



Appendix F - Aviation policies of Australia's states and territories

Australian Capital Territory

- 1.1 The Australian Capital Territory Government's aviation policy is aimed at supporting the development and retention of an effective regional aviation industry. To this end, the Government supports the further development of Canberra International Airport as a regional transport hub. The Government supports the continued operation of the regional airline REX by requiring each ACT Government department to purchase a minimum of 15 percent of their travel from that airline.¹

1 Australian Capital Territory Government, communication with secretariat, 22 October 2003.

New South Wales

- 1.2 The New South Wales Government reviewed its aviation policy in 2001 following its Air Transport Summit and its June 2001 Regional Airlines Summit.²
- 1.3 The features of the New South Wales Government's aviation policies are:³
- The policies aim to help stabilise lower volume services within the intrastate aviation industry and maintain competition for higher volume services.
 - The policies aim to create a positive business climate for regional areas as part of its regional development strategy by attracting and maintaining business investment, serving local industries and accessing a range of capital city based services. They are also linked to the broader regional air service needs such as are articulated in regional tourism development plans.⁴
 - To achieve its aviation outcomes, the New South Wales Government:
 - ⇒ Regulates lower volume routes of up to 50 000 passengers per annum to ensure their long-term sustainability by issuing an exclusive license to the operator for five years up to 2008. License fees do not apply to these routes. It does not use competitive tenders to select the exclusive operator.
 - ⇒ Allows open competition on higher volume routes of over 50 000 passengers per annum and levies a license fee of 0.2 percent of gross revenue.⁵
 - The New South Wales Government provided financial assistance to secure the sale of Ansett's regional subsidiaries in the state in 2002. It works to identify and reduce cost pressures at local, state and federal level, and to facilitate stability and growth opportunities in

2 New South Wales Government, submission no. 151, pp. 2-3.

3 New South Wales Government, communication with secretariat, 29 September 2003.

4 New South Wales Government, communication with secretariat, 29 September 2003; New South Wales Government, submission no. 151, pp. 1, 3.

5 New South Wales Government, communication with secretariat, 29 September 2003; New South Wales Government, transcript of evidence, pp. 520-521.

regional and rural air services. It strongly supports ongoing access of regional aviation to Sydney Kingsford Smith Airport.⁶

Northern Territory

1.4 The features of the Northern Territory Government's aviation policy are:⁷

- The maintenance of a strategic network of 72 aerodromes which service major indigenous communities.
- The Northern Territory has an open skies approach to intra-territory air services.

1.5 The Northern Territory also provides assistance for the upkeep of 14 key barge landings also serving indigenous communities.⁸

Queensland

1.6 The Queensland Government reviewed its aviation policy following the events of 2001.

1.7 The features of the Queensland's Air Services Policy are⁹:

- Queensland's policy framework which ensures that rural and remote communities receive air services that interconnect with domestic and international services.

6 New South Wales Government, communication with secretariat, 29 September 2003.

7 Northern Territory Government, submission no. 101, p. 4.

8 Northern Territory Government, submission no. 101, p. 4.

9 Queensland Government, submission no. 153; Queensland Government, transcript of evidence, Brisbane, 12 June 2003; Queensland Government, communication with secretariat, 18 September 2003.

- Queensland's Airports and Regulated Air Transport Plan addresses the delivery of air transport infrastructure and services to remote and regional communities in Queensland to ensure essential access to a range of business, education, medical and social opportunities.¹⁰

- To achieve its aviation outcomes, Queensland:¹¹

- ⇒ Regulates air services requiring market entry restrictions to ensure the long-term sustainability of air services. It regulates certain routes by means of public tender and the issue of an exclusive licence for five years.
- ⇒ Subsidises air services to regional areas to improve the affordability of air travel for transport-disadvantaged communities where there is a shortfall between in the cost of operating the service to the prescribed standards, and the revenue collected as fares.

Following its 2002 review of air services, Queensland believes that every community should be within 200km of an air service. It currently provides \$7m pa to subsidise essential air services to these communities.¹²

- ⇒ Provides grants to assist local governments with the upgrade of remote and regional air strips for basic access and regional development. Since 1997, Queensland has provided \$12m in capital grants to support projects.
- ⇒ Controls planning in the vicinity of certain airports and aviation facilities to protect infrastructure from incompatible developments and to protect the amenity and safety of communities.

- The Aviation Steering Committee coordinates Queensland's Aviation Strategy to ensure the integration of the State's wide-ranging aviation responsibilities.

10 Queensland Government, 'Queensland Aviation Strategy', exhibit no. 28.

11 Queensland Government, 'Queensland Aviation Strategy', and 'Queensland Airports and Regulated Air Transport Plan', exhibit no. 28; Queensland Government, submission no. 153; Queensland Government, transcript of evidence, Brisbane, 12 June 2003; Queensland Government, communication with secretariat, 18 September 2003.

12 Queensland Government, transcript of evidence, Brisbane, 12 June 2003, pp. 677-678; Queensland Government, communication with secretariat, 18 September 2003.

- The *Transport Operations (Passenger Transport) Act 1994* is the legislative head of power that allows the Queensland Government to place market entry restrictions on certain rural and remote air routes. Queensland has contracts with the providers of air services on those routes. The contract specifies service levels, amongst other things, to ensure the deployment of the most suitable aircraft types on the regulated routes.
- Queensland's aviation strategy integrates key overarching policy elements and comprises the Queensland Tourism and Commercial Aviation Plan, the Queensland Aerospace Industry Development Plan, and the Queensland Airports and Regulated Air Transport Plan.¹³
- The Queensland Government established Aviation Australia to provide training to support the development of the aviation and aerospace industries in Queensland and the Asia Pacific. Australia's major airlines, aerospace companies and Queensland's leading universities support Aviation Australia.

