

## ALGA submission to the Aviation Green Paper Towards 2050

ALGA welcomes the opportunity to make a submission to the *Aviation Green Paper Towards 2050*

The Australian Local Government Association (ALGA) is the national voice of local government in Australia, representing 537 councils across the country. In structure, ALGA is a federation of State and Territory Local Government Associations. This submission should be read in conjunction with any separate submissions received from State and Territory Associations as well as individual councils.

This submission should be considered in conjunction with any submission made by State/Territory Local Government Associations or individual or regional grouping of local governments.

### **Background:**

Local governments are generally responsible for managing planning and development around airports, and also lease, manage or own airports of varying scales of operations – although the latter is generally only the case in regional and rural Australia. As such local governments have an important role in ensuring the future operations and safety of airports as well as balancing this with economic and social impacts on existing and future residents and businesses. Airports are critical elements of defence, passenger and logistical infrastructure and for regional communities are also important transport hubs for social and economic connections to services including health and education beyond their communities.

There are 200 regional and rural airports owned and operated by councils across Australia, and of these, Regional Capitals Australia (RCA) estimates that 60 percent, or around 120 council owned and operated airports are operating at a loss<sup>1</sup>. This means that because fees raised from running these airports is insufficient to cover the costs of operating the airport, councils and their rate payers – often already disadvantaged by their remoteness – are forced to subsidise the provision of this vital community service. Additionally, many of the 200 regional and rural airports have ageing infrastructure and are unable to modernise or make their existing infrastructure more resilient to adverse weather and the impacts of climate change.

This submission focuses on aspects of the Green Paper that have the greatest relevance to councils, particularly those in regional and remote areas with responsibilities related to the ownership and operation of airports. Aspects of the Green Paper of most relevance to councils in metropolitan areas relate to planning and major airport master plans.

### **Regional Aviation and Councils:**

The Green Paper notes that the Australian Government recognises the vital role aviation plays in servicing the needs of regional and remote communities including providing access to essential services and helping to address many Closing the Gap targets. The paper also notes that the Australian Government also recognises the transition to net zero presents unique challenges and opportunities for Australia's regions. ALGA's responses to the targeted questions follows:

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<sup>1</sup> [Local governments push for more regional airport funding as ratepayers subsidise dozens of council-owned facilities - ABC News](#)

**Where should the Australian Government focus its engagement in regional and remote aviation, including helping achieve Closing the Gap outcomes, noting established state, territory and local government responsibilities and programs?**

It should be noted that ALGA is a signatory to Closing the Gap and supports any measures that help to address the inequities in mainstream Australian society and the lives and livelihoods of indigenous Australians. ALGA also strongly supports initiatives that involve indigenous Australians in the decision-making process, including engagement around issues such as this. When it comes to airports and their importance to regional communities, the local indigenous communities must be engaged as part of the consultation process. This should also extend to the involvement of the indigenous communities in the way that their local airport is operated so that it can accommodate for their needs in a way that helps to encourage indigenous use of regular passenger transport. This could be in offering pathways to employment within these airports as well as opening opportunities for work in other towns, and access to better medical support where required. Regional and rural airports could also offer to extend their data on patronage to support indigenous communities better understand the value that regional passenger transport offers across a range of different use cases.

**Recommendation 1:** That the Government should focus on strengthening and establishing formal partnerships and shared decision-making with indigenous communities.

**Recommendation 2:** That the Government should help facilitate engagement between indigenous communities and their local regional or rural airport to help build the Aboriginal and Torres Strait Islander community-controlled sector.

**Recommendation 3:** That the Government should help facilitate improved access to data and information to enable Aboriginal and Torres Strait Islander communities make informed decisions to support their communities.

**Traditionally, where intra-state aviation services have been subsidised, costs have been carried by state and territory governments. Does this remain the best structure?**

While current arrangements for intra-state aviation service subsidies have been carried by state and territory governments, there may be a need in the medium to long term where these subsidies may not be enough or are withdrawn. Subsidies are only put in place where it has been determined that the servicing of the route is no longer economically viable for one or more operators. If a state or territory government was no longer able to provide such subsidies, the Australian government will always have a role to play to ensure all Australians have access to essential services wherever feasible. From a local government perspective, it is important that the Australian Government maintains a watching brief over existing arrangements to ensure their stability and longer-term ongoing viability.

