08th March 2023

Mr Jason Dymowski
Domestic Aviation White Paper group
Via email: DAP@infrastructure.gov.au

Dear Jason

RAAA Submission on the Aviation White Paper

The Regional Aviation Association of Australia (RAAA) welcomes this opportunity to make a submission to the Aviation White Paper (AWP) process.

The RAAA represents over 100 aviation organisations, from the larger regional airlines to flying schools. We also have a large number of organisations who are major suppliers to the aviation industry through the services they provide. We believe the RAAA is therefore in a very unique position at the heart of aviation in Australia.

Our members are those who suffered the most through Covid, most without government assistance and will be at the forefront of the drive to net zero by 2050. Our members are on board with the push to net zero but the constant question is how! We hope through the AWP process, the government will clearly outline how our small to medium sized (regionally based) businesses will be able to make this incredibly expensive transition. It cannot be understated how essential regional aviation is to the whole aviation ecosystem and most our members go about their work unnoticed by Canberra. Without support from Federal and State governments, this transition could be the straw that breaks the camel's back and Australia's regional aviation network could be severely diminished, further alienating our regional and remote communities.

I have prepared some comments around the Terms of Reference (ToRs) at this stage as advised and have also included previous submissions on the many consultation process over the years. I understand that this process will lead to a Green Paper for which further consultation will be done.

The RAAA looks forward to engaging with government through this process to ensure that regional aviation is not unfairly or disproportionately affected by future policies.

Best regards,

Steven Campbell
Chief Executive Officer
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Serving regional aviation, and through it, the people and businesses of regional Australia.

Aviation White Paper: Terms of Reference

Purpose:

The RAAA recognises the importance of a forward-looking White Paper, however, we are concerned that the focus as set out in the "Purpose" section does not articulate clearly the need to overcome current burdens on the industry. There is a need to understand where the industry is at today before you can assume what it will be tomorrow. The RAAA would like to see a statement that will ensure, through this process, that a snapshot of the health of the industry is undertaken to better understand what levers can be used to bridge the gap to what will be required in the years ahead.

Scope and themes:

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

Whilst this is obviously an important metric to understand, work on understanding this 'role' of aviation has already been undertaken in the previous government's paper on "The future of Australia's aviation sector-flying to recover" in 2020. The paper opens with this statement:

"Aviation is central to Australia's economy and quality of life. Aviation underpins Australian business: transporting workers, tourists and high value freight. The sector directly employed over 90,000 people and contributed $20 billion to the economy before COVID-19. Furthermore, the sector indirectly enables the tourism, mining, manufacturing and higher education sectors."

So the need for further deep dives into understanding the value of the aviation industry seems unnecessary and could possibly lead to distraction from the main value of the white paper in addressing policy issues the industry are facing now and into the future.

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

The RAAA welcomes this focus on net zero for aviation as there is a lot of uncertainty amongst our members on the 'how' to get to net zero. Not all aviation organisations have the resources of the larger airlines, and it is imperative that this white paper provides regional aviation companies a clear pathway and understanding of the support the government will provide in attempting to reach net zero by 2050. It is also important to understand the government's position on what measures will be in place for sectors of the industry that just can't practical achieve those targets. This is very much a possibility when looking at the costs to achieve these targets with new aircraft/technology and of course the supply chain for SAF in our remotest parts of Australia.

It is not all about the aircraft though as much work still needs to be done to improve our Air Traffic Control system and to seek out further efficiency gains for things such as direct routing, flex tracks to make better use of winds and constant descent paths. Additional ADS-B ground stations would permit earlier identification of aircraft on departure at aerodromes outside capital cities (for example, the "Iron Triangle" in the Pilbara region of WA). This would permit ATC to provide track shortening, aircraft would be able to enter controlled airspace more efficiently (sometimes required to remain at lower altitude until identified) leading to reduced fuel burn.

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

It is essential that Australia becomes a country of choice for manufacturing organisations of future aviation technology. All too often we have to look overseas for manufacturing of aviation products. Already we are seeing growth in this sector for AAM as well as hydrogen/electric propulsion manufacturers. Reducing regulatory red tape without affecting standards as well as providing financial benefits for organisations to remain in Australia are key to elevating our record in manufacturing.

- 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 RAAA hopes that this focus is also looking at the importance of maintaining the intent of the Airports Act in ensuring aviation activity at Federally Leased airports, in particular the GA airports. Master Plan and MDP processes need to be scrutinised to ensure that airport lessees are complying with this intent and whilst the RAAA understands the importance and value in non-aviation commercial leases, it cannot be at the expense of aviation. We have seen bad examples of GA airports ignoring the plight of aviation operators, such as Moorabbin Airport and the government needs to set clear policies on sustainable aviation operations. This is particularly so when the government is providing funding assistance for any projects at our airports, requiring the airports to show their plans for ensuring aviation activity is not detrimentally affected by any supported project.

The RAAA is also concerned of the growing influence of anti-noise activists within certain electorates close to major airports and the impact they have on flight path planning. The RAAA would like to see the government support Airservices Australia's "Community Engagement Standard" on future flight path planning and ensure that future flight path planning remains safe and efficient without political interference.

The RAAA does not support curfews, movement caps or any other legislation that will reduce the efficiency of airport operations. See the first dot point on why aviation is so important to the nation's economy.

- how to support and regenerate Australia's general aviation sector;

Much work has already been done in this space and we hope that this work does not have to be replicated here again. The RAAA also appreciates CASA's efforts through their GA workplan, however the timing of outcomes seems to be uncertain, so we would like to see more resources put to this effort.

It is also important to understand how the move to net zero could affect GA in fuel and technological advances. All these new technologies come at a fairly hefty cost, something that we would like to understand how the government thinks GA can overcome these hurdles. Our current GA fleet cannot operate on SAF (mostly) and there is increasing uncertainty around the supply of AVGAS at regional airports. Focusing on future fuels without understandinig the effect on transitioning from today's fuel could leave many regional airports without the type of fuel needed for the local aviation industry.

- future industry workforce skills and training requirements;

This should be a major focus of this AWP, but not just future workforce, we have to solve the problems of today's skills shortages to even start to contemplate what is needed in the future. Engineering shortages are critical and we would prefer to see answers to this rather than what engineers we will need for 2050!

It is time to rewrite engineer training and to bring in all the States who manage trade courses. As in our paper on LAME shortages, we need a national approach to streamline engineer training so that we don't lose young men and women who enter the system and then lose sight of their pathways. A National Aviation Academy will look to bring all that training under one system but still be able to be managed by the States. Aligning funding and licencing is also essential and we feel this can be achieved with this process.

We would also like to see modern training techniques such as Virtual Reality be welcomed with open arms rather than looks of distrust as is the case today. Saving time in the air or even in the classroom with realistic training will save time and money but importantly maintain standards.

- appropriate consumer protections and access to services;

The RAAA welcomes a focus on 'access to services' for regional communities and to see how the government can assist state and local governments in providing air services to smaller regional communities. Regional aviation suffers from the 'tyranny of distance' and the 'economy of scale', both working against it to secure feasible air services. Work was done by the Senate Committee Inquiry into regional air services many years ago which highlighted the many hurdles to regional air services that still exist today.

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

Our aviation agencies are all suffering from resource shortages, from CASA's service delivery delays to Airservices Australia's downgrading of airspace due to lack of sufficient air traffic controllers. The RAAA welcomes this focus however are concerned about how the government plans on 'maintaining' them.

