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16 August, 2006

The Secretary, House of Representatives Standing Committee on Employment, Workplace Relations & Workforce Participation, Parliament House PO Box 6021 CANBERRA ACT 2600

Dear Sir,

On behalf of the Australian Airports Association I thank the Committee for the invitation and opportunity to comment on its current inquiry into workforce challenges in the Australian tourism sector.

The Australian Airports Association (AAA) is a non-profit organisation founded in 1982 and represents the interests of over 260 airports Australia-wide from the local country community landing strips to the major international gateway airports. The Charter of the Association is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

Airports of all shapes and sizes around Australia represent significant infrastructure and play an important role for the economic well being and maintenance of community services. For the purposes of this Submission to the Inquiry, we will specifically address some of the terms of reference as they relate to the supportive roles played by airports in rural and regional tourism. Although the major airports have a much larger drawing area from which to attract suitable staff, in most instances in rural, regional and remote Australia, that is not the case. The following information is in support of that contention.

Current and Future Employment Trends in the Industry

Developments (non-aeronautical) at the major airports are currently providing employment opportunities for those in the construction industry. Presently there is in excess of \$2 billion of infrastructure work underway at Australia's airports, including many in rural, regional and remote Australia. Airports will need to employ staff with the appropriate level of 'skills' to provide the ongoing management of these infrastructure developments. There will be an increasing demand placed on the future employment opportunities at airports located throughout rural, regional and remote Australia, by virtue of the fact that there is a trend for staff to acquire qualifications, competency-based training and assessments, as well as experience, and then move on to airports with a much larger operational base.  Current and Emerging Skill Shortages and Appropriate Recruitment, Co-ordinated Training and Retention Strategies

Airports, in support of making their immediate area attractive to tourism, need to have regular public transport (RPT) air services to and from the major population centres. For an airport to sustain RPT services, it requires the appropriate approvals from the Civil Aviation Safety Authority (CASA) and part of that approval process is that the airport must have (according to CASA's assessment), suitably qualified and experienced airfield operational staff. Some years ago the AAA and CASA recognised that for RPT airports in rural and regional Australia, the need for training local airfield operational staff was going to become a major issue for employment opportunities in the future. As a consequence, the AAA developed (in concert with CASA's support) a comprehensive training program for Aerodrome Reporting Officers (AROs) and Aerodrome Works Safety Officers (AWSOs). It is the only training course of its type in Australia and has the endorsement of CASA, as well as the peak training bodies. It cost the AAA tens of thousands of dollars to develop the program and as of today's date, almost 600 participants around the country have successfully completed the course.

The simple fact is that without the appropriate level of local expertise responsible for the safe and secure running of the airport, there would be no RPT services, which would have a very detrimental impact on local tourism. The retention of qualified staff in remotely-located airports is always going to be difficult, particularly as the industry grows and 'good' staff embark on their own career development path that eventually leads them to the big, or bigger, smoke. The introduction of a new aviation security regime for all RPT airports adds yet another dimension to training suitably-qualified staff to facilitate the airport's mandated 'Transport and Security Program.'

For many local council-owned and operated airports, an integral part of the retention process relates to multi-skilling of their workforce, most of whom are generally embedded in the local community and with an eye on their future retirement benefits. However, it is becoming increasingly difficult to replace those retiring with younger people who are prepared to become embedded in the local community – the classic 'catch 22' situation.

Labour Shortages and Strategies to Meet Seasonal Fluctuations in Workforce Demands

With due regard to the aforegoing comment, this is not so much a problem, because airports 'roster' for the RPT services and should there be, due to seasonal demand, an increase in the number of RPT services, generally this requirement can be absorbed by the existing staff. In addition, those staff also undertake seasonal work such as mowing, painting etc. as part of their multi-skilling, or the work has to be outsourced. All levels of Government are encouraging industry to maximise the efficiency of their operations and as a result, there is no real incentive for the employer to take on additional staff.

Strategies to Ensure Employment in Regional and Remote Areas

Suitably trained and experienced airport staff are able to demand (and receive) a premium for their services. Often the costs of running the airport are a significant drain on the local council's operating budget – particularly when the council does not have access to regular revenue streams from the airport operations that are sufficient to cover all of the costs involved. A major component of these costs is associated with the actual employment costs and other 'fringe benefit' costs for the retention of qualified personnel.

Also, bear in mind that some councils with RPT operations do not charge any landing fees. Rather, they see RPT access to their airport as providing support for local tourism and to fulfil community service obligations.

It has often been said that there are currently insufficient 'taxation' incentives extended to those working in locations that we city folk would define as rural, regional and remote. Perhaps this is an issue the Committee might like to address in its deliberations?

The mining boom in South Australia, New South Wales, Western Australia and Queensland continues to attract skilled tradespersons away from local airport employment by offering huge incomes and incentives that simply cannot be matched by the local Council. The Committee might like to address a recommendation that a subsidy scheme, recognising the economic and social benefit of maintaining a certified airport, be developed to assist Councils in rural, regional and remote Australia to retain skilled staff.

 Innovative Workplace Measures to Support Further Employment Opportunities and Business Growth in the Tourism Sector

Housing, and the cost of utilities, family employment, motor vehicles, health insurance, paid air fares to a major centre once or twice a year in conjunction with extended annual leave entitlements are all given consideration when employing qualified staff at many airports throughout rural, regional and remote Australia. It is important to acknowledge that there are also exceptional circumstances for the provision of suitably-qualified staff to work at airports in support of indigenous communities. Many of these communities are becoming more reliant on the impact of tourism, ie. painting and artefact purchases, as well as travelling to historic and generally inaccessible sites.

In a more general sense, there is a view in the Australian aviation industry that Governments at all levels do not positively acknowledge and give the appropriate status to those studying 'trades'. By way of example, University students are able to access the HEC's scheme, yet trainee 'trades' must rely on the generosity of their employer and their parents or guardians. University students (and eventual graduates) receive more credit and kudos than those who choose to attend a trade school. In regional, rural and remote Australia, trade skills are essential in keeping necessary infrastructure (airports, roads, utilities etc) functioning for the benefit of the local community. The impact on tourism is self-evident.

Should it suit the purpose of the Committee, the AAA would welcome an invitation to discuss some of the aforegoing in more detail. Once again, we thank the Committee for the opportunity to make a submission on behalf of Australia's rural, regional and remote airports.

As requested, please be advised that the principal contact for any further advice or comment on the content of this submission is the undersigned.

Yours faithfully,

<u>Ken Keech</u> Chief Executive