**Recommendation 4:** That the Australian Government continues to monitor subsidy arrangements for routes that are not economically viable, but with an overriding objective to ensure connectivity is retained for regional and rural communities.

**What opportunities do emerging aviation technologies present for regional and remote Australia?**

Opportunities have been identified for the use of unmanned aerial vehicles and drones to service regional communities, particularly during times of emergencies. They can also be utilised to provide freight deliveries on less economically viable routes. However, they are yet feasible for transporting passengers over long distances at this time. There may be opportunities for basing eVTOL air taxis or similar aircraft Advanced Air Mobility (AAM) aircraft to service rural and regional communities on an inter- or intra-regional basis. This may have land use implications that should be considered as part of future community planning while there may also be a role for the Australian Government, state and territory governments to ensure regulatory flexibility to help facilitate the emergence of these technological solutions.

**Recommendation 5:** That the Australian Government works with state and territory governments to ensure that regulatory frameworks are flexible enough to allow the emergence of AAM aircraft to support passenger transport in rural and regional communities.

**What are specific issues experienced by the regional and remote aviation sector in the context of decarbonisation? What elements should the Transport and Infrastructure Net Zero Roadmap and Action Plan include to recognise the specific circumstances of the regional and remote aviation sector?**

The regional and remote aviation sector is predominantly comprised of airports owned and operated by councils totalling 200 in number. Of these, at least 60 percent are not financially viable<sup>2</sup>, and only remain operational because these councils and their communities are subsidising the ongoing operation of these facilities. This means that in the majority of instances, councils cannot afford to invest in the necessary infrastructure to support the adoption of electric and hydrogen technologies. Consequently, it is clear, that if the Australian, state and territory governments have emissions reduction targets for the sector overall, councils that own and operate rural and regional airports will need substantial support.

**Recommendation 6:** The Australian, state and territory governments consider ways in which they can collaborate to help support the decarbonisation of the rural and remote aviation sector as part of the Transport and Infrastructure Net Zero Roadmap and Action Plan.

**How do local governments and aerodrome operators consider climate resilience when managing their aviation assets?**

Local government airport owners are fully aware of the impacts of a changing climate on their infrastructure. However, as advised, their ability to adapt to the effects of increasingly severe weather and its impacts is seriously constrained by their financial capacity. This is why programs like the Australian Government's Regional Airports Program are vital to the ongoing viability and sustainability of council owned and operated regional and remote airports. The challenge for some of the most cost-constrained councils is that they are poorly resourced and, as such, poorly positioned to make competitive bids for funding. An alternative approach to funding regional and remote airports owned and operated by councils would be provide direct funding support to those councils identified as operating at a loss and subsidising their operations through general council budgets. This would be a needs-based funding approach that ensures funding support is targeted to regional and remote airports in greatest need of government aid. If they had access to better funding, councils would be much better positioned to take a more proactive approach in this space.

**Recommendation 7:** That the Australian Government consider adopting a needs-based direct funding program model to ensure that regional and remote councils owned and operated airports receive the funding they need to remain operational instead of the current competitive grant-based approach.

**What further improvements can be made to the Disability Standards for Accessible Public Transport to accommodate the unique requirements of air travel?**

ALGA supports the Disability Standards for Accessible Public Transport and views them as being broadly applicable across all modes of public transport. As with the many legislative requirements in operating an airport, councils face significant challenges in meeting the financial obligations that come with them. This is also the case with the requirements of the new disability legislation and the requirements that will necessitate the retrofitting of infrastructure that is not already compliant with the legislative changes. The changes also

<sup>2</sup> <https://www.abc.net.au/news/2023-09-18/regional-airports-local-government-support-ratepayers-funding/102860646>

pose huge funding challenges for state and territory governments as well. Unless councils that operate regional and remote airports are supported financially to introduce the changes, the only other option will be to significantly extend the timeframes with which they have to become compliant.

**Recommendation 8:** That that Australian Government considers funding measures to support regional and remote airports owned and operated by councils implement the necessary changes to ensure compliance with the Disability Standards for Accessible Public Transport.

**Recommendation 9:** Where funding support may not be available, councils are given extensions on the timeframes currently required for compliance.

