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Aviation White Paper

Via email: aviationwhitepaper@infrastructure.gov.au

Par Avion
TASMANIA BY AIR

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Re: Airlines of Tasmania submission for the Aviation White Paper

Airlines of Tasmania, also known as Par Avion, is a general aviation company based at Hobart/Cambridge Aerodrome in Tasmania. The company has been operating since 1978 and has a fleet of approximately 20 twin and single-piston engine aircraft. Airlines of Tasmania is engaged in various aviation activities, including Passenger Transport Operations (Part 119/135), Aerial Work (Part 138), Flying Training (Part 141/142), and Airworthiness + Maintenance (Part 42 / Part 145). The company is also the owner and operator of Cambridge Aerodrome since its privatisation by the Federal Airports Corporation in 1992.

Airlines of Tasmania is a registered training organisation that provides approved Diploma of Aviation courses for VET Student Loans and CRICOS. The company has a workforce of around 25-30 full-time employees and is a family-owned organisation. The company's primary focus is on flights within Tasmania, with a particular emphasis on tourism, especially flights to the UNESCO-protected Southwest National Park of Tasmania, one of only two places globally with seven out of ten criteria to be World Heritage Listed. Airlines of Tasmania also operates a successful flying school that attracts individuals who come to Tasmania to learn to fly due to its varied terrain, uncongested airspace, diverse weather patterns, and unique lifestyle.

Airlines of Tasmania operates with minimal complaints from the community concerning noise, and its operations are generally accepted by the public, including flying into an internationally protected national park. In the past, the company has engaged in diverse undertakings such as Cloud Seeding, Aerial Survey (including Southeast Asia and the Pacific), and regional airline services, including two-pilot operations utilising aircraft such as Dornier 228. Over the years, Airlines of Tasmania has encountered various challenges, including the "two airline policy," state regulation of air routes, pilot shortages, and other cyclical events in the aviation industry.

Airlines of Tasmania has survived various challenges, including the COVID pandemic, the "pilot dispute" in 1989, the additional costs of security due to 9/11, and the implementation of changed regulations requiring safety managers and quality managers due to Part 145. The company has also handled niche issues such as the 1999 avgas contamination event or the Chile Volcanic Ash Cloud, where Tasmania was cut off from the mainland by major airlines.

The company welcomes the opportunity to contribute to the white paper and hopes to still be in operation in 2050. While the following pages will address the terms of reference, Airlines of Tasmania will do so from the viewpoint of a small/medium-sized commercial general aviation business. Arguably we would be deemed "regional", however we classify ourselves as general aviation.

The company considers private general aviation to be comparable but separate from commercial operations as financial and regulatory issues are significantly different, and notably (including the recent announcement of Part 43) becoming further and further apart.

We acknowledge the significant short term issues General Aviation faces. Aging aircraft coupled with skills shortages for skilled labour, in particular Licenced Aircraft Maintenance Engineers, is already grounding aircraft and significantly impacting many operators. Purchasing a new aircraft today, comparatively to purchasing a new aircraft 30 years ago, is much more expensive. It takes a brave organisation to make significant purchases of new aircraft without assurances of long-term income, i.e., a contract. We made a representation to the Senate Standing Committee, regarding the current state of Australia's general aviation industry, and I would be hopeful that some of these issues raised are resolved by 2050, so this representation will avoid overly focusing on these issues, however we assume the white paper will refer to this inquiry.

Airlines of Tasmania's competitive advantage is derived from the natural beauty and unique characteristics of Tasmania itself. Although it may be cheaper to fly to Melbourne or even Bali compared to our services around Tasmania, and people can learn to fly at their local airport instead of relocating to Hobart, we have found success in offering personalised experiences. Hobart is no longer a cheap place to live or visit, and our planes may not be more efficient, our fuel may be more expensive, and our aircraft may not be faster, but customers choose to fly with us because of the unique experiences we offer. As a small to medium-sized business, we prioritise our commitment to avoiding mass tourism within national parks and refrain from seeking development and infrastructure within these protected areas. In addition, we are mindful of our impact on the environment and local communities by avoiding mass flying training that can create excessive noise. These values are deeply ingrained in our local business and will always guide our decisions and the community appreciates this.

