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Australian Licenced Aircraft Engineers Association Submission to the Minister for Infrastructure, Transport, Regional Development and Local Government –on:

“National Aviation Policy Green Paper: Flight Path to the Future December 2008”

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About the ALAEA

The ALAEA is an organisation founded in 1960 to advance the professional, technical and industrial interests of Aircraft Maintenance Engineers who are licensed by the Civil Aviation Safety Authority (CASA) to certify for work performed on aircraft within Australia. Currently the ALAEA has 4000 members employed in all sectors of the industry – in the major airlines as well as in regional operations and the general aviation sector.

The Australian Licenced Aircraft Engineers Association (ALAEA) is the professional and industrial employee organisation representing Licenced Aircraft Maintenance Engineers and in certain respects unlicenced aircraft maintenance engineers and other airline technical staff.

The ALAEA is the only aircraft maintenance union specifically and only representing aviation industry maintenance personnel. Our membership of approximately 3000 includes a number of; Licenced Aircraft Engineers who are owners of their own aircraft maintenance businesses, contractors and employees.

The ALAEA appreciates the opportunity to assist the Minister in his consultation over the new National Aviation Policy and encourages the Government to recognise the importance of maintaining the high standard of aircraft maintenance performed in Australia and its fundamental role as the primary factor in ensuring aircraft are safe to fly (airworthiness) and Australia’s enviable safety record is maintained.

The motto of the ALAEA is:

“To undertake, supervise and certify for the safety of all who fly”

The ALAEA has a vested interest in advancing the aircraft aviation industry's maintenance operations, preserving and enhancing safety standards, preserving and increasing the availability of skilled labour and maintaining worlds best practice in competency based trade training.

Explanatory Note

The following submission has been formatted such that the ALAEA response is under the relevant extract from the Green Paper represented in a differing font.

Introduction

- 1) This submission; which is in reply to the Government green paper for the National Aviation Policy¹ is mainly concerned with highlighting deficiencies within the policy statement and is designed to be read in conjunction with the Australian Licenced Aircraft Engineers Association Submission to the Minister for Infrastructure, Transport, Regional Development and Local Government – on a National Aviation Policy Statement July 2008.

- 2) The ALAEA believes that the policy statement has overlooked the importance of aircraft maintenance and maintenance personnel in many key areas of policy and such an oversight will be detrimental to aviation safety and the Australian economy.
 - The key areas of concern include:
 - Safety
 - Regulatory reform and self administration
 - General aviation
 - Aviation skills and training
 - Maintenance infrastructure and planning
 - Emissions reduction
 - International aviation and the Qantas sale act

¹ National Aviation Policy Green Paper: Flight Path to the Future. Commonwealth of Australia 2008

Executive Summary

The ALAEA recommends:

- Government policy should state “The Government recognises the important contribution high standards of aircraft maintenance makes toward the safety of the Australian public.”
- Government policy should be specific in stating that maintenance carried out on aircraft that operate in Australian airspace will be done to the highest standard possible. (See paragraphs 3 and 4)
- Government policy must recognise the significant role QANTAS plays as “the national airline” particularly in regard to its contribution to the Australian aviation maintenance skills base and its Heavy Maintenance capability in Australia. The Qantas Sale Act 1992 must be amended to ensure such a capability is not diminished. (See paragraphs 29 and 30)
- Government policy should require equal representation of the aviation industry on the CASA board to ensure that all facets of Australian aviation are understood and given the correct level of attention. (See paragraphs 5 and 6)
- Government policy should state that surveillance of the entire industry needs to be robust and without fear or favour. (See paragraph 8)
- The Government policy should be clear in spelling out requirements for consultation. This may be in line with current recommendations however it needs to be locked in to prevent erosion of the current standards over time. (See paragraphs 9 and 10)
- Government policy should recognise the non-flying Australian public as significant stakeholders in the aviation industry and increase aviation agency funding accordingly. (See paragraph 11)
- Government policy needs to make direction that on the grounds of aviation safety demonstrated relevant practical experience is a requirement to work in the role of an aviation safety inspector. (See paragraphs 12 and 13)

