



**REGIONAL EXPRESS RESPONSE TO THE  
NATIONAL AVIATION POLICY GREEN PAPER**

***FLIGHT PATH TO THE FUTURE***

**FEBRUARY 2009**



## **INTRODUCTION**

Regional Express (Rex) was formed in 2002 and was essentially the merger of two well established regional air carriers in Australia, namely Hazelton and Kendell Airlines. Although part of the Ansett Group, these two regional airlines had been operating largely as separate businesses until their merger under Rex and had between them over 80 years of regional aviation experience.

Rex is Australia's largest independent regional airline and operates 41 SAAB 340 turbo prop, 34 seat passenger aircraft throughout South Eastern Australia. It operates to 24 regional centres from 3 capital city hubs and in the last 12 months carried 1.4 million passengers. **In Australia, regional passenger numbers have grown some 800,000 in the past five years and it should be noted that Rex accounted for almost 700,000 of these.** For 24 rural and regional communities it provides the essential link to metropolitan centres for important services such as medical, hospital, legal, education, tourism and financial services.

Since its formation Rex has grown with the acquisition of Air Link and Pel-Air and the creation of the Australian Airline Pilot Academy. The Rex Group now operates 91 aircraft in total and in addition to its passenger airline operation it also has diverse aviation activities such as medical evacuation, corporate jet charter, night freight operations, mining charters, specialist tactical flying for the Department of Defence and pilot training. The Rex Group is a publicly listed company employing around 950 people, many in regional Australia, and has a turnover of \$260 million p.a.

## **OVERVIEW**

Rex welcomes the Minister's green paper and offers this response in those areas where it has the relevant knowledge and expertise. In general the green paper has many encouraging policy initiatives however in the area of regional air services Rex has a great concern that the fundamental issues have not been addressed.

As the paper itself acknowledges, ***the regional aviation industry is barely profitable***. With costs ever increasing and the more profitable routes being taken over by the larger airlines it will become harder and harder to sustain air services to the smaller regional centres. The last two decades have seen a dramatic decline in the number of regional airlines and in the number of routes being flown to regional centres. In addition some of the smaller airports now run by local Councils will be requiring expensive capital works in the future and this may not be achievable without some assistance.

The importance of air services to regional economies is beyond doubt to those who live in the regions. However as part of the flight path to the future for regional Australia the Government must make its own assessment of this value with regard to the national interest. It is essential that the key questions of regional aviation infrastructure and affordable access to major capital city airports be addressed as part of the future for regional aviation.

The green paper states that the Australian Government will consider options, in conjunction with the states, on a model for assistance to regional aerodromes and services. It also states that the Government will consider ways to ease the burden of regulatory charges on the regional airline sector. These initiatives are welcomed but they will need to translate into tangible assistance if the less viable regional air services are to survive into the future.

# *SAFETY*

## **Aviation Regulation and Investigation**

Rex supports the general thrust of the policy proposals in the green paper for aviation regulation as well as the initiative to re-create the CASA Board. Rex notes that the Board is not to be representative of any particular industry sector but also that **there is no requirement for some or all Directors to be independent. Rex recommends that this be considered as part of the agency's governance.**

The move to SMS based regulation and oversight of safety is supported but it needs to be continued with an accent on risk based methodology. The regulator has identified risks in its emerging risks study and this is a powerful tool for the deployment of resources. However CASA must be given a mandate for being able to accept that certain risks are inevitable. Obviously air travel, like other modes, can never be 100% safe. Australia's very success in achieving an unparalleled safety record means that there is virtually no tolerance for RPT accidents by the public which can have the effect of politicising the safety process. The regulator must be allowed to determine the areas of deployment and priorities for its resources purely on the risks involved which means an acknowledgement that absolute safety can never be achieved. **The white paper should reflect the fact that the regulator's role is to manage the risks inherent in air travel and this should be the basis of its future policy and actions.**

The deployment of resources is a key issue in ensuring CASA is not hampered with enormous amounts of unproductive regulatory activity. Rex referred to the Classification of Activities in its Discussion Paper submission which would see the **issue of AOCs confined to passenger transport operations and large aircraft freight operations.** This would remove at a single stroke the enormous amount of unnecessary regulatory services activity and cost now employed with operators of low risk in terms of public safety. This may be regarded as just part of regulatory reform but it is in fact a significant shift in terms of policy for CASA.

