

Appendix A – Consolidated questions for consideration

Part A – COVID-19 Response

Question	Response
<p>COVID Objective 1 – Maintaining essential air connectivity – Providing a minimum domestic network</p>	
<p>What constitutes a minimum RPT network in Australia?</p>	<p>In Western Australia (WA), regular public transport (RPT) air services in the regions provide transport for both communities and businesses, and play a key role in connecting remote and rural areas of the State. WA’s isolation and size makes aviation an integral part of the State’s economic and social wellbeing. Sustainable and affordable RPT air services are central to the regions liveability and prosperity. Currently, there are 15 regional RPT routes that connect directly with Perth and five inter-regional RPT routes connecting between regional towns. RPT air services in WA are provided by a mix of seven airlines.</p> <p>A long-standing key performance indicator for RPT air services in WA has been to ensure a minimum of two return RPT services per week for regional communities with population 500 or more and located over 250 km driving distance from Perth or another RPT airport. Historically, over the last decade the vast majority of regional RPT routes in WA have received well in excess of the nominated minimum level. For example, prior to the COVID-19 pandemic, Broome received up to 52 return services per week, Albany – 23, Geraldton – 16.</p> <p>A minimum RPT network needs to consider the population sizes of key centres, proximity to other air services, and make-up of the passengers that use the air services, as well as those that are likely to. Where applicable, leisure visitation needs to be considered, given it is an enabler of wider economic benefits for regional centres.</p> <p>The viability of a number of regional RPT air services in WA is underpinned by Fly-in Fly-out (FIFO) operations in the resources sector. As a consequence, the RPT network in certain regions of WA has been shaped by the needs of the resources sector rather than the needs of the community.</p> <p>In regional areas of WA, the aviation infrastructure network can incorporate more than just the RPT airports (and associated connecting routes) but also remote aerodromes for emergency services and in some scenarios aerodromes for mining operations for the movement of workers.</p>
<p>Are there options to improve the effectiveness of governments’ support for maintaining a minimum RPT network?</p>	<p>The COVID-19 pandemic has had a devastating impact on regional RPT air services across the entire State. The WA Government’s objective was to maintain essential community access to RPT air services during the unprecedented times of the pandemic.</p> <p>A combination of State and Commonwealth funding has supported the objective for minimum level of air services across regional WA during the pandemic. It is recognised that much of the route recovery to date would have been impossible without the Commonwealth’s prompt actions, efforts and support.</p>

	<p>Domestic Aviation Network Support and Regional Airline Network Support have ensured that key destinations in WA have been able to maintain services through COVID-19. This has included support from the State Government on some routes, through Tourism WA and the Department of Transport (DoT). This support has provided a base for airlines to operate additional services on some routes on a commercial basis, and appears to be aiding the recovery of capacity on WA's intrastate route network.</p>
<p>What is the best way for the Government to scale back support as the aviation sector recovers at a different pace for different routes?</p>	<p>As part of the recovery of regional aviation, the State's priority is to preserve critical aviation capacity and ensure an adequate level of RPT services that is sustainable in the longer term. An important aspect of this service sustainability through the recovery period from COVID-19 and beyond is the adequate availability of affordable airfares to stimulate and maintain demand.</p> <p>The high price of regional airfares in WA has been a long-standing concern for the regional communities which led to the 2017 Parliamentary Inquiry into Regional Airfares in WA. With the completion of the review of the State Aviation Strategy, the State Government has now largely implemented its response to the inquiry recommendations. The draft WA Aviation Strategy was released for public comment on 10 February 2020. A total of 436 submissions were received, which DoT is currently reviewing. It is recognised that future strategies need to reflect the profoundly changed outlook for the aviation industry arising from the pandemic. In this context, the State strongly supports the Commonwealth's view that a refreshed policy agenda is needed for aviation beyond COVID-19.</p> <p>While some regional routes have started to recover, the State acknowledges that there is a long road ahead to fully re-build the intrastate RPT air services and there are continuing concerns that some RPT air services are not meeting community needs. With the relaxation of border restrictions, while most of the regional RPT air services in WA are now attracting additional demand, some RPT services are still unviable, and funding continues to be provided on such regional routes.</p> <p>The State Government is now focusing on rebuilding the aviation network and increasing capacity – increasing the availability of reliable, commercially viable, and affordable RPT air services in regional WA. Early consultation, development of shared objectives on a route by route basis and data sharing between the State and Commonwealth will be key to identifying greater synergies in the effectiveness of the government's financial support options.</p> <p>The WA Government supports a measured and individualised program for removing support when and where necessary. This should be on a case-by-case basis, and take into account the dynamics of each route, with clear milestones for when levels of support should be removed.</p> <p>It is recommended that the Commonwealth consider future policy objectives for regional routes which lower airfares and maintain critical aviation connectivity during and beyond COVID-19.</p>

