



Hawkesbury City Council

attachment 1
to
item 23

Aviation White Paper 2009
- Executive Summary and
Summary of Government
Initiatives

date of meeting: 23 February 2010
location: council chambers
time: 6:30 p.m.



Australian Government

Flight Path to the Future

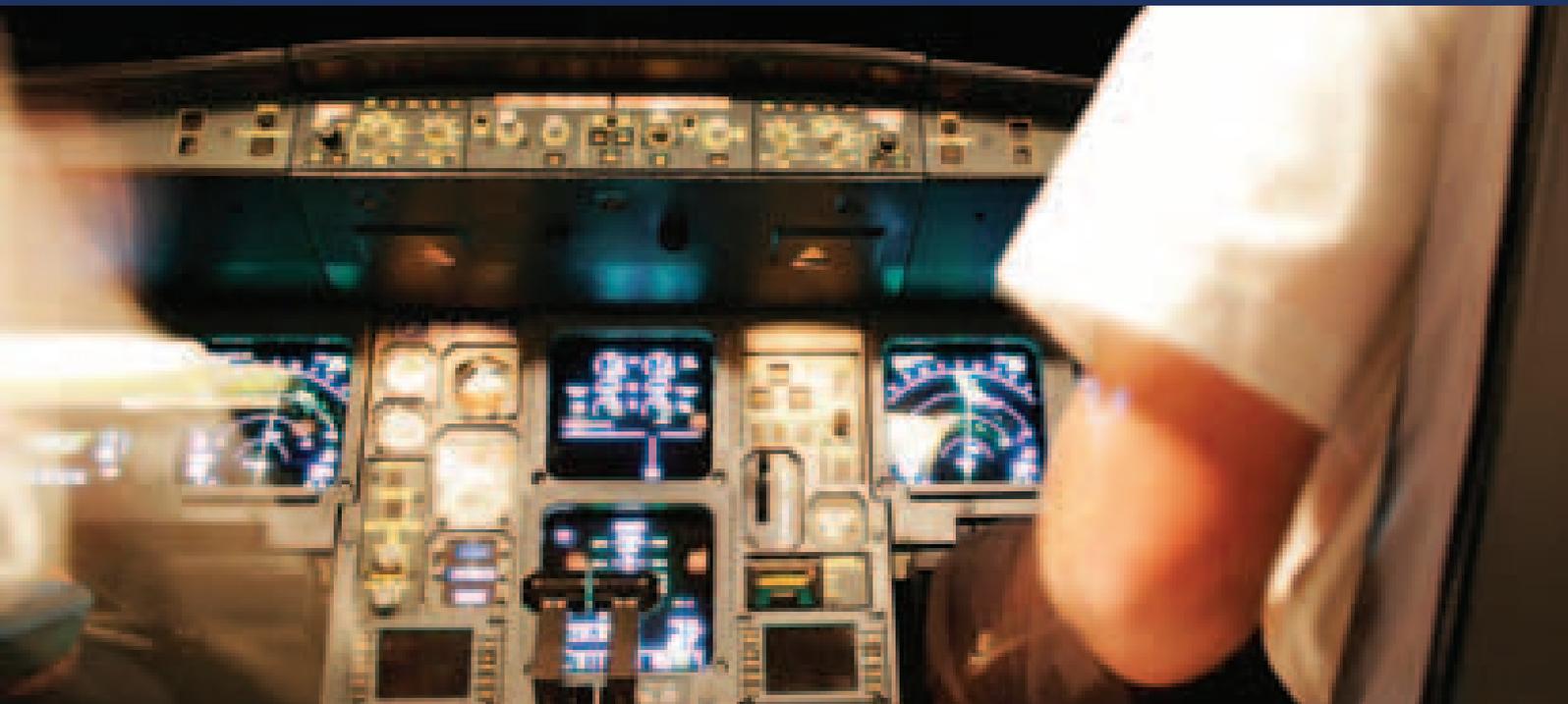
National Aviation Policy **White Paper**

December 2009





Executive summary



Executive summary

Overview

The release of the Aviation White Paper marks the first time an Australian Government has brought together all aspects of aviation policy into a single, forward-looking statement. The decision to develop the White Paper was taken soon after the election of the Rudd Government. It recognised the need to move away from an ad hoc approach to policy and planning for the aviation industry to a more coherent, strategic approach.

The first priority of the Australian Government for aviation is the safety and security of the travelling public. The Government has already enacted important reforms to the governance of Australia's aviation safety regulation and investigation agencies as it developed the Green Paper. The White Paper builds on these reforms and recognises that high levels of safety and security must continue to underpin the industry's future growth.

The Aviation White Paper is an important element of the Australian Government's broader strategic plan to build a stronger, fairer Australia and to prepare for the challenges of the future.

The decision to develop the White Paper pre-dated the global financial crisis which engulfed the world during the latter half of 2008. It was taken at a time of strong industry growth where major challenges were appearing in the areas of infrastructure capacity, skills shortages and rising fuel prices. Few anticipated the extent or rapidity with which these concerns would be overtaken by those generated by the financial crisis. Or the extent to which the crisis would spread beyond the financial sector to other industries, none more so than the aviation industry. Crafting the Government's direction in such a rapidly changing financial environment has presented challenges, but it has also highlighted the importance of providing long-term planning, investment and regulatory certainty for the industry.

The impact of recent economic turbulence on the aviation industry has been severe, but history shows the aviation industry will regroup and return to growth as the broader economy recovers. Not only will a rebound occur, but the industry will continue to innovate and expand. The focus of the White Paper, as a long-term policy and planning document, is very much on the future and on the challenges facing both industry and governments in continuing to grow this vital sector.

There will be pressures to maintain high safety and security standards as the industry continues to contain costs and there will be pressures on airports to invest to meet growing demand. At the same time there will be pressures to reduce the impact of aviation activity on communities and the environment. The ability to sustain services to locations with declining populations in regional Australia will be testing for both industry and governments. Another challenge is recruiting and training enough pilots, engineers and air traffic controllers to meet future needs.

The Government's objectives remain:

- > to give industry the certainty and incentive to plan and invest for the long term;
- > to maintain and improve Australia's excellent safety record;
- > to give proper consideration to the interests of travellers and users of airports; and
- > to better manage the impact of aviation activity on communities and the environment.

This White Paper outlines the policy settings and the long-term approach the Government has taken to achieve these objectives.

International aviation

Over 23 million people travelled on air services to and from Australia in 2008–09, almost half of these tourists visiting from overseas. Continued growth of international air services is vital to support further growth in international business, trade and tourism. The Government will continue to take a liberal approach to the negotiation of international air services rights while protecting the national interest and promoting expanded commercial opportunities for Australia's

international airlines. Travellers and Australia's tourism and trade sectors will continue to benefit from the opening up of Australia's international markets to more competition. The services of Qantas, Jetstar, Pacific Blue Australia and, most recently, V Australia, provide Australia with a strong competitive presence in international aviation markets and the Government supports consolidation and expansion of this presence.