An issue not addressed by the green paper in terms of CASA's role is **whether any emphasis should be placed on encouraging and developing the industry, particularly with regard to new technology.** This is part of the charter of the FAA and was certainly practiced in bygone days by CASA's predecessors. To some extent CASA is still involved in this area as witnessed by its participation in the development of ADSB technology but it is not a formalised policy and Rex is concerned at the increasing focus on strict liability and enforcement rather than the cooperative development of a safer industry. The regulator and the industry are natural partners in this process and future policy

should be framed to encourage it. This is not evident in the green paper or in current policy.

The green paper refers to previous comments that CASA field offices are inconsistent in their approach and interpretation of regulations. This should not be underestimated as an obstacle to CASA's aim of achieving an outcome based safety system. **There is often a tremendous focus on compliance rather than safety at the working level of CASA and future policy must be directed at removing this.** It creates enormous frustration within the industry to see how the same problem can be treated so differently by different CASA offices. The authority currently vested in CASA delegates means that a single CASA officer can impede or delay commercial operations for no safety outcome. This is usually due to the blind or literal application of a rule for no safety effect but simply because 'it is the rule'. Again this soaks up valuable resources both in the industry and in CASA. Future policy needs to remove these roadblocks. **As per the philosophy espoused in the forthcoming SMS regulations, responsible and mature organizations should be held accountable to the safety outcomes and given more latitude in how to achieve these outcomes.**

Regulatory reform continues to be a very slow process and Rex supports the Government's commitment of achieving current reforms by 2011. However future regulatory development will continue to be hampered unless the Government puts in place measures to stop the bottleneck of the OLDP. **Rex would like to see CASA given its own drafting capability in the white paper.**

Rex fully supports the move to enhance the independence of the ATSB and to introduce a commission structure. Adequate funding and the efficient use of resources are also welcomed. Rex notes that the ATSB's role has been broadened to take on other transport modes and is concerned as to whether sufficient resources have been allocated so as not to dilute the focus on air safety. Many ATSB reports take an inordinate amount of time to produce even when they are for fairly straightforward incidents.

**Rex does not support any extension of the sharing of information between the ATSB and CASA nor does it support any extension of CASA's authority to obtain information from the industry with regard to operator investigations.** Past practice has been such that the disclosure of such information leads to the erosion of 'just culture' and a breakdown of trust between the operator and its staff. This has serious implications for the achievement of positive safety outcomes.

Rex continues to advocate the **devolvement of regulatory services into the industry where it can be done with no safety implications and where the industry can demonstrate the required capability and maturity.** This will free up CASA resources to concentrate on surveillance and also remove some of the frustration and bureaucratic impediment the industry is now experiencing through the cost recovery programme.

## Air Traffic Management

Rex fully supports the move to develop a strategic Air Traffic Management plan through the Aviation Policy Group. Rex also supports the formalising of the role of ASTRA and its reporting to the Airspace Implementation Group as part of this process.

The recent delay in the **introduction of low level ADSB** may have been based on sound reasons but this initiative **should be pursued as a part of airspace policy in the white paper**. The introduction of modern technologies, particularly ADSB and GNSS, into regional Australia provides three major safety benefits for the traveling public that cannot be ignored.

1. Secondary Surveillance Radar for all regional Passenger Transport Operations (PTOs) for ATM purposes.
2. Capital city style instrument approaches at regional airports with the introduction of BARO VNAV and possibly wide area augmentation to provide an APV capability.
3. Separation of other traffic from PTOs.

For traffic separation to be effective in ensuring the safety of PTOs this technology must be extended to recreational and private operations where they interact with passenger carrying activity and where there is an unacceptable collision probability or consequence.

For regional operations the introduction of straight in GNSS approaches a decade ago was a huge leap forward in safety and efficiency. Rex sees the introduction of ADSB surveillance for regional operations and APV capability as being equivalent steps in these directions.

The lead time for the introduction of these technologies can be significant for operators as well as the ATM provider. Rex had already started its ADSB OUT programme in order to have its fleet meet the proposed mandated deadline of mid 2012. This has now ceased in the absence of a known low-level ADSB plan. Future policy needs to be decided early and unambiguously. For the last few years some operators have been playing a risky guessing game with the purchase or upgrade of expensive equipment in trying to anticipate future ATM regulation.

## Security

Rex supports a review of the Aviation Transport Security Act 2004 to remove the anomalies and inefficiencies contained therein. In this respect we note the Government's intention to review security legislation in line with the Wheeler enquiry.