Safety as with security are now national benefits that nearly all Australians enjoy. Smaller regional airlines and other aviation companies can ill afford higher costs to help 'maintain' these agencies. The RAAA wants to see a national approach which will ensure any future increase in funding can be managed nationally, this is definitely the case for airport security. The disproportionate costs to small regional airports can make some regional air services unviable. Estimates on security screening costs per passenger at major airports can be as low as a few cents, but this rises exponentially at regional airports where it can be up to $40-$50 per passenger. Passengers on Sydney to Melbourne flights are still benefitting from safe and secure regional aviation, they should help pay for it.

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

As with the very first dot point, work in this area has been done in depth previously. We all know the value for regional communities their local airport and the airlines that service them is. We cannot overlook other aviation services as well, such as charter companies, maintenance hangars and even flying schools. The white paper should not just focus on the airline aspect, as important as that is, but also the likes of charter companies who can connect people to towns or cities that the airline may not. Or even the flying school who train pilots who may go on to do crop dusting as an example. And obviously we need someone to service the aircraft. There is a whole system to look

at for regional towns which rely on aviation so much for connectivity to families, business, health care and of course tourism.

- other significant issues raised during the consultation process.

I have included with this letter a number of previous RAAA submissions on aviation reviews for your reference including;

- Aircraft Maintenance Engineers shortage-Crisis and Opportunity, Oct 2022
- Aerodrome Management Services-Regional airport feedback for white paper, Feb 2023
- TAAAF Policy Paper 2022
- ACCC consultation on airport monitoring, Nov 2022
- The future of Australia's Aviation sector 2020
- Senate Inquiry into the state of Australia's General Aviation industry, Aug 2020

The RAAA will review the results of the Green Paper to consider if further issues need to be raised.

RAAA
REGIONAL AVIATION ASSOCIATION OF AUSTRALIA

Aircraft maintenance engineer shortage – crisis and opportunities

October 2022

Crisis

> ‘The aircraft maintenance skilled labour shortage is at crisis point, both LAMEs and AMEs across all trades. To overcome this all levels of government and industry need to work together to implement a safe, commonsense approach prioritising easy-to-implement policies to reduce the current barriers within the industry.’
>
> **Matthew Wheatley**
> Sigma Aerospace Tamworth

There is a shortage of licensed aircraft maintenance engineers (LAME) in Australian aviation, a shortage now at crisis point. If we do not address this immediately, the continuing airworthiness of the Australian aircraft fleet will be significantly compromised, more aviation maintenance organisations will be forced to close their hangar doors, threatening the future viability of the Australian aviation industry and the critical transport infrastructure that it provides.

Maintenance organisations, particularly those in regional areas, are struggling to employ and retain LAMEs. If an apprentice commences their apprenticeship today, by way of context, it is at least three years until they gain their aircraft engineer licence, and more likely to be four to five years.

The warning signs have been apparent for many years, as evidenced in the extensive 2015 University of New South Wales report: ‘The Future of Aircraft Maintenance in Australia’[1]. Sadly, the report’s many recommendations largely remain unactioned. It is critical we address the factors contributing to this crisis and implement pragmatic solutions to secure the Australian aircraft maintenance sector into the future.

The following recommendations are founded on extensive consultation with industry and capture their concerns. This paper provides:

- Background – ‘how did we get here?’
- Recommendations for positive, pragmatic, and value-adding reforms to resource the sector in the short- and long-term.

[1] Australian Research Council Linkage Project 11011000335

Image: Bombardier Q400 aircraft | © Victor - Flickr

How did we get here?

Until June 2011, an Australian aircraft engineer licence was gained by completing CASA's 'basic exams' for the theory component, and a workplace schedule of experience (SOE) for the practical component. CASA regulated and managed this under Civil Aviation Regulation (CAR) 31. Under this pathway, depending which state or territory the apprentice was from, they could gain the required experience, complete the exams, and be granted their aircraft engineer licence four years after beginning their apprenticeship.

In June 2011, this CAR 31 pathway transitioned to the European Union Aviation Safety Agency (EASA)-based Part 66 licensing system. The licensing syllabus changed considerably, going from a licence with five categories (airframe, engine, electrical, instrument and radio) to a licence with two categories, B1 (mechanical) and B2 (avionics). At the same time, a Diploma in Aeroskills (Mechanical or Avionics) was introduced.

Under Part 66, apprentices study the theoretical component through a CASR Part 147-approved maintenance training organisation (MTO) that is also approved as a registered training organisation (RTO). They complete the practical component by undertaking in-house training at an approved maintenance organisation (AMO) and recording this in a journal of experience (JOE).

However, at the time of transition in 2011, apprentices were instructed to complete a Certificate IV in Aeroskills as it was eligible for state and territory funding, whereas the new Diploma in Aeroskills was not. These pioneering apprentices and employers were bewildered and disgruntled when, after completing the seemingly traditional 'four-year apprenticeship', they discovered that gaining a Certificate IV in Aeroskills did not provide a licence outcome and that to be licensed, they had to complete the Diploma of Aeroskills. Unsurprisingly, many left the industry.

It is widely accepted that the decline in apprenticeship employment numbers began at this time. The industry did not (and largely still does not) understand this apprentice training and licensing pathway, and as a result, has stopped employing apprentices. Those who have employed apprentices have found the majority of their apprentices have not become licensed in the same timeframe as they would have traditionally under CAR 31, if at all.

Several RAAA member AMOs were consulted during the research for this paper. Until 2011, commensurate with their business, many organisations employed at least one apprentice in each of the four-year apprenticeship years (one first-year apprentice, one second-year and so on).

Since 2014, there has been a rapid decline in the apprentice intake. Supporting evidence can be found in the maintenance licensing figures in CASA annual reports: from FY 2006/2007 to 2015/2016 annual licences issued averaged 297. From FY 2016/2017 to 2020/2021, this figure had dropped to 135 per year.

2006/2007 - 2015/2016

297

av.licences/yr

2016/2017 - 2020/2021

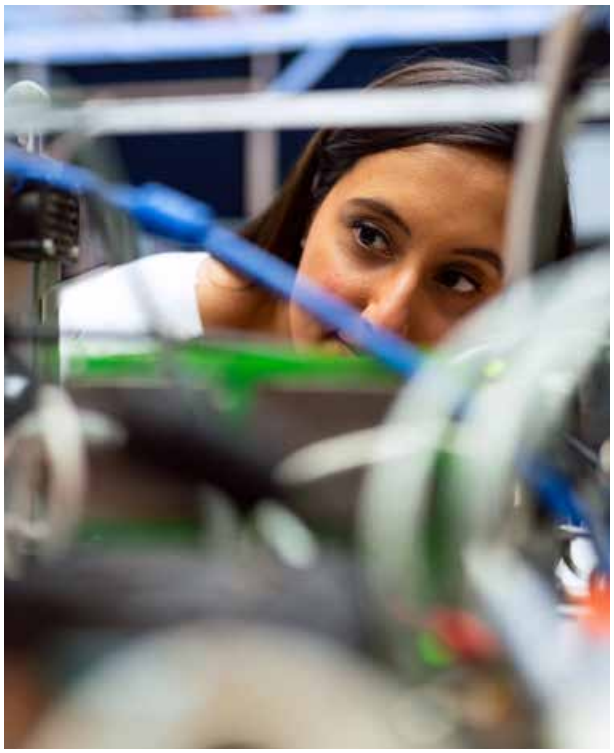
135

av.licences/yr

Source: CASA annual reports

The lack of future proofing is a major factor in the reduction of LAMEs in our industry today due to:

- AMOs and apprentices (still) not understanding the current licensing pathway, despite it being introduced in 2011.
- Unlike the previous CAR 31 pathway, the current diploma pathway is perceived to be extremely difficult, particularly the theory component. It is also extremely difficult and expensive to access outside major cities. Therefore, the industry at large has struggled to accept it.
- Overwhelmingly, industry believes that the MTOs' main concern is generating income, not producing LAMEs. This perception is very real and a significant reason why AMOs are not employing apprentices.
- Next-generation tradespeople are aware of traditional trades such as plumbing, hairdressing and carpentry; however, many do not know that aircraft engineering is even a career pathway.



