

LABOR'S PLAN FOR AVIATION & AIRPORTS



WE'LL PUT PEOPLE FIRST

Labor



BACKGROUND

The vast island continent of Australia relies heavily on aviation for internal movements as well as our connections to the outside world. Australia needs a healthy and productive aviation sector, including airports, to support our economy and jobs across the many industries that rely on aviation.

International aviation is the overwhelming basis of entry and exit to Australia for people. It has grown very significantly as the cost of flying has fallen in real terms over recent decades. Factors often beyond Australian control affect the fortunes of the sector, especially in areas of discretionary spending like tourism. Regulation in international aviation is unique and complex. Amid all of that is the need for Australia to have home-based connections to the outside world, with strong Australian international airlines supported by the Federal Government in air services negotiations with destination nations. Between 2009 and 2015, international movements of people to and from Australia rose 43 per cent, and freight 37 per cent by weight. This is much faster than the economy in the same period.

Domestic aviation is a critical factor in the cost of interstate business, domestic tourism and high-value or time-sensitive freight movement. Aviation also brings our regions and cities within hours of each other, rather than days. Regional and remote aviation settings are critical to the health of our regional centres and their opportunity to connect with our larger cities and centres. Between 2009 and 2015, the annual domestic passenger load rose 14 per cent.

General aviation is smaller and is diverse, and it interacts with many Australians' work, recreation and way of life. It also is a training ground for future commercial pilots. Many small businesses exist in this sector.

Our airports include international gateway, secondary and regional airports, and also remote airstrips. Infrastructure Australia estimates that Australia's ten largest airports handle 80 per cent of passengers. Australia's four largest city airports are all addressing increased demand – with Sydney developing a second major airport, and the others adding new runway capacity. The fostering and ongoing viability of smaller air routes and the airports that serve them will be critical to regional growth.

By its nature, aviation is subject to a number of layers of regulation. This reflects the gateway, competitive, security and safety characteristics of the industry.

Aviation is a \$30 billion industry, directly employing tens of thousands of Australians.

In 2009, the previous Labor Government released Australia's only Aviation White Paper. For the first time, the Federal Government's long-term policy objectives for the industry were laid out.

OUR OBJECTIVES

The White Paper listed four objectives for the industry:

- 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 for the interests of travellers and users of airports.
- To better manage the impact of aviation activity on communities and the environment.

These goals remain the elements underpinning Labor's policy approach.

The White Paper was released in the midst of the Global Financial Crisis but it anticipated better times, which have come to pass. In the meantime, a level playing field across international aviation has remained elusive. A local cycle of domestic competition delivered low fares for travellers, although some prices proved to be unsustainably low, and such pricing has now eased. Our major airlines have returned to profit after periods of significant losses, in part aided by cheaper fuel prices. Security incidents, including the MH370 and MH17 events, have continued to highlight safety and security issues. Technology continues

to change aircraft and the passenger experience.

In the last three years, the Abbott-Turnbull Government has completed a review into the regulation of aviation safety. Labor supported this review, and a Shorten Labor Government will maintain the thrust of the recommendations. Labor believes safety in aviation is the paramount concern, and that regulatory settings in this area should be measured, prudent, and not sudden. Labor supports a regulatory approach in aviation safety that is firm but fair. Labor supported limited relaxation of secondary foreign ownership restrictions on Qantas, but supports retaining the 49 per cent overall cap on foreign ownership that applies to Australian international airlines generally.

INTERNATIONAL AVIATION

Labor 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.

Labor 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 benefits with the need to maintain a strong Australian-based aviation sector.
- Ensuring the capacity available under bilateral agreements stays ahead of demand.
- Providing opportunities for regional airports to attract international flights.
- Seeking open arrangements for dedicated cargo services.
- Providing greater opportunities for cross border airline investments.
- Retaining the basic restriction of 49 per cent on foreign investment in Australia's international airlines.
- Pursuing a multilateral approach to the liberalisation of international aviation.

Where new gateways are approved, Labor will provide timely support through federal agencies in areas such as customs and security.