Traffic rights that other countries have to offer will remain an important consideration in Australia's air services negotiations, as will the objective of maintaining a strong and vibrant Australian-based aviation industry. The Government is seeking to move to a new generation of liberalised air services agreements with like-minded partners. These include agreements that go further than the traditional exchange of traffic rights to include open capacity, beyond and intermediate rights, safety, security, environment, competition and investment provisions.

Currently there are secondary foreign ownership limits that apply to Qantas, but not to other Australian international airlines. The Government will amend the *Qantas Sale Act 1992* to remove these limits so that the same investment regime will apply to all airlines. This will increase Qantas's ability to compete for capital and to have more flexible equity arrangements consistent with other Australian international airlines. However, the Government will ensure that Qantas continues to be majority-owned by Australians and that its major operational base remains in Australia.

The Government will also move to encourage international airlines to increase services to Australia's secondary international gateways. Australia's regions have further potential to grow their inbound tourism markets. By providing airlines who serve regional airports with greater access to the major gateway destinations of Sydney, Melbourne, Brisbane and Perth, the Government will provide further incentives to airlines to better service destinations such as Cairns, Darwin and Broome.

Domestic and regional aviation

Australia's domestic interstate aviation market has been deregulated for nearly twenty years. Competition and the ability of the industry to respond to market demand has seen airlines offer lower prices, more flights and a wider variety of services than was the case before deregulation. The result has been increasing numbers of Australians travelling by air to do business, to educate themselves or simply to enjoy themselves. Domestic air travel has more than trebled over the past twenty years, with over 50 million passenger movements in 2008–09 through more than 180 domestic airports.

There remains overwhelming support for a fully deregulated interstate aviation market and the Government will retain this regime, including open investment in Australia's domestic airlines. The highly competitive domestic market has proved effective in stimulating growth and allowing industry the flexibility and responsiveness to manage the recent economic downturn.

The situation is less clear in regional Australia. There is a contrast between the solid growth rates to destinations such as Cairns, Sunshine Coast or Newcastle, often with a high tourist component, and static or falling demand on services to remote destinations such as Bourke. A trend towards larger aircraft has seen a decrease in both the number of regional airports served and the number of airlines and flights serving them. Declining regional populations and competition from other modes of transport have had an adverse impact on many in the regional aviation industry.

The Government considers that assistance for regional and remote air services and airports can be improved and better targeted at those routes that are unable to sustain commercial operations. Accordingly, the Government will:

- > re-focus the assistance provided by the Payment Scheme for Airservices Enroute Charges onto the more remote routes;
- > consolidate assistance provided by the Remote Air Services Subsidy (RASS) Scheme, the Remote Aerodrome Inspection (RAI) Program, the Remote Aerodrome Safety Program (RASPS) and the Remote Aviation Infrastructure Fund (RAIF) into one overarching program; and
- > work with state and local governments, as well as with local communities, to explore opportunities to improve services to remote communities through the RASS Scheme.

The Government will also ensure regional airlines' continued access to capital city airports, particularly Sydney where capacity is constrained, by retaining regional airlines' existing access slots and their current pricing arrangements.

General aviation

The general aviation sector comprises a diverse range of operations. Although small in scale compared with domestic mainline operations, general aviation is a vital component of Australia's aviation system, contributing \$279.3 million in gross domestic product and employing almost 3,000 people in 2008–09. It includes recreational and private flying, aerial agriculture and mining work, fire-fighting, flight training, charter and low-capacity passenger-carrying operations, amongst others. General aviation is often the training ground for future airline pilots and employees in other skilled occupations, thereby making an important contribution to the skills requirements of the wider aviation industry.

It has been challenging for the general aviation industry to transition to more commercial charging arrangements, which have occurred since the 1980s. One positive outcome is that these changes have led to the sector becoming more efficient and professional. However the industry needs certainty about access to secondary airports in Australia's capital cities where there have been examples of valuable airport capacity transferred to non-aviation uses in the years immediately following privatisation. The Government confirms its commitment to the continued operation and growth of secondary capital city leased federal airports, vital to general aviation. The Government will ensure airport master plans maintain a strong focus on aviation development at secondary airports and will not allow non-aeronautical uses to compromise the future growth of aviation activity.

The Government will also address the direct burden of rising regulatory charges on the sector by capping overall direct regulatory service fees at current real levels for at least five years. The Civil Aviation Safety Authority (CASA) has placed a high priority on supporting safety and increased professionalism in the sector through its proposed establishment of a sport and recreational policy and strategic framework and a Sport Aviation Office.

Australia has a small but very important aircraft and component manufacturing industry. CASA has been working to establish mutual recognition arrangements with key trading partners including the USA and Europe to lower the regulatory burden for Australia's aircraft and parts exporters. The Government also supports these companies through targeted export assistance programs.

Industry skills and productivity

The aviation industry requires a well-trained and highly skilled work force. The industry supports nearly 50,000 jobs directly and nearly half a million jobs indirectly through the tourism industry. It is an industry heavily dependent on technical occupations such as pilots, air traffic controllers, IT professionals and aircraft maintenance engineers. The development of a sufficient number of skilled people to meet aviation's needs is essential for the continued growth of the industry. Training arrangements are often complex with aviation workforce skills development taking place at a number of levels – by industry, through higher education, and through vocational education and training.

The Government is strongly committed to building the skills base of Australia's industries and workforce. One of the Rudd Government's first priorities was the establishment of Skills Australia to provide expert and independent advice to the Government on Australia's current, emerging and future workforce skills and workforce development needs.

The Government has also expanded the role of Industry Skills Councils which provide an interface between governments and industry regarding skills needs and workforce development. The role of the Skills Councils now includes the oversight of important improvements in training outcomes for the aviation sector through initiatives such as the development of the Aviation Training Package.

The Government has a broader reform agenda for vocational education and training (VET) and aviation is well placed to take advantage of this agenda. Access to financial assistance for students through VET FEE-HELP has been expanded and several providers of pilot training are now able to offer this assistance to students. The Government is working with the industry to identify further opportunities for eligible providers to offer VET FEE-HELP assistance.

Beyond government initiatives, the industry has become more active and innovative in training and recruiting and is continuing to improve its workforce planning, recruitment and retention strategies. Sustained focus on recruitment, retention and training in the industry is vital for its future growth.