Opportunities

Aircraft engineering provides an exciting, challenging and rewarding lifelong career. With the predicted exponential growth in future aircraft types, powered by alternate fuels and new methods of propulsion, the growth of uncrewed aircraft operations, and the potential for advanced air mobility, Australia will need even more licensed aircraft engineers to maintain these diverse aircraft safely.

We can recover from this current crisis. CASA, Part 147 MTOs and indeed industry are aligned with a strong desire to collaborate and build a strong Australian LAME workforce, to 'grow our own' licensed aviation engineers.

In the short term however, we will need to recruit LAMEs from overseas, as we cannot 'make' enough to meet this crisis.

To support this, we make the following short- and long-term recommendations for increasing the supply of new domestic LAMEs, and for ensuring we provide a realistic pathway for international LAMEs, ex-Defence LAMEs and for those who have left the industry and wish to return.

> 'The aviation engineering shortage is now beyond critical; if things don't start improving, we will have to start parking planes at the back of hangars and closing their doors.'
>
> **Dean Mooney**
> East Air Cairns

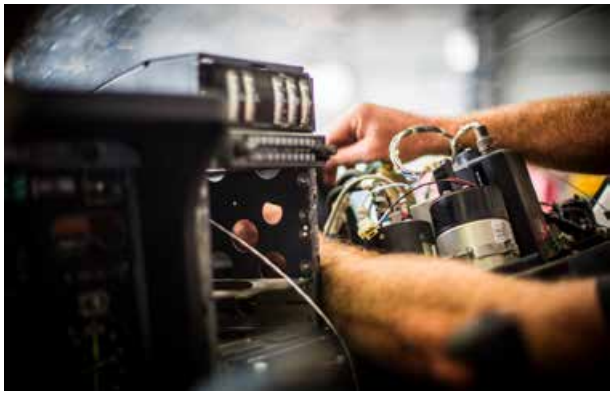
1. Recognition of international LAME licences

Globally, many countries have implemented training standards comparable with the stringent Australian CASR Part 66 standards.

Currently, to attain an Australian aircraft engineer licence, LAMEs from all international countries except New Zealand must complete some, if not all, of the Diploma of Aeroskills to attain a Part 66 licence. This can take several years.

The following short-term realistic solutions can be implemented with government and CASA support:

- CASA recognition of international engineer licences from countries with comparable training standards (such as South Africa, Singapore and EASA-contracting states).
- The LAME would have to pass Module 10 (Aviation Legislation) and the employing AMO deem the LAME competent.
- CASA to permit foreign licences to be issued with exclusions
- Government to add 'aircraft engineering' immediately to the Federal Priority Migration Skilled Occupation list. This would expedite entry into all Australian states and territories for these skilled workers.
- To support those regional AMOs who find it increasingly difficult to recruit and retain LAMEs, the federal and state governments to provide further incentives for the LAMEs and their families to remain in the regional area for a certain time (recommended five years).



2. Education to support current and future LAMEs

Due to its complexity, eleven years after it was first introduced, there is still a significant lack of understanding of the current licensing pathway. This prevents AMOs either from employing apprentices or, if they have, being able to guide them during their apprenticeship to become licensed within the traditional timeframe.

Overwhelmingly, industry feels that the previous CAR 31 licensing pathway was better than our current Part 66 pathway. Industry education has to be urgently improved, so that industry can be champions of emerging LAMEs. Without this critical training and a resulting change in mindset, the uncertainties around the apprenticeship pathway will continue to have a negative impact on our supply of LAMEs.

CASA must partner with industry (and their associations) to promote the aircraft engineering pathway. This includes:

- CASA developing for AMOs and apprentices, with input from MTOs, a plain English 101 course guide, which clearly outlines each step of the apprenticeship pathway.
  - It would outline a training plan; for example, when the apprentice should have the knowledge and skills to change a tyre, replace a leading edge or the main rotor head, or change an engine.
  - This training package could be introduced by a subject matter expert at the CASA Aviation Safety Seminars. Subject matter experts would also need to be available to provide ongoing advice as necessary.
- MTOs engaging with the industry at a 'grassroots' level to drive improved recruitment pipelines and gain industry trust.

- Provide robust education regarding the CASA 'Self Study Pathway' introduced in August, 2021. CASA are to be congratulated for the correspondence circulated in September, 2022; however, the target market is still unsure how the pathway actually works.
- Industry participating in careers expos and programs such as the Women in Aviation initiative and state-sponsored job expos.
- The Australian Skills Quality Authority (ASQA) and RTOs providing access to the Certificate II in Aircraft Line Maintenance or Certificate II in Aeroskills for all school-based students who are eligible for VET (Vocational and Education Training) across Australia (currently this is limited to Queensland and the Northern Territory). These certificates provide an introduction to aircraft maintenance, with the expectation the student will become an apprentice after high school.
- Access to the Certificate II requires industry engagement with MTOs in the VETiS (Vocational and Education Training in Schools) program to generate interest in aviation for our school students.
- We recommend that an industry committee is created so industry is collectively aligned and can drive this in collaboration with the MTOs.

3. Create a pathway for other experienced engineers

To encourage experienced engineers to join the civilian engineering sector, we strongly recommend that CASA:

- Create an avenue for previous CAR 31 licence holders to return to the industry without the need to complete all module gap knowledge
- Provide a pathway for ex-defence force personnel to enter the civilian industry.

4. Remove challenges associated with Diploma in Aeroskills examinations

The current Diploma in Aeroskills requires a higher level of academic aptitude than the previous CAR 31 pathway, meaning some aircraft engineering apprentices who are mechanically talented, but without strong academic aptitude, struggle to pass examinations at the Diploma level.

Mitigating the challenges of the current exam model could assist apprentices to pass these exams without compromising the necessary underpinning academic knowledge.

- CASA to interpret CASR Part 66 to permit individual module subject exams to be held after completing each subject, rather than waiting for the completion of the entire module's content.

  Module 12, for example, comprises eight subjects, which could take approximately two years to complete, meaning apprentices are forced to retain this technical information for that time. If they were able to take the exam after each subject, the failure rate would reduce, without diluting the required theoretical knowledge.
- In line with CASA and ICAO requirements, the current exam pass mark is 75 per cent. If students' marks are under that, they must wait at least 90 days (or 30 days with remediation training) before they can re-sit the exam.

  We recommend that if the student's mark is between 65 and 74 per cent, they be permitted to re-sit the exam as early as the following day without penalty.
- Regulations state that when maintaining aircraft or aeronautical products, aircraft engineers refer to instructions for continuing airworthiness.

  In line with this and while the student still must have a comprehensive knowledge of the subject at hand, we recommend CASA and MTO permit open book examinations.

