



Comments on Aviation Green Paper

The Australian Federation of Air Pilots

The Australian Federation of Air Pilots ("the AFAP") operates as a trade union and a professional association representing commercial air pilots in Australia.

We have over 2600 members employed in the aviation industry and cover all pilots, except for those pilots employed by Qantas international/mainline domestic operations and obviously the Defence Force.

Whilst our primary role is to protect and improve the conditions of employment of our members, we are also pro-active in the promotion of flight safety and improving Australian and global aviation standards.

We are a foundation member of the International Federation of Airline Pilots Association.

The aviation industry is one of the most dynamic industries in the world. The economic malaise facing the world is impacting noticeably on the Australian airline industry. Only a year ago the main impediment to growth was the shortage of skilled labour, in particular pilots. Aviation is cyclic. A challenge for this proposed Policy is to effectively utilise this downturn to address the problems that will inevitably arise when the current downturn is no more.

Workers in this industry have been subjected to an on going reduction in terms and conditions of employment since Deregulation occurred in 1990. The industry is less attractive now than what it was. This will eventually lower the calibre of persons attracted whether they be pilots, engineers or clerical staff. This in turn will affect safety.

The Federation welcomes the opportunity to respond to some of the Policy Initiatives outlined in the Aviation Green Paper.

These comments should be read in conjunction with our earlier submission.

We trust these comments are of value as the Government continues its task of developing the National Aviation Policy.

We remain available to address this comment paper in further detail.

Captain Bryan Murray

**President
Australian Federation of Air Pilots.**

February 2009

International Services

- It was our previously expressed view, and one still extant, that the development of new Australian international airlines, such as V Australia, is preferred to the Government allowing non Australian international operators to conduct operations as if they were Australian.
- We support the proposal that prevents foreign carriers from carrying domestic passengers, except in exceptional circumstances and subject to it being in the national interest.
- Australia cannot rely on foreign airlines operating into this country to meet, or assume they will meet, the standards we require. Whether the aircraft are owned or leased should be of no relevance as the same standards need to apply. We support the recent changes increasing CASA surveillance on foreign carriers and stress the need to fund this initiative without detriment to other CASA functions.
- We believe 'bilaterals' have served Australia well but need to be part of an ongoing assessment.
- We are sceptical of the implied benefits of moving to 'principal place of business' as the criteria in bilateral discussions. Amongst matters of concern, there is an uncertainty in defining what 'principal' refers to e.g. financial, commercial or operational. The major markets with which we deal are still reliant on 'substantial ownership' criteria. We see no reason to move away from this criterion because of pragmatic arrangements reached with smaller trading partners. The majority of major competitor international airlines operating into Australia are government owned.
- New Zealand has become a 'test bed' of commercial and industrial 'engineering' for both the Qantas and Virgin groups. Subsidiary operations have been and continue to be established that undermine the working conditions of employees in both groups and employees in New Zealand. These 'corporate machinations' must be scrutinised to provide more stability in employee work conditions.
- Further when assessing what is in the national interest it appears that robust enquiry is lacking if we are to rely on 'marketing' schemes as a determinant in bi-laterals going forward. Investment in technology or maintenance is more worthy of consideration but must be viewed in the longer term national interest.
- We support development of dedicated cargo services. Australia needs its own international dedicated cargo service to ensure that its air freight export industry is developed to the fullest extent possible and in so doing consider the nation's best infrastructure outcome.
- Whilst multi international airports are attractive particularly to regional centres, the associated border control costs bring into question their viability. Perhaps low cost international airlines will change the travel preferences of Australian bound tourists but we are not as populated as the European model where this has been successful.

- International airports should only be developed if they can meet and maintain an infrastructure standard that will ensure the most modern technology e.g. 100% baggage checking is provided.
- In light of the recent APA private equity attempt to buy out Qantas it may now be an appropriate time to review the restrictions of foreign ownership of Australian international airlines. This should be the subject of extensive debate before any decision is taken. The current cap on total ownership has been problematic, particularly its monitoring, and the limitation on foreign airline ownership perhaps counterproductive in today's global airline environment.

Domestic, Regional and General Aviation

- The Australian domestic airline industry has struggled of late with high fuel prices and the recent economic turbulence. Deregulation has achieved growth and continued safety through almost twenty years. Since deregulation, the market has determined the degree of competition. Compass 1 and 2 came and went. Qantas acquired a competitor and turned it into its own low cost brand. Tiger has maintained a low profile and not sought to penetrate the higher passenger routes preferring to develop newer markets. Qantas and Virgin provide different products. In summary although deregulated we are a country that currently can only sustain two-three airlines.
- The basis of government and industry policy towards air services to regional and remote communities should be to provide a safe service to all communities, an economically viable service to those communities which can afford to pay for the service and continued subsidised services to smaller remote communities which cannot afford the service, for example remote Aboriginal communities.
- There needs to be an assessment of the mix of government assistance and the free market to achieve the best outcome. This assessment should be conducted on an individual basis.
- Better equipment can help develop and sustain new markets. In limited circumstances, Government assistance in purchasing otherwise unattainable equipment may, longer term, achieve a sustainable service not otherwise possible.

