



The Coalition's Policy for Aviation

August 2013

Key Points

The Coalition will strengthen our aviation industry and allow it to be more competitive.

We will ensure our aviation sector is safe, reliable, efficient, competitive and proud to be Australian.

To support the growth of our aviation industry, the Coalition will:

- abolish the carbon tax and its insidious impact on aviation fuels and aviation businesses;
- establish a formal Aviation Industry Consultative Council to meet regularly with the Minister;
- establish a high level external review of aviation safety and regulation in Australia;
- ensure that the Australian Transport Safety Bureau is adequately resourced;
- reform the structure of the Civil Aviation Safety Authority;
- focus on the better utilisation of Australian airspace;
- support regional aviation by introducing a new and better targeted En Route Rebate Scheme;
- recognise the importance of Australian airports to the economy;
- revitalise the General Aviation Action Agenda;
- continue to promote aviation liberalisation;
- enhance aviation skills, training and development; and
- ensure that aviation security measures are risk based.

The Coalition will ensure Australia has a safer and more competitive aviation sector.



Introduction

Aviation is a vital part of the Australian economy.

A competitive and innovative aviation sector provides jobs for thousands of Australians and has substantial economic flow-on effects for the wider economy.

A responsible Commonwealth Government supports investment, innovation and competition in the aviation sector.

Instead, Labor's approach to aviation policy over the past six years has seen cost after cost added to the bottom lines of airlines and airports, pilots and passengers.

Together, these measures have made the Australian industry increasingly uncompetitive internationally and have seen many smaller aviation providers struggle to survive.

Government imposed red tape is beginning to overwhelm many smaller and medium-sized businesses which struggle to cope with changing, complicated and confusing requirements.

Aviation is a dynamic and diverse industry that performs many invaluable functions and employs thousands of Australians.

The diversity of our aviation businesses – whether they be our regional carriers, aerial agriculture, charter, firebombing, business aircraft, maintenance, flight training, manufacturing or air ambulances – is what makes the industry tick. Without them, the aviation industry would be less vibrant, competitive and less sustainable into the future.

Our vision for aviation in Australia is to help the industry grow in an environment that is safe, competitive and productive.



The Plan

1. Abolish the Carbon Tax

The Coalition will abolish the carbon tax.

Since 1 July 2012, Labor has subjected the aviation industry to the carbon tax by increasing the fuel excise on aviation fuels.

This has added more than \$100 million per year to Qantas' costs, \$45 million to Virgin Australia's costs and around \$50 million to our regional carriers, not to mention the impact on agricultural aviation, general aviation, essential firebombing services and the flow-on impact to industries like tourism.

The carbon tax is a bad tax based on a lie.

Everything has gone up under the carbon tax: electricity costs increased by at least 10 per cent, gas increased by nine per cent, and even waste disposal has increased – and they will keep increasing as the carbon tax goes up and up and up.

The carbon tax just means higher bills for households, more expensive services and absolutely no gain for the environment.

Our commitment to abolish the carbon tax will result in an immediate reduction in electricity and gas prices, which will lower the cost of living for families and make aviation businesses more competitive.

2. Establish Formal Industry Consultation with the Minister

The Coalition will establish a formal Aviation Industry Consultative Council that will meet on a regular basis with the Minister to discuss matters of concern to the broader aviation industry and ensure that the industry's views have a forum for discussion and development.

The Coalition is concerned at reports from the industry that it does not have a voice at the heart of government. We will seek to develop an open and ongoing dialogue with industry.



3. Ensure Best Practice in Aviation Safety is Maintained

The Coalition will establish an external review of aviation safety and regulation in Australia.

We support best practice in aviation safety. We've always done so.

However, we are increasingly concerned by feedback from the aviation industry that aviation safety regulations are being inappropriately applied, are not consistent with international standards, and are focused on detailed bureaucratic requirements rather than ensuring safe outcomes and practices.

The findings and recommendations of the inquiry undertaken by the Senate Rural and Regional Affairs and Transport Committee into Aviation Accident Investigations added further weight to the industry's concerns.

