



THE ROYAL FEDERATION OF AERO CLUBS OF AUSTRALIA

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SUBMISSION TO NATIONAL AVIATION POLICY

The Royal Federation of Aero Clubs of Australia welcomes the paper and the move to a National Aviation Policy and congratulates the Minister on this initiative. We consider many issues need to be addressed for the good of the Aviation Industry and the Nation.

The Royal Federation of Aero Clubs of Australia is the pre-eminent industry representative organisation for the Australian Flying Training Industry. Our objectives are to promote general aviation to the public of Australia as a safe and viable means of transport and as a satisfying sporting, recreational and leisure activity.

Our policies are as follows:

- A commitment to aviation safety
- A commitment to the provision of high quality Flying Training
- A commitment to achieving a level playing field for all providers of Flying Training.
- A commitment to finalising the Regulatory Reform Program in the earliest time frame thus ensuring enormous safety and efficiency benefits to the industry

General Aviation

We see General Aviation as including all civilian aspects of aviation in Australia other than scheduled air transportation and military aviation. General Aviation encompasses an enormously varied area of activities covering the whole of Australia and a substantial part of the surrounding oceans. Indeed, GA from Australia is world wide, with a number of private and charter operators flying all over the world in their activities.

This breadth of activity results in General Aviation having little public acceptance, particularly in the major metropolitan areas where most people do not know of the extent of GA operations in Australia or appreciate the benefits that it provides to the nation.

In this submission the RFACA has only focused on issues that are applicable to the General Aviation Industry.

1.3 Regional and General Aviation

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| <ul style="list-style-type: none">• What should be the basis of government and industry policy towards air services to regional and remote communities? |
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Air services to regional and remote communities are of utmost importance to the nation. On medical grounds alone the value to regional communities is enormous. Regional air services allows specialist medical practitioners to provide service in the rural and remote areas and also provides transport for patients who are required to attend capital city hospitals for specialist treatment.

Regional air services provide other benefits such as transport for government agency officials, for the business community and for tourism related activities.

Government should subsidise these services on an equitable basis.

- **Are security and safety measures adopted for major capital city trunk routes appropriate for regional and remote Services? If not, what alternative measure could be adopted?**

Whilst we are all concerned with safety we feel the Transport Security Regulations are a severe impost on GA. The regulations are far too heavy handed and out of proportion for regional and remote Airports. The Transport Security Regulations are full of anomalies, which border on the ridiculous and bring the regulations into contempt. September 11 is viewed by many in the industry as being a convenient excuse for empire building by the bureaucracy.

The ASIC program, whilst valid for Airport Workers is not appropriate for aircrew. Better methods for the security identification of pilots have been proposed but these have fallen on deaf ears.

The security checking of Student Pilots which is taking up to six weeks is adversely impacting on the industry by chasing away export business (international students) and dampening the domestic market. This is unacceptable.

In the Australian context student pilots are a relatively low risk group as their flying activities are very closely controlled and monitored. We strongly recommend that the methods of security clearance of student pilot licence applications be reviewed to provide relief for the flying training sector of the industry.

Other anomalies concerning the application of the TSR, particularly in respect of the ASIC should be corrected.

The Office of Aviation Security has been notable by their inability to hear what the industry is telling it. Better outcomes could be achieved for far less cost and with far less inconvenience if there was even the smallest amount of genuine consultation.

Key Challenges – General Aviation

- **How has micro-economic reform impacted on general aviation businesses and what strategies need to be put in place to ensure that access to airport infrastructure does not impede industry viability and growth? Do the needs of general aviation operators warrant any changes to airport regulatory and planning arrangements?**

Aviation businesses at airports are there because they cannot operate from anywhere else, a captured market. This makes them extremely vulnerable to the airport owners. This in many cases has led to increased ground rents well beyond market rates, non renewal of leases, increased aircraft operating costs and in some cases losing facilities vital to operations and to flight safety.

For GA to play its role in the overall transport system it needs to have access to Aerodromes on an equitable basis. GA has been almost excluded from major capital city airports by usurious charges. In other countries GA provides a useful feeder role to the major airports.

Apart from the inequitable charges being levelled there is a constant erosion of the aircraft movement areas at Primary and Secondary Airports.

Local Governments face major problems in maintaining aerodromes that are too large for the present traffic offering. Whilst many Councils are making efforts to find non flying uses for these airports there is a case for Federal and State Government assistance to maintain these facilities for the future.

Airports, like roads, are a long-term investment in the nation's future and should attract appropriate funding from all levels of Government.

- **How can general aviation operators, particularly small businesses, establish viable business models that allow them to take advantage of current buoyant conditions in the aviation Market?**

General aviation operators generally prefer to choose a niche market in which to conduct their business. For many operators their niche is the area in which they operate. In many parts of Australia the population requiring aviation services is very sparse, so operators have to offer a wide range of services to remain viable. Unfortunately aviation is ultra mobile and an out of town competitor can easily poach business particularly by undercutting. Many of the problems of general Aviation are a result of unbridled competition. The industry has been characterised by an over supply of operators, aircraft and pilots. It is difficult to justify investment in a business that is only worth what its buildings and aircraft are worth as the business, in its self, often has very little resale value.

