

SEATS Submission to:

Aviation Green Paper

SEATS (South East Australia Transport Strategy) provides highly co-ordinated and influential advocacy for the development of transport infrastructure in the South East Australian region that supports sustainable economic development and the prosperity of its constituents.

SEATS, formed in the mid-1990s, is an alliance of Local Government and other Government agencies together with industry that is concerned about the state of the freight transport network across south eastern Australia including ACT. The organisation meets quarterly, has a paid secretariat and prioritises projects across all forms of transport that its membership has identified as worthy of Government and operator support.

Some projects have commenced either in a planning or construction phase. Some projects extend into Victoria's Gippsland region as well as the ACT. It is pointed out that much of the freight concerned is not destined for metropolitan markets but from manufacturing node to manufacturing node or to port facilities for export.

Context

The SEATS region consists of several regional production areas. The Illawarra-Shoalhaven is industrialised with steel manufacture, production of chemicals and nutraceuticals, food products, building products, the southern tablelands has strong agricultural production, quarry supplies and timber processing. Out of Victoria's Gippsland comes horticultural produce requiring key freight and transport connections into Sydney.

The region has significant quantities of inbound and outbound freight, with freight travelling through Port Kembla and Port Eden dominating movement in the region. The movement of freight to and from the region relies on existing road and rail networks. Key freight corridors that enable the movement of freight include the M1 Princes Motorway (Mount Ousley Road), Picton Road, the Princes Highway as well as the South Coast rail line and the Moss Vale to Unanderra rail line. The Monaro Highway is an important corridor between the Gippsland areas in Victoria and metropolitan Sydney.

Introduction

Within the SEATS region there are 3 military airfields, 4 airports that have RPT services and numerous airfields managed mostly by local government.

For this submission, SEATS regards the bulk movement of "people" to be equivalent to the movement of freight. Bus/coach transportation and passenger air movements are therefore spoken about here as transportation by a heavy vehicular medium.

Military Airfields

Military airfields within the SEATS region are located at:

- Nowra within Shoalhaven City – HMAS Albatross
- Within Jervis Bay Territory – Jervis Bay Range
- Sale within Wellington – RAAF Base East Sale

Both HMAS Albatross and RAAF East Sale are primarily aircrew training facilities for Rotary Wing and Fixed Wing respectively. Jervis Bay Range operates for training exercises within Jervis Bay or offshore in the Tasman Sea. The East Australia Exercise Area (EAXA) is one of the two most important maritime exercise areas in Australia, widely used by the RAAF and the RAN. The value of that training area is accentuated by its proximity to major RAN and RAAF bases on the NSW south coast and East Gippsland.

SEATS values the economic impact of military bases on regional economies.

None of the 3 military airfields within the SEATS region are Joint User Facilities. SEATS respects the policy of the Australian Department of Defence in maintaining this status for all 3 airfields.

Defence aircraft operating and training within the SEATS region do utilise other airfields operated by Councils to give aircrew a variety of training experiences and local councils do not object to this utilisation.

RPT Services

Regular Passenger Transport services do operate within the SEATS region with the most used facility being Canberra (CBR).

Canberra Airport (CBR)

CBR is an international airport situated in the district of Majura, Australian Capital Territory. It serves Australia's capital city, Canberra, as well as the nearby city of Queanbeyan and regional areas of the Australian Capital Territory and southeastern New South Wales.

The airport serves direct flights to all Australian state capitals, as well as to many regional centres across the Australian east coast. Direct international links previously operated from Canberra to Singapore, Wellington and Doha, while direct flights to Nadi, Fiji have operated since July 2023.

In addition to serving airline traffic, the airport is also the only public general aviation facility within the Australian Capital Territory. As a former Royal Australian Air Force base, Defence Establishment Fairbairn is located within Canberra Airport and supports government VIP flying operations by 34 Squadron as well as ground handling for itinerant military aircraft and visiting heads of state.

Shellharbour Airport (WOL)

Shellharbour Airport, formerly Illawarra Regional Airport, also referred as Albion Park Aerodrome or Wollongong Airport, is an airport located in Albion Park Rail, Shellharbour City, New South Wales. The airport is owned and operated by Shellharbour City Council.

