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SUBMISSION IN RELATION TO THE AVIATION POLICY STATEMENT

Personal Background

I previously worked for a company called *Aboriginal Air Services* (AAS). The company was based in Alice Springs and functioned from 1982 to 2006. Over the course of its existence it conducted charters, mail services and RPT services in an area that ranged from Perth and Kalgoorlie in Western Australia through to the Pitjantjatjara Lands of South Australia, the western areas of the Northern Territory, Tennant Creek, Katherine, Darwin and Arnhem Land. The company was made up of four constituent companies: *Ngaanyatjarra Air*, *Ngurratjuta Air*, *Pitjantjatjara - Yankunyatjajara (PY) Air* and *Janami Air*. Each owned aircraft but did not hold individual AOCs. Each ran closed charter services under AAS's AOC to their own areas of interest. RPT services were developed initially with *Janami Air* through to Katherine and later under the AAS banner to Tennant Creek, from Lajamanu through Katherine to Darwin, and also within Arnhem Land. AAS itself later leased additional aircraft from independent operators. After the withdrawal of *Ngaanyatjarra Air* from the group in August 2006 AAS could not operate given the particular financial situation at the time and the company went into receivership. The constituent air companies remained solvent. Some sold off their aircraft while others have retained their aircraft and leased them to operators holding an AOC.

At the time of ceasing business AAS operated eleven aircraft, and in association with its related jointly managed maintenance organisation, *Aboriginal Aircraft Maintenance and Services*, employed a staff of thirty personnel, including sixteen pilots. The company had a good reputation both in service to clients and the standards that it fostered as regards to safety and the training of pilots. This can be demonstrated by the fact that CASA chose to fly with the company over one Queen's Birthday weekend when it wanted to inspect the flying operations of helicopters and fixed-wing aircraft covering the running of the Finke Desert Race. In another example, one of CASA's inspectors flew with the company for a prolonged period in order to gain endorsement as a pilot on a turbine-powered Cessna C208 ("Caravan").

I worked for the company from 2000 to 2006 graduating over that period to Operations Manager. My role was to supervise and coordinate the activities of most office staff, program aircraft and pilot operations, and schedule aircraft maintenance. Towards the end of the company's existence the operations management role was split and I then dealt mainly with the reservations side of the business. I was active in senior management concerns and dealt with major clients in relation to services. When the company ceased operations I was the longest serving current employee.

After AAS ceased business I assisted the liquidator with inquires about outstanding accounts, and the decommissioning of the office. Following that I acted as a local consultant to the Alice Springs office of *Australasian Jet NT*, working on a tender for

the Remote Air Service Subsidy Scheme (RASS) for Regions 9 and 10 which was to be let in February 2007. I subsequently joined a major aviation industry participant and am still with that organisation - which is making its own submission relevant to its operations.

The following discussion focuses on observations relating to regional aviation operations, including the effects of the decisions of regulatory bodies. Also included are some brief responses to the questions posed in the Aviation Policy Statement.

Regulatory Bodies

Australia has been well served in the regulation of aviation by the Civil Aviation Safety Authority (CASA) and the Department of Infrastructure, Transport, Regional Development and Local Government (*Infrastructure*); and the forerunners to those organisations. Despite this there are some matters that need to be addressed, at least as far as regional aviation goes, and more particularly in relation to remote communities.

Civil Aviation Safety Authority (CASA)

Some of the criticisms from regional aviation levelled at CASA relate to the following.

- Being both a lawmaker and a policeman.
- Interpretation of regulations etc differs between regional offices of CASA.
- Being “Qantas-centric”.
- Being immune to the impact of interpretations of regulations on business outcomes.

I will address each of these in turn.

Law-Maker And Policeman

CASA’s role seems to be both a law-maker and policeman. It is not really acceptable for CASA to be able to do this in isolation; otherwise it seems that CASA is then only accountable to itself. While most of their efforts are laudatory and work for the common good, some of their decisions seem to be for their own ends and can have major impacts on the viability of operators, operations and routes.

It would appear that a Commission, or some such body should be involved in some aspects of decision-making in relation to rules and operational matters; rather than allow CASA to do this alone. I am amazed that the aviation industry has either not attempted or not been able to correct this through approaches to government or via political means.

Interpretation Of Rules

Interpretation of the rules varies between offices of CASA. E.g. At some point the Adelaide office of CASA advised AAS that it could no longer take tourists on out-back mail runs conducted as closed charters to remote communities. The reason given was that these passengers were travelling from one major airport (Alice Springs) to another (Alice Springs), and that to do that the service needed to be run as an RPT operation - something that was impossible to achieve.

It would seem somewhat nonsensical that a passenger could be taken to a remote community from Alice Springs, dropped off, and picked up on a return flight to Alice Springs on the next service, but that a tourist could not do the round trip in the one day. This decision by CASA cost *Ngurratjuta Air* and *PY Air* approximately \$1000 per week each for over six years by denying them access to income from enthusiastic tourists who were keen to take part in these flights in Central Australia. Although \$1000 is not a large sum of money in terms of larger aviation operations it was considerable given the size of the companies and the relative value of the Australian dollar at the time. This reduction in income in turn affected air company viability and the financial support of operations - which could in turn have decreased the dependence on subsidies.