The requirement for screening at regional airports creates problems under the current system particularly when there is a mix of aircraft types at one location, some of which require screening whilst others do not. This is compounded by the airport owners' invariable tendency to charge all operators for screening.

The anomalies recognised in the green paper with respect to only jet aircraft requiring screening do need to be addressed. **Rex supports the methodology of aircraft speed, weight, fuel load and passenger numbers being the trigger point for passenger screening.** If a more simplistic model was to be adopted Rex would support the seating capacity as being an appropriate criterion with 60 seats being an acceptable cut-off.

**Rex would not support screening for smaller regional aircraft** (less than 60 seats) as the cost per passenger of such screening would be prohibitive. Small Regional airports do not have sufficient passenger and aircraft movement rates to recover these costs at the same cost per passenger as the larger airports with greater passenger numbers. If all costs are forwarded on to the passenger, the regional passenger will pay a significantly higher cost than the passenger in the major city airport. It is noted that this fact is recognised in the green paper. **Within the Rex network, we estimate that fully 30% of our routes would no longer be commercially viable if charges for security screening were to be passed back to passengers.** This would represent a significant blow to these communities.

Rex submits that all security measures must be employed commensurate with the associated risk to each individual locality. **While broad guidelines for screening may be based on aircraft type, the requirement for screening should be location and risk specific rather than aircraft specific.** For example if there was only one medium jet aircraft movement per week at a particular location it may be decided after risk assessment that screening was not required.

The same logic should be applied to large aircraft charter flights. Where there is a large aircraft scheduled charter service, little different to an RPT service, then screening makes sense. However, in the case of an ad hoc one off charter to a port without screening facilities, it would obviously not be practical. Again, the requirement should be risk based.

# ***ECONOMIC PROSPERITY***

## **Regional Aviation**

The green paper identifies that major regional routes have grown consistently over the past decade while the lesser routes have been in significant decline. The larger routes have benefited from the attention of the low cost carriers like Virgin Blue and Jetstar and are mainly major tourist destinations. **The remaining routes represent regional air services that link Australia's true rural economy and are in serious decline.** The figures quoted in the green paper are truly frightening for rural residents with the **number of destinations and the number of airlines dropping by around 40% in the past 20 years.** This has accelerated over the last few years with some long established and sizeable regional airlines collapsing.

The green paper also noted that there was widespread support for the Remote Air Services Subsidy Scheme and the Enroute Charges Scheme, however while the former is being retained the latter scheme is being phased out. This will have repercussions for the thinner routes and will put further pressure on the ability of regional airlines to service these routes. The Rex group in December 2008 dropped 6 regional routes because the impending withdrawal of the Enroute Charges Scheme meant that investment in replacement aircraft for these routes was no longer commercially viable.

The green paper accurately identifies that small regional airlines cannot compete against the larger aircraft used by the low cost carriers with their better operating economies and mentions that as a result they will be slowly forced onto the thinner routes where they will struggle even more to survive. To quote the green paper "overall the regional aviation industry is barely profitable". This accurate conclusion would seem at odds with the Government's decision to phase out the Enroute Charges Scheme because it is perceived as being no longer required.

**Rex finds it odd that while billions are being invested in road and rail infrastructure for the regional economies, the government is withdrawing the Enroute Charges Scheme that cost only \$6m p.a. and has demonstrably been instrumental in keeping regional air services alive for many smaller regional centres.** The contradiction in government decisions is difficult to understand. Why is regional aviation infrastructure not as important as both road and rail when it can be demonstrated that the socio-economic benefits of a regular air service could be just as significant?

**Disappointingly the issue of essential regional aviation infrastructure is not addressed at all in the green paper.** While the Government does provide support for remote communities through the Remote Aerodrome Safety Programme (RASP) there is no support for the essential service routes of the wider rural economy. Regional aviation infrastructure, as opposed to the remote social services covered by RASP, is not supported at all by Federal or State Government. The recent priority list released by Infrastructure Australia did not allocate one cent to regional aviation.

Many regional centres rely on air services as an essential means of transport and a vital link to the major cities for services that cannot be provided in country areas. The role of the Australian Government under the Air Navigation Act 1920 may be to develop Australia's aviation industry but it seems that in contemporary times this no longer applies to the regional sector.

The green paper poses the question of whether it is better for the states to continue to regulate and support intrastate aviation or whether a national uniform approach should be adopted. Regional travel does not necessarily follow state boundaries and Rex believes that a national approach is in the best interests of regional Australia. Rex believes that a market based assistance model should be adopted that provides incentives for regional carriers to develop and expand the thinner routes where possible.

