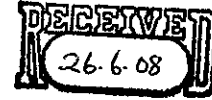


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22 June 2008

The Secretary
Department of Infrastructure, Transport,
Regional Development and Local Government
GPO Box 594
Canberra ACT 2601

Dear Sir

I have pleasure in submitting this organisation's submission in response to the Issues Paper
"Towards a National Aviation Policy Statement".

Through you, the Minister, The Hon Anthony Albanese MP is congratulated on this long-overdue
initiative aimed at producing an Australian Aviation Policy for several years to come.

Safeskies response is limited to those items to which its particular expertise may be applied.

The recommendations made and information supplied are after very careful consideration.

Yours sincerely

A handwritten signature in black ink that reads "Peter Lloyd". The signature is written in a cursive, flowing style.

G A Lloyd
Executive Chairman

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SAFESKIES

National Aviation Policy Issues Paper Response

INTRODUCTION

Safeskies Conferences Inc is a Not for Profit incorporation, which organizes and conducts a biannual aviation safety conference. It is held in Canberra and is attended by representatives from airlines, military, Government Departments, Air Traffic Managers, General Aviation, airports and training organizations, both nationally and internationally. Significant representation is made from Asiatic and Pacific nations.

Safeskies is considered the pre-eminent aviation conference in Australasia as well as its standing as one of the world's most significant aviation safety conferences. Between conferences, Safeskies assists organizations with their safety programs and acts as a conduit between different organizations and government. The speakers and lecturers at Safeskies are drawn from all over the world, and it is not unusual to have more than 30 nations represented. This expert input helps with Safeskies responses to this Issues Policy Paper.

Safeskies is run by unpaid volunteers from various sectors of aviation, each an expert in his field, with a sound broad knowledge of aviation safety. Each has significant experience and seniority in the Australian aviation sector.

This submission by Safeskies does not address every item in the Issues Paper. Those areas covered are limited to the following, notated in line with their numbering in the Issues Paper.

- 1.4 Addressing Skills Needs
- 2.2 Air Traffic Management
- 3.1 Safety Regulation and Regulatory Reform

Some closing comments, including reference to overseas obligations, which must fit into an Australian Aviation Policy.

These issues reflect Safeski's concentration on aviation safety. It must be noted that aviation safety in Australia or elsewhere, can only be achieved by eternal vigilance.

1.4 Addressing Skill Needs

Actual needs are market determined. The airline industry is a cyclical industry with defined boom bust cycles about every 10 years. Industry forecasters have been predicting continuing high growth in the world aviation industry, meaning that foreseeable demand for skilled and trained personnel at all levels of airline operations, pilots, engineers, operations management etc will continue at a high level. An alarming statistic demonstrates the problem, at least as far as pilots are concerned: Alton, a Boeing subsidiary, recently projected a worldwide requirement far in excess of 350,000 pilots over the next 20 years just to support new aircraft deliveries.

General Aviation (GA) reflects these aviation downturns and also the state of the general economy, including factors such as drought. Presently in Australia GA is in a very bad state and this is a significant Australian problem that must be addressed. This situation is not reflected in the Recreational Aircraft (RA) sector, which is growing at an exciting rate, and has over 8500 pilots flying some 6000 aircraft.

A sensible solution lies in Government encouragement and assistance in bringing closer together the two operations and the concepts that govern them. This is worthy of a funded, meaningful working group. GA operators do not, at this time, take lightly to this suggested solution to their huge problems which, in part today, are self inflicted.

However lately there have been indications that the airline industry has entered its cyclical downturn almost a year earlier than history would have predicted.

The risk for Government and the industry, particularly airline wise, is that programs being put in place now and planned for the next year or two might well be abandoned in 2 to 3 years time. The airline history has a sad history of doing this. When profits drop, training gets cut.

The sad paradox is that training 'lead times' for skilled pilots and engineers are between 3 and 5 years. Airlines cut training during the lean times and when the good times return, there is no pipeline of these skilled people delivering fully trained personnel. There is a need for recruitment in these skilled areas during the bad times, so that they graduate as the cycle is ramping upward, and when the industry is demanding more pilots and engineers.

Because the airlines will not continue to recruit in the bad times, there is definitely a role for Government to keep up the supply during the bad times. In these times the widest possible base of people with some flying skills is essential to producing at need the best, safe, commercial pilots, and in particular the ATPL pilots.