Historical Aircraft Restoration Society (HARS) is located at the airport.

The airline Link Airways offers regular services from the airport to Melbourne–Essendon and Brisbane.

Moruya Airport (MYA)

Moruya Airport an airport located 3.5 NM (6.5 km; 4.0 mi) northeast of Moruya, New South Wales, at the mouth of the Moruya River and is owned and operated by Eurobodalla Shire Council.

It is one of two airports with regular passenger flights in the state's South Coast region, but also caters to general aviation and tourism operators, as well as emergency services.

Moruya Airport is a regional hub for a variety of emergency services, providing vital services for the local region that otherwise would not exist without the airport. The Westpac Lifesaver Rescue Helicopter Service has maintained a base at Moruya Airport since 2010, providing a search and rescue service with specialist medical crews, while other aeromedical retrieval services including Toll Air Ambulance and the Royal Flying Doctor Service regularly visit the airport. During bushfire seasons, fleets of firefighting aircraft are stationed at Moruya Airport to aid in bushfire protection.

Passenger service is provided by Regional Express using Saab 340 turboprops several times a week to and from Sydney, with most inbound flights continuing to Merimbula to the south. The small terminal is located to the East of the runway, sharing a parking lot with a beachside camping ground.

Other operators include the Moruya Aero Club and a small flying school. A number of tourism focussed businesses are located at Moruya Airport. Skydive Oz conduct parachuting operations from a facility at the airport, regularly hosting the annual NSW & ACT State Skydiving Championship. South Coast Seaplanes, based at the airport offer a charter service and scenic flights. They announced plans for scheduled flights between Moruya and Lake Burley Griffin in Canberra twice per week in 2022, subject to a number of approvals.

Merimbula Airport (MIM)

Merimbula Airport is an airport serving Merimbula, New South Wales. It is located 1 nautical mile (2 km; 1 mi) south of Merimbula and is owned and operated by Bega Valley Shire Council.

In 2019, a \$4.4 million upgrade of the small terminal facility was completed, providing new arrivals, security screening and baggage handling areas, as well as additional car parking. This was followed by upgrades to the runway to allow operation of large

turboprops like the Q400 and ATR 72 which were completed in early 2022. This new general aviation precinct was commissioned in 2022.

Regional Express operates over thirty flights to Sydney and Melbourne each week in the low season, with increased flights during peak months. QANTASLink is operating five flights to Sydney in the low season with increased numbers and flights on the Melbourne route during peak months.

Merimbula Airport similarly is a regional hub for a variety of emergency services, providing vital services for the local region that otherwise would not exist without the airport. During bushfire seasons, fleets of firefighting aircraft are stationed at Moruya Airport to aid in bushfire protection.

Tourism and flying school, including parachuting, operate from many of the regions smaller airfields with larger operators at Shellharbour, Moruya and Merimbula.

FIFO (Fly in, Fly out)

FIFO has been a growing transport activity in Australia. The areas within the SEATS region do have workers that commute to the mining areas in Western Australia and Queensland.

SEATS draws attention to regional consequence of FIFO labour adjustments:

In more recent times, with the downturn in the electricity generation industry in the Latrobe Valley, labour skills adjustment is occurring and the skilled engineering workforce is in high demand in other parts of the nation and several charter flights operate FIFO services directly from airports like Latrobe Regional Airport (TGN) at Traralgon into central Queensland.

Enquiries have been fielded by the Council operational staff of the capacity of the runways to take larger aircraft at more regular intervals to satisfy this growing FIFO task. At this point no specific request has been fielded.

Specific comments to the Aviation Green Paper regarding Regional Airports.

The Councils that operate airports that provide an RPT service are members of the Australian Airports Association and have provided comments to that organisation. The AAA represents all airports, particularly the major airports, so this SEATS submission is important in its ability to emphasise regional issues. The following specific points relate to the smaller regional airports supporting RPT services.

1. The benefits of robust regional air travel infrastructure do not only benefit the regional areas.

Background

The importance of regional air travel infrastructure to the regions is addressed in the green paper. The green paper (and the Harris review attached) does not address the benefits of regional air travel to the major cities and the nation, namely:

1.1 the benefit of reduced stress on major cities,

The increase in options for people to work remotely has seen an uplift in people moving from metropolitan centres to live in regions with an RPT service such as the Bega Valley Shire whilst working for a metropolitan based employer.