Rex notes the Government's intentions to work with the state governments on the best model for regional aerodromes and services and supports this commitment being placed in the white paper as part of the overall national aviation policy. Rex also notes the Government's intention to consider options to reduce the burden of regulatory charges on the regional aviation sector. This is welcomed and in this respect Rex would encourage the Government to consider the various and often onerous charges that regional carriers bear like CASA's cost recovery programme, the levy on aviation fuel and the ARFF (Aviation Rescue and Fire Fighting) charges levied on regional aircraft whenever they operate to an ARFF equipped aerodrome. Consideration should also be given to retaining the Enroute Charges Scheme, even if in a different form.

Rex argues that the **white paper should give serious consideration to the relevance of regional air services to Australia's rural economy and whether they should be allowed to continue to die off or whether they should be encouraged to develop as part of Australia's transport system.**

## Industry Skills and Productivity

The global economic crisis and the consequent scaling back of expansion plans in the aviation industry both overseas and in Australia has dramatically eased the chronic shortage of skilled personnel that was evident only a year ago. However, Australia should be making plans for its long term future and once the world's economy has recovered we will see the same urgent need for skilled aviation workers emerge just as quickly as it disappeared. We now have the chance to put in place the essential building blocks to cater for that need.

The Australian Government initiative to make the VET FEE HELP programme available for pilot training is a step in the right direction as for the first time some Government assistance is offered to a profession that for decades has uniquely had to fund its own training. This system works for large professional training schools that are affiliated with tertiary institutions and have the means to access the FEE HELP scheme. They generally have RTO and CRICOS accreditation or have the resources to obtain it. Many of the smaller flying schools and aero clubs which have in the past supplied many pilots to the industry will not be a part of this scheme and this will reduce their numbers even further.

The VET FEE HELP programme requires the incorporation of a Certificate IV aviation course into the flying training syllabus through a TAFE or tertiary education institution. This adds time and cost to the pilot training course as a Certificate IV Course is not needed to become a professional pilot. Undergraduate degrees and diplomas used for pilot training with the assistance of HECS HELP and FEE HELP will provide a means for a longer term solution to the sourcing of pilots but will not allow for a quick response should pilot recruitment again suddenly increase rapidly to a high level. **A more expeditious way to train pilots quickly would be to identify eligible courses for training professional pilots through approved training organisations or RTOs which concentrate on essential pilot qualifications as per the CASA syllabus.** This training can be accomplished in 6 to 12 months depending on the training programme and graduates can then quickly progress to an entry level job in the industry. Rex has been doing this successfully, without Government assistance, for the past 15 months at the considerable cost of \$80,000 per pilot.

Rex also notes the Government's initiative in listing pilots as a priority occupation in the Productivity Places Programme.

# *AVIATION INFRASTRUCTURE*

## **Planning at Federal Leased Airports**

This has been a problem ever since the FAC airports were released into private hands. Major issues have been the inappropriate use of valuable airport land for non aviation purposes and the inability of smaller lessees at some airports to secure a longer term certainty for vital industry support functions such as training facilities, component shops and maintenance hangars.

The major airports are a vital link in the country's transport infrastructure and their **primary function of providing an aeronautical service should not be lost in the natural drive by the private sector to increase profit margins by the ever increasing use of non aeronautical developments**. This has been particularly noticeable with the secondary airports in the Sydney basin where a runway and a whole airport have been closed to return airport land to profitable non aeronautical commercial development.

The green paper gives some focus to the level of inappropriate off airport development that has the ability to affect passenger transport operations. While there are some controls and it is possible for airports and operators to influence off airport development through the DA process with local Councils it is extremely time consuming and inefficient. **The green paper proposal to develop national airspace protection legislation to prevent buildings intruding into airspace on the departure and approach paths to airports is strongly supported by Rex. Similarly Rex supports the continued development of public safety zones around airports as outlined in the green paper.**

Rex submitted to the Discussion Paper that it supported the planning and development mechanisms under the Airports Act. It fully supports the continued oversight of airport development and Airport Master Plans through Commonwealth Government control. The major airports are a national resource and their governance and development should be controlled with the national interest foremost.

The green paper proposal to form Airport Planning Advisory Panels, at the Minister's discretion, to examine Airport Master Plans to provide direct user and community input to the Government is seen as a positive step as the consultative process has to date been seen as ineffective in many cases. Rex supports this initiative.

