Victorian Chamber of Commerce and Industry

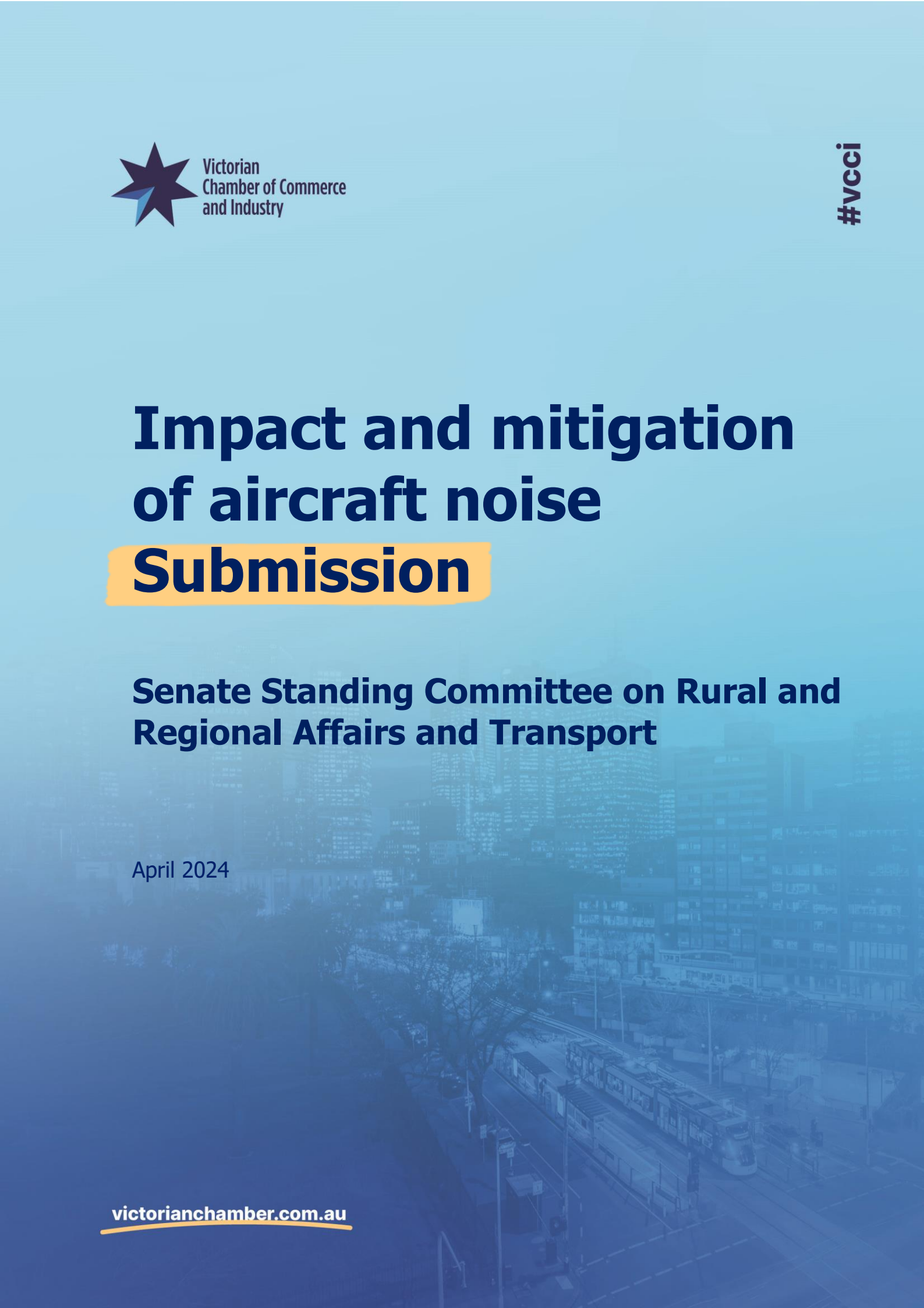
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Impact and mitigation of aircraft noise

Submission

Senate Standing Committee on Rural and Regional Affairs and Transport

April 2024



victorianchamber.com.au

Executive Summary:

The Victorian Chamber of Commerce and Industry (Victorian Chamber) appreciates the opportunity to make a submission on this important issue.

We represent more than 85,000 members, stakeholders and clients across Victoria. Our members encompass all industry sectors, spanning small, medium and large enterprises. This includes critical airports such as Melbourne Airport, Melbourne Avalon, Essendon and Mildura Airports, airline members and downstream businesses that provide goods and services to the aviation industry.

The Victorian Chamber's ongoing collaboration with members informs our view on the importance of the aviation industry and airports in fostering and supporting business growth for major cities and regional towns. The position presented in this submission is informed by this ongoing consultation.