By contrast I believe that the Cairns office of CASA would allow tourist passengers to go on mail flights conducted by *Capricornia Air* and which were not fully RPT. I understand that the island airstrips were too short for the airstrips to qualify for full RPT operations. Another example was the Darwin office of CASA allowing general carriers to conduct closed charter type operations between Darwin and Nguuiu (Bathurst Island); something that was definitely not allowed by the Adelaide office of CASA, which oversaw AAS's operations. I understand that these services continue.

"Qantas-Centric"

This refers to the impression that CASA is more oriented and sympathetic to large carriers and major RPT services compared to general aviation and remote air services.

An example was the insistence that the closed charters that AAS ran to remote communities should progress as rapidly as possible to RPT services. When *Aboriginal Air Services* ran their flights to the various communities, CASA allowed them to be run as "closed charters" because the communities as a whole owned the relevant individual air service companies that conducted the flights under the auspices of *Aboriginal Air Services*. However I believe that the regional CASA office only allowed this under sufferance, and on the understanding that RPT services would eventually be established. I believe that this continues in a reduced form with the current temporary operator running services to those areas at present.

Going on from there, being able to run an RPT service requires the operator to meet certain criteria. Apart from the requirements for aircraft, servicing, and pilots, there is the need for the airstrips to meet particular standards. As far as I am aware there were only one or two airstrips that would be likely to meet these requirements. I believe that even Docker River which was upgraded by The Australian Army some years ago does not meet the width criteria. It is extremely doubtful that any of the airstrips that do not now meet the RPT standard will be upgraded to RPT status within a decade; and many will never meet the criteria unless a major upgrading programme and proportionate funding is forthcoming. This seems quite unlikely to happen.

Apart from these requirements I also believe that CASA requires RPT operators to have local agents at each community. This does not readily fit in with the availability of suitable personnel that could perform this function regularly and reliably in remote communities.

One important drawback for insisting on RPT services is that it invokes an inflexible schedule and route. E.g. Remote air services from Alice Springs to Western Australian communities require aircraft to stop at all of the communities on the way out. On the return run many communities do not have passengers to be dropped off or picked up and the landing of the aircraft as required per RPT regulations would be an imposition on the busy community officers, and be a waste of time and money for the operator.

Another drawback of stringent RPT rules relates to the diversion of flights on occasions when such diversions would be very advantageous in serving a community. An example from a real situation was AAS taking a nurse from a community in Western Australia to Ayers Rock in the NT; rather than having to travel to Alice Springs and then make a separate trip to Ayers Rock. This or the reverse was not uncommon on the closed charter flights. Such diversions at the passenger's or employer's cost were of considerable benefit to a passenger and a community alike.

Bringing all this together, there is a question about the enforcement of RPT conditions in remote areas, and in particular to operations in Central Australia. I gather that CASA's insistence on the universal implementation of RPT standards for regular passenger services stemmed originally from the difference in the accident rate between RPT operations and General Aviation. It would seem that this insistence is much easier to apply in the better populated areas of the continent, and in addition many of these same areas are served by alternative forms of reliable and regular public transport. The insistence of applying RPT conditions, as currently defined, to the desert communities is to some extent discriminatory, in part unrealistic, and generally allows CASA to avoid seeking a more suitable third way to assist the conduct of services in remote areas. It would seem quite possible to develop regional criteria requiring a carrier to have an RPT standard of aircraft and piloting, yet be able to service remote communities with reasonable airstrips for the purpose of providing regular passenger and freight connections which would otherwise not be available.

Again this also relates back to CASA's role which seems to be both law-maker and policeman, and in addition CASA seems oblivious to the needs of aviation services in remote areas. While it is not necessarily CASA's role to be concerned about services *per se*, it is beholden on them to be aware of needs of remote communities and the restrictions under which remote communities and their air services operate. Taking this further there seems to be a critical need for CASA and *Infrastructure* to come together in some manner so that better information is shared. Having a third party such as some representative body for remote area communities and service providers would be beneficial. Such national bodies meet to consider matters such as security, and something similar for general air service matters would be advantageous.

Department of Infrastructure, Transport, Regional Development and Local Government (“Infrastructure”)

In this discussion I will refer to the current Department and its predecessor (DOTARS) using *Infrastructure* throughout.

RASS Tender - Regions 9 and 10

The main concerns about the previous workings of *Infrastructure* relate to the handling of the RASS tenders, which reinforced earlier perceptions that *Infrastructure* demonstrated a lack of understanding of the needs of remote areas and that this in turn has led, at least in part, to the lack of provision of meaningful services to these areas.

While AAS was still operating tenders for the second round of the RASS scheme were invited. In so doing the previous RASS region boundaries were altered without consultation with the industry or regional stakeholders. This caused some problems in servicing a couple of communities east of Kalgoorlie; however that will be incorporated into the discussion below concerning the tender that was to be let following the demise of AAS.