5. Permit issuing of an aircraft engineer licence with exclusions

CASA's General Aviation Workplan 2022 acknowledges the requirement for '… more progressive, less onerous maintenance licence pathways …'.

The general aviation (GA) sector provides a strong training ground for engineers to learn how to 'engineer' and troubleshoot non-complex aircraft – many a brilliant engineer has been born from GA because of the skills they learned there.

LAMEs will typically progress into airlines for fixed-wing, or offshore operations for helicopters, at some time in their career. The experience gained during their time in GA benefits these organisations significantly.

As the GA sector supports all aircraft maintenance sectors, accordingly we must provide more flexible training solutions for GA.

Currently the Part 66 regulation does not prevent an aircraft engineer licence from being issued with exclusions; however, the Part 66 Manual of Standards does. We understand CASA is currently reviewing their interpretation of the regulation so that they can support this concept.

Permitting a licence to be issued with exclusions would enable a tailor-made, flexible career pathway. For example, if a LAME intends to work only on small helicopters or basic fixed wing aircraft, they do not need to study pressurisation (E16). If they choose to work later in their career on more complex aircraft, say a B737, they would do the necessary study to have that exclusion removed.

The following modules could be exempted from the training:

- Module 4 – Electronic fundamentals
- Module 5 – Digital techniques electronic instrument systems
- As applicable to the desired licence outcome – Modules 15 (gas turbine engine), 16 (piston engine) and 17 (propeller).

6. Government incentives to employ aviation apprentices

There is now funding for a Diploma qualification in all states and territories. While progressive, the amounts are inconsistent across the jurisdictions.

Currently, many AMOs do not have an apprenticeship program. In particular, it is disappointing that some major airlines do not have a commensurate apprenticeship program. By offering GA AMO trained and licensed engineers employment incentives GA companies simply cannot match, the major AMOs benefit. The GA companies are denied a return on their training investment.

While difficult to mandate, to ensure the longevity of the industry, all AMOs have a responsibility to employ as many apprentices as their number of supervising LAMEs permits. We recommend that federal, state and territory governments provide incentives to employ apprentices; for example, during a tender process, organisations which employ apprentices could be favoured.

Of note, to their credit, this year the Northern Territory Government funded fifteen pre-apprenticeship training courses. Not all of them have been filled to date, possibly due to lack of advertising/awareness.

7. Align theory training delivery nationally & create a National Aviation Academy

Currently, the states and territories control apprentice training and its funding, contributing to the disparity in training delivery. For example, the Northern Territory allows certain modules to be studied away from the trade school setting, whereas Western Australia does not.

The Diploma in Aeroskills (mechanical) and (avionics) qualifications sit under the Australian Qualifications Framework (AQF) (i.e., the vocational and educational training system), which in turn sits within the portfolio of the Department of Employment and Workplace Relations (DEWR).

To eliminate disparity in training, we recommend strongly that:

- all MTOs deliver the theory training syllabus that is aligned with the CASR Part 66 Manual of Standards to assure academic consistency for all apprentices
- a National Aviation Academy be created. Training for both civilian and defence apprentices would be conducted under this national model, therefore providing consistency in training and funding.

This was one of the recommendations of 2015's 'The Future of Aircraft Maintenance in Australia' report. The burgeoning uncrewed, electric aircraft, and advanced air mobility sectors make 'an innovation-oriented aircraft maintenance workforce' more critical than ever.

To help develop the training capacity required to build an innovation-oriented aircraft maintenance workforce, and to ensure that maintenance training makes a significant contribution to Australia's education exports, a National Aerospace/Aviation College (NAAC) should be established, with nationally-networked branches in each state and territory. It would draw on the combined resources of the university and TAFE sectors, gain recognition as a Part 147 category maintenance training organisation, a registered training organisation and a nationally registered higher education provider, and have support from aerospace and aviation industry employers for the in-depth provision of practical skills training and experience.

About the author of this document

Sheridan Austin is proud of her over 25 year-aviation experience. Her aircraft engineering career started with National Jet Systems in Darwin, where she was an AME and hands-on aircraft maintenance planner before moving into maintenance control and then a quality and safety role.

A passion for aircraft engineering compliance and the recognition that many aircraft maintenance organisations needed help in understanding and complying with aviation regulations, led her to found Aviation QMS – Quality & Management Services in 2009 to support them.

Sheridan is a passionate industry advocate, and gives back to the industry by participating in CASA technical working groups and working with apprentices, AMEs and licensed and emerging LAMEs to help them to navigate their way through regulatory requirements.

Contact

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11 November 2022

ACCC Consultation

To whom it may concern.

Airport monitoring – more detailed information on airport performance – RAAA Submission

Thank you for the opportunity to provide feedback on this consultation into airport monitoring. The Regional Aviation Association of Australia (RAAA) has approximately 110 aviation organisation members and directly employ over 10,000 people, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than $1.5b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. We represent most of Australia's regional airline companies who operate into Australia's monitored airports.

We would like to provide our general response to this consultation and allow our individual members to comment separately if they wish. Overall, we believe remaining with the status quo would be incredibly detrimental for the ability of the ACCC and Productivity Commission (PC) to understand the market power of the monitored airports and strongly urge the government to fulfill Recommendation 9.4.

The RAAA shares the PC and the Government's concerns over the quality and transparency of data provided by monitored airports in assessing their market power. In its response to the PC's recommendation 9.4 the Government stated:

The Government considers that increasing the transparency of prices and performance will assist it to assess airports' market power over time, for aeronautical, car parking and landside access and services. This will benefit users of airports, both passengers and commercial users, and the broader community in the long-run.

This was in line with the determination by the PC where they stated:

Monitored airports should be required to report to the ACCC their revenues and costs from providing domestic and international aeronautical services to airlines. Separate reporting is needed to determine whether aeronautical charges are the result of an airport exercising its market power, or the higher costs of providing international services.

Whilst the PC and the Government did not find enough evidence that strengthening economic regulations for airports was warranted, they did state that early intervention would occur if "airports were found to have systematically exercised their market power". Without further performance reporting requirements recommended by 9.4, the RAAA cannot see how the ACCC, the PC nor the Government would be able to ascertain what market power the airports actually have and whether this power is being exercised. This has been the inhibiting factor in numerous past PC reviews into the economic regulation of airports, where a lack of evidence has been cited as reasoning for not making recommendations for change.

Questions on the ACCC collecting disaggregated data

The RAAA agrees with the ACCC Option 2 in providing the best balance in responding to this recommendation. It should also be made clear that further stringent reporting requirements would be introduced over time if the monitored airports fail to comply with this option, including developing a standardised cost allocation method as per Option 3.

Questions on the ACCC publishing disaggregated data

The RAAA also believes that the collection and handling of commercial sensitive data can be adequately managed under current ACCC guidelines. In some circumstances whereby both the airport and affected airlines agree that the publishing of commercial in confidence information would be detrimental, it would be our position that the ACCC withhold the publishing of that information or do so only in aggregate form. This is consistent with practices already employed by the ACCC, as the consultation paper notes.

If any further information is required on this submission, please do not hesitate to contact me on the numbers below.

Best regards,

Steven Campbell
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Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

03 August 2020

RAAA Submission - Senate Inquiry into the Current state of the Australian General Aviation Industry

Introduction

The RAAA has approximately 100 members and our AOC members directly employ over 10,000 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than $1.5b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight.