DOMESTIC AND REGIONAL AVIATION

Labor supports a deregulated interstate domestic aviation market, as currently exists.

We continue to support the maintenance of a fully deregulated interstate domestic aviation market and will continue to encourage competition as the primary driver of service and consumer value, and will support regulation where this is insufficient.

Regional and remote communities rely on regular air services. Labor recognises that there is a case for well-targetted government support to maintain marginal services through funding assistance, hub development, and protecting regional slots and landing costs into major airports like Sydney where needed.

GENERAL AVIATION

Labor acknowledges the important role general aviation plays in supporting the broader aviation industry as a training ground for future airline pilots and engineers.

Labor will support the development of the sector by:

- Supporting the continued operation of secondary capital city airports, vital to general aviation.
- Ensuring secondary airports maintain a focus on aviation development.
- Not allowing non-aeronautical uses to compromise future aviation activity.
- Enhancing air traffic safety.
- Providing support for essential airport infrastructure and air services in remote areas.
- Ensuring the Civil Aviation Safety Authority places a high priority on supporting safety and increased professionalism in the sector.
- Backing Australia's aircraft and component manufacturing industry through mutual recognition agreements.
- Continuing Federal Government support for exporting companies through the Export Market Development Grants scheme.

INDUSTRY SKILLS AND PRODUCTIVITY

Aviation needs a highly-skilled workforce to support the industry's growth.

Labor will maintain a strong aviation industry with a secure Australian workforce.

Planning and investment must take place now to ensure the industry's future skills needs are met. Labor will require Airservices Australia and the Civil Aviation Safety Authority to publish workforce skills plans annually.

Labor opposes allowing international airlines to fly domestic legs of flights in Australia. This would create an uneven playing field for Australian aviation employees and operators. Plans to change air cabotage proposed by the Liberals in the last year have the potential to undermine the employment of Australian aviation workers and could dilute the profitability of Australian carriers already operating in a very competitive market, as well as diminish the viability of the Australian aviation industry.

Labor acknowledges the unique challenges facing women in aviation, and will promote the advancement of women throughout the industry.

CONSUMER PROTECTION

Labor will maintain and where warranted, strengthen, the Federal Government's role in setting minimum benchmark standards for airline behaviour.

A Shorten Labor Government will safeguard the interests of consumers within the aviation industry by focussing primarily on competitive choice and also ensuring:

- A well-functioning Consumer Law and support for the Airline Customer Advocate.
- A fair compensation and insurance system is in place to protect air travellers.
- The need for passengers with disability is catered for.

AVIATION SAFETY REGULATION AND INVESTIGATION

Safety remains Labor's number one priority in aviation.

Australia has a world leading aviation safety record and it's vital that we retain this.

The following principles will guide Labor's approach to aviation safety:

- Safety regulation and investigation agencies will be properly resourced to remain world-leading.
- Australia will seek to align with world's best practice, and participate in international forums, particularly the International Civil Aviation Organization.
- Agencies will use the latest technology to improve safety, and work with industry to implement it.

Labor supported the Aviation Safety Regulatory Review led by David Forsyth, which reported in 2014. Labor supports safety regulation that is effective, fair and firm. Labor supports constructive relationships between the regulator and the industry, but harmony should not replace rigour when it comes to the safety of passengers and crew.

Labor acknowledges the many small businesses in general aviation, and the relative burden that regulation places on them. Labor will work to remove unnecessary regulation.

Labor supports an evidence and risk-based approach to targeting areas for safety improvement across the sector.

AIR TRAFFIC MANAGEMENT

Labor will maintain and enhance best practice in air traffic management in Australian airspace.

Labor supports continuous improvement in air traffic management, and use of technology to improve efficiency and reduce the cost of flying.

Labor initiated and has welcomed the commencement last year of the OneSky initiative which will bring together civil and military air traffic control under one management system. This greater coordination between civilian and military aviation will allow Australia to remove limitations from separately managed airspace and the constraints of operating different systems with separate databases.

