

# BILL SHORTEN AND LABOR

LABOR'S PLAN FOR AVIATION & AIRPORTS

**Labor**



**A Fair Go**  
*For Australia*

## BACKGROUND

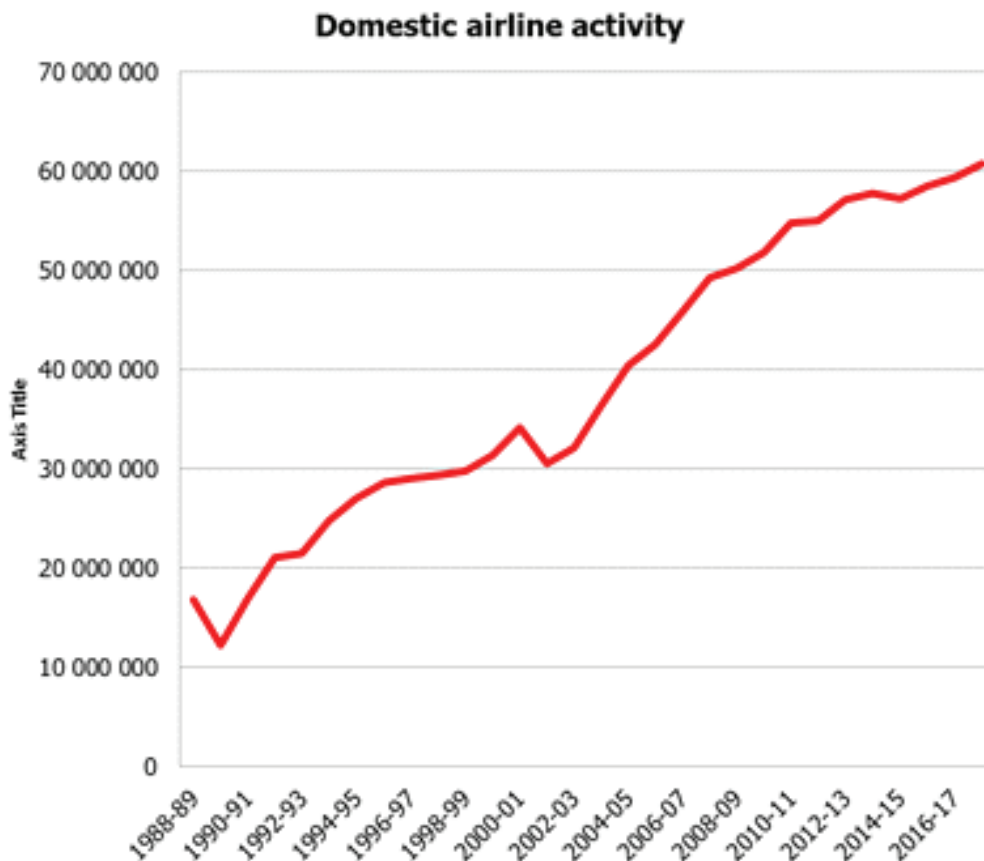
Australia has increasingly become a confident, outward looking nation, one that inhabits an island continent located in a remote part of the globe, which more than ever owes its prosperity to the transport and trade routes that link us to each other as well as with the rest of the world. In the competitive, globalised 21st Century, these connections are set to become even more important.

And air travel will be front and centre.

This year alone (2019), the world's airlines are expected to carry 4.6 billion passengers – equivalent to more than half of the Earth's population and up almost 130 per cent since 2004. And the boom is set to continue with passenger numbers set to double again over the next two decades. Largely, this growth will be driven by the Asia Pacific's burgeoning middle class.