How is the *Civil Aviation Act 1988* and the *Civil Aviation Safety Regulations 1998* being applied to Australia's aviation sector, and is the legislation fit for purpose?

There are two facets to this question.

Firstly, is the legislation being applied? CASA will no doubt respond with recent ICAO audit findings where ICAO appear to believe that the regulations are being applied. However, it is important to understand that whilst the ICAO audits demand evidence that the regulations are being applied, ICAO do not consider if the regulations are applicable in the Australian context. That is beyond their remit.

This is why this particular inquiry is so important.

Secondly, is the legislation fit for purpose? In order to answer the question one must ascertain if they are fit for purpose in today's operational context. This requires a degree of confidence in the contents of the Act itself which can only be brought to light with a detailed review of the Act. This does not mean wholesale or sweeping changes but a careful examination of the entire document to determine if the contents are still applicable in this era.

Just one example where the Act could use an amendment is found in Section 98 paragraph 3(f) where CASA may make regulations about hygiene, sanitation and public health at aerodromes.

Clearly there are certain elements in the current version of the Act that are holding CASA back from delivering on its rhetoric. There are any number of CASA directives and well-intentioned messages about wanting to work with industry in a partnership to deliver safe skies for all. However, even all the good will on both sides can't remove the shackle that keeps CASA on delivering on the real reform that is so desperately needed.

Rather than being bound by the 'commercial' or 'hire or reward' imperatives, a fresh look at a genuine risk-based approach is required. The current approach may be appropriate for the large end of the sector; however this simplistic approach is not allowing the smaller end of the sector to flourish as it should, nor is it the best

allocation of taxpayer dollars in addressing real risk. Included in those sectors of the industry that would receive immediate ongoing relief are all those activities that are currently required to obtain and maintain an Air Operating Certificate, regardless of the risk. Quite often this simply adds extra bureaucracy and expense to operators and the regulator without any real safety benefit.

Attempting the adoption and application of a risk-based philosophy to regulatory development has frustrated CASA and its predecessors for decades. Governments of both persuasions have been struggling with this concept since 1986 and the time has come to grasp the nettle and resolve the legacy issues embedded in the traditional approach to the regulation of General Aviation. The fresh perspective will give traction to the various CASA publications which espouse a risk based and outcomes focused philosophy. This will free up both Industry and CASA resources from the burden of less than effective administration and cost which has been the bane of the smaller end of the industry for decades. In other words CASA have one hand tied behind their back which must surely be the source of continual internal conflict for their risk based practitioners. Take for example the activity of frost dispersal, whereby a small helicopter hovers over a cherry orchard early in the morning. Should the helicopter be flown by the owner of the orchard he/she simply needs a Private category licence, a Class 2 medical and operate under private/general aviation rule set. No other certification is required by CASA.

However, should the owner of the cherry orchard choose to hire someone to do the exact same task (exactly the same risk) the pilot needs a Commercial category licence, a Class 1 medical and operates under a very complex commercial rule set. This includes an Air Operators Certificate, higher maintenance requirements, CASA audits of the operation, regular proficiency checks and so on. Clearly, these requirements are not in the interests of safety but are imposed simply due to the wording of the Act and are an unnecessary and costly burden on industry.

The following points are worthy of note:

The engagement of CASA with other relevant Australian Government agencies has demonstrated an appalling disconnect between CASA and the Department of Education and Training. For example ASQA and CASA do not recognise each other in terms of aligning training requirements for LAMEs resulting in a very complex and tedious system which simply adds cost to industry with no identified or defined improvement in safety, quality or educational outcome. We therefore have the ludicrous situation where a LAME apprentice can complete the ASQA approved course for a qualification under the VET student loan scheme but still does not fulfil the requirements for a CASA licence. CASA senior management has tried on several occasions to engage with ASQA to agree on a MoU with a view to coordinating courses but has been met with a straight refusal. This needs some political direction in order to be resolved. GA and regional aviation is facing a critical future shortage of LAMEs and does not need the extra cost and complexity added to the training of LAMEs caused by the disconnect between CASA and ASQA.

1. The immediate and long-term social and economic impacts of CASA decisions on small businesses, agricultural operations and individuals across regional, rural and remote Australia is not always understood by CASA. For example, the slow and disjointed approach to operational regulations and maintenance regulations. Both sets of legislation must go hand in hand and one cannot be prosecuted sensibly in isolation to the other. There appears to be very little understanding of the interrelationship between maintenance and operations. For example, as we approach the eleventh hour of making the operational suite of regulations for CASR Part 135, CASA has yet to decide which philosophical approach it will adopt in

terms of maintenance requirements for this, the largest industry sector (in terms of numbers of organisations affected) right across Australia.

2. CASA's processes and functions, including its maintenance of an efficient and sustainable Australian aviation industry, including viable general aviation and training sectors has been cumbersome at best. Some will promote the view that private general aviation is dying as a result of CASAs actions. Yet under the careful oversight of CASA via self-administered organisations like Recreational Aviation Australia numbers are flourishing with over 10,000 members and over 3,000 aircraft on their register. RA-Aus also run 40% of the flying training schools in Australia with 174 organisations currently active. However, it is vital to note that the RA-Aus graduate cannot operate in the commercial world and is restricted to private operations only. The foundational eco-system of the commercial world are the Australian owned flying schools producing commercial licenced pilots. These organisations are struggling under onerous regulations of CASR parts 141 and 142 which have yet to demonstrate improved safety and quality outcomes commensurate with the increased investment.

3. The efficacy of CASAs engagement with the aviation sector, including via public consultation, has never been better. The formation of the Aviation Safety Advisory Panel and the applicable Technical Working Groups brings significant and relevant industry expertise directly to the tables of senior leaders in CASA. The resulting undiluted intelligence leaves CASA with the most up to date and relevant state of the industry. This system needs to be maintained and protected at all costs.

4. The inconsistencies between different CASA offices and even different CASA personnel continues to be a drain on the industry and often results in unnecessary expense and waste of resources due to one individual's interpretation of a particular regulation. CASA must work towards eliminating this with a more centralising system of policy determination and regulatory decision making. The ATO seems to have a good system to ensure consistency of regulatory interpretation and CASA desperately needs something similar.

Yours Sincerely

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SUMMARY OF FEEDBACK RECEIVED BY AMS FROM AERODROME OPERATORS REGARDING AVIATION WHITE PAPER TERMS OF REFERENCE

1.	**Aviation's role in economic development, trade and the visitor economy (general, domestic, regional and international aviation)**
1.1	Refer to 10.3 below.
2.	**How to maximise the aviation sector's contribution to achieving net zero carbon emissions, including sustainable aviation fuel and emerging technologies**
2.1	Additional ADS-B ground stations would permit earlier identification of aircraft on departure at aerodromes outside capital cities (for example, the "Iron Triangle" in the Pilbara region of WA). This would permit ATC to provide track shortening, aircraft would be able to enter controlled airspace more efficiently (sometimes required to remain at lower altitude until identified) leading to reduced fuel burn.
3.	**Changing aviation technologies – positioning policies, regulations and systems to encourage uptake and manufacturing**
3.1	Additional ADS-B ground stations in regional and remote areas and adequate funding for required personnel. AMS is aware that some major mining companies have offered to pay for the installation of ADS-B ground stations in remote WA to assist with the significant increase in air traffic around built-for purpose mining aerodromes where multiple jet aircraft movements occur each day at several aerodromes within a concentrated area, however they were advised Airservices Australia does not have the personnel to maintain and monitor additional stations.
4.	**Airport development processes and consultation mechanisms that consider the impact and changing nature of aircraft noise and expectations around noise sharing and mitigation**
4.1	Refer to 9.2 below.
5.	**GA sector – support and regeneration**
5.1	Refer to 8.2 below.
6.	**Future industry workforce skills and training requirements**
6.1	Standardisation of training and skills required for Aerodrome Reporting Officers (AROs). Currently, formal training and/or qualification are not mandated with a range of competency levels observed at different airports. Implications for safety outcomes for aircraft operations, particularly at smaller regional and remote aerodromes where AROs may be operating in isolation.
6.2	AMS personnel advised by some aircraft operators that CASA turnaround times for licence conversions are causing them significant delays. Some examples provided included aircraft endorsements completed overseas at reputable training facilities taking up to 4 months to be processed onto Australian licences. Also conversion process for overseas engineering and pilot licences is lengthy, difficult to navigate and expensive.