This reduces the population growth stress in the major cities, stimulates the regional economies and recalibrates their demographics (eg encouraging residency by the 20yr to 35yr age group). However, routine air travel back to the city is essential. The requirement ranges from weekly to fortnightly to monthly.

1.2 the benefit to capital cities of thriving regional areas

There is an interdependency between regional and metropolitan areas. Thriving regions benefit capital cities as:

- significant food production occurs in the regions,
- they house other location dependent primary industries of benefit to the nation (eg mining)
- they populate the land mass outside the capital cities and service the land based inter city connections
- they provide domestic tourism opportunities that prevent dollars escaping overseas
- in more recent years with the call for FIFO workers in more remote areas of Australia, workers have elected to live in more attractive and climatically acceptable areas and the use of RPT or charter services to achieve this is an important factor in their lifestyle choices

1.3 the Australian Government's 'strategic engagement in regional aviation, reflecting national interest priorities' (page 64 of the green paper)

The green paper does not detail the Australian Government's strategic engagement nor the national interest priorities (just identifies that they exist on page 64). However, it is known that much of the regional airport infrastructure was developed during World War II and immediately afterwards, in recognition of the changing modes of transport across the nation and also as an improvement to its defence.

SEATS suggestions are:

- it is important to include this broader national interest policy perspective in the contextual narrative as a part of the case for support for regional airports, and
- support as an outcome of the Aviation Green Paper to include a call for a separate in depth analysis of and planning for regional airport infrastructure

2. Continued access to capital city airports, with timeslots that permit access to the CBD by the commencement of business hours and a return to the region after the closed of business hours:

Adding the requirement for overnight accommodation to business (and other) travel will preclude access and harm economic activity. In the case of a regional airport (say Merimbula), this is vital with regard to Mascot, and also important with regard to Tullamarine.

Background

Mascot flows are managed by the PRSS system (see Ch4 of the Harris review doc) and the air traffic control system. Tullamarine is only managed via air traffic control, so the flight timing decision there rests with the airlines and their assessment of viability. With a parallel runway under construction in Melbourne, there should be adequate access to the port. SEATS would recommend nonetheless that the green paper identify that access to Tullamarine by regional carriers should be monitored over time to ensure any access reduction is identified.

With regard to Mascot, the PRSS permits purchase of a time slot in peak periods - for a specific flight with a +/- time buffer, and the rest of the flow is managed by air traffic control. The Harris review's recommendations with regard to the PRSS are reasonable. However, there should also be post implementation monitoring of those recommendation to ensure access to Mascot by regional carriers. The rationale for this is the Harris review's point that predictions made 20 years ago regarding regional access requirements to Mascot (and hence the need for the PRSS have not been fully borne out. The same may well happen again, with the potential that the Harris recommendations are not a neat fit over time. For example, the green paper identifies both that the existing fleet of regional RPT aircraft is ageing and is likely to be replaced by larger aircraft (page 65). Replacement by larger aircraft tends to consolidate services (an example is in the introduction to Section 3 of the Harris review. However, the green paper at page 69 also identifies that the existing fleet may be replaced by electric and hydrogen fixed-wing, which would be of smaller seat capacity. This would lead to increased flight numbers, with a corresponding increase in landings/take offs at the major city airport destination.

The Harris review identifies that the changes it is proposing allow for a similar variability moving forward as has occurred since the PRSS inception. A post implementation review of the Harris recommendations, say biennially, would be sensible.

SEATS suggestions are:

1. that post Harris review recommendation implementation, review (say annually or biennially yearly) of access to Mascot in the essential peak hour period. If NSW regional carrier access is being limited by the changes then there should be a review and adjustment of the implementation of the Harris review recommendations. (NB: Legislative sources include the Sydney Airport Demand Management Act 1997 and the Sydney Airport Demand Management Regulations 1998.)
2. emphasise that alternatives to Mascot such as Western Sydney Airport (green paper page 67) and other alternatives in the Sydney Basin (Section 3 of the Harris review) will not be adequate if they do not include the means (ie rail or road travel) to reach the Sydney CBD after a morning flight arrival and before 9.00am and to make the return trip after 5.00pm in time for 6.00pm onwards flight departure times This is a key reason why attempts to move regional airlines' access to Bankstown from Mascot have not progressed in the past, and the same rationale will apply to Western Sydney Airport.