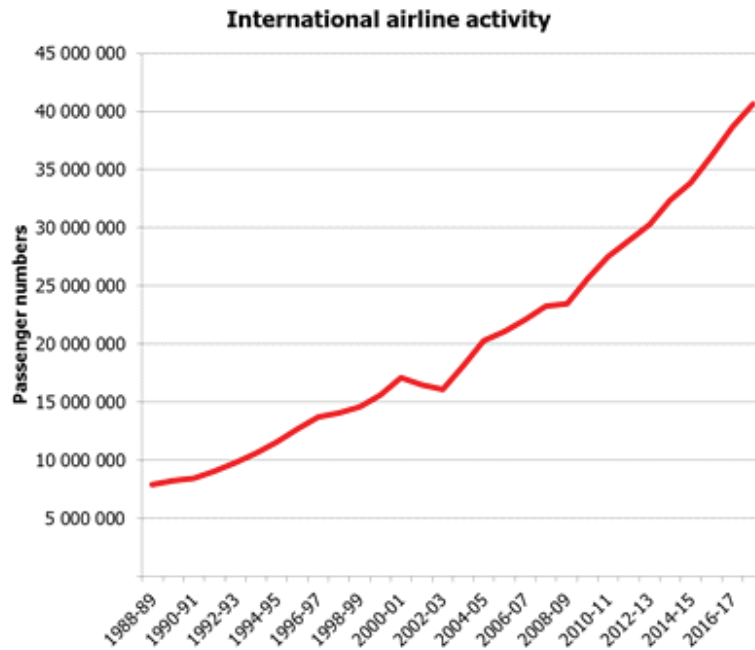
Our own airports have never been busier.

The number of passengers flying domestically has jumped **107 per cent since 1988-89 to 60.7 million**, due in no small way to the reforms implemented by the Hawke and Keating Labor Governments, which have made airfares today many times more affordable than they were three decades ago.



Source: Australian Infrastructure Statistics – Yearbook 2018

Meanwhile, the numbers transiting through our nation's international terminals rose **190 per cent to 40.6 million**. Presently, 60 international airlines fly to and from Australia.



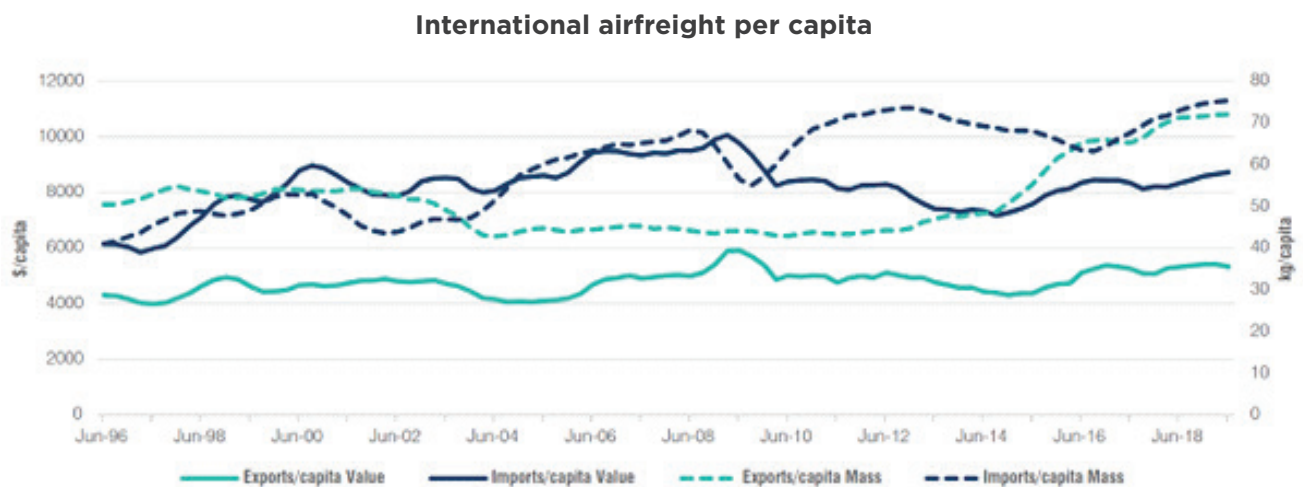
Source: Australian Infrastructure Statistics – Yearbook 2018

For many living in the regional and remote parts of Australia, aviation is not a luxury, but a vital means of remaining connected with friends and loved ones, and receiving essential food stuff, medical supplies, mail, and health and educational services.

Aviation brings our regions and cities within hours of each other, rather than days.

The role aviation plays in the distribution of freight both domestically and internationally also cannot be ignored. Sydney Airport, for example, already rivals Port Botany in terms of the value of trade flowing through it, with much of the outbound freight being Australia’s much sought after agricultural products such as meat, vegetables, fruit and seafood.