COVID Objective 2 – Preserving critical aviation capacity – Supporting airlines and airports	
What critical components of the aviation sector need support during the COVID-19 crisis?	<p>At the height of the COVID-19 pandemic, the WA Government provided flexibility to the resources sector in allowing closed charter air services on a temporary basis to minimise the spread of COVID-19 and protect the mining FIFO workforce. The majority of resources sector companies traditionally have been a major user of RPT flights on many routes in the Pilbara and Kimberley prior to COVID-19.</p> <p>The State Government's long-standing objective has been to ensure that charter air services do not detract from the viability of RPT air services in WA, while also seeking to balance the needs of resources sector companies and the community. As WA has continued to record no COVID-19 community transmission, the State Government requested all COVID-related charters revert back to RPT services to support the recovery of the RPT air network, as air service demand from the resources sector is significant. Almost all resources sector companies have already transitioned back to using RPT air services.</p> <p>The WA Government recommends the Commonwealth accelerate its previous/current policy consideration to merge RPT and charter air services into a single aviation category.</p>
Are there options to improve governments' support for critical aviation connectivity and capacity during COVID-19?	<p>A co-ordinated approach to support between State and Commonwealth Government agencies would allow for the most effective measures to be employed on the routes that need them the most. This should include consultation on changes to State or Commonwealth Government support for aviation capacity and connectivity, to ensure that resources are allocated in the most effective manner.</p> <p>The Commonwealth should also ensure a diversity of air services and support mechanisms without concentrating these in any one location.</p>
What is the best way for governments to scale back connectivity and capacity support to allow commercial airline operations to resume as the regional and domestic economies recover?	<p>The State supports the notion in the Issues Paper that it is "important that the phasing out of financial support minimises disruption to the aviation industry and community".</p> <p>Scaling back of government funding support would require a route-by-route assessment. A 'one size fits all' approach is unlikely to be effective for WA given the diversity of the State's regions, vast distances, blend in the variety of markets (leisure, resources sector etc), and unique route dynamics.</p> <p>Where routes are supported by both the State and the Commonwealth (e.g. Perth-Albany), withdrawing all funding concurrently is likely to create a commercial shock for the operating airlines. Therefore, scaling of government funding should be gradual and cautious, with adequate advance notice to the airline in order to enable the best chance for long term sustainability of the increased level of services.</p> <p>Government support for the airline industry will have to be scaled back in a gradual fashion to ensure that carriers are not subject to financial distress, or are forced to increase pricing of airfares on marginal routes, especially those that attract a portion of leisure visitors.</p>

	<p>In some cases, there may be a case for ensuring that additional support is made available should there be a change in conditions.</p> <p>The WA Government recommends the Commonwealth engage with the State to mutually determine the scaling back of funding support for COVID-19 affected air routes.</p>
Essential aviation related businesses	
<p>How has the COVID-19 crisis and the downturn in passenger movements affected essential aviation-related businesses?</p>	<p>While the aviation industry has arguably been most hard hit by COVID-19 and the resulting border closures, it is important to note that there were significant pressures on WA's regional aviation services prior to this. These pressures were addressed in the Economics and Industry Standing Committee Report No 2 "Perceptions and Realities of Regional Airfares Prices in Western Australia". The WA Airfares Taskforce was formed in November 2018 to respond to its recommendations to government.</p> <p>At a Federal level, the Senate Rural and Regional Affairs and Transport Legislation Committee is also conducting an Inquiry into the current state of Australia's General Aviation industry, with particular reference to aviation in rural, regional and remote Australia.</p> <p>COVID-19 has emphasised and magnified regional WA's reliance on aviation with the following issues already identified for consideration:</p> <ul style="list-style-type: none"> • The challenge of regularly moving small numbers of people over long distances for an affordable fare. • The extent to which routes, or grouping of routes, will enable the provider to secure sufficient return to support the service. • The level of subsidy, if any, that should be considered to ensure provision of a service. • The regulatory settings required to support services, including RPT airports.
<p>Are there options that industry and governments could consider to ensure these services are available to support the recovery of the aviation sector?</p>	<p>A prominent theme in the WA Aviation Strategy was affordable airfares, and particularly, access to discounted Community Fares or Resident Fares. The 2017 Parliamentary Inquiry into Regional Airfares in WA prompted a review of the State's regulatory approach, and the introduction of new measures such as additional aircraft licence conditions on previously unregulated routes.</p> <p>The inquiry found that airfares were more affordable on the regulated routes. Since then, some airfare initiatives have been implemented in the intervening years to improve affordability of regional RPT air travel. For example, in August 2019, Qantas improved its Discounted Fares for Residents program by capping the maximum airfare under the scheme at approximately \$400 one way on most of its lightly regulated routes.</p> <p>On the fully regulated RPT air routes, Regional Express and Skippers Aviation continue to offer community and resident airfares. Most recently, in June and October 2020, a Community Fare of \$349 one way has been implemented through a partnership between Alliance Airlines and BHP for the regional towns of Port Hedland and Newman, whereby the State Government played a major facilitating role in achieving this community outcome. Despite these airfare outcomes, more needs to be done.</p>