- Government policy should preserve the confidentiality of information given to the safety investigator. (See paragraph 16)
- Government policy should state that a properly resourced and experienced independent body provides full oversight of CASA's safety operations on an on-going basis. (See paragraph 15)
- Government policy needs to clearly spell out that aviation safety "RULES WILL BE ENFORCED" regardless of your size or location and the penalties will be of an appropriate strength to act as a deterrent and that strong Government policy is required to ensure that the highest possible standards are met and appropriate enforcement action is taken when those standards are breached. (See paragraphs 17 through 20)
- The Government, when considering aviation regulatory reform, needs to establish the answers to these simple questions:
 1. Is the current regulatory reform process designed to reduce costs for aviation operators? Or,
 2. Is it designed to simplify the current safety regulations to achieve the same safety or better safety outcomes without ambiguity? (See paragraph 23)
- Government policy should recognise self-administered aircraft operators that share Australian airspace and the non-flying Australian public as stakeholders in the aviation industry. "Self-administered" aircraft operators should be subject to appropriate audit and surveillance and aviation agency funding increased accordingly. (See paragraph 24)
- Prior to Government policy being created that supports more "self-administration", a thorough review needs to be carried out on current self-administered organisations and their safety standards, accidents/incidents. (See paragraphs 25)

- Government needs to address the increased costs to businesses to access facilities (general aviation maintenance and manufacturing) on airports as an effect of the privatisation of Australian airports. (See paragraph 26)
- Government policy should ensure that privatisation of airports does not impose an additional increase in costs and the financial burden on the general aviation industry. (See paragraphs 27 and 28)
- Government policy should ensure an aircraft heavy maintenance capability (industry) is maintained and developed in Australia. (See paragraphs 29 to 31)
- Government policy should ensure that when national vocation training qualifications are linked to a nationally recognised aviation licence then there will be a single standard set for the length and funding of training. (See paragraphs 32 and 33)
- Government policy on emissions and climate change should recognise and reward high quality on-shore aircraft maintenance in any emissions trading schemes. (See paragraphs 34 and 35)
- Government policy should recognise that maintenance facilities are an integral part of safe aviation growth and should require airport owners to provide sufficient and appropriate land and facilities for the ongoing maintenance of aircraft that is not cost prohibitive. (See paragraphs 36 to 42)

Aviation Safety

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- Safety must underpin everything else in aviation and must be maintained in the face of cost and other pressures in the industry. The safety of passenger carrying operations remains the top priority.
- The effectiveness of safety agencies must be ensured, with proper governance arrangements to strengthen strategic planning and oversight.
- The development of the Safety Management Systems approach should continue, incorporating both flexibility and a commitment to managing safety risks throughout aviation operations.
- Consultation and communication across the aviation sector must be enhanced. This is critical to achieving a fully informed and engaged aviation community actively addressing safety issues.
- Australia is building leadership in the region to support the improvement of safety administration in neighbouring countries. This delivers safety benefits to the countries concerned and to all travellers flying through their air space or utilising their aviation infrastructure.
- The Government will affirm that safety will be the first priority of all government agencies involved with aviation, and act now to:
 - reinforce CASA's governance arrangements through the introduction of a small expert Board;
 - consider options to ensure CASA's funding is sufficient for it to perform its functions;
 - pursue legislative amendments to strengthen CASA's capacity to take necessary safety action; and
 - maintain the momentum of CASA's internal reforms so that it is equipped to deal with future regulatory challenges.
- The Government will use the development of the Aviation White Paper to engage further with industry and the community on how CASA should undertake its safety regulatory role. This approach emphasises the shared responsibility for maintaining aviation safety and the Government's determination to achieve a comprehensive safety outcome.
- The Government will also act to enhance the independence of the ATSB as a safety investigation agency by establishing it as an independent agency within the Infrastructure portfolio. Consideration will also be given to the ATSB's resourcing.
- The Government will increase its engagement in safety issues in Australia's region through targeted safety regulatory and air traffic management activities, in Indonesia,²

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- Safety must underpin everything else in aviation and must be maintained in the face of cost and other pressures in the industry. The safety of passenger carrying operations remains the top priority.

- 3) Safety is the number one consideration for all aviation activities however the aviation green paper fails to recognise or categorise “maintenance” as a core element of the safety of aircraft and therefore the Australian public. Government policy should be specific in stating that maintenance carried out on aircraft that operate in Australian airspace will be done the highest standard possible. This would complement the green paper outlined policy context that “any erosion of the level of confidence in safety would fundamentally undermine the industry’s development and impact on the economy.” (Page 48)

² National Aviation green paper. Page 59

ALAEA green paper submission states

- 4) *“Aviation maintenance” should be recognised within the policy as an essential building block of the airworthiness of aircraft hence the safety of the public.*

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- The effectiveness of safety agencies must be ensured, with proper governance arrangements to strengthen strategic planning and oversight.