The Coalition will establish an external review of aviation safety and regulation in Australia.

This review will be undertaken by a qualified, eminent and experienced member of the international aviation community.

The review will be modelled on the Wheeler Review into aviation security, which was commissioned by the former Coalition Government and to a large extent has informed the development of aviation security policies in Australia since that time.

Broadly, the review will include an investigation of:

- the structures and processes of all agencies involved in aviation safety;
- the relationship and interaction of those agencies with each other, as well as with the Department of Infrastructure and Transport;
- the outcomes and direction of the regulatory review process being undertaken by the Civil Aviation Safety Authority (CASA);
- the state of our aviation safety regulations when benchmarked against comparable overseas jurisdictions; and
- any other relevant matters.

The Senate Committee's inquiry also raised questions about the ability of the Australian Transport Safety Bureau (ATSB) to function effectively as Australia's no-blame transport safety investigator.

Budgetary concerns and striving for continual efficiency gains should not be at the expense of the quality of investigations.



The Coalition will seek to establish suitable mechanisms by which the Chief Commissioner of the ATSB can request additional funding on an as required basis to ensure the high standard of investigations is maintained.

4. Reform the Structure of the Civil Aviation Safety Authority (CASA)

The Coalition will seek to enhance CASA's abilities to function as Australia's key aviation safety regulator.

a. Strategic direction

Enhancing CASA's capability as Australia's aviation safety regulator must start with establishing a firm strategic direction for the organisation.

Following the Review referred to in initiative three above, the Coalition will issue CASA with a new statement of strategic direction as allowed under Section 12A of the *Civil Aviation Act 1988*.

This strategic direction will reinforce safety as CASA's primary responsibility, but will also set out:

- the leadership role of the board in determining the strategic direction of CASA;
- a renewed focus on meaningful industry consultation and engagement when regulatory reforms are being developed and implemented as required by Section 16 of the *Civil Aviation Act 1988*;
- an emphasis on consistency of processes and outcomes when interpreting often complex and prescriptive regulations; and
- a desire for a timely and streamlined review process to reinforce consistent outcomes and incorporate industry feedback into future decision-making processes.

b. CASA board

CASA's board has been repeatedly established, abandoned and re-established again.

While boards in other agencies have been successful in setting and implementing the strategic direction of their agency, CASA's board structure has been the subject of criticism.

The Coalition will maintain the CASA board structure, but will expand the board from four to six members, including some with aviation skills and experience.



This expansion will increase the breadth of knowledge and experience on the CASA board and better equip it to set and implement the strategic direction of the organisation.

c. Industry Complaints Commissioner

The Coalition recognises the importance of having a reliable, robust and transparent complaints process that is managed in a timely manner.

The Industry Complaints Commissioner is responsible for investigating complaints about CASA personnel and delegates or authorised persons, in a reasonable time. There have been many objections raised about the length of time taken to resolve complaints and the outcome of investigations.

The Coalition will require the Industry Complaints Commissioner to provide a quarterly report to the Board and the Director of Aviation Safety, including a summary of their activities, covering the number of complaints received, the timeframe in which they were addressed, and recommendations on improvements to structures or consultation processes that could be made to address systemic concerns, as appropriate.

The Board will be asked to consider mandating standard response times for investigations, as well as directing additional resources from within CASA to the Industry Complaints Commissioner should it be required.

5. Focus on the Better Utilisation of Australian Airspace

The Coalition will task Airservices Australia with fast-tracking technological improvements at airports where they are supported by both airlines and airports and will have a significant impact on the reliability of the aviation network, or where it will lessen the impact of aircraft noise.

Australian airspace is becoming increasingly complex and busy. The impact of delays on our economy, businesses and the everyday lives of Australians are self-evident and will only increase as our airspace becomes more congested.

At the same time, navigation technology is constantly improving and overseas experience indicates that our major airports could be more efficient and weather-proof than they are.

The efficiency of Australian airspace could also be improved through increased cooperation and collaboration between the Department of Defence and Airservices Australia. Progress has been made over the past few years but more work needs to be done to maximise the efficiency of our airspace in areas where agreement can be reached.