COVID Objective 3: Maintaining high value freight supply lines	
<p>Are there options to improve governments' support for maintaining international air freight capacity during COVID-19?</p>	<p>Prior to COVID-19, WA enjoyed relatively inexpensive and readily available passenger aircraft belly freight capacity. This suited our high value agri-produce producers who generally yield small volumes. With the cessation of the majority of international passenger flights, the Commonwealth Government's International Freight Assistance Mechanism (IFAM) has been a great assistance in the struggle to maintain exports and markets in the face of freight costs increasing by up to eight times the pre-COVID-19 pricing.</p> <p>While the paper acknowledges the challenges of transition from the Government funded support programs for both passenger and freight aviation, there is no indication of an immediate roadmap or plan to lead this process from the Commonwealth Government. The situation in WA is unlikely to return to the pre-COVID-19 model and ongoing relatively higher freight costs are likely. A short-term transitional plan or a commitment to one is recommended for inclusion.</p> <p>Subject to when the borders open, arguably the next five months will be more important than the next five years for 'The Future of Australia's Aviation Sector'.</p>
<p>What is the best way for governments to scale back international air freight support to allow commercial air freight operations to resume as the regional, domestic and international economies recover?</p>	<p>Most air freight to and from WA is carried in the belly holds of passenger aircraft.</p> <p>Any scaling back of support for international air freight will have to depend on the recovery of passenger services to a sustainable level, which will be linked to the return of some normality to border policies and the resumption of a level of free travel.</p> <p>This will stimulate the return of normal passenger services, and with that the additional belly hold capacity that will help to drive freight pricing down to more normal levels. As pricing moves back to normal levels, it may then be appropriate to wind back support.</p>

Part B – Future of Aviation – The Government’s Five-year Plan for Aviation

Question	Response
Reducing the Regulatory Burden – General Aviation	
The Government understands the key challenges facing the GA industry. Given the impact of COVID-19, are there other areas where governments should be focussing to support GA?	
Reducing the Regulatory Burden: Demand management at Sydney airport	
The Australian Government will soon be commencing a comprehensive review of the legislation governing Sydney Airport’s demand management, including slot management. All stakeholders are encouraged to participate in this consultation process.	
Reducing the Regulatory Burden: Airspace Management	
What issues need to be considered in shaping future airspace protection policies and regulations? How can airspace protection balance the needs of the aviation industry with those of land owners and surrounding communities?	<p>One of the issues that is recommended to be considered in shaping future airspace protection and policies is the need for a central agency which assesses, approves and maintains a database of approved and operating Obstacle Limitation Surfaces (OLS) and Procedures for Air Navigation Services – Aircraft Operations (PANS-Ops) charts/data, particularly for regional airports. OLS and PANS-Ops mapping is an important tool to enable land use planning to respond to the need to protect airspace near an airport.</p> <p>In addition to this, Commonwealth level direction on how to standardise the mapping (from three-dimensional to two-dimensional) to enable planning authorities to incorporate the information into their respective planning framework would be welcomed.</p> <p>It is also important that Airservices Australia provide updates on flight paths and Australian Noise Exposure Forecast (ANEF) at the earliest possible opportunity, to allow the land use planning system to respond effectively and efficiently.</p>
Reducing the Regulatory Burden: Airline access to domestic and international routes	
Are there ways to further liberalise air access arrangements while maintaining Australia’s high regulatory standards?	<p>Australia’s policy of pursuing open skies arrangements with other countries has allowed for the entry of new markets into the Australian aviation industry, and facilitated increased capacity from key airlines, including Singapore Airlines.</p> <p>WA has benefited from the liberalisation of ASAs, particularly as the gateway to the State, Perth Airport, is considered a gateway airport under most bilateral agreements. Therefore, the more liberalised that bilaterals are, the more that Western Australia stands to benefit from the increasing opportunity to receive more airline services.</p>