- 5) The effectiveness of the governance of CASA can only be strengthened from its current state by the introduction of a board.

Safety agency governance: a Board for CASA

Key skills required on the Board include experience in aviation, public administration, transport safety and regulation. It is important to be clear that this Board will not be ‘representational’. CASA’s role inherently involves striking a balance between the competing needs of different industry sectors. Page54

- 6) However the ALAEA disagrees with the position of board members being non-representational. To “strike a balance” between the competing needs of different industry sectors the board needs to be experienced in all of those different sectors and the only way that can be achieved with a small board is to ensure that each member of the board has relevant practical experience in different areas. The non- representational approach leaves the door open for concentrating board experience in single industry sector groups (e.g. pilots) to the detriment of others. The current CASA management team has heavy representation from both pilots and others with military backgrounds. There is minor representation by professional engineers but there is no one with a practical aircraft maintenance background, let alone an engineer (Licenced) with experience in Certifying for aircraft airworthiness.
- 7) Government policy should require equal representation of the aviation industry on the CASA board to ensure that all facets of Australian aviation are understood and given the correct level of attention. Furthermore if the board is to remain non-representational then those occupying board positions must have no affiliation or employment with aviation companies. It is however essential that the Board has at least one member who is at least a Licenced aircraft engineer.

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- The development of the Safety Management Systems approach should continue, incorporating both flexibility and a commitment to managing safety risks throughout aviation operations.

Industry’s primary responsibilities for safety

Aviation safety is not just a matter for the regulator; effective safety systems require all stakeholders to take responsibility in ensuring safe outcomes. The aviation industry has a clear responsibility for safety outcomes beyond compliance with the safety regulations. CASA’s work with industry to implement Safety Management Systems is a key part of delivering this message. Page 58

- 8) Whilst recognising that the objective of a properly functioning Safety Management System (SMS) is to greatly improve safety and quality, a properly functioning SMS will only exist if there is 100% commitment to the SMS principles from 100% of those within the system. It is for this reason that Government cannot allow the safety regulator to step back from the role of enforcing the regulations at the ground level. The majority of motor vehicle drivers accept that drink driving is a dangerous practice but the police combine this ideology with advertising, education and ever increasing amounts of random breath testing to ensure compliance. So too will there always be elements of the aviation industry that will operate contrary to the rules if they believe they wont get caught. The green paper suggests that increased surveillance levels of aviation organisations may be limited to those that are self-administered. Government policy should state that surveillance of the entire industry needs to be robust and without fear or favour.

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- Consultation and communication across the aviation sector must be enhanced. This is critical to achieving a fully informed and engaged aviation community actively addressing safety issues.

- 9) The ALAEA supports the policy of enhancing consultation with the aviation industry. The policy however relies heavily on non-specific recommendations such as the:

Aviation Regulation Review Taskforce Report on Activities and Findings 17
December 2007

“Recommendation 4: The Government’s aviation agencies review and enhance existing consultation arrangements and implement new procedures where warranted to ensure transparency and adequate industry awareness of new initiatives.

Recommendation 5: The Minister note the revised 10-step consultation process now implemented by CASA.”³

- 10) The Government policy should be clear in spelling out requirements for consultation. This may be in line with current recommendations however it needs to be locked in to prevent erosion of the current standards over time.

Aviation safety regulation– the way forward

Guiding principles and key initiatives

o consider options to ensure CASA’s funding is sufficient for it to perform its functions;

- 11) It is a given that Australia’s aviation safety agencies should be appropriately funded by government to perform their functions. When the government considers CASA’s long term funding needs they need to consider people not in the aviation industry as highly relevant stakeholders in the safe functioning of CASA as the overseer of aviation safety and commit appropriate funding from general government revenue instead of relying heavily on fuel excise and industry cost recovery to support the regulators operations. Government policy should recognise the non-flying Australian public as significant stakeholders in the aviation industry and increase aviation agency funding accordingly.

Aviation safety regulation– the way forward

Guiding principles and key initiatives

To maintain the momentum of CASA’s internal reforms so that it is equipped to deal with future regulatory challenges

CASA’s internal reforms

CASA has undergone considerable reform in recent years. This has brought significant change to work practices, organisational structure and strategic priorities. The safety regulator now aligns itself more closely with how industry operates and is more attentive to concerns about how its role can impact on industry competitiveness. New staff have also been recruited, although CASA faces many of the same skills pressures the industry confronts. CASA has taken steps to develop and enhance the skills of its staff by introducing a Diploma and Certificate IV qualification in Aviation Safety Regulation in conjunction with the Swinburne University of Technology. About 10 per cent of CASA’s total permanent workforce is enrolled in these courses. Page 58

³ Aviation Regulation Review Taskforce report on Activities and Findings: 17 December 2007

12) These skills pressures have been caused largely by the desire of the administration of CASA to change the culture of the organisation with a resultant fifty percent turnover of staff in the 5 years to July 2008 with further changes predicted.

