealth government is investing tens of billions of dollars jointly with the New South Wales state government to build Western Sydney, to address the problem of capacity restrictions at Sydney Airport], Mr Brun said. "We're not looking for government funding for our airport, but we want policy equivalents to what the Government is going to give itself at Western Sydney" (Financial Review, 8 October 2023).

## **Communities are left vulnerable through government in-action.**

The aviation de-regulatory regime advantages the aviation industry and shields it from lawful responsibility. The commonwealth avoids making assessment into the effects from aviation, as it has done for wind turbines, and relies on self-reporting by the industry.

There is no transparent method which identifies viable airports.

The commonwealth has not established standards to protect health and wellbeing of residents.

The National Airport Safeguarding Framework (NASF) has no relevance for the people living around Australian major airports where residential development was long established before the NASF was legislated.

The commonwealth fails to recognise the cost of aviation impact to residents.

### **Recommendations.**

1. Make a declaration of airport capacity for Melbourne Airport so as to provide clear direction for the aviation sector and the communities they impact.
2. Halt approval for major development plans for additional runways at Melbourne Airport whilst existing airport resources and runway capacity at Avalon Airport remain under-utilised.
3. Declare Avalon Airport a joint user airport under Section 7B, Airports Act 1996, to pave the way for it to compete in the Melbourne gateway.
4. Make it a requirement for BITRE to include Avalon Airport in the reporting of national aviation statistics.
5. Follow up on the 1992 commonwealth initiatives of an investigation into a suitable site for an additional Airport in the South East of Melbourne, noting that the state government has re-affirmed planning commitment for an airport east of Melbourne.
6. Encourage investment opportunities which will lead to a reduction of airport expansion including the transformation to High-Speed Rail of passenger services between Melbourne, Sydney and Brisbane.
7. Commission a senate enquiry into the aviation sector to:
  - Assess the extent of human impacts from aircraft noise and pollution and set appropriate standards for the protection of human health.
  - Establish monetary value of those impacts as a cost to the economy and a basis for compensation.
  - Review the concept of a one airport city against the national interest.