According to the 2019 International Airfreight Indicator compiled by Infrastructure Partnerships Australia, in partnership BIS Oxford Economics, one in every five dollars of Australia’s traded goods are delivered to their destinations in the belly of aircrafts, **totalling \$109 billion in 2017-18.**



Source: IPA/BISOE (based on ABS statistics)

Globally, a third of the goods traded, by value, are transported by air.

As well as facilitating the swift movement trade, aviation also contributes to national economic growth by enriching business interactions, facilitating inbound investment and underpinning Australia's third and fifth largest export industries: education (\$32.4 billion) and tourism (\$21.6 billion) respectively.

Simply put, the Australian economy benefits significantly from aviation.

All up, the Australian aviation industry generates annual revenues of \$44 billion, adds more than \$16 billion to the national economy, and directly employs 88,000 Australians and supports many more indirectly.

But in addition to its economic contribution, aviation also provides wider social benefits. It allows our culturally and ethnically diverse society to remain connected with family and friends in their homelands, while giving all of us the chance to experience what our country and the rest of the world has to offer.

In response to the growing popularity of air travel, Australia's major airports, largely owned by Australian industry superannuation funds managing the retirement savings of Australians, have stepped up and in recent years invested more than \$8 billion in their essential aviation infrastructure.

In addition to the construction of Western Sydney Airport, a further \$20 billion is expected to be invested over the next decade in new runways, terminals and other assets at existing major airports.

## **INVESTMENTS IN AVIATION INFRASTRUCTURE**

### **ADELAIDE:**

Invested \$165 million on terminal upgrades since 2012, with a further \$165 million on terminal expansion and associated infrastructure to be completed by 2021.

### **MELBOURNE:**

Invested \$98 million between 2014 and 2018 on new baggage reclaim carousel, retail development in T2 and Pier F extension.

Planned expenditure includes \$1.3 billion on a new runway and a further \$2 billion to expand retail and dining facilities, provide extra international gates in T2 and T4 Express Link, and install a solar farm.

### **BRISBANE:**

Invested \$1.5 billion over the past five years on terminal expansion, additional domestic gates, international northern concourse and pedestrian access bridge.

They are also outlining a further \$1.4 billion to build a new runway and provide an additional four gates in its the international terminal, which are expected to be completed by 2020.

### **PERTH:**

Between 2011 and 2018, they invested \$1 billion to expand and redevelop their new domestic terminal, build a dedicated regional terminal and expand their international terminal.

They are also expected to invest \$2 billion over the next six years upgrading their international terminal and consolidating their domestic terminal, with a further \$486 million to spent building an additional runway, which is expected to be completed by 2027.

#### **CANBERRA:**

They have invested \$500 million redeveloping their terminal, including the provision of international gates and facilities.

#### **DARWIN:**

Invested \$75 million since 2015 to expand their terminal.

#### **SYDNEY:**

Between 2014 and 2018, they invested more than \$200 million on variety of projects including gate lounges, baggage drop offs upgrades in T2 and 3, security upgrades and the automation and redevelopment of immigration facilities.

Prior to 2020, they expect to spend a further \$300 million on Pier A T1 expansion, upgrades to airfield bay and enhancements to T1 baggage system, which are expected to be completed by 2020.

#### **KARRATHA:**

Invested \$35 million since 2015 spent to expand and redevelop their terminal.

#### **GOLD COAST:**

Undertaking a \$370 million capital works program to expand and refurbish the terminal as well as extend their runway and taxiways by 2030.

#### **SUNSHINE COAST:**

Investing \$347 million to extend the runway and expand their terminal, with the former to be completed in 2020.

#### **TOWNSVILLE:**

Invested \$10 million spent on runway, taxiway and apron works, with plans to spend a further \$70 million on a new terminal.

#### **BENDIGO:**

Invested \$17 million in 2017 upgrading their runway.

#### **NEWCASTLE:**

Invested \$14 million in 2015 to expanding their terminal (including international facilities).

#### **KANGAROO ISLAND:**

Completed in 2018, they invested \$18 million in their landside and airside terminal expansion.

But importantly, airports are more than just places where you catch planes, hold in-transit meetings with business associates, or do a bit of duty-free shopping. Indeed, to fully appreciate the potential of airports you need to look beyond their runways and terminals.