It is also extremely difficult, particularly for small businesses, to establish viable long- term management and planning decisions, when they are uncertain what lies ahead of them until the Regulatory Review is completed. It is of utmost importance to the viability of general aviation that it is finalised in the very near future.

This industry has been in a consultative mode working on this Review for about a dozen years with very little prospect of finalisation in the near future. There are enormous safety, efficiency and economic gains to be made by CASA and the Industry when the Review is finalised.

A Level Playing Field

Whilst the success of recreational aviation is applauded it has skewed many other facets of aviation to the overall and long term detriment of the industry.

The recreational aviation success has been achieved on a tilted playing field. Recreational aviation enjoys many advantages, particularly in the flying training area, that are not available to GA. These include markedly lower standards for the same activity in the same airspace and often in the same aircraft type. Recreational aviation will dispute that claim but the facts speak for themselves. The playing field in flight training is far from level. Either recreational aviation standards need to be raised to GA standards or GA standards should be lowered to recreational standards. GA won't accept the latter, nor, we suggest, should the community generally.

Self Administration of aspects of the lower end of GA will help level the playing field. The lighter end of GA cannot survive under the CASA administrative cost structure, which is based on Airline costs. Further the vast number of services required by industry to comply with the current regulations multiplies the cost. The requirement for many regulatory services is a result of the present antiquated regulatory structure, which imposes requirements on the industry to pay for approvals and services that have no real safety basis.

Early finalisation of the Australian Aviation General Administration proposal to CASA on self administration is urged.

- **What role should all levels of government have in protecting secondary airport infrastructure and in providing for new infrastructure**

The GAAP (Secondary Airports) problems stem from poor control of the privatisation process. The airports were sold for overvalued worth – the debt could never be serviced by the existing airport revenue , leases, fuel sales, landing fees, so commercial development was inevitable.

For example, Jandakot was sold by the Commonwealth for ~\$6m. The next owner then paid ~\$62m.

Effective consultation on such matters ceased when the Aviation Industry Advisory Council was dissolved around 1986. GA lost ministerial access.

The Commonwealth benefited from the extra money from the sale of the airports, and has a moral obligation to revisit the process.

- **How can the general aviation industry provide the necessary investment to renew the ageing aircraft fleet? Is there a role for governments?**

A substantial benefit to aviation organizations could be gained by way of taxation relief in allowing 5 year depreciation (at the moment it is capped at 10 years: if an aircraft was purchased after 2002 prior to that over 20 years)

Government providing an Investment Allowance or Subsidy.

There should be more incentive by Government to Australian aircraft manufacturers to design and build aircraft to 21st century Airworthiness standards that meet the needs of Australian operators..

- **Are additional measures required to ensure the continued safe operation of ageing aircraft?**

We believe that GA maintenance organisations will continue to assess an aircraft on criteria of safety and efficiency with safety as the primary factor. The ultimate responsibility for the safety of aircraft maintenance is a function of the regulator regardless of delegation. The Regulator needs to review the continued operation of ageing aircraft types on a case-by-case basis rather than maintain its broadbrush, shoot from the hip approach, which has already led to the failure of some operators.

1.4 Addressing skills needs in the aviation industry

- **What strategies should the industry adopt to attract, retain and plan for their future skills needs to remain competitive in a tight labour market, and how can these be improved?**

From a Flying Training perspective Instructing needs to be seen as career path, and not, as it has been considered until now, a stepping stone to a career in the airlines.

The disparity in pay and conditions for various levels of the industry is an issue.

Arguably, many instructors suffer from poor pay and conditions, compounded by an undervaluing of their role, by themselves, and by industry generally. While the average Australian salary as at December 2007 was \$78,000, the award for a Grade 1 Flight Instructor with a multi-engine Command Instrument Rating was only the order of \$42, 000.

What would attract pilots to instructing & improve retention

- Incentives and assistance to gain/regain qualifications in the form of scholarships and subsidies or loans such as FEE HELP. Any such incentives should favour pilots with maturity and flying experience and should only be awarded after an appropriate selection process.
- Terms & conditions of employment, which could include:
 - A more appropriate salary structure
 - Regular instructor improvement training and skills enhancement
 - Appropriate medical standards
 - Career structure.

- Are proposals such as a national industry run flying school to train flying instructors worth investigating and, if so, how might such a school operate?

Whilst a Central Flying School would be attractive for many valid reasons there are logistical problems in running such a school due to the vast size of the country and the sparse nature of the industry. There is a great deal of opposition to the concept from schools currently engaged in instructor training, including some of our members clubs, as they consider that it would impinge on their business.

The RFACA perceives that a way in which such a school could operate would be as a 'Finishing School' and a school for upgrading and refreshing instructors. Due to Geographical considerations such a school would have to be mobile rather than at a fixed location. The recent CASA initiative to establish an Office of Flight Training and Testing is a positive step in the improvement of instructor standards. Perhaps an extension of the role of this office could achieve the objectives of a Central Flying School.