Rex notes that the Sydney curfew and capacity restrictions are to remain unchanged. Rex does not support these policies which were introduced in a very different environment and with political expediency as the primary motivation.

While acknowledging the Government's intent to retain these controls Rex feels that it is time to re-examine the rules surrounding the curfew and the movement cap in light of new technologies in the form of aircraft navigation equipment and significantly quieter aircraft.

**Rex is strongly opposed to the exclusion of regional operators from Sydney airport.** Recent years have seen the 9 and 19 seat regional aircraft virtually disappear from RPT operations at Sydney as the regional operators retire their smaller aircraft or in some cases exit the industry. Regional passengers connect with flights on the major domestic operators often for day business trips. This would not be possible if regional airlines did not have access to Sydney airport. Similarly many business travelers rely on the quick connection to the CBD from Sydney airport to conduct a productive day's business. Continued access to Sydney airport is an integral part of NSW regional air services.

## **Economic Regulation**

Privatized airports are a government granted monopoly that creates the potential for abuse by the new owners. Rex notes in the green paper that the light handed regulatory regime is to remain in place with a review in 2012. This has not been an effective method with regard to protecting the interests of the smaller airport users as it relies on commercial pricing negotiations between the parties to set prices. These can be very one sided with airport owners often adopting a take it or leave it approach. Airport rents are benchmarked against other rents charged by the owner and no regard is given to the percentage price increase applied nor to the difference in activity.

For example, airport lounge rental rates are based on what other retail operators, such as fashion outlets and food stalls are willing to pay for space in the terminal. Rex contends that this is a pure distortion of economic fundamentals as airlines supply the millions of passengers that patronise these retail outlets which create the value of the retail space. The fact is that it is hard to benchmark airport rentals as they are a unique market controlled by one monopolistic entity. Too often airport users have little choice other than to simply succumb to large increases and are forced to try and pass them on to their customers.

Furthermore the Government's price monitoring regime applies to aeronautical charges but it does not put terminal and hangar rentals under the same level of scrutiny. There is some recourse under the Trade Practices Act against excessive price increases as mentioned in the green paper but for small airport users that do not have the legal resources and deep pockets of the large airports

this is an expensive and impractical method of dispute resolution. Additionally some charges are unnecessary and are brought about through bad planning. For example at one major airport regional operators are forced to pay for inbound passenger screening as no provision has been made for passengers to disembark from an unscreened regional port without having to transit the sterile area. **Rex contends that all aspects of charges to airline must be placed under the price monitoring regime as it is just as easy to force an airline out of business through excessive terminal and hangar charges as it is through passenger facilitation charges or landing fees. .**

The privatisation of the federal leased airports was done with a view to enabling investment in new facilities through the resources of the private sector and there is no doubt that this has been achieved. However the public interest must continue to be served with respect to having fair access to such national transport infrastructure by all members of the traveling public. **Rex contends that the taking over of these leases by private equity included an obligation to continue to serve this public interest**, particularly at Sydney Airport. References were made to this in the legislation at the time.

In the case of Sydney Airport there are requirements under the Sydney Airport Demand Management Act 1997 with regard to regional air services. The reasons for instituting this Act by the federal government have not changed and removal of such regulation will inevitably mean that regional operators will be pushed out of Sydney by excessive charges being applied by the airport owner. Current charges paid by Rex at Sydney are more expensive than other capital city hubs where Rex has a comparable operation. **For example Rex pays around 56% more per aircraft movement at Sydney than at Adelaide**, taking into account all applicable aircraft weight charges and per passenger charges, even though Adelaide airport is a brand new airport with the most modern facilities.

**Without any controls Sydney Airport's owners will inevitably push these prices up further in order to make slots available for larger aircraft to increase profits.** For Sydney Airport the requirements of the Sydney Airport Demand Management Act were known and were in place at the time of purchase of the lease and were factored into the price paid for the asset. Rex agrees that the airports should make a healthy return on their capital but not at the expense of the public interest. To put matters into perspective, Sydney Airport's operating net profit for 2008 based on EBITDA as a percentage of revenue is an astronomical 79.9%. Surely this is a sufficient margin by any standards without the need to further improve on it by driving out regional operators.

**Rex submits that the white paper should contain policy that recognises the right of regional passengers to have continued access to the major capital city airports and not be forced out either by planning restrictions or by inequitable pricing.** This should include access to essential infrastructure at the airport such as hangars, crew rooms, gates and lounges.