Increasingly, they are being acknowledged as drivers of regional economic development. Just as in the past economic and employment activities sprung up around seaports, railway hubs and highways, they are now springing up around airports, drawn by the fast, efficient connections they offer to markets both domestically and internationally.

As the world renowned academic from the University of North Carolina, Dr John Kasarda, has written:

“...airports continue to transform from primarily air transport infrastructure to multimodal, multi-functional enterprises generating considerable commercial development within and well beyond their boundaries.”

Dr Kasarda has described this worldwide phenomenon as the rise of what he has termed the “aerotropolis”. Airports are sought after neighbours by a growing number of organisations and industries. They include manufacturers, aerospace companies, health and education providers, logistics and transport firms, retailers, as well as operators of hotels, conference facilities, exhibition centres and entertainment complexes.

It also includes corporations engaged in international commerce whom simply want to base their globetrotting executives and professionals within a short commute of the flights they regularly need to catch in order to meet clients, suppliers and business partners.

For example, the trailblazing Amsterdam Aertropolis is home to over 1,000 firms, including the global headquarters of ABN Amro and financial giant, ING. Meanwhile, 2,000 companies and four Fortune 500 HQs are located within the Las Colinas precinct near the Dallas-Fort Worth International Airport in Texas.

Furthermore, there are 450,000 jobs within an 8-kilometre radius of O’Hare International Airport, which is located some distance from Chicago’s CBD. And those jobs are relatively well paid, according to the research published by Dr Kasarda and his colleague Dr Stephen Appold.

In short, airports are proven investment and job magnets.

#### **CASE STUDY: WESTERN SYDNEY (NANCY-BIRD WALTON) AIRPORT**

Our vision for the Western Sydney Airport must be ambitious.

Given Sydney’s existing Kingsford Smith Airport – the country’s busiest, most important hub airport – is near capacity, the building of this airport is in the national interest. But equally, it also has the potential to transform the economy of Western Sydney and address the region’s biggest challenge: a lack of local jobs.

At present, there are only 0.75 jobs for every local worker. As a result, hundreds of thousands of Western Sydney residents are forced to travel daily to other parts of the city for work, with many having to commute up to 2 hours each way on increasingly congested roads.

However, the airport’s potential to attract new high value industries and tens of thousands of new jobs to Western Sydney will only be realised if we get the planning right.

A successful aerotropolis doesn’t just happen.

And that planning must be accompanied with a guarantee that the airport will be connected to Sydney’s rail network from the day it opens. Again, modern, reliable public transport infrastructure is critical to the development of the aerotropolis model.

What’s more, laying the rail line at the same time the airport is being built would maximise the opportunities to access value capture to help pay for the construction of both.

However, while Federal Labor supports the continued investment in aviation infrastructure, we recognise that airports developments can have negative as well as positive local impacts such as increased noise and greater congested on nearby roads. That's why proposed developments must be properly planned and affected communities genuinely consulted.

In addition to promoting a proper dialogue between airports and the communities around them, there are other challenges confronting aviation's ongoing growth that demand a public policy response.

They include global terrorism, fluctuating world oil prices, international climate change obligations, skill shortages, ageing regional airport infrastructure and the closure of regional routes, and rapid technological change.

However, like with other important matters of public policy, all we have witness in aviation under the Abbott-Turnbull-Morrison Government is six years of policy drift, indifference and a revolving door of National Party transport ministers only interested in roads.

## FEDERAL LABOR'S RECORD

Between 2007 and 2013 the former Federal Labor Government:

- ✓ **Published** the nation's first ever National Aviation Policy White Paper setting out an action plan for tackling the short- and long-term factors hampering the industry's growth and development
- ✓ **Negotiated** international agreements that gave Australian airlines greater access to major markets, including into China, the United States and the European Union.
- ✓ **Oversaw** a \$900 million investment by Airservices Australia in new and upgraded air traffic management technology, and rescue and firefighting services.
- ✓ **Acted** to secure more jobs, higher economic growth and Sydney's status as a global city by progressing planning on the Western Sydney Airport.
- ✓ **Amended** the Airports Act to give local communities a greater voice and better information about development at the nation's major airports including on the environmental impact of airport operations.
- ✓ **Injected** over \$260 million into regional and remote aviation infrastructure, including new and upgraded airport facilities – more than five times what the Howard government spent.