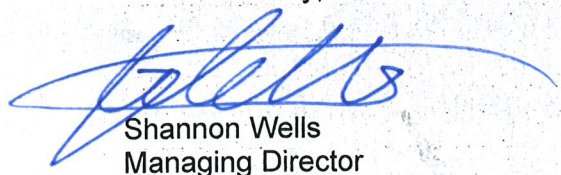
We recognise that the aviation industry will undergo significant changes by 2050. Urban expansion will further encroach on airports and surrounding airspace, while noise pollution will become an increasingly critical factor. Additionally, AVGAS may no longer exist, and electric or even unpiloted aircraft could become the norm. It is crucial that we adapt to these technological shifts.

However, we are concerned that large organisations and companies will continue to expand their operations through multi-million-dollar investments, potentially with government support, and encroach on areas traditionally serviced by local organisations. This could include flying training, tourism, aeromedical services, maintenance, and other areas. For example, general aviation has been providing highly skilled pilots to airlines for decades, yet major airlines were playing city council versus city council to get the best deal possible for the airline (not necessarily the industry or the community) to start a flying academy before COVID. We are not aware of a shortage of pilots or lack of skill in these pilots, and we are uncertain if the "corporatisation" of traditionally localised aviation roles will benefit local communities.

General Aviation has always had local communities best interests at heart and is always available to support them. During emergencies, such as fires or search and rescue operations, when contracted services become overwhelmed, we step in. When an ash cloud, staff strike, management lockout, or a pandemic stop Boeing and Airbus aircraft from flying, we get airborne. We are committed to serving the local community and are always available to answer the phone, without solely focusing on share prices.

In conclusion, we hope that Airlines of Tasmania will continue to exist in 2050 and remain committed to offering unique and personalised experiences while protecting what makes Tasmania special. We appreciate the opportunity to make this submission and look forward to further dialogue.

Yours faithfully,



Shannon Wells
Managing Director

Terms of Reference:

- Aviation's role in economic development, trade and the visitor economy – general, domestic, regional and international aviation;

Citing the comments from the Regional Airline Association (of which we are a member), it is reasonable to state that this issue has been well and truly discussed in previous government papers. As an island continent, with a population spread across all edges of the country, aviation is an essential service, this includes all aspects of economic development, trade and the visitor economy.

Noting our focus on the visitor economy, namely flights into the Tasmanian Wilderness World Heritage Area, aviation is an essential service, as there is no road access, meaning visiting a UNESCO listed property is beyond the scope of all but the most hardened bushwalker.

However, it is necessary to restate the importance of commercial general aviation / regional aviation to overall industry, and to local communities, as was commented in the introduction. The nature of being highly diverse, and spread across the entire country, with limited opportunities for economies of scale has led to highly individualised and isolated businesses of which frankly receive at times lip service from various agencies, including all levels of government. Countless "GA Task forces", and inquiries by governments, are still leading to a situation of General Aviation being in decline.

Commercial general aviation is needed to support all other aspects of aviation, whether that be in training, providing services in particular for local or rural communities, or providing services which large organisations are not interested in due to not being financially viable. For example, we operate a twice weekly service to Cape Barren Island, as part of a Remote Air Subsidy Scheme. Flying only a handful of passengers a week, this remote Aboriginal community would not have access services from Launceston should it be not for this service. Due to the limited revenue, larger airlines would not be interested in flying this service, and as such it is commercial general aviation that provides this essential service. This route, is only one of many across the nation which commercial general aviation / regional aviation is vital to local communities.

- How to maximise the aviation sector's contribution to achieving net zero carbon emissions including through sustainable aviation fuel and emerging technologies;

Airlines of Tasmania acknowledges the importance of net zero, and we recognise that Aviation is a contributor to this global issue, we have some concerns as to how this will be achieved by 2050 and what process will be used to achieve this.