It is important that Government and the industry ensure that there are appropriate well resourced training establishments, including ab initio training facilities, aero clubs and flying schools, universities, TAFE specialized training areas and the like. NOTE: TO TRAIN A PILOT HE MUST HAVE MORE THAN DOUBLE THE TIME IN THAT COCKPIT AS A FLYING STUDENT THAN HE SPENDS STUDYING THEORY.

However too many is almost as bad as too few, because it spreads the resources too thinly. Both pilot and engineer training require expensive training aids, not least of which are aircraft.

In the interests of safety, which will be addressed later in this paper, proper training up to licensed solo pilot level is essential for the ongoing safety of Australian aviation, and particularly the travelling public. RA AUS is achieving this

through major reforms in the last 3 years, as is now being demonstrated by the over 8,500 licensed to RA AUS pilots.

Maintenance Training

It is alarming that the average age of Licenced Aircraft Maintenance Engineers (LAMEs) is over 50 years of age. It is difficult to attract young people into the industry. Some educational organisations in Australia have taken initiatives to attract young people into the industry. The Queensland Government through Aviation Australia and the Aviation High School at Hendra are good examples.

In the past the Australian Government has failed to maximize the leverage it has, through concessions granted to airlines, by not insisting that they have apprentice training schools. Safeskies recommendation is that the admission of further airlines or their services, which is tourist low price competitiveness driven, is modified. The recommendation that those airlines who benefit by operating to or in Australia carry some of the needs burden by setting up proper training facilities (Government approved) or make cash contributions to those existing here.

The gradual reduction in apprentices employed by the two largest employers, Qantas and the RAAF, has to be a major infrastructure and safety concern. Small RPT and charter operators need to have access to an ongoing supply of trained LAMEs.

The impact on safety of having to employ as line maintenance engineers, people who may well have lost their skills, or their urge to work and those who are not skilled enough to be fully qualified, is self evident.

Aircrew Training

Safeskies has identified as a major national aviation risk, that has now been tolerated too long, the mixed and low level of flight instructor knowledge, skills and capability as teachers. CASA is, as was urged by Safeskies, addressing in some

measure this problem by employing special examiners of airmen to test 'would-be' instructors who have finished their initial flight instructor course before licensing them. This at best is a band-aid solution.

Safeskie's recommendation, endorsed by the CEO of CASA (Director of Australian Aviation Safety) and the Secretary of the Department of Infrastructure, Transport, Regional Services, Local Government, as well as the CEO of Air Services Australia, is the creation, as a matter of urgency, a Central Flying School, to which trainee instructors must attend for a given period, before attempting a licensing exam and to which existing instructors must attend for an annual refresher course. In conjunction with Air Services Australia such a school is eminently possible. It is further recommended that, from the funds for skills training, enough money be set aside to cover in the first instance travel to and attendance at the school by trainee instructors. Note: an essential to the success of this plan is that existing trainers (schools, aero clubs) do not perceive this system as a loss of income; therefore they must train the 'would-be' instructors exactly financially as far as they train them now! Then they attend the CFS!

This subject is worthy of a special paper, as presently instructional standards and techniques are generally low and despite CASA publications are not achieving a national uniformity nor imparting an Undeniable Safety Culture.

Safeskie is advised that Emirates Airline is offering Australian pilots who are suitably qualified \$500,000 tax free a year on a 5 year contract. The average pay, with no fringe benefits like an airline pilot would have, for a Grade 1 instructor in Australia is a paltry \$60,000 a year. It can be said that the movement of qualified instructors, such as they are, into Australian airlines as First Officers and then Captains, is being short circuited. Therefore it is obvious that the remuneration of flying instructors on whom the whole structure of Australian aviation pilotage rests must be addressed as an economic necessity and for the elimination of a real safety hazard.

2.2 Air Traffic Management

ADSB

The case has been submitted for the willy-nilly introduction of this impressive aid and substitute in large part for radar. This goes too far and reflects an over-enthusiastic boffin approach. Safeskies supports introduction of that system at the first level as has been promulgated by Airservices Australia.

Two papers in response to this National Aviation Policy Statement are being submitted, one from the Australian Sport Aviation Confederation (ASAC), and the other from the Royal Aeronautical Society, together make a strong case. The Safeskies position is that such introduction does not show momentarily an improved safety outcome, but it is convinced that in its excellence by replacing failing older systems must be looked upon as a positive contribution to future air safety.

This safety view is strengthened by the appreciable increase in safety by the linking of that equipment technique in operations with existing and improving anti-collision and terrain-avoiding equipment.