Consumer protection

As with other goods and services, air travel standards are subject to the *Trade Practices Act 1974* and state and territory fair trading laws. This will continue under the umbrella of broader reforms the Government is enacting to improve oversight for all consumers. The Council of Australian Governments (COAG) has agreed to implement a new national consumer law for Australia. This marks a generational change in Australia's consumer laws and will form a key element in the delivery of a seamless national economy. The new Australian Consumer Law will introduce a single regime of national consumer protection for Australian consumers, giving them greater confidence in the goods and services they buy wherever they are. It will give Australia's consumer law regulators new and improved powers to enforce consumer laws in a nationally consistent way and provide business with a single national law with which to comply.

The Government believes it is important to provide consumers with appropriate protections, without affecting the ability of airlines to set service levels in a competitive market. Airline deregulation has increased the variety of airline fares and services, especially over the past five years with the growth of low-cost carriers. With this expansion, however, has come a degree of uncertainty and dissatisfaction as consumers and airlines have developed differing expectations of levels of service available for discount fare types. In recognition of this, the Government is looking to airlines to develop corporate charters outlining how they will deal with complaints, and to establish an airline industry ombudsman to better manage complaints not resolved by airlines in the first instance.

The Australian Government has already made improvements to provide better compensation payments to air crash victims and their families, while also cutting red tape for industry through the implementation of the 1999 Montreal Convention. Building on this, the Government will now continue to improve carriers' liability arrangements, as well as strengthen the mandatory insurance arrangements for damage caused by aircraft to third parties on the ground.

The Government will continue to work with industry and disability advocacy organisations to identify and implement means through which access to air services for people with disabilities can be improved. A dedicated government, industry and consumer working group has been established to consider a range of issues affecting disability access to aviation services, such as airport terminal facilities, cabin safety matters, and travelling with mobility aids. The Government will encourage airlines and airports to develop and publish Disability Access Facilitation Plans, through which they communicate information on the services available to passengers with disability, and how those services are best accessed.

Safety and security

A safe and secure aviation system remains the Government's number one priority in aviation. While air travel remains a relatively safe mode of transport, the Government will not allow complacency to threaten Australia's aviation safety and security record. Continuous improvement efforts and investment by industry and government are needed to ensure that high safety standards are maintained.

Australia is responsible, largely through its civil air traffic management provider, Airservices Australia, for communication, navigation and surveillance and air navigation services over an area which covers 11 percent of the earth's surface. Each year, Airservices manages air traffic operations for more than four million flights carrying some 65 million passengers in the Australian flight information region.

One element missing from previous approaches to air traffic management is a government-led, coordinated and forward-looking air traffic policy for Australia. This White Paper sets out strategic air traffic policy directions which provide a sound basis for planning and investment decisions by aviation agencies and industry. These policy directions include a strategy for the increased use of enhanced air traffic management infrastructure, including satellite technology, to further improve safety and meet future air traffic capacity demands.

The Government is also moving towards greater harmonisation of civil and military air traffic management, with the objective of developing a joint operational concept. Such a concept promises significant improvements in safety, efficiency and capacity.

The Government has set in place new governance arrangements for the Civil Aviation Safety Authority (CASA) and the Australian Transport Safety Bureau (ATSB), as foreshadowed in the Aviation Green Paper.

Key tasks for the new CASA Board are to build cooperation between safety agencies and improve ways in which industry has input into CASA's strategies. The Government will be looking to the Board to refocus CASA on its core function of regulating safety and to expedite CASA's completion of its regulatory reform program.

The Government's decision to establish the ATSB as a Commission will provide it with a greater degree of independence and complement the creation of a CASA Board in improving inter-agency cooperation.

To provide CASA with the certainty it needs to implement its strategies, the Government has determined long-term funding principles for CASA. These include a commitment to maintain Budget funding for basic enforcement and regulatory functions. In keeping with its commitment to keep regulatory costs down, in particular for regional and general aviation, the Government will require CASA to cap its direct regulatory service fees at real present levels for at least five years.

As the industry grows, CASA's resourcing base will be secured through appropriate industry cost-recovery arrangements. The Government ensures all funds raised through the current aviation fuel levy are returned to CASA for safety regulation and this will continue to be the case.

Increased investment in air traffic management facilities and services will continue to address identified and emerging risks in Australia's airspace and meet future demand both at our major capital city and regional airports.

Airspace reform will continue, with a focus on ensuring that Australia's airspace administration moves towards closer alignment with the International Civil Aviation Organisation's (ICAO) airspace system and adoption of proven international best practice.

Real threats remain to aviation security and the Government will continue to enhance the security measures in place to reduce the risk to travellers and the general public from these threats. The White Paper contains a set of initiatives to strengthen aviation security arrangements, with reform of some existing measures in the light of experience over recent years. The security system will continue to be flexible, taking account of contemporary risks and threats, while being responsive to future changes.

Key security initiatives include reform of the Prohibited Items List to ensure a better focus on real threats and less disruption for travellers and more consistent targeting of security measures to higher-risk aircraft such as larger turbo-propeller aircraft and charter services. Background checking of aviation workers will be streamlined to minimise the regulatory impact on workers while maintaining the frequency of background checks to ensure ongoing scrutiny of industry participants. The security of air cargo will also be enhanced to meet the ongoing demands of international cargo regulatory frameworks.

Airport infrastructure

Australia's airports are important transport and economic hubs, handling over 120 million passenger movements in 2008–09 and generating hundreds of thousands of jobs, both directly and indirectly.

Well-planned, efficiently operating, modern airports are important national and community assets. It is essential airports can continue investing and developing as demand for air travel and on-airport services grow. At the same time, the Government recognises the concerns of many about the need for more detail and transparency in airport development and the effects of increased aviation activity on communities close to airports.

The Government will strengthen planning arrangements in several ways. Airport Master Plans will be required to provide better transparency about future land use at airports, including for non-aeronautical purposes. New Planning Coordination Forums will improve planning coordination between major airports and all levels of government, including the implications of developments for local traffic and public transport. Major airports will be required to establish Community Aviation Consultation Groups to give local residents and businesses a better say in airport planning and operations. The Government has already introduced regulations to ensure that certain categories of development on airports which are likely to be incompatible with airport operations — such as schools and residential developments — are subject to thorough community consultation and assessment.

The Government will also improve regulatory oversight of leased federal airports by introducing a tiered approach to price and service quality monitoring, recognising varying degrees of market power. The existing airport pricing regime will be maintained, including price monitoring by the Australian Competition and Consumer Commission (ACCC) of aeronautical services at the five major airports. A self-administered, scaled-down monitoring arrangement will apply to Canberra, Darwin, Hobart and Gold Coast airports as well as improved quality of service reporting. Price monitoring of car parking at Australia's five major airports by the ACCC will continue.