South Australia

1.8 The features of the South Australia Government's aviation policy are:¹⁴

- The facilitation of South Australia's regional communities' access to social and business services, and economic and tourism development opportunities.
- A long standing commitment to minimise government intervention in the state's aviation sector.

13 Queensland Government, 'Queensland Airports and Regulated Air Transport Plan', exhibit no. 28, p. 4.

14 South Australia Government, submission no. 148, pp.2, 3, 4, 11; South Australia Government, transcript of evidence, Adelaide, 16 April 2003, pp. 370-371; South Australia Government, communication with secretariat, 15 September 2003.

1.9 To achieve its aviation outcomes South Australia:

- Has provision to regulate interstate air routes under the *Air Transport (Route Licensing – Passenger Services) Act 2002*. Under this recent legislation, South Australia may offer licenses to operators by competitive tender or other means on declared routes for the provision of scheduled air services when that is in the public interest. This is intended to provide for community needs by encouraging investment by operators in very marginal routes suitable for single operators only.
- Funds regional aerodrome inspections and reporting officer training and some outback and regional aerodrome refurbishments.
- Participates with the Commonwealth in the Remote Air Subsidy Scheme.
- Indirectly supports regional aviation through funding its medical patient transport assistance scheme.
- Assists airport owners to recover movement fees with legislation that enables the airport owner to recover the fee from the holder of the certificate of registration for the aircraft.¹⁵

1.10 South Australia provides a declining freight subsidy to the Kangaroo Island ferry operator which concludes in 2005. It has also improved access to Kangaroo Island by providing \$28.5m in assistance to Kangaroo Island since 1995 to improve roads and port.

Tasmania

1.11 The Tasmanian Government does not have a formalised aviation policy. It has not regulated aviation services within Tasmania since July 2000.¹⁶

15 South Australia Government, transcript of evidence, Adelaide, 16 April 2003, p. 378.

16 Department of Infrastructure, Energy and Resources, Tasmania, communication with secretariat, 2 October 2003.

- 1.12 The Tasmanian Government advised the committee that it would only consider regulating aviation services where the market fails to provide an appropriate service and it is in the public interest for that service to exist. However, it does have a range of legislative and policy frameworks that promote the smooth operation of aviation in the state. These include the *Aerodrome Fees Act* and the *Civil Aviation (Carriers Liability) Act*.¹⁷
- 1.13 The Tasmanian Government monitors aviation services to and from the State to ensure that these services meet Tasmania's access needs, both socially and economically and for both passengers and freight. It also monitors these services in respect to the Bass Strait Islands (principally King and Flinders Islands).¹⁸
- 1.14 The Tasmanian Government supports the provision of aviation services and infrastructure through the development of appropriate planning, land use and environmental frameworks and controls.¹⁹

Victoria

- 1.15 The Victorian Government has a non-interventionist approach to regional aviation markets, infrastructure and services. It has not seen the need to intervene in any aspects of regional aviation to achieve strategic outcomes. In coming to this position, the Victorian Government recognised the relatively low number of passenger air services and routes, the geographical size of the state and the comprehensiveness of land-based transport networks and services.²⁰

17 Department of Infrastructure, Energy and Resources, Tasmania, communication with secretariat, 2 October 2003.

18 Department of Infrastructure, Energy and Resources, Tasmania, communication with secretariat, 2 October 2003.

19 Department of Infrastructure, Energy and Resources, Tasmania, communication with secretariat, 2 October 2003.

20 Victorian Government, communication with secretariat, 20 October 2003.

- 1.16 Nevertheless, the Victorian Government is preparing an aviation industry strategy in collaboration with key stakeholders in industry, education and training, and government. The strategy will endeavour to link transportation, communication and regional development strategies with aviation.²¹

Western Australia

- 1.17 Following a review of aviation in WA, the features of the WA Government's aviation policy are:²²
- The WA Government's aviation policy is to assist those routes that are unable to sustain competition. These are ports that have less than 60 000 passengers per annum. Assistance is in the form of regulation by the issue of an exclusive licence to an operator, or subsidisation. The State subsidises commercially unviable routes such as between Broome, Derby, Fitzroy Crossing and Halls Creek.
 - An Aviation Industry Observer monitors the aviation service levels on supported routes and all services operating in the State market.
 - The Regional Airports Development Scheme provides leveraged assistance to a number of regional airports that have difficulty in maintaining the facilities.
 - The WA Government is collaborating with the mining and the tourism industries to build the capacity of certain routes and improve air services to regional communities. In the case of mining industry charters, the WA Government is working to have these combined with RPT services, where possible.
 - Establish the Regional Air Services Program comprising the Essential Air Services Program and the Air Tourism Route Development Program. The Essential Air Services Program serving mainly the north of the state will be reviewed to ensure funds are targeted and meet community service obligations.

21 Victorian Government, communication with secretariat, 20 October 2003.

22 Department of Planning and Infrastructure, correspondence with secretariat, 5 September 2003.

- The Regional Tourism Route Development Program will support and develop routes that have limited tourism seat capacity and engage industry and the community in developing such routes.
- The WA Government will liaise with airport owners to assist with the development of air services.
- Regional Air Services Consultative Committees will be formed to work with industry to develop services, monitor service levels and identify opportunities and issues affecting regional aviation services, and to develop community awareness of the need for them to support regional air services.
- The WA Government will engage the Commonwealth at the executive and the departmental level on aviation policy.