The Coalition will continue the dialogue between Airservices Australia and the Department of Defence to pursue areas of common interest to increase the efficiency of Australian airspace and minimise noise exposure for communities.

Over the past few years new-generation, quieter and more efficient aircraft models have been developed for use by private and business charters. However, at present these aircraft are not allowed to land in Sydney and Adelaide Airports during curfew periods – instead noisier aircraft must be used because of out-dated legislative instruments.

The list of allowable aircraft for Adelaide Airport has not been updated since 2000. The list of allowable aircraft for Sydney Airport has not been updated since 2005.

In consultation with Airservices Australia, the Coalition will review the list of business and private charter aircraft permitted to operate at Sydney and Adelaide Airports during the curfew time periods to ensure that newer, quieter and more efficient aircraft can be used.

This policy will assist in mitigating aircraft noise in communities and give operators the ability to upgrade their aircraft to quieter models. This would not increase the number of flights during curfew periods, but could decrease the aircraft noise of those flights currently permitted to operate during the curfew.

6. Support Regional Aviation

The Coalition will introduce a new and better targeted En Route Rebate Scheme for regional commercial airline carriers to support low volume and new routes to small and remote communities.

The Labor Government axed the En Route Rebate Scheme from 1 July 2012 for regional airlines, which at the time was providing limited support to eight different carriers operating on 81 different regional routes.

Regional aviation connects communities. It provides access to important medical and emergency services, education opportunities and tourism, and increasingly is the mode of transport many Australians take to work.

Despite the increase in the raw number of regional air services largely because of the increased dependence on the fly-in fly-out workforce in the mining and resources industry, the number of regional airports receiving regular public transport services is in decline. Since 1984 the number of regional airports receiving scheduled services has fallen from 278 to 138.

The Coalition will also maintain the Remote Aerodrome Safety Programme to assist in the upgrade of airstrips in remote and isolated communities.



7. Recognise the Importance of Our Airports

The Coalition reaffirms our commitment that airports must be dedicated to providing aviation services and other developments on site should not be approved if they compromise the current or future aviation operations of the airport.

The Coalition recognises the essential role of our airports, from our major gateway airports and small regional airports, to those that support flight training and general aviation. Airports are key economic drivers, employing in excess of 100,000 people and contributing an estimated \$17.3 billion to the Australian economy.

a. Regional aerodrome weather services

The Coalition acknowledges the benefits that aerodrome weather services provide in regional communities, not just for aviation but also for local weather forecasting and for use by emergency services personnel.

The Coalition supports the reprioritisation of Bureau of Meteorology resources to ensure that adequate regional aerodrome weather services are maintained.

b. Sydney Airport

The Coalition recognises that Sydney Airport is one of the most critical pieces of infrastructure in Australia. Its contribution to the local and national economy, both in tourism and business, is significant. While Sydney Airport believes it can cater for the increase in traffic for many years to come, there will be a time when a second international airport will be required.

If elected, the Coalition will make a decision on the site for a second Sydney Airport in the first term of government.

The Coalition will prioritise upgrades to the infrastructure surrounding the existing Sydney Airport which is clogged in peak periods. We have already committed \$1.5 billion to get the WestConnex project underway.

8. Encourage Aviation Manufacturing

The Coalition acknowledges the important role of aircraft and aviation component manufacturing in Australia.

Australian aviation manufacturers have proven their ingenuity and ability to adapt to changing conditions.



The Coalition supports efforts to facilitate the export of Australian aviation products and components into overseas markets, including the consideration of aviation in future free trade agreement negotiations.

9. Revitalise the General Aviation Action Agenda

The Coalition will revitalise the General Aviation Action Agenda and establish a regular dialogue with the general aviation sector to address industry issues.

We are increasingly concerned at the fragile state of Australia's general aviation industry.

When last in government, the Coalition instigated a General Aviation Action Agenda that was designed to promote the growth of the industry and agree on priority areas of reform.