13) The training development of staff employed to carry out surveillance on aircraft operators and maintenance facilities, and hence ensure that the regulations are upheld, needs to be based on practical industry experience and then enhanced by tertiary training and qualifications. Unfortunately the cultural change at CASA has removed a large number of industry experienced people from the coal face of surveillance and replaced them with highly tertiary qualified people that are green to the actual industry sectors they are overseeing. Government policy needs to make direction that on the grounds of aviation safety demonstrated relevant practical experience is a requirement to work in the role of an aviation safety inspector.

Aviation safety regulation– the way forward

Guiding principles and key initiatives

- The Government will also act to enhance the independence of the ATSB as a safety investigation agency by establishing it as an independent agency within the Infrastructure portfolio. Consideration will also be given to the ATSB's resourcing.

14) The ALAEA supports any increase in the independence of the ATSB and suggests that the ATSB have a greater role in the oversight of CASA's safety enforcement operations. Independent oversight is an integral part of Safety Management Systems and the ATSB has the expertise and experience to ensure CASA's SMS is functioning. Currently a one off review has been suggested as per the Senate report into the Administration of the Civil Aviation Safety Authority (CASA) and related matters September 2008

Recommendation 3

- a. **The committee recommends that the Australian National Audit Office audit CASA's implementation and administration of its Safety Management Systems approach.**⁴

15) Government policy should state that a properly resourced and experienced independent body provides full oversight of CASA's safety operations on an on-going basis.

⁴ Standing Committee on Rural and Regional Affairs and Transport Administration of the Civil Aviation Safety Authority (CASA) and related matters September 2008

Agency cooperation

The current provisions of the TSI Act offer only limited scope for sharing information for safety purposes. There is room for further dialogue between the agencies about how those provisions are used. Australia is not alone in grappling with this issue and discussions on a refined framework are proceeding within ICAO.

The Government does not propose to initiate legislative change on these issues at this stage, but will look to the agencies to work together towards agreement on an approach based on the current provisions. The Government will also consider options for introducing a tiered system of voluntary and mandatory reporting of safety issues to CASA that will allow CASA to take appropriate safety action. Page 56

- 16) The ALAEA supports any increase in cooperation between the ATSB and CASA that increases the safety of Australian aviation and the speed at which safety recommendations can be implemented. The ALAEA has concerns that although the Government does not propose to alter legislation for sharing of confidential information given to the ATSB with CASA that the door is still open for this to be reviewed in the future. Any changes made to this arrangement would undermine the free flow of information currently given to safety investigators and could have a negative impact on safety. Government policy should preserve the confidentiality of information given to the safety investigator.

Enhancing safety regulatory powers

CASA is currently reliant on its own industry surveillance activities and the voluntary provision of information from industry to conduct its oversight functions. The Government will consider options for a range of voluntary and mandatory reporting requirements for aviation safety incidents that will improve the overall safety reporting system. Page 57

- 17) The green paper also goes onto the consideration of substantially increasing penalties for regulatory breaches where appropriate. The green paper does not mention the most important part of regulatory enforcement and that is the policing of the rules especially for the operators of large passenger transport aircraft and for foreign-based Maintenance Repair Organisations.
- 18) In regard to aircraft maintenance CASA should not be restricted to being an informal instrument of deregulation. It has a necessary role of effectively policing the aviation industry and ensuring that commercial factors do not undermine safety standards.
- 19) CASA should audit and validate systems of maintenance for compliance by practical inspection and enforce the regulatory standards, for it not to do so; it in effect deregulates the aviation

industry. Toward that aim the resources necessary to perform such functions need to be provided and maintained as the industry grows.

- 20) Government policy needs to clearly spell out that aviation safety “RULES WILL BE ENFORCED” regardless of your size or location and the penalties will be of an appropriate strength to act as a deterrent.

