



# **SUBMISSION BY: Royal Victorian Aero Club**

## **National Aviation Policy**

### **INTRODUCTION**

This submission is in relation to the request by the Department of Infrastructure, Transport, Regional Development and Local Government for submissions from interested parties for the future of aviation in Australia.

The Royal Victoria Aero Club (RVAC) is one of the pre-eminent Flying Training Organizations within Australia, having operated in this industry for over 80 years. RVAC has trained countless pilots who have and are now flying commercially all over the world as well as within Australia.

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.

RVAC's policies include:

- A commitment to aviation safety
- A commitment to the provision of high quality and standardisation of Flying Training
- A commitment to encouraging growth in the aviation industry

### **General Aviation (GA)**

RVAC sees General Aviation including all civilian aspects of aviation in Australia other than RPT and charter operations run by RPT operators, which have the flavour of RPT and military aviation.

GA includes, flying training, business aviation, aerial agriculture, air ambulance, bank runs, mining charters delivering workers on a daily basis to remote mine sites, aerial survey, warbird operations, fish spotting, power line inspections and repairs, fire fighting, private flying, charter operations, search and rescue, gliding and parachuting, and ultra-light operations to name but a few of the operations involved.

It is 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.

The administration and regulation of such a diverse group has become unnecessarily complex.

The breadth of activity also results in GA having little public acceptance, particularly in the major metropolitan areas where most people do not know the extent of GA operations within Australia or appreciate the benefits that it provides to the nation. This submission only relates to these areas that are applicable to GA.

### 1.3 Regional and General Aviation

Key Challenges – Regional Air services

- **What should be the basis of government and industry policy towards air services to regional and remote communities?**

Air services to Regional and remote communities are of utmost importance. On medical grounds alone it allows specialists to fly in and out and also provides transport for patients who require capital city hospitals for specialist treatment.

Government should subsidise these services where required.

- **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 regulations are full of anomalies, which border on the ridiculous and bring the regulations into contempt. September 11 is viewed as being a convenient excuse for empire building by the bureaucracy.

The ASIC program, whilst valid for Airport Workers is not appropriate for aircrew. The security checking of Student Pilots, which is taking up to six weeks, although CASA quote an average of 35 days, is adversely impacting on the industry by chasing away export business (international students) and dampening the domestic market. This is unacceptable.

For the Flying Training Industry we recommend that Chief Flying Instructors of Flying Schools be given approval to issue a Student Pilot Licence valid for three calendar months. Solo flights would be limited to within the training area boundaries. This would allow ample time for the Australian Transport Security to issue an ASIC and not delay flying training.

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 less inconvenience caused if there was even the smallest amount of 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 captive market. This makes them extremely vulnerable to the 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.

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 for GA and Recreational Aviation**

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 benefits, 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 or GA standards and practices would need to be modified. GA won't accept the latter, nor, we suggest, should the community generally.

Self-Administration of aspects of the lower end of GA would 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.

- **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?**

All aircraft hire rates should include a component for aircraft replacement, but the problem is if the true value was included it would make the cost of flying prohibitive and therefore detrimental to the industry.

Government should provide an Investment Allowance or Subsidy.

There should be more incentive by Government to aircraft manufacturers to design and build aircraft to 21<sup>st</sup> century Airworthiness standards.

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

We believe that GA Maintenance Organisations will 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.

#### **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?**

RVAC operates an initiative known as “Young Eagles Victoria” This program is a unique way of introducing young people to the exhilaration and freedom of flight and is dedicated to providing a motivational aviation experience for the younger generation, with a view to increased recruitment into aviation within Australia.

Club members and sponsors fund this initiative; the current patrons of Young Eagles Victoria are the RAAF Roulettes. RVAC feels that a Government sponsored Australia wide program would assist in increasing the movement to a career within aviation.

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 instructor with a multi-engine command instrument rating is \$42, 621.

#### **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 HELP.
- 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 RVAC 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 cheaper equipment from overseas.

- **How do we enhance air traffic management safety, 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

## 3. Aviation Safety

### 3.1 Safety Regulation and regulatory reform

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

Expanding the range of down loadable templates available on the CASA website could enhance safety Management Systems. The AOC holder could select the model best suited to their operation, setting a password protection for date entry.

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

A small Board could be appointed to support the CEO. This Board should consist of Aviation minded people with a history in aviation management.

A junior Minister to the Minister of Infrastructure should be appointed solely responsible for Aviation.

- **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. More funding to this Department would allow for more staff that is required to expedite the process. CASA also needs more competent qualified staff at all levels.

- **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 other 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 RAA 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 has a stated policy of giving priority to regulation to protect the fare-paying passenger. This is appropriate, since a fare paying passenger is not in a position to evaluate and accept the risk of flying if it is inherently less safe than other modes of transport.
  
- 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.

For Royal Victorian Aero Club

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