7.	**Consumer protections and access to services**
7.1	Avgas is being progressively removed from regional and remote aerodromes. In WA, due to its vast distances, there are still many private operators of light piston engine aircraft who are now unable to access other communities and/or regional centres due to Avgas being unavailable on arrival.
7.2	Refer also to 9.2 below.
8.	**Fit for purpose aviation safety, air navigation and security systems and service delivery agencies**
8.1	Industry feedback that, at times, compliance appears to be enforced for "compliance sake", rather than to achieve a demonstrable improvement in safety outcomes. Examples: • Concerns raised that CASA's move towards closer alignment with ICAO is not fit for purpose in all areas and that, in some cases, imposes unnecessary compliance requirements on both aircraft and aerodrome operators. One example is the new Part 139 (Aerodromes) Manual of Standards requiring increased runway strip widths for new aerodromes or existing aerodromes when the applicable facility of the latter is upgraded. For non-precision approach runways, the runway strip width has been increased from 90m to 140m (Code 1 and 2) and from 150m to 280m (Code 3 with 30m wide runway). As there is no requirement to retrospectively increase the runway strip width at existing runways, it is assumed the wider strips are not required due to safety concerns but rather to comply with an alternative standard (ICAO). The significant increase in runway strip width has an environmental impact due to the additional clearing of vegetation required at greenfield aerodromes. • The new Part 139 MOS stipulates additional circumstances when safety cases must be submitted to CASA. Although the benefit of a safety study is understood where an application for an approval to operate with a non-compliance is being made, there are instances when a safety study is required when an aerodrome/aircraft meets a minimum standard but not a preferred/desired standard. For example, the Part 139 MOS 9.50(4) refers to the standard and minimum wheel clearance required when siting a PAPI. Where operations of an aircraft type that is more demanding than the design aircraft for an existing PAPI are proposed, CASA has advised aerodrome operators they must submit a safety case if the new aircraft type does not meet the standard wheel clearance, even if it does meet the minimum wheel clearance. If a minimum standard is published, and this standard can be met, both aerodrome and aircraft operators consider this should be an acceptable means of compliance, without the additional requirement for further evidence in the form of a safety case to be provided to CASA. The additional requirements have a financial impact on the aerodrome operator who is required to complete the safety study. The time taken for CASA to review the safety case and approve the application can restrict services into regional and remote aerodromes and impacts scheduling, training and commerciality for the aircraft operator.

8.2	Not always clear that the impact of regulatory change on smaller regional and remote airports has been adequately considered when developing and implementing change. Rulesets can appear to be written with capital city aerodromes and/or airlines in mind which are not necessarily fit for purpose for smaller aerodrome and aircraft operators. Applies to (5) General Aviation term of reference too as there has been a significant increase in regulatory burden in this sector over the past 5 to 10 years.
9.	**Role of airlines and airports in supporting regional economies**
9.1	Airline services vital in supporting regional economies, particularly isolated areas where road distances are significant.
9.2	Some WA regional aerodrome operators have expressed concern regarding airline fleet replacement and the lack of consultation with local Shires/communities. In order for some towns to keep their scheduled air services, upgrades of aerodrome facilities now required at significant cost. Ultimately this cost may be passed on to the Commonwealth as the aerodrome operators will only be able to afford the upgrades through grant funds. Although this situation may present opportunities for smaller airlines/aircraft operators, they may not have the economies of scale to provide the service at an affordable seat price.
10.	**Other significant issues**
10.1	**SECURITY**
10.1.1	Authorisation for approved external agencies to issue ASICs is being rescinded. What consideration has been given to how ASICs will be issued efficiently in remote areas? Has consideration been given to likely delays due to limited locations that will have authorised personnel who can verify ID documents once external agencies no longer have authority?
10.1.2	Security training currently require direct one-on-one supervision of trainee by a qualified person for their 40 hours of on-task training. This is problematic and costly at smaller aerodromes where there may be only 1 or 2 qualified personnel. High staff turnover in remote areas exacerbated by current pressures on labour market leading to increased training. Suggestion is for this requirement to be amended so 1 qualified person can supervise at least 2 trainees at a time, particularly at aerodromes with lower passenger movements.
10.2	**CONTRADICTIONS BETWEEN RULE SETS LEADING TO POOR INDUSTRY UNDERSTANDING OF REQUIREMENTS, INEFFICIENCIES AND POTENTIAL NEGATIVE SAFETY CONSEQUENCES** Suggest improved cross-consultation between sectors of the industry when developing and implementing updated/new rulesets, both internally within CASA and externally with industry. Some examples where rulesets are contradictory and/or imposed on inappropriate industry sector: • Part 139 (Aerodromes) MOS and Part 121 (Australian Air Transport Operations – Larger Aeroplanes) MOS have different requirements regarding aerodrome survey parameters. Appears to be poorly understood between aerodrome and aircraft operators. CASA took 11 months to respond through their Regulatory Guidance portal to industry queries.

	• Inappropriate delegation of responsibility for certain aspects of operations between aerodrome versus aircraft operators. For example, CASA has advised the aerodrome operator must submit safety cases when aircraft that do not meet the standard PAPI threshold crossing height (but do meet the minimum height) wish to operate into that aerodrome as the requirement is listed in the Part 139 MOS, not Part 121. However, it could be mirrored in both standards, with any requirement to determine the safety and/or requirement for an approval from CASA to rest with the aircraft operator.
10.3	**OVERARCHING COMMONWEALTH STRATEGY FOR REGIONAL AND REMOTE AERODROMES** • Does the Commonwealth have an overarching strategy for the location of regional and remote aerodromes (including community aerodromes) from economic and security perspectives? This could assist with the allocation of funding through current and future grant systems if the funding is used to develop and maintain aerodromes in strategic locations. • Some industry members feel there is currently very little transparency about how decisions are made regarding which airports receive grant funding. Does funding allocation tie in with an overall Commonwealth strategy and therefore does it provide an overall benefit or is it based only on perceived local needs?

TAAAF

The Australian Aviation Associations' Forum




Aviation Policy Paper

APRIL 2022



The Australian Aviation Associations' Forum is an alliance of the majority of Australia's largest aviation associations giving industry a united voice to government on key aviation issues and policy.