Enhancing safety regulatory powers

There is also a need for CASA's regulatory oversight of foreign-based operators flying within Australia to be reviewed, arising from concerns about CASA's ability to satisfy itself that all operators flying into Australia are receiving adequate safety oversight outside Australia. The Government intends to explore whether CASA's capacity to take a broader range of issues into account when considering whether to issue a foreign AOC needs to be expanded. Page 57

- 21) Furthermore it is vital that the enforcement policy is expanded to include Maintenance Repair Organisations (MRO's) that maintain or service aircraft that are either Australian registered or operate in Australian airspace. The 2008 Senate report into the administration of CASA highlighted the difficulties of CASA inspectors auditing MRO's located in foreign countries.

(RRA&T 67 Wednesday, 2 July 2008 Senate Hansard)

Mr Quinn—I see your point. To answer that, typically there is advice because it is quite a detailed, lengthy process. Turning up on the doorstep of a foreign organisation in a foreign country is not that simple.

Senator HEFFERNAN—So they get plenty of notice.⁵

- 22) There has been much evidence presented and more evidence emerging over serious quality deficiencies that exist in some of these organisations a prime example is the revelations in the media that aircraft emergency lighting had been repaired using household staples. Given these problems Government policy needs to address how this oversight can be effectively carried out, otherwise any threats of increased penalties are toothless. Close scrutiny also needs to be carried out of the penalty system for foreign MRO's. The current practice is to suspend approval to perform maintenance in the area related to the breach for the period of time taken to rectify serious deficiencies. There have been no reported penalties handed out to organisations for allowing these breaches to occur in the first place. With the increased push to use the availability of cheap lower quality offshore maintenance combined with the skills shortage of maintenance engineers in Australia a strong Government

⁵ Hansard Senate RRA&T 65, Wednesday, 2 July 2008

policy is required to ensure that the highest possible standards are met and appropriate enforcement action is taken when those standards are breached.

General aviation – the way forward

General aviation – the way forward

The Government recognises the difficulties faced by a number of general aviation businesses, particularly small businesses, over the last decade in transitioning to an increasingly commercial environment, but considers that a return to subsidies for this sector is not in the broader interests of the industry in improving its efficiency, performance and competitiveness.

The Government's policy will be to maintain high standards of safety and security for Australia's general aviation industry. A strong message from industry submissions and from the recent General Aviation Action Agenda report was that maintaining safety and security standards was critical to maintaining confidence in the industry and to preventing low-cost, low-safety operators from undermining viable business markets. To assist this process, the Government proposes to take the following initiatives:

- ensure CASA finalises its regulatory reform process to remove unnecessary regulatory impediments to the ongoing viability and growth of the general aviation sector;
- consider options to help address the burden of regulatory charges, including charges on the general aviation sector
- through CASA, support continued work towards self-administration of private general aviation operations where it can enhance safety outcomes, noting the need to establish appropriate boundaries for the scope of self-administration;
- improve planning arrangements for leased federal airports to provide greater detail in airport Master Plans and improve certainty for general aviation operators;
- support the continued development of Australia's aircraft manufacturing and assembly, components, parts and maintenance capability by minimising regulatory impediments; and
- ensuring there are no unnecessary regulatory impediments to realising the growth potential of the flight training industry in Australia.

General aviation – the way forward

the Government proposes to take the following initiatives:

- ensure CASA finalises its regulatory reform process to remove unnecessary regulatory impediments to the ongoing viability and growth of the general aviation sector;

23) When considering aviation regulatory reform the Government needs to establish the answers to these simple questions. Is the current regulatory reform process designed to reduce compliance actions and therefore costs for GA operators? Or is it designed to simplify the current safety regulations to achieve the same safety outcomes without ambiguity?

General aviation – the way forward

- consider options to help address the burden of regulatory charges, including charges on the general aviation sector

24) Refer to comment 5 Agency funding. Sufficient funds need to be supplied from outside the industry to fund aviation. It is not only fare paying passengers that have a vested interest in the safety of Australian aviation. To reduce the burden of regulatory charges on businesses and private operators in the general aviation sector that are administered by CASA Government policy should recognise self-administered aircraft operators that share

Australian airspace and the non-flying Australian public as stakeholders in the aviation industry and increase aviation agency funding sources accordingly.