	<p>The WA Government supports increasing the open skies focus to include more liberalised agreements with key Middle Eastern hub countries, such as Qatar. Qatar Airways is a key partner for Tourism WA, but its expansion of Perth services has been hampered by the lack of bilateral slots available.</p> <p>While open skies may not be an immediate option for most bilateral air services agreements, WA would like to see an increase in the number of frequencies available with most countries to enable at least a daily operation to the four gateway ports (Perth, Sydney, Melbourne and Brisbane), thus allowing airlines to offer a sustainable level of service across those ports where the demand allows.</p> <p>WA recognises that cabotage is a complex issue. The additional capacity that could be created through allowing foreign carriers a level of access to domestic routes would open up competition, including potentially on long intrastate routes that have traditionally been priced heavily. This could open up additional leisure travel to key northern ports, such as Broome, and support the development of new international markets.</p> <p>Cabotage would pose a significant challenge to the established domestic carriers, which would broadly be at a disadvantage due to different labour, safety and other standards that a foreign carrier would be permitted to operate under. Given that the domestic industry will be in a state of recovery for the next three to four years, allowing cabotage poses an unnecessary risk to that recovery and should not be considered until the market has returned to normal dynamics.</p>
<p>Reducing the Regulatory Burden: Facilitating new and emerging technologies</p>	
<p>Are there barriers to the take-up of innovative technologies in the aviation sector?</p>	<p>WA’s strengths in remote operations, monitoring and cyber security can support the development of aviation technologies.</p>
<p>Reducing the Regulatory Burden: Safe, secure and environmentally sustainable aviation</p>	
<p>Safe air travel</p> <ul style="list-style-type: none"> • Are there options for governments to improve aviation safety governance and consultation processes? <p>Secure aviation</p> <ul style="list-style-type: none"> • Are there approaches that governments could pursue to improve aviation security governance and consultation processes? 	<p>The Commonwealth should engage with states and territories as early as possible in the consultation process and ensure that stakeholders are provided targeted analysis of the impact that possible new aviation security requirements will have on industry and communities.</p> <p>The most recent changes to security requirements at regional airports had significant impacts on aviation costs and potentially the ongoing operation of air services in some parts of regional WA. There was no direct engagement with the WA Government on this matter. The WA Government found out about the security changes through discussions with regional airports and subsequently contacted the Commonwealth Government. The WA Government views aviation as critical to the economic and the social development of the State.</p> <p>It is understood that the level of engagement for amendments to aviation security legislation must necessarily be targeted and with limited detail provided. However, state and territory governments should be considered an acceptable stakeholder for discussion of changes to security legislation that will affect the operation of air services within their jurisdictions.</p>

<p>Environmentally sustainable aviation</p> <ul style="list-style-type: none"> • Are there options to improve environmental outcomes while maintaining an efficient and effective aviation sector? 	<p>State and territory governments have an excellent understanding of regional airports and operational issues, as well as a vested interest in aviation outcomes that are directly impacted by changes to security screening arrangements. Early engagement with these agencies will have a positive impact on the planning and implementation of any changes to security requirements.</p> <p>The Commonwealth Government should use consultation processes to identify the financial impact of any changes to security requirements and possible mechanisms to reduce this impact on airport operations (such as the Regional Airports Screening Infrastructure Program).</p> <p>Perth Airport operates 24 hours a day and 7 days a week to service the needs of significant WA FIFO workforce in the regions; and connections to Asia (and beyond) and the eastern states.</p> <p>This paper should recognise opportunities for economic activity associated with the aviation sector.</p> <ul style="list-style-type: none"> • The role of alternative fuels in aviation should be considered as an opportunity to address the threat of anthropogenic carbon induced climate change. WA has significant potential to grow its capacity to manufacture renewable fuels through renewable hydrogen and green ammonia production.
<p>Reducing the Regulatory Burden & greater local decision making: Federally-leased airports</p>	
<p>Are there options to improve the regulation of Federally-leased airports, that balance the benefits of local level regulation and management with strategic national level interests?</p>	<p>The WA Government has been involved in providing comments on various Master Plans and Major Development Plans for the federally leased airports in WA (Perth and Jandakot). While consultation is undertaken with local and state authorities, difficulties can arise when there is disagreement between the development intentions of the airport and the orderly and proper planning for the locality.</p> <p>The general outcome of this is that any form of “local level regulation” is perceived as a regulatory burden and a hindrance to development and the need to diversify revenue streams. It is difficult to examine options for greater local decision making without a clear mandate from the Commonwealth (as the responsible authority under the <i>Airports Act 1996</i>) to require greater consideration of local level concerns with the aim to negotiate pragmatic outcomes with State and Local authorities. An example of this is when the desires of airports for retail and commercial development intersect with existing retail and commercial precincts and the need to ensure that communities have access to local shops and services.</p> <p>We note that any aviation infrastructure, particularly new or an expansion of existing infrastructure, will need to be aware of potential impacts to Aboriginal cultural heritage and the requirements of the <i>Aboriginal Heritage Act 1972</i>. This will particularly apply to regional areas, noting the proposed support for existing regional development programs and support for broader regional development.</p>
<p>Greater local decision making: Local government owned aerodromes</p>	
<p>Are there options to improve how ALOP aerodromes are regulated?</p> <ul style="list-style-type: none"> • Are there other ways the Commonwealth could support state, territory and local governments in their 	<p>Local decision making is an important element of regional development. The Aerodrome Local Ownership Plan (page 26) was introduced in support of this. Under the plan, the Commonwealth Government divested itself of significant responsibilities and many regional local government authorities were left with airports running at a financial loss and held under strict terms that did not enable them to raise funds for development.</p>