Rex supports the move in the green paper to bring back price monitoring for Canberra and Darwin airports. Such monitoring should take into account any excessive price increases imposed during the non monitoring period when assessing future price movements.

Transparency of pricing was an issue highlighted in the Discussion Papers and Rex notes the green paper initiative to introduce a 'show cause' mechanism in the case of prima facie evidence of excessive pricing. The issue of transparency is not confined to the federal leased airports but is also an issue at some major regional airports and Rex would contend that **the show cause process, where appropriate, should be extended to these larger regional airport owners.** As stated in its previous submission, Rex sees countless increases in the per unit rates (passenger head taxes and landing fees) that should not be necessary when consideration is given to significant passenger and flight activity growth. What is important is total airport revenue, however local government process is often fixated on annual CPI (or greater) increases that are simply not justified. Many larger regional airports do not run adequate accounts for the airport, with airport revenue being channeled into general council revenue to fund other council activities.

The show cause process will not necessarily highlight inequities in pricing in common user areas at capital city airports and some major regional airports. In such cases there is insufficient transparency in relation to the setting of the charges that relate to the sharing of costs between different airlines. Airports hide behind airline confidentiality agreements in disclosing passenger through put however it is the overall passenger through put in common user areas that is the most significant driver of unit costs. Such information can hardly be viewed as commercially sensitive, particularly without route specific data being disclosed. Where charges are calculated based on volume sharing, all relevant activity volumes should be transparent to ensure full disclosure in the setting of airport charges. The larger carriers are able to negotiate charges based on significantly higher volumes, however all of the volume through common user facilities should be considered equally.

**To overcome these difficulties, Rex recommends an ombudsman system where disputes at capital city and major regional airports can be referred to for mediation and resolution.**

# *ENVIRONMENT*

## **Aviation Emissions and Climate Change**

Rex notes the Government's commitment in the green paper to include domestic aviation in the CPRS. Currently the larger aviation organisations are also registered with the Government's EEO and NGER initiatives as well as being subject to various state based emissions schemes. **Rex urges the Government to consolidate all these initiatives under one 'roof' with one reporting system** as soon as possible in order to reduce the bureaucratic burden and considerable cost and delay associated with this process.

Rex agrees with the Government's intention as stated in the green paper to ensure the credibility of current voluntary carbon offset schemes. The public must have surety that these are being administered properly and that all funds collected are being utilised in genuine offsets. Voluntary schemes depend on public confidence and the Government's involvement will help ensure this.

**With regard to the CPRS and domestic aviation Rex believes that, since over 90% of an airline's carbon footprint is in the form of fuel burn, it would be more efficient to have the carbon offset taxed at source with the funds managed nationally rather than have the airlines and passengers being involved in various carbon offset scheme.**

More efficient use of airspace must now be an urgent priority for Australia's Air Navigation Service Provider (ANSP). It is now incumbent upon the ANSP and the airlines to reduce carbon emissions as much as possible. Particularly critical is the airspace around Sydney where an enormous amount of unnecessary track miles are flown every day at low level with a resultant criminal waste of fuel. The forcing of aircraft down to altitudes way below normal descent profiles on arrivals and then requiring them to power up and fly level for many track miles is inefficient and wasteful as well as producing unnecessary noise. Similarly the sustained low levels for departures burns more unnecessary fuel. Continuous Descent Approaches and more expeditious departures have been needed for years and Rex is pleased to see them included in the green paper as a focus for the ANSP. Other mechanisms such as Land and Hold Short Operations (LAHSO) at Sydney should be introduced. This used to be practiced at Sydney in the form of simultaneous operations and is now commonplace at Melbourne and Adelaide but is prohibited at Sydney. In general the rules governing allocation of runway use at Sydney do not allow airport capacity to be maximised and can cause long fuel burning delays on the ground and we can no longer afford this.

## **Noise Impacts**

Rex agrees with the Governments intention to pursue a national land-use planning regime for land near airports. Recent development approvals such as one at Canberra airport where the jurisdiction for the development approval was outside of the jurisdiction governing the airport shows the need for a common set of rules.

Rex still feels that the rules around the Sydney curfew and capacity restrictions are based on an operating environment completely different from today's. The movement cap of 80 per hour was not derived in any scientific sense but was a political expediency at the time in the run up to the 1996 election. At some stage it would make sense to examine the rationale behind these restrictions against their applicability in today's environment.

The planned retaining of curfew free large airports across the country, as espoused in the green paper, to guarantee the sustainability of night freight operations is essential for this crucial industry and is fully supported by Rex.