## OBJECTIVES OF A SHORTEN LABOR GOVERNMENT

The Shorten Labor Government will build on the strong record of our Labor predecessors to build an even safer, secure and sustainable domestic aviation sector which meets the expectation of Australians and the needs of an outward looking nation.

Our objective will be an aviation industry that:

- ✓ Works for the flying public;
- ✓ Provides a safe and secure way to travel;
- ✓ Builds a global and connected Australia;
- ✓ Encourages competitive markets;
- ✓ Minimises environmental impacts; and
- ✓ Promotes innovation and skills development.

As a first step, a Shorten Labor Government will immediately upon coming to office undertake a thorough stocktake of the progress that has been made in decade since publication of the National Aviation Policy White Paper, particularly with regard to the implementation of its 130 recommendations.

When it comes to delivering policy consistency, Federal Labor will pick up from where we left off.

## **INTERNATIONAL AVIATION**

A Shorten Labor Government would support the continued growth of air services to and from Australia, creating new opportunities for Australian businesses involved in international trade and tourism.

We would:

- ✓ Boost funding for Tourism Australia to in part invest in new aviation attraction initiatives, which would involve Tourism Australia collaborating with state and territory organisations, airports and airlines to undertake joint marketing activities to make Australian an even more attractive holiday destination.
- ✓ Negotiate “open skies” agreements that balance the benefits with the need to maintain a strong Australian-based aviation sector.
- ✓ Ensure the capacity available under bilateral agreements stays ahead of demand.
- ✓ Provide opportunities for regional airports to attract international flights.
- ✓ Seek open arrangements for dedicated cargo services.
- ✓ Provide greater opportunities for cross border airline investments.
- ✓ Pursue a multilateral approach to the liberalisation of international aviation.
- ✓ Continue the long-held bi-partisan policy of support for cabotage which does not permit international airlines to carry domestic passengers between Australia airports.
- ✓ Retain the 49 per cent overall cap on foreign ownership that applies to Australian international airlines including Qantas.

The Abbott-Turnbull-Morrison Government recently changed the funding arrangements for provision of services by federal agencies at airports, such as customs and quarantine. There are real concerns these arrangements may advantage established international airports like Sydney and Brisbane at the expense of emerging gateways such as Hobart and Townsville.

Accordingly, Labor would within its first year in office conduct and act on an independent review of these arrangements to ensure both equity and competitive neutrality.

## **REGIONAL AND REMOTE AVIATION**

A Shorten Labor Government would recognise that for regional and rural communities the local airport or airstrip is their gateway to rest of the country. Apart from facilitating inbound and outbound tourism, it is also vital for the provision of essential food stuff, medical supplies, mail, as well as health and educational services.

The consequences of a local airport no longer being there to facilitate these types of activities would be disastrous from both an economic and social perspective.



We would:

- ☑ Establish a \$100 million grants program dedicated to addressing the growing maintenance backlog at regional airports to ensure they can continue to facilitate safe, essential and sustainable aviation services. Such vital upgrades would be funded on a co-investment basis with local government.
- ☑ Give careful consideration to the final recommendations of the Senate Inquiry into regional air services that in part arose out of concerns about the relatively high cost of airfares faced by Australians living in regional communities, particularly in Queensland and Western Australia.
- ☑ Continue to protect access to major airports like Sydney for regional services where needed, without of course pre-judging the findings of the current Productivity Commission inquiry into the economic regulation of airports.
- ☑ Continue to provide direct financial assistance for maintaining and upgrading remote aerodromes in partnership with state, territory and local governments.

## AVIATION SAFETY

A Shorten Labor Government would always priorities safety above all else.

We would:

- ☑ Ensure safety regulators and investigative agencies are properly resourced, equipped with the latest technology and expertise, and remain world-leading.
- ☑ Seek to align safety regulations with world's best practice, and ensure Australia's continued participation in international forums, particularly the International Civil Aviation Organization (ICAO).
- ☑ Complete the implementation of the reforms recommended by the 2014 Forsyth Review of aviation safety regulations.

## AVIATION SECURITY

A Shorten Labor Government would take a strong, comprehensive approach to safeguarding the safety of people traveling within, as well as to and from Australia, from terrorism and acts of unlawful interference.