Airports are scarce and valuable transport hubs. In most cases their existence has pre-dated the spread of residential areas and it is not in Australia's overall national interest for existing airport operations to be threatened by new residential developments on greenfield sites close to airports or under established flight paths. Best practice planning, both in terms of housing policy and aviation policy, should not place residential developments close to airports under aircraft flight paths. For this reason, the Australian Government will work with state and territory governments to ensure that development near airports and under flight paths is compatible with the future safe operation and growth of airports.

Well-planned and regulated airports, and good planning around airports, are in everyone's interests — airport operators, airlines, fare-paying passengers and local communities and businesses, as well as all levels of government.

Sydney is Australia's biggest and busiest city and Sydney's Kingsford Smith Airport is Australia's busiest airport, with over 32 million passengers in 2008–09. To ensure the future aviation needs of Sydney meet the expectations of the community and are fully integrated into long-term growth strategies, the Government, in partnership with the New South Wales Government, will work together to plan for the Sydney region's future airport infrastructure, including how it links to Sydney's growth centres and its road and rail transport systems. This is the first time that the two governments are aligning their planning and investment strategies.

Australia's smaller regional airports are an important part of the national transport infrastructure, connecting rural and remote communities with capital cities and regional centres. Through the Remote Aerodrome Safety Program the Government has focussed attention on the upgrading of airstrips in remote and isolated communities. Additional funding was provided in the 2009–10 Budget to upgrade remote airstrips requiring priority attention and the Government will improve the effectiveness of its remote aviation programs by integrating infrastructure and service delivery components through the consolidation of RASS, RASP, RAI and RAIF programs.

The environmental impacts of aviation

Like all forms of transport, aviation has an impact on the environment and communities. Although aviation is responsible for only two per cent of global carbon dioxide emissions, that proportion is growing, and minimising the impacts needs to be a focus of industry and governments. The industry has made substantial efforts to reduce its environmental footprint. New generation aircraft are much more fuel efficient, less polluting and quieter than planes were just ten or twenty years ago. Air traffic management measures to reduce fuel and noise exposure can also help. However, these will not be enough to offset the impact of continuing growth in aviation activity, which is why the Australian Government is working to improve aviation's environmental performance.

As part of the Government's broader response to the issue of climate change, Australia has ratified the Kyoto Protocol and has proposed a Carbon Pollution Reduction Scheme which would have included domestic aviation to meet carbon dioxide reduction targets. The Government will continue to work through the International Civil Aviation Organization to establish a framework for the treatment of international aviation emissions that can reduce emissions without unfairly disadvantaging Australia's international airlines.

The Government will pursue a range of measures to manage aircraft noise. These include maintaining existing curfews and aircraft movement caps, and phasing out the operation of older, noisy aircraft. The Government has reinforced through recent airport master planning processes the ongoing importance of effective noise management strategies, including the need for a periodic review of the need for a curfew at Brisbane.

The Government will also strengthen Airservices Australia's approach to managing noise complaints and distributing noise information through the establishment of a noise information and complaints ombudsman. Through these measures, as well as better coordination of planning on and around airports and more effective community engagement, the Government will work with the aviation industry and local communities to better deal with the impacts of aircraft noise.



Summary of Government initiatives



Summary of Government initiatives

INTERNATIONAL AVIATION

The Australian Government is committed to continuing the growth of Australia's international air services, providing additional opportunities for trade and tourism, while maintaining a strong Australian-based aviation sector. The Government will pursue an international air services policy which serves Australia's national interests by:

- > continuing the growth of international aviation towards 'open skies' agreements, balancing the economic, trade and tourism benefits that flow from opening up international aviation markets and the need to maintain a strong Australian-based aviation sector;
- > ensuring the capacity available to foreign and Australian airlines under our bilateral agreements remains ahead of demand so that growth is not constrained and airlines can plan for long-term expansion in the Australian market;
- > provide opportunities for regional areas such as Cairns, Darwin and Broome to attract international services by:
 - offering foreign airlines unlimited access to secondary gateway markets (markets other than Brisbane, Sydney, Melbourne and Perth); and
 - increasing these opportunities by offering additional beyond rights and improved access to major gateway markets for international flights linked to secondary gateways;
- > seeking fully open arrangements for dedicated cargo services to support Australia's vital air freight export industries;
- > providing greater opportunities for cross border airline investments through the incorporation of principal place of business criteria in bilateral agreements; and
- > retaining the basic restriction of 49 per cent on foreign investment in Australia's international airlines under the *Qantas Sale Act 1992* and *Air Navigation Act 1920* to ensure our airlines remain majority Australian owned and controlled, but
 - removing the additional restrictions on foreign ownership under the *Qantas Sale Act 1992* (i.e. 25 per cent for foreign individual shareholdings and 35 per cent for total foreign airlines shareholdings);
 - considering more flexible arrangements for ownership of Australian international airlines other than Qantas with governments with which Australia has negotiated Open Aviation Market agreements; and
 - pursuing in key international trade forums a multilateral approach to the liberalisation of international aviation.

DOMESTIC AND REGIONAL AVIATION

The Government continues to strongly support the maintenance of a fully deregulated interstate domestic aviation market and will continue to:

- > allow up to 100 per cent foreign ownership of Australia's domestic airlines, subject to meeting Foreign Investment Review Board requirements; and
- > ensure the aviation industry is subject to the competition laws that apply to Australian industry more generally.

In recognition of the challenges facing the industry and the communities that rely on regular air services the Government will improve support for regional and remote communities dependent on air services by:

- > continuing to provide funding assistance for regional and remote air services and aerodromes, and spend this assistance more effectively by concentrating it on those routes which need it most;



- > consolidating funding for the Remote Air Services Subsidy Scheme (RASS), the Remote Aerodrome Inspection (RAI) Program, the Remote Aerodrome Safety Program (RASP) and the Remote Aviation Infrastructure Fund (RAIF) and work with state and local governments and communities to identify routes and aerodromes that might be developed as hubs for serving remote areas;
- > refining the Payment Scheme for Airservices Enroute Charges to:
 - enable more assistance to be provided to support routes in more remote parts of regional Australia that are not commercially viable without a subsidy;
 - allow new eligible operators to access the subsidy where existing services have terminated; and
 - reviewing the effectiveness of these changes prior to the termination of the Scheme in 2012.
- > maintaining ring-fencing of regional slots which guarantees regional airlines access to Sydney Airport at existing levels; and
- > continuing with the current regulatory regime which caps pricing for regional airline aeronautical charges at Sydney Airport to CPI levels.