<p>operation and management of regional and local aerodromes?</p>	<p>ALOP airports constitute a large number of operational regional airports in WA. The impact of local governments taking responsibility for these airports, in many cases, with very small rate payer bases, has been significant. Many small to medium sized regional RPT airports regularly seek funding from the State and/or Commonwealth Governments to manage large capital requirements associated with airport infrastructure renewals or upgrades.</p> <p>The Commonwealth Government provides a wide range of grant programs to support regional aviation (Page 28). However, these programs do not provide sufficient support to many local governments operating airports primarily for community benefit. A framework is required which enables the industry to operate on a sustainable basis without requiring applications to grants programs for essential maintenance and upgrades.</p> <p>From a regulatory perspective, the Commonwealth Government maintaining some control over the ownership of these airports ensures that regional airports cannot be handed over to private entities or closed without due consideration and process. This should be managed in consultation with state and territory governments. However, if there are adjustments to the ALOP that maintain some gatekeeping function and provide greater flexibility for local government ownership or management options, this would be supported.</p> <p>The WA Government is developing a Strategic Airport Assets and Financial Management Framework (Framework). The Framework has been supported in principle by the Productivity Commission and the Senate Standing Committee on Rural and Regional Affairs and Transport in 2019. The Commonwealth Government should also continue to provide a consistent, national legislative and policy context as well as direct support for regional airports through grant funding as appropriate.</p> <p>There has been much recent discussion around appropriate investment in airport infrastructure which is fit for purpose. Airlines will pass on the costs of new infrastructure to passengers, raising airfares. Where the infrastructure provides a necessary increase in capacity or improvement in levels of service, this is reasonable. However, infrastructure should be designed in consultation with key stakeholders, including airlines. Stakeholder engagement is a critical piece of the Framework.</p> <p>The Framework, which is being developed for small to medium sized regional RPT airports in WA, is primarily benefitting local government authorities (as the majority of these airport owners). The Framework provides some consistency in forward planning as well as opportunities to identify future large capital projects which will need government assistance. DoT is expecting to use the Frameworks to assist local governments in developing a business case and to assess any application for significant infrastructure funding. Across 16 regional RPT airports, this represents a significant part of the regional aviation network and can allow for business planning where many requests may be anticipated over a finite period.</p> <p>Application of the Framework across WA will significantly improve asset management, transferability of staff and skills, better forward planning and more consistent language when engaging with airport stakeholders.</p>
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	<p>The State Government supports regional airports with funding and strategic policy and guidance by way of the Regional Airports Development Scheme (RADS) and the Framework. However, it is appropriate for regional airports to continue to be owned and managed by local parties. Funding support by the Commonwealth Government through existing funding programs, the national oversight of aviation safety and security and consistent governance and policy for international and domestic aviation should be continued.</p>
<p>Targeted assistance: Funding of regional airports</p>	
<p>Do current Government airport grants target key priorities for regional airports?</p>	<p>The Commonwealth Government could consider a different approach to how it allocates grant funding to address related concerns regarding the cost of airfares.</p> <p>The Commonwealth Government provides significant support for regional, local government-owned airports through grant programs such as the Remote Airstrip Upgrade Program (RAUP) and the Regional Airports Program (RAP). This support has made a significant difference as many of WA's regional airports have only been able to complete projects through co-funding or tripartite funding arrangements with the State and Commonwealth Governments. It is recommended these programs continue to be funded into the future.</p> <p>It is also acknowledged that DoT and the Department of Infrastructure, Transport, Regional Development and Communication communicate well and discuss grant applications to both programs as a matter of general business. This improves opportunities for tripartite funding and a broader base of airports that can be funded.</p> <p>Eligibility criteria for Round 8 of the RAUP stipulated that it would only accept applications from remote or very remote airstrips, as defined by the 2016 Australian Statistical Geographic Standard Remoteness Area, and were limited to grants of \$500,000. Round 1 of the RAP was limited to aerodromes identified as Inner Regional or Outer Regional, with grants of up to \$5 million. In WA, this definition significantly limits the number of eligible applicants for the program.</p> <p>Most of WA's regional RPT airports reside in areas classified as remote or very remote, regardless of the throughput of the airports. However, the current eligibility criteria prohibit most of these airports from seeking funding from the RAP, which has larger available grants. It is strongly recommended that the Commonwealth Government reassess the eligibility criteria for these programs, so that the RAP is available for all regional RPT airports and the RAUP is available for all non-RPT airports and Aboriginal communities.</p> <p>The WA Government considers that its role is to ensure the key priorities of regional Western Australians are met, which are:</p> <ol style="list-style-type: none"> 1. continued air services across the network; and 2. affordable airfares.