General aviation – the way forward

- through CASA, support continued work towards self-administration of private general aviation operations where it can enhance safety outcomes, noting the need to establish appropriate boundaries for the scope of self-administration;

25) The primary purpose of self-administration is to reduce costs. In general aviation this is generally cost to the owner of an aircraft in having maintenance performed on their aircraft by an appropriately trained and qualified engineer. The Government must not be fooled into thinking that the major costs to the private sector of the general aviation industry can be solved by “self-administration”. These cost savings will only be obtained through a combination of self-administration and the lower maintenance standards that self-administration allows. The Government must also consider the long-term economic impacts on the maintenance employers in the general aviation sector of allowing more aircraft to move outside the CASA regulation system and into D.I.Y maintenance. As pointed out in the green paper many general aviation businesses are under intense pressure from external influences such as increased rent on commercial premises, drought and increased competition from regional airlines and other transport options and many are just surviving on the extra business that small private aircraft maintenance brings in. To allow even more movement of that business away from those maintenance providers will have the effect of business closures and job losses and the flow on effects to supply businesses that rely on their custom. Furthermore prior to Government policy being created that supports more self-administration a thorough review needs to be carried out current self-administered organizations and their current safety standards. There are figures from the Australian Transportation Safety Bureau that show that the accident statistics for the sports /ultralight sector of aviation is much higher, even up to six times higher than the most risky form of regulated aviation, that being the agricultural sector. The cost to the community from every fatal aviation accident was estimated by the Australian Bureau of Transport Economics in 1999 to be \$1.5 million. Close scrutiny of reports such as the coronial findings made on 4 February 2009 into the deaths of John Guthrie

and Neville Smith following an ultralight accident on 6 January 2007⁶, the coronial findings into the Aircraft crash near Willowbank 2 January 2006⁷ and the coronial findings into the death of Philip Henry Scholl⁸ on 20 October 2005 must be made before any further removal of restrictions on the types of aircraft or activities that can be self-administered and hence move away from the proven safety of Civil Aviation Regulation standards and systems of maintenance must be fully justified. Self-administration is not seen by the ALAEA as a major contributor to the growth of the recreational aviation sector. More realistically it is the reduction of the safety margin by backyard maintenance and the bypassing of regulated maintenance organizations that have to reach a standard that naturally incurs a cost.

General aviation – the way forward

- improve planning arrangements for leased federal airports to provide greater detail in airport Master Plans and improve certainty for general aviation operators;
- support the continued development of Australia's aircraft manufacturing and assembly, components, parts and maintenance capability by minimising regulatory impediments

26) A fundamental requirement for aviation maintenance and manufacturing business is access to airport land and facilities. Although planning arrangements to ensure availability for aviation activities and decreasing regulatory red tape cost are an essential part of achieving this the Government needs to address the increased costs to businesses to access those facilities from the privatisation of Australian airports.

27) The ALAEA green paper submission states

“To counter such loss of maintenance capability the Government may consider the merits of building the facilities and leasing back to Australian maintenance providers on long term arrangements. Terms of leases could include such factors as numbers of employees employed within the facility in a maintenance function. The more employees the cheaper the lease.”⁹

⁶ Inquest into the Deaths of John Guthrie and Neville Smith on 6 January 2008 delivered on 4 Feb. 2009 NSW coroners.

⁷ Inquest into the Aircraft Crash near Willowbank 2 January 2006 delivered on 24 November 2008. Brisbane

⁸ Inquest into the death of Philip Henry SCHOLL 20th October 2005 delivered on 27 January 2009 Mareeba

⁹ Australian Licenced Aircraft Engineers Association Submission to the Minister for Infrastructure, Transport, Regional Development and Local Government –on a National Aviation Policy Statement July 2008

- 28) Government policy should ensure that privatisation of airports does not impose a financial burden on the general aviation industry.

Aviation industry skills – the way forward

Aviation industry skills – the way forward

The Australian Government recognises the future prosperity of Australia's aviation industry is inextricably tied to the capacity of its future skilled workforce.

The Government has in place a range of programs and policies aimed at ensuring a productive Australian workforce and boosting the nation's productivity and prosperity.

To ensure the Australian aviation industry's future needs can be addressed within an overarching national skills framework the Australian Government proposes to:

- continue to provide assistance to all Australian industries to address skills issues through the education and training framework, specifically encouraging the aviation industry to:
 - communicate industry workforce needs to Skills Australia to ensure that the allocation of Productivity Places Program training places considers the skills needs of the aviation sector;
 - form partnerships with schools to better define career pathways from school into aviation occupations; and
 - work in partnership with training providers to deliver quality training which maximises access to assistance measures.
- ensure the closer alignment of national civil and military air traffic controller standards and qualifications; and
- reinforce with industry that it needs to be more pro-active in developing attraction and retention strategies and broader workforce planning, including:
 - transparent workforce planning process to articulate future recruitment needs across industry sectors, e.g. progression of pilots;
 - improved conditions and flexible working arrangements to encourage retention of key personnel, taking account of the aging workforce;
 - improved marketing of aviation careers; and
 - consideration of the use of 'bonding' arrangements to offset cost barriers for individuals and industry in training highly specialised employees.