After the demise of AAS a Request For Tender was made to provide air services to Regions 9 and 10 of the RASS scheme, so that other operators could take up the services previously provided by AAS. (RFT No. TRS06/523, relating to air services to the central and south-eastern areas of WA, Region 9; and also northern SA, Region 10.)

The administration of this tender was extremely poorly handled. Of primary concern is that it showed that there was little understanding of what had been provided previously and what was needed. To boot there was no consultation with anyone beforehand to gauge what services were needed and what operators were available.

When I last checked in mid 2008 I gather that the tender had still not officially been let - some eighteen months or so after it was supposed to have been awarded. One company had been doing the runs on an ad hoc basis only, under instruction from the Department.

Region 10 of the tender was relatively straightforward and will not be discussed any further. Region 9 is a complex area with communities widely spaced over the Ngaanyatjarra lands which stretch from Cosmo-Newberry, north-west of Kalgoorlie, east through Warburton Range to the WA-SA-NT border, and north to beyond Warakuna (Giles) and Tjukurla. There are a number of RASS ports in the Region but the main centre is Warburton Range - which did not qualify as a RASS port because AAS had serviced it more than once a week. The request for tender did not specify flying into Warburton Range but it was essential to do so - on the one hand for fuel and on the other because that was the community to and from which most passengers travelled. Further fares to and from Warburton Range could subsidise the flights to other communities.

Region 9 also includes the community of Tjuntjuntjara east of Kalgoorlie, and the roadhouse of Ilkurlika further east. Both have little relationship with the Ngaanyatjarra area and deal with Kalgoorlie; and it is that major regional airport which should be the focus of any relevant services for these two remote communities.

Currently anyone wanting to travel from Tjuntjuntjara to Kalgoorlie, the regional centre, can only do so by catching a flight to Alice Springs, staying there overnight, then catch a Qantas flight back to Perth and then another flight to Kalgoorlie. Similar procedures would apply to mail and freight.

What this discussion is leading to is that the tender was to be for services that covered one of the most remote regions of the continent and in which there were few operators from which to source services. This should have invoked a more consultative approach to developing suitable air services and sourcing suppliers. However such an approach was not taken. The staff from the relevant section of *Infrastructure* were apparently not used to going out into the country and finding out what was happening or what was needed prior to the request for tender.

The RASS operations conducted hitherto by AAS provided a comprehensive service to RASS and non-RASS ports, but a considerable amount of community money was provided to maintain the services. If *Infrastructure* is serious about facilitating useful services then it should investigate what is required itself. Central Australia is one area of the continent with a very small, very widespread population and few companies able to service the area with suitable capacity.

In particular the Tjuntjuntjara and Ilkurlka communities should be in a region of their own, and be provided with services to and from Kalgoorlie only in an aircraft like a Cessna C210 (six-seater). There is only one charter operator in the Kalgoorlie area and in cases such as this it would seem more appropriate to negotiate with this company in the first instance, rather than incorporate these communities into a larger region. The separate servicing of these communities would have both operational and financial advantages.

Other RASS-Related Matters

There is a need for *Infrastructure* to check on the airmanship and safety relating to the tenders that they let for RASS operations. For example a minimum turnaround time for a small aircraft at a remote airstrip is in the order of 20 minutes. This includes an approach circuit, landing, unloading, pre-flight safety checks, and take-off procedures. Information from a pilot who has flown with one of the companies currently performing mail runs under RASS is that with some mail runs there are so many landings, that in order to get over the run in time, the turnaround time has to be shortened considerably. The preliminary circuit is usually avoided meaning that the aircraft will fly straight into an airstrip. This in turn means that the aircraft is vulnerable to straying animals, deteriorated airstrip conditions and so on. Other aspects of the turnaround are rushed and it all adds up to unsafe practices, particularly at remote airstrips. Prior to accepting a tender, checking the flight plans and timings of mail runs with CASA and experienced pilots would enable an assessment as to the safety of the operations. *Infrastructure* should stipulate relevant standards in the requests for tender - rather than assume that the tendering companies will stick to accepted safe practices endorsed by CASA. Generally, competitive tendering provides an incentive to cut corners, impacting on safety. If RASS officers assessing tenders are not pilots or are not familiar with aircraft operational requirements, they are unable to assess the safety of the operations that are put forward in the tenders. They should consult with CASA or some other relevant neutral organisation or body of expertise to ensure that safe practices are followed and good airmanship prevails. It would be a good safeguard to do this as a matter of course when evaluating all proposals.

A personal experience relates again to the Request For Tender No. TRS06/523 which I helped another operator to prepare. I advised the officer from *Infrastructure* overseeing the tendering that, during the time of the previous tender, *Aboriginal Air Services* would not land at Ilkurlka WA as we considered the airstrip unsuitable. One of our pilots had checked out the airstrip and given an unfavourable report. The *Infrastructure* officer dismissed this by advising that the interim operator was landing there. This is not necessarily a safe option. I believe that *Goldfields Air Services*, the main local operator, would only take particular aircraft in there. I think that the RASS officer would not have been in an authoritative position to make a judgement. If there is a question of safety then it is beholden on *Infrastructure* to follow this through with qualified personnel.