We would:

- ☑ Return the setting of aviation security policy to the department responsible for aviation policy more generally to ensure the measures taken are effective, practical and developed in partnership with the industry.
- ☑ Align Australia's regulatory requirements with international best practice.
- ☑ Minimise disruption to passengers and cargo facilitation by ensuring mitigation at differing locations is cost effective and appropriate for the risks involved.

## GENERAL AVIATION

A Shorten Labor Government would recognise and support the vital role General Aviation (GA) plays as the backbone of the broader aviation industry. The sector is not only a training ground for future pilots and engineers, it also performs essential services such as charter flights, search and rescue, fire-fighting, surveying and aerial photography, and lifesaving aeromedical care.

We would:

- ✓ Support measures that lower the cost burden on the sector and ensure the regulatory environment supports rather than hinders its viability and future growth.
- ✓ Ensure GA is appropriately represented on government advisory bodies.
- ✓ Allow the continued operation of secondary capital city airports vital to General Aviation, ensuring they maintain a focus on aviation development.
- ✓ Not allow non-aeronautical uses to compromise future aviation activity at Federally-leased airports.
- ✓ Enhance air traffic management.
- ✓ Provide support for essential airport infrastructure and air services in remote areas.
- ✓ Ensure the Civil Aviation Safety Authority places a high priority on supporting safety and increased professionalism in the sector.
- ✓ Review the indemnification of authorised CASA inspectors and third-party insurance of general aviation operators.
- ✓ Back Australia's aircraft and component manufacturing industry through mutual recognition agreements.
- ✓ Continue Federal Government support for exporting companies through the Export Market Development Grants scheme and the Export Finance and Insurance Corporation.

## INDUSTRY SKILLS AND PRODUCTIVITY

A Shorten Labor Government would ensure that the evolution of aviation as a global business doesn't result in the loss of the strategic aviation skills and experiences vital to our nation's future.

And the need for action is urgent.

According to Australian Industry Standards, the government-funded not-for-profit organisation that develops skills standards across a range of Australian industries, 71 per cent of employers reported that they had experienced skill shortages in the last twelve months, including amongst trainers/instructors, pilots, and maintenance engineers/technicians.

We would:

- ✓ Establish a Strategic Aviation Workforce Development Forum and task it with developing strategic responses to the skills issues facing the aviation industry and building productive working relationships across the industry and with training sectors.
- ✓ Examine the existing HELP Scheme's fee setting and loan limits as part of our once-in-a-generation national inquiry into post-secondary education, including for aviation university courses with pilot training.
- ✓ Require Airservices Australia and the Civil Aviation Safety Authority to publish workforce skills plans annually.

## CONSUMER PROTECTION

A Shorten Labor Government would strengthen the Federal Government's role in setting minimum benchmark standards for airline and airport behaviour to safeguard the interests of consumers.

We would:

- ✓ Maintain well-functioning consumer law.
- ✓ Expand the Airline Customer Advocate's role to cover all aspects of passengers' journeys from the time they arrive at their departure to the time they leave the airport at their destination. This would enable passengers to have a much wider range of matters dealt with by the Advocate such as the behaviour of border agency staff, airport car parking issues and the provision of airport car rental services.
  - The scheme's extension would involve consultation with industry and additional funding from the industry, including airports.
- ✓ Ensure air travellers have access to a fair compensation and insurance system in the event of insolvency.
- ✓ Ask the Australian Competition and Consumer Commission (ACCC) to undertake a review of current consumer protection arrangements for those that use third party on-line booking services with a view to strengthening protection where appropriate, particularly in the context of the issues raised by the Bestjet collapse

## AIRSERVICES AUSTRALIA

A Shorten Labor Government would strengthen the management of air traffic in Australian airspace through the implementation of best practice and use of the latest technology to improve efficiency and reduce the cost of flying.