The Australian Aviation Associations' Forum (TAAAF) members represent the majority of Australia's largest aviation industry associations: from commercial passenger-carrying operations, to business charter, aerial work using fixed-wing, rotary and uncrewed aircraft (drones), and sport and recreational aviation. Aviation at all levels has been hit especially hard by the pandemic, with both international and domestic traffic down in 2020, by up to 80 per cent and 70 per cent respectively. Australian aviation was one of the hardest hit. Continuing complications in 2021—unpredictable state border closures; inconsistent state and federal rulings on aviation, health and security issues; COVID-19's wider impact on the health and availability of the workforce, and on infrastructure and logistics, contributed to Australian aviation's operational challenges.

Australia was one of the global pioneers of commercial aviation, and its aviation industry is a vital contributor to Australia's economic and social wellbeing: as a direct employer; a driver for tourism and nationwide supply-chain logistics; and as a key player in agriculture, mining, construction and emergency services. The Australian aviation industry is an economic engine, contributing billions of dollars to gross domestic product, and employing 65,000 people.

In the leadup to the Federal election, TAAAF would like to highlight policy areas requiring urgent government attention. Many of these issues have been the subject of considerable ongoing discussion, but TAAAF is calling for the incoming government to take timely action to address these concerns. This policy paper identifies some quick wins, as well as areas requiring more significant, long-term action.

The aviation policy environment and the regulator

The Civil Aviation Safety Authority (CASA) is in the throes of completing an overhaul of aviation regulations, moving from civil aviation regulations (CARs) to civil aviation safety regulations (CASRs). The new CASRs, unlike the more prescriptive CARs, are designed to be outcomes- or performance-based regulations. The philosophy underpinning the CASRs is that there is no one prescribed way to meet the requirements, and that organisations know the inherent risks in their operating environment better than the regulator. Aviation organisations can therefore adopt the most appropriate way to meet the requirements, as long as they can demonstrate their approach meets the desired safety outcomes—it is an acceptable means of compliance.

However, the effectiveness of performance-based regulation relies on the culture within industry, and perhaps more importantly, within the safety regulator; a culture requiring a greater level of maturity, accountability, transparency and flexibility. Therein lies the problem. TAAAF members' experiences of interactions with CASA do not show it to have these characteristics.

TAAAF members have found that CASA appears to be divesting itself of many activities, but not keeping up with funding of resources to handle the resulting administrative tasks. TAAAF association members, for example, report frequent and frustrating delays with administrative approvals. The loss of paperwork by CASA resulted in one organisation being unable to approve certificates of airworthiness for six weeks, because their instrument had lapsed, and another is still waiting after three months for approval for safety documents.

Communication is another major issue. Despite the setting up of a number of technical working groups and other consultative bodies, TAAAF members feel that lip service is being paid to industry consultation. The communication is one-way, with opinions/advice offered by industry often being duly ignored. There are also silos of information within CASA, as wider internal communication of the outcomes of these meetings does not seem to occur. This reinforces the divide between standards personnel and operations, with standards personnel often many years removed from current industry experience and operational realities. A significant number of operational personnel/inspectors seem to struggle with the new outcomes-based regulatory culture, still oversighting organisations through the lens of the old prescriptive mindset. A comprehensive training program is urgently required, as well as employment of new staff with contemporary expertise. What is needed above all, is a proportionate approach to regulation and policy, where the policy solution and operational outcome is proportionate to the risk involved.

The CASA funding model also needs urgent reform, with a deteriorating situation made worse by the devastating impact of the pandemic on aviation activity/fuel use.

An independent review

TAAAF members are therefore calling for an independent review of the way CASA does business—its organisational culture. This review should be carried out by an independent firm and not, as has happened in the past, by political appointments too close to the regulator or to industry.

The review should include, but not be limited to:

- **Examination of whether regulations are fit-for-purpose**
- **Service delivery – licensing, certification etc.**
- **Communication, consultation, stakeholder engagement**
- **Staffing – organisational structure and training**
- **Accountability - KPIs**
- **Funding model**
- **CASA's relationships with other agencies, such as the Department and Airservices Australia**

Access to airspace and airports

Airspace

The rapid maturing of technologies such as uncrewed aircraft (drones) and electric aircraft, (now, conventional fixed-wing, and in the next five to 10 years, urban air mobility vehicles) combined with aviation traffic growth generally (seen until the pandemic struck in 2020) bring challenges in managing this increasingly congested airspace safely and fairly.

Australia has an enormous opportunity to foster an innovative and integrated aviation ecosystem though a flexible, safe and efficient integrated air traffic management framework. However, all sectors of the industry must be involved.

TAAAF is concerned that the proposed commoditisation of a national asset, airspace, is proceeding without adequate industry consultation.

Currently, there is no avenue for industry to have input into agency discussions about future use of airspace and air traffic management. When the landscape changes rapidly, TAAAF represents a range of industry membership: regional passenger-carrying aircraft, bizjets, helicopters, sport aviation, drones, which can provide informed, relevant and current advice to the agencies concerned as they formulate an integrated airspace management framework.

⚠ **TAAAF members would like to see a representative and inclusive framework for industry participation in future airspace traffic management design and integration.**

Aerodromes

There are anomalies for many TAAAF members in their access to aerodromes. TAAAF understands that government must balance the needs of the public, the benefits of aviation and the impacts of safety.

However, TAAAF members are concerned that many airports exhibit monopolistic behaviour, charging excessive fees and restricting access to certain aviation activities.

The helicopter industry is banned from Western Sydney, even lifesaving operations such as EMS (emergency medical services) helicopters.

Despite the likelihood of an expanding vertiport infrastructure to meet UAM requirements, Melbourne is decommissioning its last heliport.

Aviation businesses are finding it difficult to maintain tenure at airports such as Moorabbin in Melbourne and Bankstown in Sydney. For TAAAF members, such as flying training schools, this is a critical issue for their ongoing viability.

Glaring anomalies in airport charges affect TAAAF members. RA-Aus, the association representing the fastest growing sector in Australian aviation, sport aviation, reports that their members face a $545 charge for day parking at Moorabbin Airport, compared to $11 a day for CASA-registered VH-aircraft.

⚠ **TAAAF members would like to see the Airports Act reflect better security for aviation businesses.**

Skills shortages

Of the many challenges facing aviation today, the shortage of aviation professionals, especially maintenance engineers, is the one issue which has been discussed at length, with no resulting action to address the problem. Some regionally-based TAAAF members, for example, have been advertising unsuccessfully for maintenance engineers for over a year.

As the aviation industry ramps up operations following the COVID downturn, there will be an even greater shortage of aviation professionals, many of whom took redundancies during the pandemic shutdowns, and are unlikely to return.

The National Aviation Safety Plan, released in October 2021 by nine contributing agencies, (but with little or no industry input), continued this theme, saying the following: 'Training and education is key to maintaining a skilled workforce and enhancing aviation safety performance.' However, it offered no practical strategies for developing, or even 'maintaining a skilled workforce'.

The current shortage of aviation engineers, especially in regional Australia, is only going to become worse as the ageing population of engineers retires. The present training regime is too inflexible, not fit-for-purpose, and the Part 66 requirements complex and unwieldy. According to one TAAAF member, 'The system for qualifying to be an aircraft engineer needs to be improved and take a tiered approach, where engineers can more simply qualify for a licence to certify routine tasks. They can then choose whether to gain further qualifications to certify more complex tasks.

The current system is an 'all or nothing' approach, lacking the required flexibility to qualify sufficient engineers for the industry.