### **Security Screening in Regional and Remote Airports**

Section 8.6 of the Paper discusses security screening and correctly acknowledges that, “Regional airports, and broader regional communities, continue to raise concerns at the costs of providing security screening.” (p. 150) As Regional Aviation Association of Australia noted in its submission to the Terms of Reference, ‘The disproportionate costs [of airport screening] to small regional airports can make some regional air services unviable.’ While it is true that it is a long-standing government policy that industry is required to cover the costs of legislative changes, it needs to be acknowledged that the majority of councils operating regional and remote airports are not doing so for profit but are subsidising these operations for wider community and societal benefits. The cost of these security requirements has been in many cases substantial and only served to further erode the financial sustainability of these operations. This is also true of the impact of the Disability Standards for Accessible Public Transport legislation.

**Recommendation 9:** That the Australian Government should consider financial assistance for councils operating regional and remote airports at a loss to support the implementation of legislative changes related to security and security screening as the sustainability of these operations is already at risk.

### **Proposed Productivity Commission Inquiry into Domestic Airfares**

We note the Government is considering directing the Productivity Commission to undertake a standalone public inquiry into the determinants of domestic airfares on routes to and between regional centres in Australia. (p.23). One of the impacts on ticket prices are airport landing fees and other service charges. Regional and remote airports do not fare well in these areas due to marginal commercial returns – for example, low passenger numbers and little opportunity for non-aviation related enterprise. One of the key determinants of populations remaining in regional areas, discovered in an ongoing Australian Housing and Urban Research Institute inquiry<sup>3</sup>, is access to reliable and regular connections to metropolitan areas. Unless airport operators can make their location an attractive destination for commercial airlines, RPT services will not create the kind of links necessary to support regional development.

#### **Recommendation 10**

The federal Government must step into address market failures in RPT services for regional and remote communities to ensure it meets its community service obligations for regional and remote communities.

### **Aviation and Metropolitan Councils:**

#### **National Airports Safeguarding Framework (NASF)**

<sup>3</sup> [Informing a strategy for circular economy housing in Australia | AHURI](#)

To better protect the community from incompatible developments around airports, we note the Government plans to strengthen the adoption and application of the National Airports Safeguarding Framework in state and territory government planning frameworks (p. 25). A 2019 NASF implementation review identified the incomplete introduction of planning mechanisms to address NASF-related issues by local governments. It also found a lack of awareness of NASF by town planners is hindering best practice consideration of development applications near airports. Continuing implementation of NASF towards existing goals by 2027 should be maintained to improve planning outcomes on and near airports and under flight paths for both the aviation industry and for nearby communities. As the majority of airports are not subject to the Airports Act, state and territory governments need to take a leading role in formally adopting the Framework and providing capacity building for state and local planners to be aware of and implement NASF in their planning decisions.

We also note that Airservices Australia is preparing a Community Engagement Standard for flight path and airspace design changes (p. 114). We strongly encourage the Government to engage closely with councils and their communities as part of these processes so that the guidelines reflect community expectations and can be applied in a way by councils that is both transparent and effective at a local level. An outcome of this process could be that councils may need to adopt better communication strategies for potential purchasers of properties under flight paths and in proximity to airports. Councils will also need to understand if existing and new processes provide sufficient opportunity for impacts on the community to be identified and taken into account in advice and related communication strategies.

**Recommendation 11:** That the Australian Government collaborate with State, Territory and Local governments to support the adoption and application of the NASF.

**Recommendation 12:** That councils and their communities are closely consulted in plans to strengthen the adoption and application of the NASF and the preparation of the Community Engagement Standard by Airservices Australia.

### **Increased Aircraft Movements and Noise and Emissions Management**

While metropolitan councils acknowledge that aircraft noise is an unavoidable by-product of communities living adjacent or near to airports, it remains an understandable and ongoing concern in many of these communities that the noise is fairly distributed. Where possible, the Government should ensure that major airports engage in close consultation with councils and affected communities on ways in which noise can be mitigated wherever possible.

Similarly, aircraft flight paths also result in affected communities being exposed to higher levels of emissions from jet engines and that this can also have detrimental effects. Where possible, measures to encourage the adoption of cleaner and quieter domestic and international aircraft should be encouraged by the Government, which could be achieved through financial or other incentives. Further, as demand for domestic and international travel continues to increase and movements become increasingly frequent and intensified, it is becoming increasingly imperative for communities living in affected metropolitan local government areas to be protected from these impacts where possible.

**Recommendation 13:** That the Government work with major airport operators in metropolitan areas to ensure that aircraft noise is fairly distributed and adopt measures to encourage the modernisation of aircraft fleets to protect affected communities.

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