2.2 Air traffic management – Key Challenges

- How can Australia's air traffic management system best take advantage of new and emerging satellite navigation technologies? What is the role of government in the take up of the new technologies? Are there any regulatory impediments to maximizing the use of new and emerging surveillance and navigation technology?

Whilst Australia should be close the forefront of these technologies we must learn from our past mistakes that have seen us implement technologies ahead of the rest of the world only to end up with a system that is not the world standard. Distance Measuring Equipment is a good example. Australia implemented DME ahead of the rest of the world only to be left with a unique system that was not compatible with better and lower cost equipment from overseas.

- How do we enhance both air traffic management safety and capacity and efficiency?

Australia should look at what the rest of the world is doing and implement the world's most **common** practice rather attempt to run with the world's **best** practice. World's best practice is a most subjective concept. We must avoid going down a uniquely Australian path. Aviation is truly international and we must avoid being the odd one out.

We should use part of the savings made by implementing ADSB surveillance to pay for all Australian registered aircraft to be fitted, at no cost to the owner, with an ADSB transmitter that will turn on automatically when the aircraft is used and can't be switched off by the crew or operator. By "all Australian registered aircraft" we mean **all** aircraft including ultralights, hang gliders, balloons, gliders and UAVs – anything that flies and is capable of carrying a person.

As Airservices Australia gets 95% of its revenue from the top 100 users of it's services, abolishing en route and terminal navigation charges for general aviation VFR and IFR aircraft below 4000kg maximum take off weight will reduce violations of controlled airspace and ease the burden of charges imposed on GA with no perceptible effect on the main users of the services. The savings in administration in not having to generate charging mechanisms for those aircraft will make up for the loss of revenue and will improve safety.

3. Aviation Safety

3.1 Safety Regulation and regulatory reform

- Are there ways in which the approach to Safety Management Systems could be enhanced?

The establishment of maintenance of Safety Management Systems could be enhanced by providing down loadable templates living on a dedicated and secure website. The AOC holder could select the model best suited to their operation from a range of options.

- **Should the governance arrangements for CASA be strengthened to better support the role of the safety regulator?**

The present arrangement places an enormous load on the CEO. A small Board consisting of appropriately experienced aviation people with a successful history in aviation management, should be appointed to support the CEO.

Further the load on the Minister of such a broad ranging department needs to be spread. Aviation is of such importance that the appointment of a Junior Minister with a sole responsibility for Aviation would be in the national interest.

- **How can the Government and Industry ensure CASA completes its long-running regulatory reform process as soon as possible, to give clarity to industry and to clear the way for new approaches to meeting the regulatory challenge?**

“The Australian Government Attorney General’s Department is responsible for the drafting of instruments that are legally effective and of high quality, in a plain English Style. It is directly funded to draft all Commonwealth Regulations, Proclamations and Rules of Court” Specific funding of this Department for this task should be granted to expedite the process.

CASA also needs more competent qualified staff at all levels.

- **What changes could be made to improve how Australia’s aviation safety agencies work together?**

These agencies would work better together if they were under the closer scrutiny of a Minister for Aviation, as recommended above.

- **What steps can the aviation industry as a whole take to ensure it maintains safety standards as it grows and diversifies?**

Airservices Australia must accept it is now a service provider and not the regulator. ATSB must maintain its independent status.

- **What steps should be taken to ensure Australia maintains a high standard of aviation safety in the context of global developments?**

The Regulatory Reform review should be finalised so that some stability can be added and the industry and the regulator can then focus efforts on meeting challenges to safety as they emerge.

- **What issues should a 21st century aviation regulator be focussed on?**

Keeping Regulations as simple and economical as possible. Allowing more responsibility to be focused on the industry itself.

World’s most common practice rather than the nebulous and unattainable concept of aiming for world’s best practice.

- **Is Self-Administration a key factor in the growth of recreational aviation? Is there more scope for some parts of the industry to self administer? What are the opportunities and risks for the industry, regulators and the community in greater ‘self administration’?**

- Self Administration for RAAus is a large factor in its growth but the biggest factor is the uneven playing field that has been created. Not having to meet the standards of GA gives them a distinct advantage commercially.

- CASA is progressively increasing recovery of cost for service provision. This provides private GA with an incentive to use the money not to support an expensive bureaucracy in CASA, but to administer itself. CASA no longer has the resources to micro manage aviation business and activities. Logic would suggest that it must devolve those activities that it can. The contrast between the over-regulated, overpriced, declining certified private GA sector, and the expanding Experimental and sport/recreational sectors, demands a rethink of the way we govern private GA operations.
- Adoption of the principle of informed risk acceptance can
 - reduce costs by reducing prescriptive regulation of private GA in a manner similar to that of sport/recreational aviation, and
 - potentially improve safety outcomes for GA through peer and organisational pressure, without the need for criminal standards of evidence.