

27 November 2020

Attention:
Director, Project Strategy Unit
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Re: Future of Australia's Aviation Sector Issues paper

We refer to the Future of Australia's Aviation Sector Issues paper and welcome the opportunity to provide a submission, albeit brief. We note that there is some overlap with other inquiries, for example the RRAT inquiry into the current state of General Aviation and an inquiry into the slot management system at Sydney Airport to which we intend to provide submissions.

Civil Air is the industrial and professional Association representing civilian Australian Air Traffic Service employees. Our members in Australia have seen first-hand the dramatic impact of the pandemic upon air traffic numbers across the country as aircraft movements plummeted in most locations. It is notable that service numbers remained reasonably steady in Western Australia as mining continued and charter aircraft were used to maintain physical distancing whilst transporting employees to remote locations. Flying training also kept many Regional Towers busy and of course medical and freight air traffic continued.

Our members provide an essential service and to ensure the health and safety of staff, Airservices and Civil Air devised a system of isolation rosters to ensure as little contact between work groups as possible and to safeguard that service in the event that an infection occurred. This approach has been highly effective in preventing transmission of the COVID-19 virus and has been replicated in other countries around the world.

Airservices has received financial support from the Australian Government which enabled the organisation to continue operating despite the loss of its principal revenue stream – aviation charges. This has not been the case in the United Kingdom and Canada and we will discuss the impact of their funding model further in this submission.

The Paper is separated into two parts being:

Part A: Australian Government support for aviation during COVID-19 crisis and how best to manage, and ultimately withdraw support as the economy and sector recovers, and

Part B: addresses longer terms policy and reform options for implementation over 5 years to strengthen aviation once COVID-19 restrictions are lifted.

We have only provided a response to those questions under each part that are relevant to our knowledge and expertise.



Part A:

COVID Objective 1 – Maintaining essential air connectivity
What constitutes a minimum RPT network in Australia?

We are not in a position to comment upon what constitutes the minimum RPT network. However, the outcome of our recent experience of the cooperation exhibited from everyone within Airservices Australia, is that we now have a very good model to deal with such events in the future. Consequently, we will be able to support whatever is deemed to be the minimum network capacity and still be ready to support the required increase to the network after the event.

COVID Objective 2: Preserving critical aviation capacity

What critical components of the aviation sector need support during COVID-19 crisis?

After experiencing the difficulties seen during COVID-19, the critical components of the aviation sector mirrored that of emergency services.

Emergency flights (such as medical police and military operations), freight transporting essential items and repatriation flights all continued to be vital and required the support of Air Traffic Control Services, Aviation Rescue and Fire services as well as other supporting services at airports. Continuing these services had their own challenges to ensure service continuity could be maintained in the event they were affected directly by COVID-19. For example, in the USA there were hundreds of positive tests in the Federal Aviation Authority that directly affected ATC units and resulted in widespread airspace closures, particularly at the beginning of the first wave. However, in Australia we managed to only have one positive test with no transmission and no ATC location closures.

We did have to change the way we rostered staff to help remain COVID safe and that did result in amended hours of services and amended working conditions for our controllers.

Part B: The Future of Aviation - The Governments 5 year plan

1. A competitive and efficient aviation sector
2. A safe, secure and environmentally sustainable aviation sector
3. Minimum access to essential services

Given the impact of COVID, are there other areas where government could be focusing to provide support to General Aviation?

Reducing the Regulatory Burden: Airspace Management

What issues need to be considered in shaping future airspace protections policies and regulations?

The biggest issue to be confronted for shaping future airspace will be balancing the competing demands of different sectors of aviation and considering how these demands can be safely met without compromising our existing established practices.

Designing and implementing airspace changes is an extraordinarily difficult task at the best of times. It requires an evaluation of safety regulations, community needs and aircraft design just to name a few but the future will introduce even more difficulty. The integration of RPAS and UMV (better known as

drones) will be a particular complexity as we are yet to really settle on the regulations for the safe operation of drones in the same airspace as traditional users.

Technological and increased services can play a part in the future of Australian airspace. While these come at a cost, the benefits of safety and efficiency could prove to be a cheap way to future proof our system.