Skill Needs in the Aviation Industry

- The Federation's submission to the Green Paper was comprehensive in this matter and we are pleased that aviation is being regarded more and more as part of the mainstream education system.
- The Training sector for pilots has been the subject of 'attrition abuse' due to airline demand. The government should work in closer with the industry and airlines, to ensure 'experience flow back' is achieved. Experienced training personnel in the airlines could be seconded in a structured, promoted program, to the training industry to replenish some of the knowledge base lost over recent years.

- In light of the current downturn the issuing of Section 457s should cease immediately and the necessity and fairness of the visas already issued reviewed.

Aviation Infrastructure

- The encroachment of community development around airports may lead to the very disaster the original planners specifically sought to avert. Entrepreneurs purchasing airport sites for commercial development is a worrying trend that will inhibit aviation development in the future.
- The privatisation of airports has seen an increase in revenue raising opportunities for the owners. Government policy should provide some checks and balances in this area.

Air Traffic Management

- Government must be prepared to fund the technological development required for air traffic management, whilst actively pursuing input from all involved parties.
- Domestic airspace management has tended to be a political football in the past. The Office of Airspace Regulation (OAR) within CASA is a welcomed initiative as it should lessen interference in policy development.
- Noise Abatement Procedures and their concomitant costs need to be assessed realistically taking into account the quietness of new generation aircraft.
- We will make comment on the updated OAR Policy Statement at the appropriate time.
- We support continuing discussion between the industry and Air Force to develop a joint national air traffic management platform in particular where commercial operations occur outside the availability of defence traffic services. Low cost carrier operations have made this more important.

Aviation Safety

- Adequate funding must be provided to ensure competent CASA regulation and oversight and ATSB effectiveness. In these difficult economic times this will become problematic but unless CASA and ATSB are funded adequately establishing a National Aviation Policy will be a waste of time and resources.
- The question of self administration remains in the 'avenue of uncertainty'. Self administration may be able to be extended into other parts of the industry as long as CASA has the processes in place to ensure self administration does not become self regulation. Any segment that may be considered suitable for self administration must not be looked at in isolation. As an example, private operations out of regional and even primary airports will share airspace that will require a potential CASA scrutiny greater than for a private operation out of an isolated airfield.

- Consultation is onerous and carries with it burdens. Consultation when demanded must be recognised as imposing constraints. Industry demands consultation on most matters. Industry should accept the consequential delays. The SCC has worked reasonably well for what it was intended but internal criticism of this forum has occurred and it is in need of review as to composition and function.
- Government of the day and CASA must accept that a primary role of regulation is that of being the 'policeman' and this means unpopularity from time to time. 'Reform' must recognise not impugn this primacy.
- The structural proposals for ATSB and CASA are supported, however again we stress, that these must be adequately funded.
- Any move to 'sharing information' associated with an accident or incident enters treacherous waters. This provision has been established for sound reasons. Australia is a world leader in this area, particularly in legislative provisions. We must not only have a sensible approach to any changes proposed but continue to support the spirit, intent and purpose of existing Australian legislation. Consultation between the relevant bodies, pilot organisations and government needs to be promoted before any change is contemplated.
- The CASA Board, of which the CEO is an ex-officio member, selects the CEO. This function may be better devolved to the Minister rather than made in consultation with the Minister.
- CASA personnel must have the appropriate mix of technical, operational and managerial expertise. If as an example more rigorous financial analysis reveals 'prone' airline operations then CASA should be equipped with financial expertise not try to train other professional groups to perform this task.
- Safety Management Systems as a regulatory approach require a mature industry with policy and regulatory settings prescribed and robustly tested. Outcome based regulation requires a confident properly equipped regulator. Whilst some parts of our industry may be 'mature' others are not.

Customer and Community Protection

- New generation aircraft have reduced environmental footprints which need to be recognised by politicians and communities surrounding airports. If this is achieved carbon emissions will be significantly reduced as flight paths will be facilitated. This appears to have been overlooked or omitted in the Green Paper.

Aviation Security

- There is a limited amount of funding available to spend on security at airports outside the major centres. Cross subsidisation is worthy of consideration when it benefits Australia as a whole. The purchase of expensive equipment and its maintenance is questionable for a low cost international operation if the money could be spent more advantageously at a regional airport servicing a capital city.
- We seriously question again the efficacy of air marshals. A cost benefit analysis should be entertained on this layer of security.
- Another cost/benefit analysis needs to be conducted to determine whether or not it is beneficial to provide security outbound at regional airports versus providing security inbound at the major cities into which passengers fly. Enhanced security on larger aircraft, including regional aircraft, have minimised the occurrence of another September 11.
- Money being spent on security at regional airports may be better spent, particularly initially, ensuring the most modern security technology is sourced and used at the major airports.
- Inconsistencies in screening procedures and applications are still prevalent at Australian domestic airports.
- A dedicated security system for aircrew is being trialled in the USA and Canada and should be considered here. Access for aircrew and ground personnel to airside is inconsistent and raises the coherency of the airside inspection regime. These passes can be single or multi airport appropriate. It could commence as a trial with nominated airlines participating. A successful outcome will relieve security personnel of the daily sometimes more regular screening of aircrew. At a minimum the ASIC and company security cards should hold more 'security credibility', even if this requires more rigour in the issue phase.
- Maintaining security personnel may be enhanced by increasing the functions performed by these personnel e.g. the security screeners could do perimeter surveillance.

March 2009

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