A safe, efficient, sustainable, productive and competitive aviation sector is critical to our national economy.

Airports are a critical part of Australia's national infrastructure. They play a vital role in connecting international, domestic, regional and remote communities and underpin national and international supply chains in key industries such as mining, construction, manufacturing as well as providing a key source of employment for higher education and tourism sectors.

Australia's airports contributed $105 billion dollars to the Australian economy, roughly five per cent of national Gross Domestic Product (GDP).[1]

Ensuring regulatory settings around airports are fit-for-purpose is fundamental to realising these economic benefits in full.

As a vital part of the national transport system, the efficient and effective operation of Australia's airports and the broader aviation industry must be a fundamental outcome of this Inquiry.

The Victorian Chamber's submission focuses on the opportunities provided by advanced manufacturing and other new technologies, some of which are directly relevant to noise mitigation. More broadly, these new and emerging technologies offer significant economic and commercial opportunities and are critical to our path to net zero.

Relatedly, other emerging aviation technologies, particularly drones and Advanced Air Mobility (AAM), have the potential to radically transform the aviation sector.

Victoria particularly is well positioned to take advantage of emerging new aviation technologies and become a leader in the development and manufacture of specialised, high value aviation technologies into the future.

These new industries will have significant economic uplift, create new jobs and a skilled workforce.

The Victorian Chamber will be pleased to further engage with the Inquiry over coming months.

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[1] Deloitte Access Economics, Taking Flight: The economic and social contribution of Australia's airports, 2023 website: PowerPoint Presentation (airports.asn.au)

Summary of Recommendations

01	Ensure that the regulatory provisions for airports, both the national requirements (such as those imposed by the Airports Amendment Act 2018), and other more specific requirements (contained in State Government planning schemes) remain fit for purpose and provide the necessary protections for aviation and freight growth.
02	Planning around Melbourne Airport has envisaged a four-runway airport since the 1960s. Given that this airport is now reaching capacity at peak periods, the Victorian Chamber recommends that the Government move quickly to approve the third runway for Melbourne Airport.
03	The Committee should consider a recommendation to prioritise investment in advanced manufacturing hubs such as Fishermans Bend in Victoria that provide key componentry for new technologies that are critical to development of new aircraft.
04	Report on the policy settings needed to support the establishment of a domestic sustainable aviation fuel industry in Australia.
05	Consider the merit of a community education campaign around protections provided by government regulators for emerging aviation industries such as drones and Advanced Air Mobility.

Airport planning

Effective land-use planning and appropriate zoning is critical to ensuring that noise impacted residences are minimised while at the same time balancing the need for commercial aviation and freight growth.

Inappropriate development around airports can have safety, operational and efficiency implications for airlines with flow on effects for the viability of airports in terms of ability to provide the economic benefits to the areas they service.

This has direct implications for airport sites and related industries.

Given the economic importance of airports, highlighted in this submission, the Federal Government should, as a matter of urgency, confirm that its regulatory provisions for airports, both the national requirements (such as those imposed by the Airports Amendment Act 2018), and other more specific requirements (such as those in state-based planning schemes) remain fit for purpose and provide the necessary protections for aviation and freight growth.

The principles outlined in the National Airports Safeguarding Framework (NASF) regarding noise, as well as other features of aviation activities including turbulence and wind shear provide importance guidance in providing planning outcomes on and near airports for relevant authorities around the country.

Relatedly, there is merit in establishing a National Register for Airport Master Plans and Major Development Plans which would allow for greater transparency particularly for potential home buyers.

Melbourne Airport has been a beneficiary of planning Laws and planning schemes, as a result of the foresight of successive Victorian State Government's. It is arguably a good practice model.

Planning around Melbourne Airport has envisaged a four-runway airport since the 1960s. Given that this airport is now reaching capacity at peak periods, the Victorian Chamber urges the Federal Government to move quickly to approve the third runway for Melbourne Airport.

Equally, there is merit in considering the opportunities for additional commercial, freight, defence and charter services presented by Melbourne Avalon Airport.

Recommendation:

01	Ensure that the regulatory provisions for airports, both the national requirements (such as those imposed by the Airports Amendment Act 2018), and other more specific requirements (contained in State Government planning schemes) remain fit for purpose and provide the necessary protections for aviation and freight growth.
02	Planning around Melbourne Airport has envisaged a four-runway airport since the 1960s. Given that this airport is now reaching capacity at peak periods, the Victorian Chamber recommends that the Government move quickly to approve the third runway for Melbourne Airport.

Opportunity to create new industries

The Victorian Chamber believes that it is vital that noise mitigation initiatives are quantified and properly understood for unintended consequences.