	<p>To deliver on this, there must be an emphasis on renewal of existing infrastructure over delivery of new infrastructure, which should only be considered where there is a developed and solid business case. Business cases for new infrastructure should determine the need for service and the required aircraft size before decisions are made on accommodating infrastructure.</p> <p>There has been significant value delivered to remote and regional communities through the Commonwealth’s funding programs. Historically, the Commonwealth has focused on funding infrastructure, but airfares are now the biggest concern of Australians. The Commonwealth may consider a different approach to how it allocates its funding to address these concerns in a more targeted manner. More infrastructure can be counter-productive, as in many cases it leads to increased costs and higher airfares.</p> <p>The WA Government has moved from an infrastructure-based approach through the Regional Airports Development Scheme, to allocating funding to both infrastructure and air service funding to attract airlines to come up with discount fare options to regional areas.</p>
<p>Targeted assistance: Aviation skills and workforce development</p>	
<p>Noting the complexity added by COVID-19 to the changing nature and structure of the aviation workforce:</p> <ul style="list-style-type: none"> • Are there other or modified options to improve the aviation workforce training framework to better meet the current and future needs of industry, beyond those identified in the Expert Panel Report? • Are there options to improve the longer term development and/or retention of aviation skills? 	<p>Pilots, flying instructors and aircraft maintenance engineering occupations have been identified as essential to WA. WA’s large distances and remote areas mean that a shortage of these occupations would have a significant impact on the State. Although the current restrictions associated with COVID-19 have resulted in the aviation workforce having latent capacity, it is acknowledged that the current respite is likely to be short lived.</p> <p>The Department of Training and Workforce Development’s research and stakeholder feedback indicates that a focus at both the State and National levels will be imperative to addressing these skill shortages as they re-emerge, including stronger partnerships between the aviation industry, major training providers and government. This should include the establishment of industry wide career pathway programs from entry level through to employment with the major airlines.</p> <p>Prior to COVID-19, responses from the aviation industry to pilot shortages were confined to the larger airlines such as Qantas, Virgin and earlier, Regional Express, with their recruitment drives, training and cadet programs. It should be noted that analysis and stakeholder feedback suggests not all occupations in the aviation industry have been in shortage – for example the supply of flight attendants, aircraft baggage handlers and ground crew is adequate to meet local demand.</p> <p>Numbers of pilots (fixed wing) and flight instructors (including check and training captains and flight examiners) in WA have declined since 2011 due to an ageing workforce and retirements, poaching from overseas airlines and a low level of new entrants into these occupations.</p> <p>New entrants to the pilot workforce were limited by the long lead time to get the licenses and experience necessary, significant costs associated with flying hours and a lack of flying instructors. Pilot training for new entrants was predominantly self-funded, with costs in the vicinity of \$100,000 to undertake the full</p>

suite of courses to achieve a Commercial Pilot with Instrument Rating and even higher costs to reach instructor level. This has been a significant barrier, notwithstanding that the Commonwealth Government offers loans of up to around \$75,000 under the VET Student Loan scheme for the Diploma of Aviation and the HECS-HELP scheme for bachelor level aviation courses. In 2019, the Commonwealth Department of Education announced that students undertaking eligible aviation courses, with census dates after 1 January 2020 that lead to a commercial pilot licence qualification, would be able to access an increased Higher Education Loan Program (HELP) loan limit of \$150,000.

Feedback from stakeholder consultation indicate the ongoing skills and labour shortage of pilots, prior to COVID-19, was negatively affecting the charter flights used in the resources sector in WA. If the resources sector had to find alternative travel arrangements these would considerably increase the cost and travel time for Fly-in-Fly-out (FIFO) workers. Some places were using buses to transport workers as there were not enough pilots for these regional flights.

Multi-crew training and advanced simulator training skills were also in particularly high demand. A review of licensing requirements to recognise the potential training value of simulators in ab-initio pilot training may be appropriate.

Prior to COVID-19, there were demonstrated shortages of both flight examiners and flight instructors across Australia, according to the Expert Panel and 2018 AIS study. Flying instructors with high levels of attainment and experience were difficult to source and retain. Flying instructors were being lured back to industry on a national level to work as commercial pilots. With less flying instructors available this created a vacuum within the industry, causing delays in training the next cohort of pilots. Flying instructors were also finding that there has been an increased level of compliance paperwork which limits their flight time to train pilots and increases the costs associated with flying hours.

The flying instructor shortage may be eased during COVID-19 as flight instructors are not leaving training organisations to find work with the major airlines. This may be a good time to train the next cohort of pilots to help ease the reduced numbers that may return to flying and those lost to retirement. However, it is difficult to promote this occupation given there is very little work available and no certain timeframe for recovery to the aviation industry.

Licensed aircraft maintenance engineers (LAME) are able to check and sign off on aircraft engineering work which is a significantly greater level of responsibility than aircraft maintenance engineers (AME). There have been problems with maintaining and growing the AME workforce. Fewer young people were entering the aircraft maintenance engineering trade and these numbers were not enough to maintain the current workforce. AMEs and LAMEs, which are mostly VET qualified also have low levels of participation by women and Aboriginal people.

Prior to COVID-19, industry advised that there were severe shortages of LAMEs and AMEs for the smaller operators, particularly in regional and remote areas of Western Australia such as charter operators and small scale plane and helicopter operators used in tourism and agriculture. Often those that were employed by smaller operators were employed on a casual basis.

Many LAMEs have lost their work in the aviation industry as the larger airlines reduce the size of their fleets. LAMEs wishing to re-enter the workforce can have their currency approved via a one-day course offered by a PART 147 from a registered training organisation. Their return to the industry should be faster and simpler than that of pilots.

