

PO Box 536
Tennant Creek N.T. 0861

June 13, 2008

Department of Infrastructure, Transport, Regional Development
and Local Government,
GPO Box 594
CANBERRA A.C.T. 2601

Dear Sir or Madam:

Please find enclosed a submission towards the development of the National Aviation Policy Statement as announced by the Minister, The Hon. Anthony Albanese MP.

I have followed the issued identified in the Issues Paper of April 2008 and used the numbering system from that Paper for clarity.

Should there be any questions I can be contacted at the above address or via my email:

plovett2@bigpond.com

Sincerely,



Peter Lovett



**Towards a National Aviation Policy
Statement**

Submission

by

Peter Lovett

13 June 2008

Introduction

Overview

I have chosen to address only certain elements identified in the Issues Paper. I have used the numbering system used in the Issues Paper to identify them.

Outline

The industry continues to exist, and in some areas thrive, despite increasing problems that threaten to curtail aviation services to a large part of Australia. The areas most under threat are predominantly served by the general aviation sector.

The continuation of services to remote and rural areas is threatened by several factors which include regulatory and infrastructure problems as well as financial and human resource issues.

There will be a reduction in the number of general aviation providers. The costs of providing general aviation services will increase substantially.

The present regulatory framework is no longer suitable or appropriate for the aviation industry. It fails at nearly every level to provide appropriate oversight of the industry.

The continuing trend to privatise infrastructure including airports and then demand user pay fees for the use of that infrastructure will continue to force a decline in the industry.

The predominance of small business structures within general aviation with little or no business skills has led to a situation where much of the industry is under capitalised and does not have the resources to be able to re-finance capital equipment. This has led to the continuing use of an aging fleet in Australia with consequent maintenance problems.

The number of people looking to a career in aviation is declining with the increased costs of obtaining a licence and the very low return once employment has been obtained being the principle deterrent factor.

With mainline airlines (and I suspect, regional airlines as well) looking at the introduction of the multi-crew pilots licence (MCPL) the pool of pilots available for general aviation operations will decline dramatically.

Aviation security has now reached a level that is beyond realistic. A proper risk analysis should be conducted at each airport and the level of security for that airport then be set in accordance with the risk scenario.

Expanded Submission

1.3 Regional and General Aviation

Pilot Numbers: These areas face increasing problems with the increased demand for pilots not being met by increasing numbers of students. The effects of this issue is already being felt by regional airlines who are losing their pilots to mainline airlines and by general aviation operators who are losing their experienced pilots to regional airlines.

In the past Australia, more than any other country, has had a tradition of training its airline pilots through experience gained in general aviation. Due to the slow demand for pilots from mainline and regional airlines prior to deregulation a pilot could expect to spend a considerable time in general aviation before becoming eligible for an airline. As a consequence general aviation operators were able to offer clients, such as mining companies who demanded high levels of experience, with experienced flight crews.

Since deregulation and despite the effects of terrorism, SARS and the collapse of Ansett Airlines, mainline aviation in Australia has boomed. This has been matched by the massive expansion of aviation in South and East Asia. As a result the demand for pilot numbers has increased dramatically. Regional airlines have now substantially lowered their minimum entry requirements from that prevailing only a few years ago.

These reduced entry requirements are now less than the levels required by some general aviation clients. Consequently, many general aviation operators are finding it difficult to fill these positions. This situation will worsen when Australian airlines pursue the multi-crew pilot's licence option. Pilots qualifying under that arrangement cannot fly in single pilot operations which covers the majority of general aviation situations.

Airlines will pursue the MCPL as it presents a number of advantages over the more traditional route. Pilots are trained only for multi-crew operations, pilots can be specifically trained for an airlines operating procedure, crew will be operationally available more quickly, and airlines will not have to "untrain" bad habits picked up in general aviation.

With the introduction of a MCPL students commencing flight training will be presented with two options; to undergo traditional flight training and then have to go "bush" for a year or two or; to do a MCPL and at the end have a guaranteed job and go straight into an airline. It is suggested the majority will chose the MCPL.

The effect on general aviation will be massive and many operators will not be able to fill pilot vacancies in the traditional starting jobs in remote locations or the positions requiring more experienced pilots.

It is not enough to suggest that paying more will attract pilots to general aviation besides it is unrealistic to expect the sector to support salary levels equivalent to mainline airlines. Certain operators, such as the Royal Flying Doctor Service, will continue to attract pilots who are seeking the sort of rewards that flying for that organisation can provide. However, even they are beginning to notice that the numbers applying are declining.

Salary levels in general aviation are abysmal and have been for a number of years. An increase to levels where a person can realistically support themselves is long overdue.

Operators: The majority of the general aviation sector is dysfunctional. Most owners have little or no business skills, their businesses were started to enable them to indulge their passion for flying, they do not have sufficient capital resources to recapitalise when the need to replace capital equipment arrives.

For the most part the only way to make a profit was on the sale of the business and equipment to another operator. This will not happen in the future as for the most part small general aviation business will not have a sale value and old aircraft will have no resale value.

The business model employed by most operators is unrealistic if not simplistic. Much of it is based on giving a client the lowest quote based on what the operator thinks the client will pay irrespective of whether that quote is economically sustainable. For example, most quotes for piston-engined aircraft do not include provision for depreciation on capital equipment. In effect the operator is subsidising the client to go flying.

Primarily this is because operators are trying to keep their quotes to a minimum to get business. They cannot quote for business at an economically viable price because too many of their competitors are discounting to try and win business to preserve some sort of cash flow. This is the primary reason the average age of the Australian general aviation fleet is increasing. The immediate effect of this is that often aircraft are minimally maintained and most operators will not be able to finance new equipment in the future.