3. Lifecycle Renewal and achieving compliance with changing legislative standards

Background

The green paper discusses the difficulty regional airport owners have in funding ongoing maintenance (page 65) with exposure 'to ongoing, increasing, operational, regulatory and maintenance costs' (page 66). It does not specifically identify life cycle renewal particularly of airside pavements.

It does identify that 'the vast majority of rational airports are now owned by local Councils'. This is due to the offloading of what was until then Commonwealth assets to local Councils in the early 1990s. This was not accompanied by a fiscal plan for the medium and long term costs. The green paper does reference several programs over recent years,

- the Regional Airports Program,
- Regional Aviation Access Program,
- Regional airport Security Screening Fund and the
- Regional Airports Screening Infrastructure program (page 66).

These funding programs assist in addressing the fiscal challenges, but are restrictive regarding -

- the types of expenses they will cover (eg excludes any design component),
- a reduction in funding from 1:1 to 1:2 if the leveraged funding is another government (eg state government) source
- the timing of incurring expenses - projects are required to be shovel ready (or close thereto) and then left in suspension during a funding round application/assessment process of indeterminate and at times lengthy (up to a

year) duration. Some retrospectivity regarding the timing of the commencement of the funding round should apply, and

- the type of project it will cover (the landside/airside divide is too arbitrary).

This issue in combination with the above two points, and others identified in the green paper contributes to a situation in which:

- the strategic value of regional airports is not clearly articulated (ie the mix of benefits to regions, benefits to capital cities and strategic engagement in national interest priorities),
- the RPT aircraft are likely to increase in size as the current aged RPT fleet is replaced, but they may decrease in size due to a change to electric and hydrogen fuelled aircraft,
- an increase in RPT aircraft size, triggers increases in required runway length and runway strength
- the introduction of electric and hydrogen fuelled aircraft will change the required refuelling infrastructure at regional airports, although this may be an opportunity for fuel industry development in regional locations
- there is risk to airports in coastal locations due to climate change (noting that most have been located close to the coast where there are flatter surrounds – ie away from the Great Dividing Range - for obstacle limitation surface compliance reasons). Few are in a position to move to higher ground),
- aviation legislation such as the MoS139 requires additional airstrip width and associated OLS purposes if there is to be an increase in aircraft code utilising the airport (eg in the context of larger aircraft replacing the RPT fleet), and this may or may not be available in existing airport locations. This dilemma may also emerge with the requirement for larger FIFO charter aircraft operations as has been indicated to some Councils
- there have been iterations in the approach to the requirement for security screening at regional airports which could again change with limited notice, albeit for justifiable reasons,
- the funding burden for maintenance and life cycle renewal since the offloading from the Commonwealth Government has been carried by Councils with ad hoc support from Commonwealth and State Governments. A funding regime that was reliable and took into account the key components of need - including remoteness (both in terms of need and the cost premium on works delivery), km² of geography service, population serviced, etc.

SEATS suggestions are:

- in the short term, reduce the restrictions on Commonwealth funding programs, and
- in the medium term, there is a need for a separate review and planning process for regional airports that addresses all the points raised in this paper. The situation is complex and challenging to project, with assets whose timely renewal is crucial to ongoing operation but does not have a reliable funding source. It warrants a separate specific body of scoping and planning work.

Closing Comments

SEATS believes that air transport plays a key role in regional economies.

Adjusting lifestyle choices have factored in the availability to travel to/from work appointments whilst enjoying living and working outside of a metropolitan area. This “seachange/treechange” phenomenon is also contributing to the national labour market adjustment of connecting FIFO workers to more remote areas of Australia.

Councils are the predominant owners of airports in regional Australia, yet with changing security requirements, pavement capabilities for different aircraft and the uncertainty of RPT operators to continue supporting a particular route, the need to scope out and plan for continual maintenance and upgrades is somewhat of a crystal ball exercise.

This Aviation Green Paper is an opportunity for Government to sure up the policy framework that support regional aviation.

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