Labor will improve aviation rescue and firefighting services through establishing better governance arrangements that clarify roles and responsibilities.

AVIATION SECURITY

Labor will maintain a strong aviation security regime characterised by:

- Identification and mitigation of the key security risks to air travellers and the general public.
- Effective partnerships between government and industry.
- Alignment of regulatory requirements with international practice.
- Minimal disruption to passengers and cargo facilitation.

A Shorten Labor Government will work in partnership with industry to provide an aviation security regime with a high level of preventive security, passenger facilitation and efficiency.

AIRPORT PLANNING AND DEVELOPMENT

Labor will work with the leased federal airports and with state, territory and local governments to balance airport planning, and streamline the development of aviation infrastructure.

The airport planning framework should 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.

Labor put in place, and will retain, a rigorous and structured community consultative mechanisms at all federal airports, with appropriate arrangements for engagement with other industry stakeholders such as airlines and Airservices Australia as appropriate, and enhance the masterplan process, including ground transport and airport environment plans.

Labor also put in place restrictions on incompatible development at federal airport sites, such as residential developments and schools.

Labor will support existing constraints on federally-leased airport operations where these are legislated or are mandated operating conditions arising from environmental impact statement (EIS) processes.

In addition to requirements of the EIS, in the case of the new Sydney West Airport, Labor will put in place a “no-fly zone” at night over existing residences, by conducting simultaneous airport operations in a south-westerly direction.

Labor will require affordable noise mitigation measures to address environmental impacts.

Labor will also implement operational measures to reduce concentration of aircraft flight paths over any particular community, as per existing practice at most airports.

MINIMISING THE IMPACT OF AIRCRAFT NOISE

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

Labor will also:

- Restrict the operations of certain types of aircraft where they contribute to unacceptable levels of noise, where appropriate.
- Maintain the existing curfew regime at Sydney, Adelaide, Gold Coast (Coolangatta) and Essendon airports.
- Continue to support the Aircraft Noise Ombudsman.
- Ensure ready access for stakeholders to easily understood information on aircraft noise.
- Where impacts cannot be mitigated through other means, 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.

SAFEGUARDING AIRPORTS

Recognising the economic value and scarcity of airport sites, Labor 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.

This will be important in coming years with major airport development occurring in Australia's four largest cities.

ECONOMIC REGULATION OF AIRPORTS

Labor believes that major airports are valuable economic assets that are critically important to our cities and major centres. Properly regulated and managed, airports and the precincts around them can be major generators of jobs outside of CBDs. It is therefore vital that a balance be struck between the economic benefits and environmental costs of airports.

Many airports also require an appropriate economic regulatory framework to prevent abuse of market power.

A Shorten Labor Government will be committed to striking a balance between the needs for effective oversight, transparency for all airport users and incentives to invest.

Labor will continue the existing economic regulatory regime for major federal airports, including the price and quality of service monitoring regime, and car parking prices and revenue conducted by the Australian Competition and Consumer Commission.

REGIONAL AND REMOTE AIRPORTS

Airports and airstrips are a critical elements of transport infrastructure in 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.

Labor will:

- Provide flexible funding to local governments through Financial Assistance Grants, which can assist regional and remote airstrips.
- Provide direct assistance for upgrading remote aerodromes in partnership with state, territory and local governments.

AVIATION AND CARBON EMISSIONS

Aviation contributes two per cent of total global greenhouse gas emissions, but this contribution is growing.

- Labor awaits international agreement on emissions treatment for international aviation.
- Domestically, Labor will work with industry on how emissions costs from major emitters should be accounted for.

A UNITED LABOR TEAM WILL PUT PEOPLE FIRST

From the day Bill Shorten became Leader, Labor's team has remained united, with a single-minded commitment to deliver those policies that put people first. A healthcare system underpinned by Medicare. An education system that gives every child in every school more individual attention – Public, Catholic or Independent. University and TAFE that is accessible for all.

**WE HAVE PUT FORWARD OUR POSITIVE PLANS.
WE ARE UNITED. WE ARE READY.**



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