We would:

- ✓ Maintain Airservices Australia, the organisation responsible for Australia's airspace management, aeronautical information, aviation communications, radio navigation aids, and aviation rescue firefighting services, in public hands.
- ✓ Seek a review by the Auditor General of the procurement process associated the OneSky initiative, which will bring together civil and military air traffic control under one management system, to identify whether value for money is being achieved and whether benefits to both civil aviation and national security have been maximised. Labor would not cover-up material contained in the report in order to protect the commercial interests of suppliers.
- ✓ Direct the ACCC to conduct a pricing inquiry under Part VIIA of the Competition and Consumer Act 2010 to establish a long term, efficient and sustainable pricing framework for Airservices Australia, once the Auditor General's report on OneSky is available.
- ✓ Direct the Board of Airservices Australia to re-establish the Environment Committee which existing under the former Federal Labor Government to strengthen governance arrangements around the management of the environmental impacts of the Australian aviation sector.

- ☑ Conduct a review to ensure current aviation firefighter staffing levels and the establishment figure of 350,000 passenger movements annually are in accordance with world's best practice, and enshrine both the establishment figure and staffing levels in legislation so as to protect firefighters, the public and Australia's aviation reputation.
- ☑ Establish a working group (funded by Airservices), chaired by of an independent, recognised environmental expert, to work with airports and other stakeholders to develop a national strategy for dealing with the historical use at airports of firefighting form containing PFOS and/or PFOA.

## MINIMISING THE IMPACT OF AIRCRAFT NOISE

A Shorten Labor Government would work with the aviation industry to ensure the impacts of aircraft noise are minimised and that practical noise amelioration are put in place.

We would:

- ☑ Restrict, where appropriate, the operations of certain types of aircraft where they contribute to unacceptable levels of noise.
- ☑ Maintain the existing curfew regime at Sydney, Adelaide, Gold Coast (Coolangatta) and Essendon airports.
- ☑ Ensure the Aircraft Noise Ombudsman is adequately resourced and remains independent of the Board and management of Airservices Australia.
- ☑ Implement operational measures to reduce concentration of aircraft flight paths over any particular community where safe to do so.
- ☑ Ensure ready access for stakeholders to easily understood information on aircraft noise.
- ☑ Require affordable noise mitigation measures to address environmental impacts. Where impacts cannot be mitigated through other means, Labor will 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.
- ☑ Put in place a "no-fly zone" at night over existing residences by conducting simultaneous airport operations in a south-westerly direction, in addition to requirements of the EIS and the Airport Plan for Western Sydney Airport.

## ECONOMIC REGULATION OF AIRPORTS

A Shorten Labor Government would recognise that while airports and the precincts around them can be major generators of new jobs and commercial opportunities, it is vital that a balance be struck between those economic benefits and environmental costs of airports.

We would:

- ☑ Consider carefully the recommendations of the Productivity Commission's current public inquiry into the Economic Regulation of Airports, which will report in June, with a focus on maintaining appropriate levels of investment in the nation's aviation infrastructure.

## AVIATION AND CARBON EMISSIONS

A Shorten Labor Government would ensure aviation, which accounts for two per cent of total global greenhouse emissions, plays its part in tackling the challenge of climate change.

We would:

- ✓ Support the mandatory off-setting arrangements for international aviation recently established under the auspices of the International Civil Aviation Organisation.
- ✓ Work with domestic airlines to develop a framework for mitigating their emissions that is consistent with the ICAO framework and Labor's broader climate policy.
- ✓ Support the development and deployment of biofuels from domestic and international aviation, including through Labor's Bioenergy Strategy.
- ✓ Work with airports, state and territory governments and ground transport providers to reduce emissions associated with travel to and from airports.
- ✓ Ensure that the carbon emission impacts of major airport development are fully assessed and where efficient to do so, mitigated.

## DRONES

A Shorten Labor Government, while acknowledging the potential of drones to improve productivity in industries such as logistics, mining, agriculture, forestry and energy, would work to minimise the impact the uncontrolled deployment of this technology, particularly for recreational purposes, can have on safety, privacy and urban amenity.

We would:

- ✓ Require the Civil Aviation Safety Authority to develop a regulatory framework to protect airspace around airports and ensure that Airservices Australia has the powers and resources to detect and manage airspace incursions on a day to day basis.
- ✓ Work with other levels of government to deliver a national framework for governing the use of drone technology in the streets and parks beyond the narrow confines of the controlled airspaces around airports.

# 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 delivering 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 are accessible for all.

**We have put forward our positive plans.  
We are united. We are ready.**



**Labor**



**A Fair Go**  
*For Australia*