Recommendation: the introduction to ADSB to Stage 1 as in Airservices proposition be implemented immediately as any further delay certainly beyond December must lead to expensive replacement of equipment which in the total efficiency and safety environment is not as good as ADSB. It is further recommended that in view of the poor economic health of general aviation that a meaningful subsidy from Airservices savings and those airlines who receive the greatest benefit be introduced simultaneously.

AIRSPACE CLASSIFICATION

The last 20 years of airspace management initiatives has been categorized by extensive debates between different industry sectors, causing progress to be slowed by disagreements within the industry.

A plethora of self-serving experts has added to a confused situation as to what is the best outcome of an airspace classification system.

The crux of the debates revolves around the smaller RPT and charter operators wanting to have VFR GA aircraft separated from them at all times by regulation. This is motivated by a desire for complete safety assurance, which in principle is a good thing, but it has often meant that limitations would be imposed on VFR pilots, which might not be supportable by a proper risk analysis.

A vital unarguable link in the safety chain is the pilot in the cockpit; it is safe to assume that pilots do not have a death wish during the conduct of their operations. The airspace regulatory function is now a CASA responsibility, unfortunately teething troubles in implementation are seriously against the best interests of all.

Groups such as recreational aircraft, GA, gliders, hang gliders, even air modeler, – as their activities are a good Australian thing - need as much freedom to fly as they can get.

RPT and charter operators will want to be confident that those other users will remain out of their way, or remain separated, to protect the passengers they carry; no great problem! proper risk assessment is required to balance possibly opposing claims of freedom for GA vs protection of the paying passenger flights. Airservices was well advanced in a solution to possible problems. The CASA Office of Airspace Management must come to grips with any problems in the interests of safety in a sensible and efficient risk assessment fashion!

Over-regulation and the threat of punitive action are proven, in most walks of life, an unworkable Australian solution.

There are also a large number of areas designated as 'Restricted Airspace' often associated with Defence airfields and activity. Government has a role to play in

ensuring that these restricted areas are not overly exclusive, and that as much as possible is available for both RPT, GA, and recreational and sport aircraft to use when Defence is not active.

Safeskies recommends that the test for any regulation or alteration to regulation be that it provides the best safety outcome or at least a perceivably improved safety outcome together with a meaningful cost assessment.

There are analysts capable of doing studies to that criteria who do not have an agenda of their own and these people should be used.

Airspace safety is largely a matter of commonsense and good governance.

3.1 Safety Regulation and Regulatory Reform

The Governance of CASA

Safety and commonsense go together. CASA offices in the past have forgotten this. The present strategic plan of CEO Bruce Byron AM is good. Unfortunately in-place tactics by lesser officers have been delaying the good implementations.

Government proposes a board to oversight CASA. It must be peopled by those who are directorially experienced but may include 2 out of 5 acknowledged aviation experts, for example, a recently retired Air Vice Marshall who has demonstrated competence in the civilian field, and/or a retired Air Chief Pilot. Safeskies is emphatic in the safety interest. Such a constitution is a must and the personnel should be chosen purely on their excellence to serve. Political influence or influences are not important.

Knowledgeable people with Australia's interest at heart have propogated the idea that the regulatory function should be split into one covering policy and the other regulatory enforcement. No improved safety outcome can be perceived from such a system, but it should not be rejected out of hand. Should such a system be introduced the one board of directors should cover both areas.

Policy and Regulation to be effective in both areas requires meaningful and appreciative consultation with industry. The well-known middle level public servant attitude that ipso facto "I am right" in the interests of safety must cease. This is a problem that the senior echelons of CASA Airservices and Department of Infrastructure are addressing but they are continuing to have difficulties of implementation. Note: in non-government industry those who are holding up progress would be fired - not an easy solution, particularly in Canberra.

Safety standards in Australia used to be the envy of the world. Australia's vast distances and a reliance on the airplane from its inception meant it had to become self sufficient in aircraft operation and maintenance. As the aviation world has globalised, Australia and some other countries have suffered from the sometimes rigid regulations, procedures and practices developed to ensure safety of flight during the pioneering years and also during the technical development of the aircraft.

Safety standards which helped develop Australia's reputation for operational excellence, reliability and safety can sometimes now be an anachronistic imposition on the modern aircraft operation, equipped as they are with exceptionally reliable components and a multitude of avionic equipment which relieve the pilot of much of the burden evident in early aircraft, even early jet aircraft. Safety equipment on modern aircraft protect from CFIT, navigational errors, and other aircraft on conflicting paths. The advent of the MPL philosophy is evidence that the modern jet pilot does not require the depth of experience and technical knowledge required of pilots of even a decade ago.