GENERAL AVIATION

The Government acknowledges the important role general aviation plays in supporting the broader aviation industry as a training ground for future airline pilots and engineers. The Government has recently:

- > provided an incentive for owners to upgrade aircraft through the use of accelerated depreciation rates for aircraft and broader temporary investment incentives introduced as part of the Nation Building – Economic Stimulus Plan and the Nation Building and Jobs Plan; and
- > reduced the number of twenty four hour restricted airspace areas from 81 to 15, as one of a number of major joint civil and military aviation initiatives;

The Government will support the industry's future development by:

- > confirming its commitment to the continued operation of secondary capital city airports, vital to general aviation;
- > ensuring airport master plans maintain a continued focus on aviation development at secondary airports and not allowing non-aeronautical uses to compromise future aviation activity;
- > issuing a new Australian Airspace Policy Statement, effective from 1 January 2010, confirming the safety of public transport services as the first priority in airspace administration;
- > setting out a road map for future infrastructure and technology policy directions for air traffic management to enhance air traffic safety, including a range of infrastructure, systems and technology initiatives;

- > giving effect to further flexible use airspace proposals which will build on recent initiatives by Defence to reduce the number of twenty four hour restricted areas from 81 to 15;
- > finalising the suites of CASA's regulations on licensing and flight operations by the end of 2010;
- > completing the remainder of the CASA regulatory reform program by 2011, providing additional resources to expedite drafting of new regulations;
- > continuing programs of support for essential airport infrastructure and air services in remote areas;
- > ensuring CASA places a high priority on supporting safety and increased professionalism in the sector through the establishment of a sport and recreational policy and strategic framework and a Sport Aviation Office;
- > capping any further increases in CASA regulatory service charges on the sector at Consumer Price Index levels for at least five years;
- > recognising Australia's important aircraft and component manufacturing industry by continuing with CASA's efforts to establish mutual recognition arrangements with key trading partners to lower the regulatory burden for Australia's aircraft and parts exporters; and
- > continuing Government support for exporting companies through the Export Market Development Grants scheme.

INDUSTRY SKILLS AND PRODUCTIVITY

The aviation industry will continue to depend on a highly-skilled workforce to support the industry's growth through the next decade and beyond. Planning and investment must take place now to ensure the industry's future skills needs are met.

The Government has:

- > established Skills Australia under the *Skilling Australia for the Future* initiative to provide expert and independent advice on matters relating to Australia's current, emerging and future workforce skills and workforce development needs;
- > expanded the role of Industry Skills Councils which link industry and training providers in the development of nationally applicable vocational education and training and, through the Transport and Logistics Industry Skills Council and Manufacturing Skills Australia, played a leading role in developing training packages for the aviation industry to improve planning and skills development for key industry occupations including pilot, flight instructors, aviation engineers and air traffic controllers;
- > made available training places in priority occupations in aviation through the Productivity Places Program;
- > expanded access to VET FEE-HELP to remove the barriers associated with the payment of up-front fees for aviation training; and
- > established through CASA a Flight Training and Testing Office to improve flying training standards and management and oversight of industry Approved Testing Officers.

The Government will:

- > streamline the application and assessment process for registered training organisations to be approved as VET FEE-HELP providers under the *Higher Education Support Act 2003*, making it faster, more cost effective and more efficient;
- > continue the development of the Aviation Training Package through the Transport and Logistics Industry Skills Council to further improve Flight Instructor Qualifications and Skill Sets;
- > improve flying training standards and management and oversight of industry Approved Testing Officers through CASA's Flight Training and Testing Office;

- > improve workforce planning in Airservices Australia and CASA through development and publication of workforce plans, updated annually to ensure they retain currency and reflect workforce trends;
- > ensure the closer alignment of national civil and military air traffic controller standards and qualifications; and
- > highlight the importance of continued industry improvements in workforce planning and training, including:
 - improved workforce planning which is now being seen in many parts of the Australian aviation industry in response to recent workforce shortages;
 - improved recruitment and retention strategies amongst Australia's aviation industry employers; and
 - improved marketing of aviation careers.

CONSUMER PROTECTION

Customer satisfaction is integral to the success and sustainability of the aviation industry. While the Government will continue to afford airlines considerable flexibility in the way they manage and respond to consumer expectations, the Government will maintain — and strengthen where appropriate — its role in setting minimum benchmark standards for airline behaviour.

The Australian Government will safeguard the interests of consumers within the aviation industry by focussing on reforms in three key areas.

Australian Consumer Law

The Government has moved to improve Australia's broader consumer protection framework by:

- > introducing new laws to stop airlines from advertising misleading fares by toughening the rules on component pricing; and
- > introducing to the Parliament the Trade Practices Amendment (Australian Consumer Law) Bill 2009 providing for the national regulation of unfair contract terms as well as enhancements to the consumer enforcement, investigation and redress provisions.

The Government will:

- > harmonise and coordinate fair trading laws, introduce new and enhanced remedies, and improve protections for all consumers, including air travellers, through the finalisation with states and territories of the Australian Consumer Law; and
- > work with the airline industry to renew its efforts to resolve customer complaints without the need for recourse to the legal system by:
 - developing 'Corporate Charters' to set benchmark standards for the handling of complaints;
 - establishing a mechanism for consumers to have unresolved complaints examined by a third party, such as an industry ombudsman; and
 - reviewing the industry's progress in this regard in late 2010.

Liability and Insurance Framework

The availability of fair compensation following an air accident is a critical protection for air travellers and their families. The Government's modernisation of the carriers' liability and insurance system will implement changes and updates that are necessary to ensure that the interests of victims and the interests of operator are appropriately balanced.

The Government will:

- › increase the cap on liability for domestic passenger travel from \$500,000 to \$725,000 per passenger;
- › increase the associated compulsory insurance for airlines from \$500,000 to \$725,000 per passenger; and
- › consult with industry on a suitable scheme to make insurance for third party (surface) liabilities compulsory.

Passengers with disabilities

The Australian Government's focus on communication, collaboration and cooperation between Government, disability advocacy groups and the aviation industry is already yielding significant practical outcomes.

The Government's Aviation Access Working Group (AAWG) is focussed on practical, functional improvements to disability access in the aviation industry and will:

- › facilitate the development of Disability Access Facilitation Plans by airlines and airports to communicate in detail their approach to meeting the needs of travellers with disabilities; and
- › in consultation with the AAWG membership, contribute to the ICAO working group established to review guidelines relating to passengers with disabilities.

AVIATION SAFETY REGULATION AND INVESTIGATION

Aviation is critically important to Australia and the Government is committed to ensuring that it remains as safe as it can be. Safety remains the number one priority of the Government in aviation.