The aviation workforce is predominantly a VET qualified workforce. According to the Expert Panel, training needs to continue to be high quality and fit for purpose. Course graduates need to be competent not just in knowledge but also behaviour and attitude (decision making and safety). Practical experience also needs to become a greater priority. However, this practical experience comes at a considerable cost, particularly for pilots. When compared to other countries, the Australian aviation training system is seen as high quality but high cost.

Both the Expert Panel and Australian Industry Standards (AIS) Aviation Workforce Skills Study flagged the impact that regulatory change was having on aviation training and the need for the Commonwealth Government (through CASA) to assess and address these impacts to ensure better outcomes. The long running regulatory reform program has impacted the aviation industry with increased timeframes, higher costs and at times overly burdensome audits.

Further, concerns were raised about the lack of alignment of training programs with regulatory changes and industry training practice. It is understood that CASA have established a technical working group for the purpose of addressing this issue and it is progressing.

The research also highlights the need for improved data to inform aviation training. This needs a joint approach between the aviation industry, Commonwealth and State governments and training providers. Feedback from stakeholders indicated that there was little overall planning and coordination of aviation training in WA. Further, this appeared to be the case at a national level, with the Expert Panel recommending the need for a national workforce development plan.

The WA Logistics and Defence Skills Council (LDSC) consultation process in 2018 revealed that stakeholders saw value in a more coordinated and collaborative approach to aviation training involving industry, airport operators and the many RTOs and flying schools which operate in WA. In addition, the LDSC consultation pointed to opportunities for better planning between the aviation sector and other industries such as the resources sector. For example, a case was cited during consultation where aviation operators were unaware of major resource projects coming on stream until it was too late to recruit the workforce needed for additional aviation services when the projects commenced.

Stakeholders at both the national and State levels have commented that the aviation workforce does not have a high profile within the community and more specifically in schools. Both the LDSC consultation report and Expert Panel recommended greater promotion of the industry as a career, including to women.

The aviation industry is an important enabler of the regional economic development that underpins export income in Western Australia. Aviation provides important services including medical, education, emergency, community and economic development services to rural and remote areas.

Efficient and cost effective air services that ensure accessibility for residents, tourists, workers and service providers underpin the economic and social sustainability of regional WA. There have been a number of challenges for regional aviation operations due to the size of their operations and the economic base of their regional area. There has been a lack of critical mass of staff to replace staff on leave, or backfill when staff change jobs. Further, staff need to have a wide range of skills that go beyond what is the normal job description, which is a challenge for training.

Large and small airports operating in regional Western Australia, especially those in the Northwest, were experiencing challenges due to the ability to retain staff following expensive training. Regional airports have a very transient workforce, with some airports experiencing 100 per cent attrition annually.

Regional workforces were also constrained by an extreme shortage of child care places. Regional airports often operate in the early morning or late afternoon hours to meet scheduling demands of clients. Finding a flexible workforce prepared to work part time hours, especially those with young families, is a challenge. There has been a lack of succession planning for airport managers and airport operations managers, particularly in regional areas due to the limited pool of workers, lack of adequately experienced workers and workers moving interstate to more suitable situations. These senior roles are being affected by the ageing population and expected retirement of workers in the next few years. Demand for experienced managers has been high intrastate, interstate and internationally.

Additionally, regional aviation employers were finding their employee wage levels challenging as they were competing with a highly visible mining and resources workforce. To address these issues some regional airports have investigated managing their own FIFO workforce.

The LDSC findings supported shared work experience opportunities across other airports for Aerodrome Reporting Officers (AROs) and airport operations, as otherwise they may only have had exposure to the relatively minimal operational environments where they were located. Some regional airports have been investigating sharing the cost of delivering ARO training to regional areas.

The AIS Aviation Workforce Skills Study also suggested the development of location-based regional initiatives to address localised issues in the supply of aviation services and access to training. LDSC regional stakeholder consultations reported that access to flexible and local training in regional Western Australia was considered essential to the ongoing regional supply of AMEs, LAMEs, aviation security officers and AROs.

First responders play a critical role in regional areas, providing primary health care services, emergency assistance and linking regional communities to major hospitals for life saving treatment. First responders prior to COVID-19, reported grave concerns about the ongoing viability of their work had the pilot shortage continued. As the major airlines reduce their workforce due to the effects of COVID-19, higher numbers of

commercial pilots have applied for jobs with first responders and this has eased the shortage of first responder pilots, at least for the time being.

A healthy workforce of aviation professionals in the regions is essential to meet the needs of the resources sector, tourism industry and support economic growth in regional communities.

Remotely piloted aircraft systems (RPAS) are a large growth area as drones are capable of reaching remote areas with little effort, time and energy. They are used widely, from mustering and crop management, environmental monitoring, vaccine delivery, to first responders for surf lifesaving, bushfires, police and military operations. These systems will require their own maintenance, and this is a potential growth area for aircraft maintenance engineers.