Another effect of the low cost business model is that wages in general aviation are totally unrealistic. In many cases young pilots are not employed full-time but on casual rates and are paid purely on flight time rather than duty time. Many pilots are supporting themselves with second jobs in order to live.

A lot of these second jobs are in the service industry and it is not uncommon for a pilot to finish work in a bar at midnight and then have to be ready for a 6:00 am departure. The CASA flight and duty time limitations become a joke and there is a real element of fatigue risk to the operation.

1.4 Skill needs

If the industry wants skilled staff then it should be prepared to train that staff. Similarly, it should be prepared to reward staff for those skills with a wage that properly reflects the training and expense required to obtain those skills. The present wages for a LAME and a pilot (General Aviation Award) do not reflect that and accordingly these professions are no longer seen as suitably rewarding to attract newcomers in the numbers required.

The current terms and conditions of employment and recruitment practices of major airlines in Australia do not reflect the shortage of pilots they say exists. One airline in particular expects applicants to pay for an interview, others expect recruits to pay for the endorsement required to fly for that airline. That can exceed \$30,000. A first officer for some regional airlines can expect to be paid little more than they would in general aviation employment.

The industry should recognise that pilot and LAME employment is subject to supply and demand and there is a demand for suitable staff. Consequently pilots and LAME are now expecting that term and conditions of employment should improve after a long period where their employment conditions have been reduced. Airlines are reluctant to do this and are trying to employ staff from overseas. The government should not support the airlines to avoid market forces by granting 457 visas except in fully documented cases where it can be shown that there are no suitable applicants in Australia.

2.1 Airport Planning and Development

Infrastructure belongs to all citizens and benefits all citizens. There has been an increasing trend for the Commonwealth Government to "sell off" infrastructure including airports. This has resulted in a "user pays" imposition of aircraft movement and parking fees at many airports. These costs have to be passed on to clients or passengers. This is increasing the cost of aviation to the community.

With the privatisation of airport infrastructure there has been increasing evidence of attempts by airport operators to maximise their income. This has led to the closure of some airports (Belmont,

N.S.W.), the closure of runways (Bankstown, N.S.W., Alice Springs, N.T.) and the attempted redevelopment of whole airports (Jandakot, W.A.). In all instances this has been in order to develop surrounding or airport land for non-aviation purposes. There is also evidence that infrastructure is not being maintained to an appropriate standard.

There is a question as to who the airport user is and who should be paying the user fees? It is suggested that infrastructure is an asset to all inhabitants whether they physically use the airport or not. As such, the cost of infrastructure should be equally borne by all inhabitants. The only way this can be done is through the taxation system. Australia should return to non-privatised airports.

Where airports are to remain in private control there should be stricter guidelines that the existing infrastructure is to be retained and maintained; that airport land is not to be developed for non-aviation use especially where runways are closed to allow for that development to take place.

3.1 Safety Regulation and Regulatory Reform

CASA: The current regulatory rewrite by CASA is laughable. It is so far over its timetable and has achieved so little that the project needs to be cancelled. Serious consideration needs to be given to the impact of aviation regulation and what needs to be achieved.

The traditional model for aviation legislation has been prescription. That is, the legislation sets down what operators can do and how it is to be done. It evolved from the early days of Australian aviation when setting standards could only be done by government authority. It is suggested that this approach is totally unsuitable for a modern industry and can no longer provide the necessary framework for safety. It is suggested that the growth of recreational aviation is due to the unrealistic demands of the present legislation on people who do not want to fly commercially.

It is also suggested that CASA has been subject to pressure from both industry and political sources. This has prevented it from being able to undertake its statutory duty. The Senate inquiry into CASA should specifically address this issue.

Any regulatory reform should look towards self-regulation in accordance with general standards. Failure to achieve or abide by those standards should result in severe penalties that extend to the owners of a business as well as operating staff. Too many breaches of existing regulations are due to pressure on pilots by

owners and operations managers who can escape all liability under the present legislative framework.

5 Aviation Security

Much of what is done in the name of security has little basis in fact. An example of this include the restriction on hand luggage including liquids more than 100 ml. There is no recorded instance of a bomb being able to be manufactured from liquids in the manner suggested by this restriction.

The continuing emphasis on increasing aviation security ignores the fact that the most recent terrorist attacks in the west have been on public transport. Vast sums of money are being spent on increasing security at regional airports to little or no effect. Such things as security fencing is only partially completed while unrestricted access to the tarmac area continues, gates are left unsecured.

A realistic risk assessment needs to be done at each airport rather than an Australia wide, one solution fits all, approach. In addition consideration needs to be given to what is a realistic risk, especially where at many airports, the airport serves not only mainline RPT carriers but has a significant general aviation presence.

For example, both at Alice Springs and Ayers Rock the general aviation area is next to the RPT apron and aircraft have to taxi through or past the RPT apron to reach the runway. In Darwin the general aviation area is more remote from the RPT apron but general aviation aircraft taxiing to takeoff often have to taxi through the RPT apron. This has led to idiotic suggestions that the taxiway from the general aviation areas to the RPT aprons will have giant gates installed.

While an increase in aviation security was justified following the 11 September 2001 attack the present trend is taking it overboard. Realistically an attack along the lines of 11 September 2001 could not be mounted again and that further terrorist attacks in western countries are more likely to follow the Madrid and London scenarios.

A handwritten signature in black ink, appearing to be the initials 'P.H.' with a stylized flourish above the 'H'.