Targeted assistance – sustainable funding for Australian aviation services

Many government services are funded through fees related to flight movements and fuel usage. With aviation traffic significantly reduced, this has highlighted the need to look more closely at the ongoing funding mechanisms for these agencies to see if they remain fit for purpose and can withstand disruption to the industry.

There may be opportunities to rationalise the number of fees and charges impacting the aviation industry to provide a simpler and more transparent system eg: replace aviation fuel excise with a broad based Aviation Safety levy applied as a landing charge to domestic and international aircraft above a minimum weight.

As we mentioned earlier, Air Traffic Control remained essential to the operations needed to help Australians during the pandemic, and it will be even more important to the recovery of the aviation sector because we will need to be ready to facilitate the recovery. If we are not prepared to support the industry that is already on its knees as soon as they are ready, the results could be terrible and have a cascading effect throughout the community.

During this crisis the Federal Government replaced the 95% drop in Airservices revenue to ensure services could continue. The question is being considered around the world for Air Navigation Service Providers (ANSPs). They are all asking: ‘can a better funding model be introduced to protect us from another event such as this?’ We think there may be scope to broaden the way fees are levied to support the system or potential capability to develop a contingency fund that can be used in times such as this pandemic. In the short term, such a fund would need to be government assisted but transition to an industry-based funding model could occur once the recovery was underway.

Finally, it is instructive to look at how ANSPs are faring around the world. NAV Canada is a privately run, not for profit operation. Like most other ANSPs, they have been battered by the COVID-19 pandemic. They are currently considering cutting air traffic controller jobs at seven towers across Canada in an effort to save money as the global health crisis continues to drag down air traffic. COVID-19 has dramatically decreased the number of flights across Canada since March. In September, there was a 63 per cent drop in air traffic compared to the same month in 2019, according to Nav Canada numbers. In response, the company announced in September it was cutting more than 720 jobs, or 14 per cent of its workforce. The CEO also warned more layoffs remain possible.

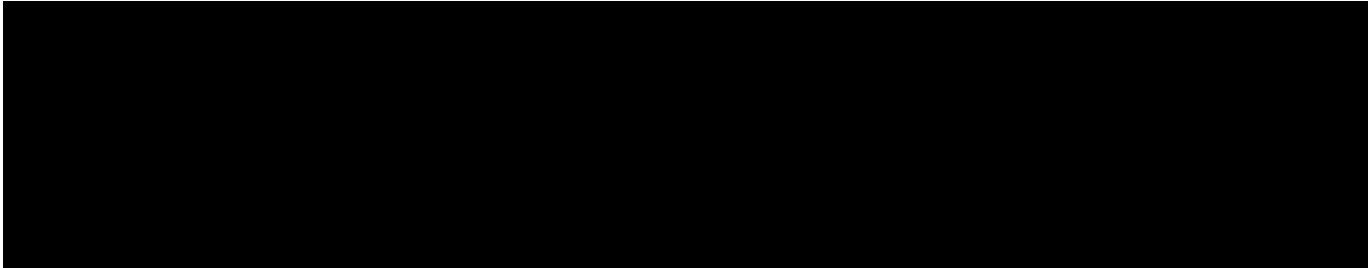
The United Kingdom ATC system is directly funded by the airlines. When traffic dropped, the airlines stopped paying and ATC staff were furloughed. ATC training has stopped.

In Australia, Airservices typically returns a dividend to the Government as it is a Government owned corporation. The Airservices Board reports directly to the Minister for Infrastructure, Transport and Regional Development. This operating model has illustrated that, in situations such as this pandemic, there are a lot of protective factors in having a strong and secure service continue despite changes in the external environment. There is a public benefit to the continuation and reliability of certain essential

services and the prospect of an essential service being at the vagaries of market forces is highly problematic.

Thank you for the opportunity to provide a submission for your considerations about Australian Government support for aviation during COVID-19 crisis and how best to manage, and ultimately withdraw support as the economy and sector recovers, and also, longer term policy and reform options for implementation over the next 5 years to strengthen aviation once COVID-19 restrictions are lifted. We are available to discuss any aspect of this submission at your convenience.

Yours faithfully,



Tom McRobert
President

James Walsh
Vice President Professional