- 29) Government Policy must contain a goal of maintaining and developing aircraft heavy maintenance capability in Australia for without such a capability the opportunity to train aircraft trades will be severely diminished if not disappear.

- 30) QANTAS Sale Act 1992, plays an essential role in keeping a high technology heavy maintenance capability in Australia. Heavy Maintenance is the area of aviation that is the best and most practical training environment for trades personnel. The QANTAS Sale Act 1992, PART 3 section 7 states in regards to the Qantas Articles of Association requirements:

“(h)require that of the facilities, taken in aggregate, which are used by Qantas in the provision of scheduled international air transport services (for example, facilities for the maintenance and housing of aircraft, catering, flight operations, training and administration), the facilities located in Australia, when compared with those located in any other country, must represent the principal operational centre for Qantas; and..”

Qantas recent actions (since March 2006) in sending approximately 20% of its aircraft fleet overseas for Heavy Maintenance work has illustrated a serious deficiency in the wording of the Qantas Sale Act Part 3 section 7(h) in that it could send all its heavy maintenance overseas, shut down its heavy maintenance capability in Australia totally and may still meet the requirements of the Act; as the remainder of its ‘facilities, taken in aggregate’ may far exceed the heavy maintenance capability sent overseas. 20% of Qantas heavy maintenance work going overseas represents approximately \$100 million being spent overseas instead of in Australia, and the loss of approximately 250 highly skilled aircraft maintenance positions.

31) Qantas should however not be singled out in circumstances where other airlines establish a base in Australia e.g. Virgin, Tiger etc. (Virgin Blue has outsourced its heavy maintenance to NZ since its commencement at approximately \$20 million p.a.). These airlines should be required, as part of their Air Operators Certificate obligations and system of maintenance requirements, to have their heavy maintenance performed in Australia, similarly as the Qantas Sale Act 1992, to a certain extent places such obligation on Qantas.

32) The ALAEA is generally supportive of Government propositions to provide assistance and encouragement to the aviation industry on the key areas of communicating workforce needs and strengthening partnerships with training providers. However the green paper does not address one of the fundamental problems with a “national” vocational education training system that has funding provided by state and territory educational bodies and the inconsistencies that this causes. To achieve and maintain the highest standards in aviation training – particularly in the area of aircraft maintenance, and to attract the best quality participants the minimum qualification needs to set for the national standard and the funding for those training hours required needs to be standardised nationally. A good example of why this needs to be addressed is the current development of a general aviation aircraft maintenance licence. Industry consensus is that a higher number of training hours than are currently utilised are required to produce a licenced aircraft maintenance engineer (LAME) that is suitable and useful for the very diverse general aviation sector. The Civil Aviation Safety Authority through its maintenance regulations team have been working for over 20 months to

attempt to fit these extra training requirements into the minimum funded hours from the lowest funding state government. This is not an acceptable way to set a national standard and has consumed valuable resources from the civil aviation regulatory reform process.

- 33) Government policy should ensure that when national vocation training qualifications are linked to a nationally recognised licence then there will be a single standard set for the length and funding of training.

Aviation Emissions and Climate Change

Aviation emissions and climate change – the way forward

The Government proposes to work with industry to develop an effective policy framework to respond to climate change, with a focus on the following elements:

- Finalising the design of the CPRS, including application of the scheme to domestic aviation;
- consideration of means to support the uptake of operational and other measures to constrain the net carbon footprint of aviation, which complement the actions taken in the CPRS;
- continuing the initiatives of Airservices Australia to work with airlines on the implementation of fuel saving measures including flexible flight tracks, improving aircraft air traffic control sequencing and introducing continuous descent approaches;
- working through ICAO on a practical approach to address international aviation emissions;
- working towards a better understanding of aviation emissions and their impact, including through the development of tools for comprehensive carbon monitoring and foot printing; and
- assisting all economies in the region to respond to the need to reduce their carbon footprint through Australia's bilateral agreements and our involvement in APEC and ICAO.

Broader Government policy on climate change

The Australian Government is committed to three key objectives in developing a strategy for managing greenhouse gas emissions from aviation:

- 1) ensuring the aviation sector's response is proportional to requirements for the economy as a whole through the broad application of the Carbon Pollution Reduction Scheme (CPRS);
- 2) supporting development of leading-edge technology to reduce aviation greenhouse gas emissions; and
- 3) encouraging the adoption of international measures which do not unfairly affect Australian aircraft operators' ability to compete in global markets and manage emissions. Page 181

Industry capacity to manage emissions

The aviation industry is implementing a range of measures to reduce its carbon footprint.