The Government has acted to ensure the future of key aviation safety agencies – CASA and the ATSB – by enhancing their governance and independence and extending their authority. The Government has already:

- › established an expert Board for CASA to guide the organisation and to recommend enhancements to CASA's approach to regulation and surveillance of airlines;
- › confirmed the ATSB's independence by establishing it as a distinct statutory authority in the Infrastructure, Transport, Regional Development and Local Government portfolio;
- › strengthened CASA's regulatory powers to inspect and regulate the operation of international carriers operating to Australia to ensure safety standards are being met;
- › strengthened provisions to protect passengers from the carriage of dangerous goods; and
- › strengthened CASA's ability to take enforcement action against operators where there is a serious and imminent risk to public safety.

The Government's objectives for aviation safety

The Government will also ensure that our safety system as a whole works effectively and that key players, whether they are technical staff or senior management, are working together in the interests of safety.

Safety regulation will be robust and based on clear communication between government and industry. While the safety of the travelling public will be the first consideration, unnecessary or outdated impediments to industry's growth will be removed.

The Government will use the following principles in its approach to aviation safety:

- › The Government will ensure Australia's safety regulatory and investigatory agencies remain world leading and have the skills and capabilities to maintain safety and facilitate the industry's growth.

- > Regulation of safety will take account of best international practice and where possible Australian requirements will be aligned with relevant overseas practices.
- > Australian safety agencies will explore opportunities to adopt technologies that improve safety, and work with industry to implement them.

Finally, aviation safety does not stop at national boundaries and Australia will remain a key contributor on safety in international forums, particularly ICAO, and in our own region.

Statement of actions

To maintain and improve the safety of Australia's aviation industry the Government will:

- > commit an additional \$3.8 million to allow CASA to recruit additional specialised technical staff to enhance oversight of priority areas such as helicopter activity, foreign operators flying within Australian airspace, and aircraft maintenance undertaken outside of Australia;
- > finalise the suites of CASA's regulations on licensing and flight operations by the end of 2010; and
- > complete the remainder of the CASA regulatory reform program by 2011, providing additional resources to expedite drafting of new regulations;

The Government will ensure CASA:

- > conducts an appropriate level of consultation which allows appropriate industry input but does not unduly delay the regulatory reform process;
- > directs appropriate resources to emerging areas of risk with a particular focus on the surveillance of helicopters, foreign operators, the low-cost carrier sector and the conduct of off-shore maintenance;
- > continues to build a capacity to support the adoption of safety management systems in the aviation industry;
- > continues its focus on the safety of ageing aircraft;
- > continues to enhance the framework for the safe transportation of dangerous goods by air;
- > maintains its existing offices in Townsville, Cairns and Darwin and establishes new work-bases for air safety inspectors in Gove, Kununurra, Broome and on Horn Island to enhance safety oversight of operations in northern Australia;
- > enhances oversight of the operation of unmanned aerial vehicles (UAVs);
- > improves the sport and recreational sector's capacity to self-administer by introducing a strategic framework for sports aviation, a Sports Aviation Office, and a safety forum to assist information exchange within the sector itself, and between it and the safety regulator.

The Government will ensure ATSB:

- > reviews current investigation policies and practices to ensure that the Bureau retains its reputation as a best practice safety investigation agency and its influence on the national and international safety agenda; and
- > continues to undertake an appropriately-scoped research agenda informed by analysis of its own safety data and investigation findings, and by consultation with relevant stakeholders, including CASA, Airservices Australia, educational institutions and the aviation industry.

The Government will also:

- > continue to improve the quality of the inter-agency relationships between safety agencies and with industry players to maintain a safe aviation environment;
- > develop and implement a State Safety Program in 2010 to provide a framework for safety oversight of Safety Management Systems within the aviation industry; and
- > continue Australia's engagement in the region, established by the Indonesia Transport Safety Assistance Package, the *Strongim Gavman* Program and work in the Pacific Aviation Safety Office, to improve regional aviation safety.

- > Airservices will review aeronautical pricing options for terminal navigation services in the first quarter of 2010 with a view to establishing a framework that facilitates the enhancement of air traffic services around Australia including at major regional airports.
- > The Government will task Aviation Policy Group agencies to establish by mid-2010 clear criteria, aligned with the nature and complexity of operations at individual locations that will help determine when new, modified or alternate air traffic management services and facilities are required.
- > Defence, in consultation with other government agencies, will develop options relating to industry cost recovery at locations where Defence provides air traffic management and related services to civil aviation for the Government's consideration.
- > Airservices and CASA will update and publish workforce plans annually.

AVIATION SECURITY

Australia's aviation security regime has protected travellers and the general public from major incidents to date. However the system must continue to improve and evolve to meet a growing and changing airline industry and ongoing security threats. The Government's aviation security policy settings will continue to be characterised by:

- > mitigation of the key risks to the security of air travellers and the general public;
- > cooperative and effective partnerships between government and industry;
- > alignment of regulatory requirements with international practice; and
- > minimal disruption to passengers and cargo facilitation.

The Government remains committed to working in partnership with industry to provide an aviation security regime with a high level of preventive security, passenger facilitation and efficiency. Australia needs an aviation security regime reflecting current world's best practice while remaining flexible to the future challenges confronting the aviation sector. To this end, the Government is committed to:

- > a systematic approach to assessing aviation security threats, risks and vulnerabilities;
- > appropriate auditing and monitoring to identify and report security gaps and ensure continuous improvement;
- > clear indicators against which security performance is measured;
- > monitoring, collecting and analysing data on security performance to guide performance improvement;
- > driving commitment to security through the senior leadership of the aviation industry;
- > fully integrated airline and airport management systems acknowledging security as a core management responsibility; and
- > industry management systems to address compliance with security requirements.

To ensure Australia remains a world leader the Government will strengthen aviation security by:

- > requiring, from 1 July 2010, passenger and checked baggage screening for all aircraft greater than 30,000kg MTOW operating regular public transport services;
- > extending passenger and checked baggage screening for all aircraft greater than 20,000kg MTOW operating regular public transport and prescribed air services by 1 July 2014;
- > requiring ICAO Hardened Cockpit Door standards to apply to all aircraft with a MTOW greater than 10,750 kg (capacity greater than 30 passengers);
- > continuing to work with airport and airline operators to ensure implementation of more effective 'front of house' arrangements including agreed "alert" and "response" arrangements for security incidents at airport terminals;
- > introducing annual certification requirements for screening officers and screening authorities;

- > ensuring greater national consistency in security outcomes by implementing improved security training programs and a performance management framework of security screening;
- > enhancing the Aviation Security Identification Card (ASIC) regime by:
 - strengthening the cancellation provisions for ASIC issuing bodies;
 - making provision for subsequent background checks for ASIC holders where their eligibility may have changed;
 - increasing the maximum penalty for an ASIC holder failing to report that they have been convicted of an aviation security relevant offence; and
 - tightening the provisions for visitor management at security controlled airports.
- > working with industry to develop a regulated shipper scheme making appropriate use of technology-based screening for high risk cargo;
- > reinforcing the need for effective security strategies to be driven from the highest level in organisations by requiring the responsibility for implementing Transport Security Programs to be reflected appropriately in the Chair or Chief Executive Officer's responsibilities in corporate governance arrangements of the organisation; and
- > expanding Australia's international cooperation regime of visitation activity at high-risk, last ports of call airports.