We accept that leaded fuel such as AVGAS has a limited future, and should have been retired years ago had piston powered aircraft engines being able to use an alternative, we appreciate AVGAS will most likely no longer be in commercial production by 2050, and we are following the development of electric / hydrogen powered aircraft, and are in discussions with a number of manufacturers regarding this future technology. However, being an early adopter is not without risk, and as general aviation / regional aviation generally has less access to capital, and directors themselves may be providing guarantees to the company, it is difficult to find a path to this transition

Regarding other technologies, this is assuming that this includes technology to have aircraft fly more efficiently, i.e., how ADSB and GNSS allows airlines in particular to fly more efficient flight routes, and the removal of ground based navigation aids has reduced costs for Airservices, arguably, this has little to any cost reduction for general aviation, in fact, the compulsory installation of equipment on IFR aircraft, has resulted in additional costs for general aviation, with little to any financial savings. It is pleasing that an ADSB rebate was made available by the prior government for VFR aircraft, and it is hopeful that when looking at cost/benefit analysis of future technologies, that while the airlines may be headlining, that cost impacts on General Aviation is not ignored.

- Changing aviation technologies and ways to position our policies, regulations and systems to encourage uptake and manufacturing of new, more efficient, transport technologies;

Australia must take a leading role in securing the future of aviation in the country by adopting new technologies, promoting efficiency, and upholding high safety standards. Recent amendments to Part 135, allowing for single pilot operations for up to 14 seat aircraft, are a positive step in this direction. These amendments reflect advancements in safety and technology in modern aircraft, as well as a reduction in pilot workload. However, Australia must continue to prioritise a holistic approach to aviation, encompassing safety, financial viability, and environmental considerations, among others.

As the aviation industry continues to evolve, the emergence of new technologies, such as unmanned passenger-carrying aircraft, is inevitable. Regulators will play a crucial role in shaping the adoption of these technologies in Australia, and it is important for the country to be proactive in this regard. Collaboration with entrepreneurial organisations that are interested in trailing new technologies in Australia will also be vital, with regulatory frameworks playing a key role in determining whether the country is an early adopter of new technologies or not.

However, this transition should not overlook existing operations, and community consultation is critical to ensure that the public, particularly those not well-informed about the aviation industry, are not taken by surprise. For example, the introduction of GNSS Standard Arrival Routes in Hobart improved safety and flight efficiency but led to complaints from residents about aircraft noise who previously had no noise. For example, if an Uber Elevate trial were to be proposed over a major city corridor with limited existing aircraft traffic, how would it impact the residents on the ground? Therefore, it is essential to address these concerns proactively to avoid creating new problems while solving old ones.

- Airport development planning processes and consultation mechanisms that consider the impact and changing nature of aircraft noise and related expectations on the role of noise sharing and noise mitigation;

The aviation industry must prioritise its role as a responsible in its activities by upholding environmental standards in its operational framework. Nevertheless, it should not be unduly burdened by overly stringent noise and operational limitations that do not align with established industry practices spanning several decades.

For example, the urban sprawl around Cambridge Aerodrome has progressed from being around vacant land in 1935



To today



And with the population growth of Hobart growing by around 79,000 people over the next 10 years (around a 30% growth), the urban sprawl will continue.

Given aviation's status as an essential service, including Commercial General Aviation, ensuring that aviation can operate with a reasonable degree of autonomy is vital to its ongoing viability. Imposing curfews and other limitations can have regrettable consequences, and thus a holistic, government-wide approach is necessary, including the involvement of local and state governments, to safeguard the aviation industry through effective planning.

It should be noted that while federally leased aerodromes enjoy substantial protections and rights to regulate runway-adjacent development, these safeguards do not necessarily apply to non-leased airports. Recently, Cambridge Aerodrome submitted a proposal to the Tasmanian Planning Commission to secure aerodromes that lack federal protection, a measure that could benefit airports throughout the country.

Numerous reports indicate that local councils have been shutting down aerodromes that were previously under federal government ownership due to the high cost of upkeep or the potential to rezone and repurpose the land for non-aviation purposes (e.g., Hoxton Park in Sydney). Furthermore, several aerodromes, such as Bankstown and Moorabbin, have reduced their aviation operational capacity by closing runways and redeveloping areas for non-aviation commercial purposes. The forthcoming Aviation White Paper must meticulously evaluate the role of airports and aerodromes and ensure that this vital infrastructure and its surrounding areas receive sufficient protection to prevent the jeopardisation of aviation services

- How to support and regenerate Australia's general aviation sector.

Considerable progress has been made in recent years by the Civil Aviation Safety Authority (CASA) and the Federal Government, including a recent Senate inquiry in which Airlines of Tasmania submitted a document (available at <https://www.aph.gov.au/DocumentStore.ashx?id=4380a742-e021-489d-823b-a0b0289544f5&subId=720697>).