The aviation industry's approach to improving performance in managing emissions falls into four categories.

- 1) advancing technology in aircraft design; air traffic management and alternative fuels;
- 2) improving the efficiency of aircraft operations;
- 3) supporting infrastructure improvements for both airports and airspace; and
- 4) recognising the potential role of economic measures. Page 182

- 34) The green paper fails to recognise or highlight the importance of maintaining both aircraft engines and airframes to the "highest" standards to reduce fuel burn. Instead the Green paper relies on the assumption that "new" aircraft and engines will always be efficient. This does not take into account that the

Australian aircraft fleet will never be a “new” fleet meaning that although new aircraft with new technology relevant to the time of manufacture will be continually coming into service the majority of the fleet at any one time will be “aging” and therefore the importance of maintaining to the highest level to maintain design efficiency has been overlooked. An aircraft does not get more efficient as it gets older. Whilst recognising the current actions being implemented to reduce fuel usage and therefore carbon emissions such as more efficient flight paths, aircraft weight reduction and the use of more efficient aircraft, government policy needs to recognise the importance of rigorous high quality maintenance and reducing unnecessary flights to offshore maintenance facilities by retaining and building sufficient high quality heavy maintenance capacity for aircraft maintenance in Australia.

- 35) Government policy on emissions and climate change should recognise and reward high quality on-shore aircraft maintenance in any emissions trading schemes.

Aviation Infrastructure

Ensuring ongoing investment in airport infrastructure

The Bureau of Infrastructure, Transport, and Regional Economics predicts that passenger movements through all airports will increase by four per cent per annum over the next 20 years resulting in a doubling of passenger movements over the period. With privatisation, it is the airport lessees who plan and finance investments in major airport infrastructure to meet industry growth. Recently, there have been a number of announcements by airports of significant investments in aeronautical infrastructure. Of particular note:

- Brisbane Airport is expected to invest approximately \$2.2 billion on a parallel runway, domestic and international terminal improvements, and a northern access road;
- Perth Airport is expected to spend approximately \$1 billion on consolidating the international and domestic terminals and building a charter terminal;
- Sydney Airport is expected to spend approximately \$550 million on extensions to the international terminal; and
- Melbourne Airport is expected to spend \$330 million on extensions to the apron and international terminal. Pages 164-165

- 36) When one looks at the proposed investments in infrastructure across all of Australia’s major airports there is the glaring omission of maintenance infrastructure. Airlines airports corporations and Government all recognise the increase in air traffic over the next 20 years and are investing to increase capacity but are neglecting the very real need to provide maintenance for the aircraft that that traffic consists of. As was stated in the ALAEA green paper submission

- 37) 126) *The provision of such facilities and continued access to them by maintenance repair organisations is crucial to continued employment of engineering personnel. For example the proposed incursion of Qantas maintenance facilities by expanding terminal space at Sydney Airport by SIAC was reportedly a major “trigger” point for the closure of Qantas’ 747-400 Heavy Maintenance facility with the loss of 400 aviation jobs including 270 highly skilled Licenced Aircraft Engineers.*¹⁰
- 38) The above example demonstrates a classic example of infrastructure expansion to accommodate an expected increase in air traffic with no regard as to how the aircraft that make up that traffic will be serviced and maintained.
- 39) There should be a requirement that maintenance infrastructure that is to be removed to make way for airport expansion or commercial redevelopment must be replaced. Maintenance capacity must be allowed to grow with the increase in aircraft traffic.
- 40) To counter the commercial interests of having to provide a lower yielding investment for airport owners the ALAEA suggests Government investment and highlights the following from its green paper submission.
- 41) To counter such loss of maintenance capability the Government may consider the merits of building the facilities and leasing back to Australian maintenance providers on long term arrangements. Terms of leases could include such factors as numbers of employees employed within the facility in a maintenance function. The more employees the cheaper the lease.
- 42) Government policy should recognise that maintenance facilities are an integral part of safe aviation growth and should require airport owners to provide sufficient and appropriate land and facilities for the ongoing maintenance of aircraft that is not cost prohibitive. Refer also PARA 26. *Airport planning and facilities for general aviation and manufacturing.*

¹⁰ Australian Licenced Aircraft Engineers Association Submission to the Minister for Infrastructure, Transport, Regional Development and Local Government –on a National Aviation Policy Statement July 2008 paragraph 126

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