10. Promote Aviation Liberalisation

The Coalition acknowledges the importance of international aviation to our tourism industry and our broader economy. We recognise the potential of Australia as a prime tourism destination within the Asia-Pacific region.

The Coalition will work to increase global aviation liberalisation while recognising the need to protect our national interest.

We will strongly support the entry of Australian airlines into foreign markets and negotiate to remove barriers that prevent access.

The Coalition will prioritise bilateral air services agreements to ensure we have the aviation capacity necessary to meet future demand.

11. Enhance Industry Training and Development

The Coalition will undertake a study into the state of the workforce in the broader aviation industry to inform future skills development and training policies. This will include a consideration of whether high upfront training costs are acting as a barrier to entry.

Previous studies of the aviation workforce have indicated that sections of the aviation workforce are ageing and in some cases, nearing retirement. The ongoing viability of our aviation industry is only possible if skilled and trained staff are available to fill vacancies in the future.



While studies have been undertaken into the skills shortage for pilots, our airports and maintenance sectors, amongst others, all require highly skilled professionals and are anecdotally reporting an ageing workforce and skills shortages.

Recently a study into the state of workforce planning, skills and training into the maritime industry has been conducted to inform future policy decisions and direction.

The study into the state of the aviation workforce will be undertaken by the Department of Infrastructure and Transport and conducted within existing resources.

12. Ensure Aviation Security is Risk-Based

The Coalition will review security risk assessments regularly to ensure that existing measures are adequate or still necessary and new rules are appropriately implemented.

The Coalition recognises that maintaining world standard aviation security arrangements is vital. To this end, when last in government the Coalition commissioned Sir John Wheeler to undertake a comprehensive review of aviation security to ensure that our regulatory arrangements were robust and reflected modern structures and processes.

New security requirements present a number of challenges for the industry, not the least of which is the cost of implementation and ongoing maintenance, and the practicalities of procuring and storing any necessary equipment. These concerns are only exacerbated in regional communities, with reports suggesting that the cost of regulatory compliance can be up to three times higher at regional airports when compared to their capital city counterparts even though requirements are usually less demanding.

We acknowledge that a 'one size fits all' approach to aviation security does not necessarily produce the best outcome.

The Coalition is committed to working with industry and other relevant stakeholders to ensure that aviation security upgrades are delivered in a practical and common sense way that eliminates unnecessary and redundant measures.

We also appreciate that aviation security is an issue that stretches beyond one portfolio and industry has to comply with requirements from a number of different agencies.

We will seek to ensure that security agencies work cooperatively and collaboratively to ensure that duplication and red tape are minimised while ensuring that aviation security is not compromised.



The Choice

Labor's approach to aviation policy over the past six years has seen cost after cost added to the bottom lines of airlines, airports, pilots and passengers.

Together, these measures have made the Australian industry increasingly uncompetitive internationally and have seen many smaller aviation providers struggle to survive.

Government imposed red tape is beginning to overwhelm many smaller and medium-sized businesses which struggle to cope with changing, complicated and confusing requirements.

On Labor's watch they have:

- introduced a carbon tax on aviation fuels;
- abolished the En Route Rebate Scheme for small regional airlines;
- introduced new security arrangements at regional airports without proper consideration and a thorough risk assessment;
- raised the Passenger Movement Charge as a revenue source; and
- introduced costly new regulations which add to industry complexity.

The Coalition will strengthen our aviation industry and allow it to be more competitive.

We will ensure our aviation sector is safe, reliable, efficient, competitive and proud to be Australian.

Our vision for aviation in Australia is to help the industry grow in an environment that is safe, competitive and productive.

We will create a stronger economy that generates two million new jobs over the next decade. We will do so by abolishing unnecessary taxes (like the carbon tax), cutting red tape costs by \$1 billion a year, ending government waste, lowering the company tax rate, and providing incentives for individuals to achieve their potential.

Cost

The Coalition's *Policy for Aviation* will invest \$6 million to boost the productivity, safety and competitiveness of our aviation sector.



Hope.
Reward.
Opportunity.



THE NATIONALS *for Regional Australia*

For further details of the Coalition's Plan go to
www.realsolutions.org.au