The research and stakeholder consultations indicated further work is needed to understand and plan for training in the use and maintenance of RPAS.

Industry reports that pilots are prepared for a three-year coronavirus shutdown. "Unlike other professions, pilots need continuous flying experience to keep their license and remain employable. This is a legal and mandatory requirement," explains European Cockpit Association (ECA).

CASA requirements for regular flights and reviews to maintain licences are still in place. For some commercial pilots their airline requires further simulator flights every 12 months. According to Mr Sedgwick, head of the Australian and International Pilots Association, "it will be easier to have pilots who maintain a level of currency of skills throughout this COVID period for when they come back at the other side, versus trying to wait a year or two or three years until they come back and then essentially training back from scratch again". As scheduled flights increase, every pilot who has been out of work will need to renew their licenses and this could create a bottleneck in the availability of pilots.

There are a number of critical occupations within the aviation industry (flight instructors, pilots, licensed aircraft maintenance engineers) that require significant training and currency retention but where there are very few jobs available in their industry at this point in time. This is a global issue which creates a difficult situation for workforce planning. "The International Air Transport Association (IATA) has warned millions of airline jobs are at risk due to the second wave of COVID-19 sweeping Europe and the USA".

There is a considerable latent workforce which may or may not be available when the aviation industry recovers to its pre-COVID-19 level. Some may wish to return to working in the aviation industry but will need training to meet CASA requirements and others may have found other work that they chose to continue rather than return to aviation.

Scenario planning may be one way to manage the unpredictable nature of COVID-19's ongoing effect on the aviation industry. Assuming pre-COVID-19 aviation activity returns, the country will need pilots to return to their jobs. This may be constrained if licensed pilots have not managed to maintain their currency. Alternatively, aviation workers may decide to leave the industry which may fuel another shortage of pilots, flight instructors and aircraft maintenance engineers.

	<p>While there are a range of strategies that could be recommended to address the findings thus far, it is suggested that the following framework be used as the basis for further consultation with industry, the aviation training sector and Government. It is recognised that the issues relating to aviation do not relate to just WA – they are national issues and therefore any proposals on a way forward necessarily involve consideration of strategies at both the national and State levels, and in partnership with industry.</p> <p>The WA Government advocates that:</p> <ol style="list-style-type: none"> 1 Industry and the Commonwealth Government (Department of Education, Skills and Employment) develop a national industry workforce development plan as recommended by the Expert Panel. The planning process should include: <ol style="list-style-type: none"> i. consideration of the establishment of a comprehensive training school(s) in Australia, which provides an industry wide career pathway program from initial training through to transitioning to major airlines; ii. input/involvement from state and territory governments; and iii. the wide sharing of relevant workforce and training data. 2 The Australian Industry Skills Committee and CASA give priority to work on aligning aviation qualifications and the licensing requirements of CASA. 3 To boost the number of trained pilots, flying instructors and aircraft maintenance engineers and address the issues of cost, a partnership approach between the Commonwealth Government and industry be instituted. For example, the Commonwealth Government and industry could establish a scholarship scheme to cover the additional costs of achieving accreditation as a flying instructor and licenced aircraft maintenance engineer. 4 The Commonwealth Department of Education, Skills and Employment continue to include the occupations of pilot and flying instructor on the appropriate list(s) for skilled migration to allow employers the ability to recruit overseas pilots and flying instructors. 5 The Commonwealth Government through CASA further identify ways to reduce the regulatory impacts on aviation training as recommended by the Expert Panel. 6 Consideration could be given to provide support/loans to pilots who have lost employment to assist them maintain their currency of skills. This may help remove the bottleneck of pilots all trying to get assessed for CASA requirements around the same time when work increases.
<p>Targeted assistance: A sustainable and equitable funding base for CASA</p>	
<p>Are there options to rationalise the number of fees and methods of charging the aviation sector?</p>	<p>The airport fees structures vary significantly among regional airports in WA, adding to the complexity of airfare pricing. Some airports in WA, such as Albany and Esperance, have adopted a single ‘per passenger’ tax inclusive of all airport associated fees. Other airports have adopted different financial models with a range of separate fees, including fees for passengers (charged on a per head basis), security screening, terminal usage, landing fees based on the maximum take-off weight of the aircraft, and other fees.</p>

	<p>Furthermore, the methodology for calculating landing fees can also vary for different size and classes of aircraft. In WA, partnership agreements exist between Regional Express and local airport operators of Albany, Esperance, Carnarvon and Shark Bay. The partnership approach provides incentive for the airline to build demand and also provides certainty for the local government about the extent of the revenue that will be garnered from the airport.</p> <p>The disproportionate cost of aviation security is borne by passengers at small regional airports and that the costs should be shared equally by passengers across the entire network. If network security is to be maintained through a user-pays system, everyone who benefits from that security should pay equally to maintain the overall integrity of the security network.</p> <p>The WA Government supports exploring an Australian wide network pricing model to fairly spread the cost of security screening across the network.</p>
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