Noise concerns can often result in inefficient flight paths resulting in higher emissions through increased track miles, higher burn fuels thereby working against sustainability objectives.

The section below addresses opportunities for Victoria and Australia in advanced manufacturing and sustainable aviation fuels: new industries which have significant economic uplift, create new jobs and a skilled workforce.

Continual renewal of airline fleets is one of the most effective ways of reducing aircraft noise and therefore disturbance to residents. Victoria has significant competitive strengths in this area.

Investment in the emerging technology and industry associated with sustainable aviation fuels offer significant opportunities for decarbonisation.

Relatedly, other emerging aviation technologies, particularly drones and Advanced Air Mobility (AAM), have the potential to radically transform the aviation sector.

Maximising the flow of investment to these industries is critical and relies on the right policy settings. Getting it right will lead to a significant economic uplift.

Advanced Manufacturing:

We note the submission by Qantas Group to the Aviation Green Paper which states 'the most effective way to reduce aircraft noise is by operating modern aircraft which can have a 50 per cent reduction in noise footprint.'[2]

Investment in new aircraft therefore will continue to play a significant role in aircraft noise management.

One such aircraft is the Boeing 787. Key components for this aircraft are manufactured in Victoria. It is Australia's largest aerospace contract valued at more than AUD$5 billion with Fishermans Bend being the only location in the world to supply the key componentry for this aircraft.

The flow-on effect of this contract has seen Boeing Aerostructures Australia invest a further $70 million in the development of their site and additionally undertake a significant investment in training and development of staff, and research and development to create the next generation of advanced manufacturing technology.

Given this, the Committee should recommend prioritising investment in these advanced manufacturing hubs that have strong links to the aviation industry and are providing key componentry for these new technologies.

Consideration could also be given to investment allowances and improved accelerated depreciation concessions associated with the purchase of these aircraft, which in turn would further give rise to their production.

[2] Qantas Group media release QANTAS GROUP RESPONDS TO AVIATION GREEN PAPER (qantasnewsroom.com.au)

Recommendation:

03	The Committee should consider a recommendation to prioritise investment in advanced manufacturing hubs such as Fishermans Bend in Victoria that provide key componentry for new technologies that are critical to development of new aircraft.

Sustainable Aviation Fuels:

The link between Sustainable Aviation Fuels (SAF) and environmental impacts is included in the Aviation Green paper.

The aviation industry, much like other key sectors such as agriculture, mining, heavy transport, and manufacturing will rely on alternative, more adaptable solutions, to meet decarbonisation ambitions.

Sustainable Aviation Fuels (SAF) represent a strategic opportunity for Australia to drive economic growth, create tens of thousands green jobs, secure Australia's domestic fuel security and decarbonise aviation and, by extension, other industries.

Building an Australian SAF industry will also address issues associated with domestic fuel production and storage and security.

Victoria is well placed to be a market leader with Victorian based companies already exploring projects for the production of SAF locally with a view to a long-term future and manufacture in Australia.

A priority for Government should be to support the broader deployment and cost reduction of sustainable aviation fuels, as well as a focus on development and manufacturing of these fuels in Australia with the goal of supplying the global market. This requires a series of policy settings which are well articulated in the Aviation Green Paper.

Recommendation:

04	Report on the policy settings needed to support the establishment of a domestic sustainable aviation fuel industry in Australia.

Advanced Air Mobility and Drones

Emerging aviation technology, particularly drones and Advanced Air Mobility (AAM), have the potential to radically transform the aviation sector.

In terms of the economic impact of these new emerging aviation industries: drones are projected to deliver a $14.5 billion benefit to GDP and create 5,500 jobs annually over the next 20 years to 2040. AAM aircraft have larger payloads than drones (approximately 50kg plus) and are able to take on a broader set of tasks, including passenger and heavy freight transport. By 2050, there could be around 37 million passenger trips annually made using AAM.

Victorian companies are making significant inroads with the development of manufacturing components for these emerging technologies.

Nationally too, Australia is well positioned to take advantage of the emergence of new aviation technologies and to leverage these strengths to become a leader in the development and manufacture of specialised, high value added aviation technologies into the future.

It will be important that the Government continues to engage with emerging technologies and opportunities so that Australians can access the new services they provide.

The Civil Aviation Safety Authority (CASA) has been one of the early regulatory movers in this space and has provided the opportunity for drone deliveries to be tested in Australia.

The Victorian Chamber recognises that there is community unease about drones in relation to privacy and noise. We note the work of the CASA in this space. Providing provisions to support drone delivery and later AAM should also coincide with a community education campaign around regulatory protections to maintain neighbourhood amenity.

Recommendation:

05	Consider the merit of a community education campaign around protections provided by government regulators for emerging aviation industries such as drones and Advanced Air Mobility.

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