The prevailing safety culture in large RPT operators, and also in statutory bodies like Airservices, ATSB and CASA too often stem from those early practices. The GA sector has been losing those practices over a long period, but still has a lot of the old equipment and aircraft. New aircraft with improved systems and reliability will help to reduce accidents and incidents in the GA sector. Conversely the big end of town needs to embrace the new technologies and discard some of the old methods which are no longer required for modern reliable aircraft and systems. Low cost airline operators often commence with the required difference in attitude and are able to cut unnecessary costs from their operation, part of their competitive

advantage over the legacy airlines. CASA also needs to change the culture of doing things the way they have been done in the past, and embrace the efficiency improvements available from shaking off the old ways of doing business. Above all applying resources in a manner which enables the best safety outcome rather than following a mantra of doing it the old proven way is required.

CASA as the Regulator has a role in this and enabling the new ways of doing business to be more easily adopted, but it requires a change in mindset within CASA. There are still too many anecdotes about CASA requiring changes and modifications to aircraft being put on the Australian register to meet some obscure Australian regulation, when the aircraft has already been certified by EASA or FAA.

The Recreational Aircraft Association (RAA) and the Gliding Association have demonstrated that under self regulation, a progressive and modern approach to regulation and compliance can result in a better safety outcome than the traditional model employed by CASA. It is a World fact that the Australian Gliding Federation and the Australian Parachute Federation are noted as being among the best-administered and safest operators, both self-regulators, working in conjunction with CASA and subject to safety audits – a very good Safety Outcome. Therefore it is recommended the system must never be castrated or curtailed whilst it continues to deliver the best safety outcome.

Suggestion -

Regular formal and informal liaison meetings: CASA, ATSB, Defence, DInf, and Airservices could be very helpful and should be used. Establishment of liaison groups in each organisation. Agreements on (secure) sharing of appropriate information. Coordination of operations.

Eternal vigilance is a major key for safety and both regulation compliance and enforcement have roles to play. Punitive action as the chosen method for enforcing regulations will not succeed as a threat in Australia. The psychological phrase of a 'state of anxiety' in relation to the foregoing is acceptable as it can only mean awareness of factors and consequential action.

An argument might be made for the establishment of a Cooperative Research Centre for Safety. Safeskies is seriously investigating this with a view to making a recommendation to Government in the interests of a better safety culture across the whole Australian aviation spectrum, including Government employees.

Self-administration

Elsewhere in this presentation reference has been made to self-administration. It was first introduced in relation to the Australian Gliding Federation in Australia 55 years ago. It has worked wonderfully well and set a world pattern of excellence. In relation to this paper the following are worth recording as features of Australia's self-regulating bodies.

- 1 An unwavering safety culture that the best is just good enough.
- 2 Technical expertise in instructor and pilot training.
- 3 Technical expertise on all mechanical and airworthy aspects.
- 4 Effective and transparent administration.
- 5 Determination to work for the best outcomes, safety, commercial and sporting with the relevant government authorities.

Advantages for CASA are increased efficiency and freedom to keep its focus on safety developments and improvements without expending the majority of its resources on 'police' activities. Risks are that this does not happen and that it becomes too focused on the detail to maintain its proper broad proactive safety perspective. Note: in addition to the 8,500 RA AUS pilots there are over 250,000 people involved in Air Sports in Australia.

The public benefits are self-evident, the participants' benefits likewise.

A non-listed matter. In the interests of good international relationships Australia through such bodies as Safeskies must encourage and facilitate like bodies in their ability to serve our smaller Pacific Ocean national neighbours. The AUSAIDE

instrumentality provides a valuable service. Department of Infrastructure, Transport, etc is invaluable in its guidance and help.

Notwithstanding the efforts of these 2 bodies more has to be done to create an improved aviation safety culture in the Australian area of aviation influence with those peoples with whom we in Australia have a continuing interface and should have a meaningful association.

A second benefit is that efforts in this area will improve Australia's own aviation safety culture by the effect of ipso facto it being offered for criticism.

The proposed Pilot and Air Traffic Controllers Training College must have an agreed percentage of places for 'would-be' instructors, as well as their already established instructors, from those neighbours of ours. Inevitably this means Commonwealth, at least partial, funding of such participants.

It is repeated that this paper is submitted for and on behalf of
Safeskies Australia Conference Incorporated

A handwritten signature in cursive script that reads "Peter Lloyd".

G A (Peter) LLOYD AO OBE MiD FCILT
Executive Chairman

22 June 2008