The Government will seek wherever possible to minimise inconvenience to passengers without compromising security. In particular the Government will:

- > implement a prohibited items regime more in line with internationally agreed standards, taking into account specific threats to Australia by:
 - allowing the use of metal cutlery knives on aircraft and at airport facilities; and
 - removing other low-risk items such as knitting needles, crochet hooks and nail files to minimise disruption to passengers and allow security screeners to focus on items of real risk;
- > reduce passenger delay and inconvenience by amending regulations dealing with unaccompanied baggage in limited circumstances where aircraft are unexpectedly diverted; and
- > amend regulations primarily affecting oversized duty free liquid purchases to potentially allow some duty free purchases to remain on board aircraft during transitional stops on international flights and as a result avoid the need to rescreen these items.

AIRPORT PLANNING AND DEVELOPMENT

The Government is committed to work with the leased federal airports and with state, territory and local governments to achieve a more balanced airport planning framework, which will support more integrated planning outcomes, provide communities with more input to airport planning, and streamline the development of aviation infrastructure.

The prime role of the federal airports is to provide aviation infrastructure that serves the Australian community. The current reforms have been developed with this in mind. The planning framework should above all facilitate the development of airports as aviation infrastructure, not only by encouraging investment in aviation facilities, but by enhancing the place of airports as key transport hubs located in vibrant communities and regions.

The framework for reform outlined in this White Paper will support better-integrated planning outcomes through establishing:

- > Planning Coordination Forums for each primary capital city airport to enable airports and governments to more effectively engage on strategic planning issues;
- > an identified list of Expert Advisors, which will enhance the Minister's access to expert appraisal of identified land use planning and integration issues;

- > more detailed Master Plans, including ground transport plans and airport environment strategies;
- > a new requirement for developments with a significant community, economic or social impact to go through a Major Development Plan assessment, which will enable the Government to better assess the impact of airport development on surrounding communities;
- > formalised Community Aviation Consultation Groups to ensure that local communities have direct input on airport planning matters, with appropriate arrangements for engagement with other industry stakeholders such as airlines and Airservices Australia where necessary;
- > a requirement for all applications for building approval on federal airport sites to be published; and
- > a prohibition on incompatible developments on federal airport sites, such as residential developments and schools, unless exceptional circumstances exist.

Conditions for aviation infrastructure investment will be optimised by:

- > removing the requirement for a Major Development Plan assessment for high priority, low impact aviation facilities;
- > providing the Australian Government Minister with discretion to reduce the public comment period around Major Development Plans where the material features of the proposed development have already been addressed in Master Plan consultations; and
- > the development of national airport safeguarding measures, which will ensure that airport operations are subject to minimal unnecessary constraints from nearby construction and development.

Safeguarding airports

Recognising the economic value and scarcity of airport sites, the Australian Government will work with jurisdictions on a national land use planning regime near airports and under flight paths, to minimise sensitive developments being located in areas affected by aircraft operations. The Government will also work with state, territory and local governments and industry stakeholders to:

- > improve and enhance land use planning arrangements and supplementary public information relating to the impacts of aircraft noise, including to
 - refine the arrangements for use of the Australian Noise Exposure Forecast (ANEF) system;
 - supplement the use of the ANEF system with tools such as measures of single event noise exposure at a location or measures of the frequency of noise exposures above a particular level (N65, N70); and
 - improve mechanisms for ensuring that prospective purchasers of properties in noise-affected areas have notice of the noise exposure and access to understandable information about the likely noise;
- > improve access to guidance material for airports and off-airport planning authorities on the potential windshear and mechanical turbulence effects of new constructions;
- > develop national guidelines for wildlife hazard management in and around airports to minimise birdstrike and other wildlife hazards;
- > develop national guidelines to address technical and navigation issues relating to wind turbine developments, with regard to the potential for electromagnetic interference as well as the potential physical obstruction for aircraft;
- > establish consultative processes to ensure that the potential effect of any new windfarm on aviation operations is considered and addressed prior to approval;
- > work with state and territory governments and authorities to strengthen arrangements to protect airspace around airports:
 - address potential risks to aviation safety arising from inappropriate developments in the vicinity of aerodromes;

- ask that all states and territories put in place statutory powers and regulations to prohibit unauthorised construction that penetrates the published OLS and PANS-Ops surfaces for all airports;
- strengthen requirements for notice of proposed developments in areas where protected airspace might be affected a proposed structure, by cranes or other equipment used during construction, plumes or other gaseous emissions;
- extend the coverage of operational airspace safeguards to all registered airports and aerodromes including incorporating requirements for notification to CASA and Airservices Australia of potentially impacting developments;
- prevent unnecessary interference to aviation technical facilities, such as radar, from new buildings in the vicinity of airports;
- prevent unnecessary lighting and other pilot distractions from off-airport sources; and
- > undertake a detailed examination of the implications of public safety zones in the vicinity of airports.

ECONOMIC REGULATION OF AIRPORTS

Major airports require an appropriate economic regulatory framework to prevent abuse of market power. The Government is committed to striking a balance between the needs for effective oversight, transparency for all airport users and incentives to invest.

The Government will:

- > continue the existing economic regulatory regime for leased federal airports, including the price and quality of service monitoring regime conducted by the ACCC until at least 2013, with a full review by the Productivity Commission in 2012;
- > continue with the monitoring of car parking prices and revenue at the five major airports, re-established in April 2008;
- > introduce a self-administered price and quality of service monitoring regime for second-tier airports;
- > encourage airports to pro-actively adopt web-based reporting to present a full picture of the quality of experience and charges passengers can expect at their airports; and
- > include the second tier monitoring system in the 2012 Productivity Commission review to assess the effectiveness of these arrangements.

OTHER AIRPORT INFRASTRUCTURE

Regional and remote airports

Airports and aerodromes are a critical part of the transport infrastructure of regional and remote Australia, often providing the only means of reliable year round transport to other centres and cities. Without them, many Australians and local economies, already disadvantaged by distances from major markets, would be denied access to essential goods and services.