We would like to highlight some short-term issues, which may not necessarily relate to 2050:

- We are concerned about the impact of Part 43 on commercial general aviation. Specifically, with the discontinuation of CAR30, private aircraft will be eligible for maintenance under Part 43, but commercial aircraft will not. If an organisation decides not to switch to Part 145 (which is expected to be the maintenance standard for passenger transport operations), but instead opts for only maintaining private and aerial work under Part 43 for economic reasons, then passenger transport operations may face restrictions on where they can maintain their aircraft, leading to increased operating costs.
- Some organisations, including ours, have invested in the overheads and expenses of becoming a Registered Training Organisation and receiving approval to offer a Diploma of Aviation with VET Student Loans. According to myskills.gov.au, the average course fee is \$88195, and the government charges a 20% loan fee to students under VET Student Loans. However, if a student chooses to pursue a bachelor's degree through a university with FEE HELP and a graduate diploma, the 20% loan fee does not apply. This discrepancy gives universities an unfair advantage over the VET sector and requires attention from the government.
- We have serious concerns about the shortage of skilled Licensed Aircraft Engineers, and the apparent disconnect between, State Governments, ASQA and CASA regarding a seamless process to go from an apprentice to a licenced engineer. We fully endorse the comments of the Regional Airlines Association's recent report <https://raaa.com.au/wp-content/uploads/LAME-shortage-Media-Release-FINAL-1.pdf>
- Aging aircraft remains a significant issue, and government assistance in organisations purchasing modern aircraft would improve safety and enhance the industry's long-term viability.
- The security of AVGAS is a concern until alternative fuels become commercially viable.
- Appropriate consumer protections and access to services.

We note that there is recent commentary regarding consumers flying American or European airlines having "more rights" than Australians do due to differing consumer protection laws. While we acknowledge that changes to consumer protection laws may be beneficial, it is essential to bear in mind that the aviation industry operates on narrow profit margins, particularly in regional aviation. Any rise in operating expenses could potentially result in the closure of services or necessitate government subsidies or underwriting.

- Maintaining fit-for-purpose aviation safety, air navigation and aviation security systems and service delivery agencies;

It is acknowledged by our organisation that General Aviation and Regional Aviation cannot generate the same revenue as major airlines, therefore rationalisation of services, such as the removal of weather forecasts for infrequently used aerodromes by the Bureau of Meteorology, is inevitable. The implementation of GNSS and ADSB can also reduce the need for ground-based navigation aids and radar, which provides cost savings for the government and benefits for airlines but can be costly for general aviation due to the requirement for new equipment installation and maintenance.

It is essential for the government to maintain an open mind about the impact of its decisions across the entire aviation industry, not just major airlines, especially as new challenges will undoubtedly arise before 2050. For instance, security screening at airports is based on an arbitrary maximum take-off weight, rather than a comprehensive assessment of risks associated with operating a specific aircraft type along a particular route. A comprehensive review is needed to determine whether it is still necessary for various security processes that exist today. For example, is it still necessary padlock a Cessna 172? Why do ASIC holders have to provide their birth certificate after their 5th renewal? It is easier to regulate when circumstances demand it, but the process to review and rollback is often more complex.

Similarly, the rationalisation of forecasting services at predominantly regional aerodromes has led to an increasing reliance on alternative means of assessing weather. The lack of uniformity in services provided at different airports, such as publicly viewable webcams for viewing weather, or transmitting weather conditions via VHF radio vs requiring a telephone make no sense. Part of the problem is that it is often difficult to determine what government department or agency is a decision maker, and often these can be spread across many agencies. Perhaps consideration could be made for a new organisation, such as a coordinator general of aviation, to assist with the navigation of the bureaucracy.

- The role of airlines and airports in supporting regional economies;

Given our large land area and sparse population, aviation is vital to the economies of regional areas. This is especially true for Tasmania, which relies heavily on airlines and airports as an island state. Furthermore, as noted throughout this submission, regional economies depend on local businesses that provide services at aerodromes, and the value of these services should not be underestimated.

Operating small aerodromes is a costly endeavour, and many local councils operate them at a loss, adding pressure to community budgets. Increasing insurance and compliance costs are leading councils to consider closing airports and many have already done so.

- Other significant issues raised during the consultation process.