The Australian Government:

- > provides flexible funding to local governments through Financial Assistance Grants with \$1,922.7 million in untied financial assistance grants to local councils in 2009–10;
- > has committed more than \$1 billion to local community infrastructure since November 2008, some of which has been allocated by councils to airport-related projects;
- > has established the \$25 million Local Government Reform Fund to work with councils and shires to improve long-term financial sustainability and resilience by:

- assisting councils implement new asset management and planning consistent with a national framework;
 - funding the collection and analysis of robust data about councils' infrastructure assets; and
 - supporting collaboration between councils on a regional basis for service delivery and planning; and
- › will continue to provide direct assistance for upgrading remote aerodromes in partnership with states and local councils through the Remote Aerodrome Safety Program.

Defence airports

The first priority of Defence airport facilities and services is to meet national security and Defence Force capability requirements. However, Australia's national airport infrastructure also benefits from the significant role played by Defence in the provision of runway capacity for civil airline use, and air traffic management facilities and services at a number of key locations, especially at Darwin, Townsville and Williamstown.

Defence will be completing a review of civil aviation usage of Defence airports in 2010. Taking account of this review the Government will ensure civil access to Defence airports is compatible with current and future military requirements. The Government will also consider options in 2010 in relation to industry cost recovery arrangements at Defence and joint-user airports where Defence provides air traffic management and related services to civil aviation to ensure Defence is properly resourced to meet compatible future civil aviation requirements at an appropriate level of safety.

Fuel supplies at Australia's airports

Aviation fuel is an essential industry input that needs to be supplied reliably, with continuity and through competitive market conditions where possible. The responsibility for jet fuel supply assurance ultimately rests with industry. However the Government will support improved planning and communication among fuel suppliers by:

- › finalising a review of the National Operating Committee (NOC) which monitors and advises on potential jet fuel supply disruptions at major airports, including the future of the Independent Person role on the NOC; and
- › continuing to ensure the supply arrangements for fuel at Australia's airports remain subject to the broader competition provisions of the *Trade Practices Act 1994*.

FUTURE AVIATION NEEDS FOR THE SYDNEY REGION

The Australian Government will be working with the NSW Government to develop an aviation strategic plan for the Sydney region which will:

- › consider the immediate aviation infrastructure requirements for the Sydney region and the capacity of the existing aviation infrastructure and the land transport network linkages to meet forecast demand;
- › determine the medium and long-term aviation infrastructure requirements for the Sydney region and the capability of the existing aviation assets serving the region to meet the forecast market demand in passenger and freight transport and general aviation sectors of the industry. This would include consideration of:
 - current airport capacity;
 - the implications of future long-term demand forecasts for aviation services;
 - the planning of future economic infrastructure including long-term spatial and land use planning for employment for the region;
 - the location and nature of future urban growth in the Sydney region, and
 - key linkages between existing aviation infrastructure with other transport networks.

- > review existing investment strategies for the civil and Defence airport facilities in the region, including an assessment of their capacity to meet the Sydney regions future aviation requirements;
- > identify strategies and locations to meet the aviation infrastructure needs of the Sydney region, through examining:
 - current and future state land use and land transport planning strategies;
 - Sydney's future requirements for transport and economic infrastructure, including Sydney's future employment nodes ;
 - existing and required transport infrastructure to support additional aviation capacity for the region;
 - the need for other supporting infrastructure (energy, communications, gas, water etc);
 - the availability and application of off-airport protection measures to ensure existing and future airport capacity is protected from inappropriate development which may limit its effective long-term operations and growth;
 - the interaction between airports in the region, including Sydney (Kingsford Smith) Airport;
 - economic and investment and environmental opportunities and challenges associated with future land use; and
 - existing airport policy and legislative requirements.
- > identify any other matters that will need to be considered, in delivering additional aviation capacity for the Sydney region.

Future use of the Badgerys Creek Site

- > The Commonwealth and the State will develop a joint proposal for the future use of the Badgerys Creek site, by giving due consideration to:
 - current state land use and land transport planning strategies;
 - the demand for land at Badgerys Creek for future employment and economic development purposes (e.g. strategic manufacturing investment and business park opportunities);
 - zoning requirements;
 - existing and required transport infrastructure to support future employment generation land use;
 - the need for other supporting infrastructure (energy, communications, gas, water etc); and
 - the appropriate land release strategies which maximise long-term employment opportunities in South Western Sydney.

AVIATION'S ROLE IN REDUCING GLOBAL CARBON EMISSIONS

Aviation contributes two per cent of total global greenhouse gas emissions but this contribution is growing. Action needs to be taken to ensure the aviation industry's growth is sustainable and its contribution towards global climate change is minimised.

The Australian Government has demonstrated its commitment to addressing climate change, especially through Carbon Pollution Reduction Scheme (CPRS) legislation in which the domestic aviation industry will be included. The Government will pursue the CPRS legislation in 2010.

The Government will also:

- > continue to work through ICAO and other forums to ensure measures to address carbon emissions from international aviation are non-discriminatory and do not disproportionately affect Australia's international airlines;
- > press ahead with the application of improved air traffic management technology and enhanced operational procedures to optimise the efficiency of aircraft operations to and from Australia and in Australian airspace;
- > establish a regime which facilitates improvements to airport operations and infrastructure and gate-to-gate efficiencies; and
- > ensure that a robust transparent regime for monitoring, assessing and reporting aviation carbon footprints is implemented.

MINIMISING THE IMPACT OF AIRCRAFT NOISE

The Australian Government will continue to work with the aviation industry to ensure the impacts of aircraft noise are minimised and to find practical solutions for noise amelioration.

To help all stakeholders understand their respective roles and responsibilities in relation to the management of aircraft noise impacts on the community, the Government will:

- > ensure future airport operations and their economic viability are not constrained by incompatible development and protect existing and future communities from undue exposure to aircraft noise by working through COAG and other forums to put in place an effective national land use planning regime for land near airports and flight paths.

The Government will also:

- > regulate to restrict the operations of marginally compliant Chapter 3 aircraft, such as hush-kitted Boeing 727s, where they contribute to unacceptable levels of noise;
- > maintain the existing curfew regime at Sydney, Adelaide, Gold Coast (Coolangatta) and Essendon airports, where communities have grown in expectation of these arrangements continuing;
- > monitor the noise impact of future airport growth at Brisbane where significant new development and activity is planned over the next decade and establish a review process on any need for a future curfew;
- > establish within Airservices Australia an Aircraft Noise Ombudsman to:
 - independently review noise complaints handling procedures and make recommendations for improvements where necessary; and
 - improve Airservices' consultation arrangements and the presentation and distribution of aircraft noise-related information to the general public;
- > ensure ready access for stakeholders to easily understood information, including through the development of an interactive web based application for non-experts to access aircraft noise information using the Transparent Noise Information Package (TNIP); and
- > develop a framework in consultation with stakeholders for an industry funded noise amelioration program where future major civil airport operations and air traffic changes place residences into high-noise exposure zones.