- **TAAAF members would like to see a proportionate and tailored approach to engineering training, creating more flexible career pathways. This would allow for a tiered approach to qualification, giving apprentices a simpler pathway into the industry.**
- **In the US, for example, there are two levels, making it more achievable to fill positions for engineers to certify for more routine tasks.**
- **Engineering qualifications in Australia should be more aligned with the Federal Aviation Authority system.**
- **In the short term, a possible solution is to attract skilled overseas workers. However, the system for processing visas would need to be streamlined, as processing currently takes about a year.**
- **Aircraft engineers must be added to the 44 occupations on the Priority Skills Migration List to help streamline this process.**

Australian design and manufacturing

Australia has a proud history of aviation innovation and manufacturing.

David Warren's black box flight recorder, which transformed aviation safety globally, is perhaps the best-known of these Australian inventions. Aircraft designed, certified and manufactured in Australia have included the GAF Nomad N22/N24, GippsAero (Mahindra Aerospace) GA200 Agricultural aircraft and GA8 Airvan (utility aircraft); Jabiru LSA aircraft and engine variants; and Insitu/Textron's AAI Aerosonde.

According to a report released in mid-2019*, the Australian aircraft manufacturing and repair services industry contributed $2.9 billion to the Australian economy in 2016-17, contributing valuable export dollars and maintaining the nation's manufacturing capability in design, certification and manufacturing. The experience during the pandemic, with supply chain logistics threats and rising prices because of reliance on overseas products, highlights the imperative that Australia must retain and build its own aviation design, certification and manufacturing capabilities into the future.

Over the past forty years we have witnessed an attrition of Australian aviation manufacturing companies, enterprises that have been forced to move off-shore, or have been taken over by overseas companies, due, in the main, to the lack of a level playing field with overseas competitors.

Australia ranks in the top 10 among OECD countries for its quality of research. There are immense opportunities in the current technology landscape for Australia to leverage its well-deserved reputation: whether in design/certification and manufacturing of smaller aircraft, development of electric/hydrogen powerplants and variants, autonomous flight, or in other niche aviation segments including AI and augmented reality.

However, such Australian aviation manufacturing enterprises face numerous challenges, three of which were highlighted in the 2019 report*:

Access to a skilled labour force. A decline in the number of new trainees and an ageing workforce is limiting the number of skilled workers available to the industry.

The regulatory environment and lack of mutual recognition of certifications, which have a negative impact on the industry's global outreach.

Limited government support. Greater government support is needed to attract higher volumes of work off-shore and enhance visibility for businesses in the global export market, similar to the support observed in the US, New Zealand and Europe.

⚠ **TAAAF members would therefore like to see:**

- **Greater government support for Australian aviation design and manufacturing, both financial, and in the promotion of Australian aviation design and manufacturing, domestically and overseas.**
- **An easing of the regulatory burden, by streamlining approvals for a level playing field, and negotiating mutual recognition of certification.**

*KPMG report, commissioned by the Department of Industry:

Australia's Aerospace Industry Capability Research and Economic Modelling of the Aircraft Manufacturing and Repair Services Industry in Australia. 12 June 2019

TAAAF members

AAAA

Represents 75 per cent of agricultural aviation operators (around 100), who control 90 per cent of Australia's agricultural aircraft, spraying and seeding crops and pastures.

CEO: Nat Nagy
aaaa.org.au

ASAC

15,000 active members, and over 200,000 participants in sport aviation activities such as ballooning, gliding, parachuting, hang gliding and paragliding.

President: Grahame Hill
asac.asn.au

Antique Aeroplanes

600 members. For the restoration, maintenance, operation and promotion of aircraft from the 1930s to the 1960s.

President: Matt Henderson
antique-aeroplane.com.au

AAUS

3000 members, largest advocacy group in Australia for uncrewed systems: air, land and sea.

CEO: Greg Tyrell
aaus.org.au

ABAA

Represents Australian- or NZ-based companies operating turbine-powered aircraft.

CEO: Jessica Graham
www.abaa.com.au

ACUO

Representing the commercial sector of uncrewed aviation in Australia

President: Tom Pils
acuo.org.au

AHIA

Broad membership base representing Australian helicopter operators. Australia has almost 4,500 licensed helicopter pilots and a fleet of over 2200 rotary aircraft.

CEO: Paul Tyrell
austhia.com

Australian Warbirds Association

The administering body for all limited category (ex-military and historic) aircraft operations in Australia.

CEO: Brian Candler
australianwarbirds.com.au

RAAus

10,000 members. RAAus trains and certifies pilots, flying instructors and maintainers, registers a fleet of over 3,200 aircraft, oversees the operations of 174 flight training schools nationwide and supports almost 50 aero clubs.

CEO: Matthew Boutell
raa.asn.au

RAAA

Over 100 members representing all aspects of regional aviation: directly employing over 11,000 Australians, turning over more than $2 billion annually, carrying over 2 million passengers and 23 million kgs of freight.

CEO: Steve Campbell
raaa.com.au

Royal Federation of Aero Clubs

Representing aero clubs, flying schools and flying training in Australia since 1914

President: Alan Bligh OAM
rfaca.com.au

Women in Aviation – Australian Chapter

A national platform representing all facets of the aviation industry, and to engaging the next generation of aerospace leaders.

President: Jessica Hayler
waiaustralia.org












TAAAF

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The Future of Australia's Aviation Sector

Issues Paper 2020

Executive Summary – COVID-19 response

Regional Aviation Association of Australia

The RAAA represents aviation across Australia. It has over 100 members and its Air Operator Certificate (AOC) holding members directly employ over 2,500 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turn over more than $1.5 billion, carry well in excess of 2 million passengers and move over 23 million kilograms of freight. Our Regional Airport members also provide and manage critical infrastructure across Australian.

Aviation is central to Australia's economy and quality of life. Aviation underpins Australian business: transporting workers, tourists and high value freight. The sector directly employed over 90,000 people and contributed $20 billion to the economy before COVID-19. Furthermore, the sector indirectly enables the tourism, mining, manufacturing and higher education sectors.

Domestic flights provide vital key business, leisure, family and health connections for Australians in cities and particularly regional and rural Australia. Aviation is often the only regular access very remote communities have to time-critical goods and services. COVID-19 continues to seriously negatively affect Australian aviation. Public health measures necessary to mitigate against COVID-19 – including rapid response travel bans and border closures – affect aviation more than most industries. While demand for domestic travel will return, recovery will be slow.

The aviation sector is integral to many freight supply chains. Air freight represents a small proportion of Australia's international freight task by mass (0.1%) but represents around 20 per cent of trade by value. Some agricultural exports are highly dependent on aviation, with almost 80 per cent of seafood (by value) exported by air.

Aviation is key to the tourism sector which accounts for around six per cent of GDP and is Australia's fourth largest export industry. Total international passenger traffic increased by around 75 per cent over the past 10 years to 2019.

The aviation sector acts as a crucial enabler across mining, construction, manufacturing and higher education. More than 60,000 people work more than 350 kilometres from their usual place of residence, the vast majority are likely to travel by air. Thousands of fly-in-fly-out (FIFO) workers serve the mining, construction, and oil and gas industry. A large majority (about 86 per cent) of FIFO workers work in a remote or very remote areas.

COVID Objective 1:

Maintaining essential air connectivity

Providing a minimum domestic network

- What constitutes a minimum RPT network in Australia?

Regional and remote areas of Australia require connectivity to regional and capital cities for health, education, food supplies and commerce. Travel is essentially carried out on a need's basis. It is difficult to define the minimum RPT network as due to our sparse continent there is no one size fits all proposition. The Government should consider integrating or merging the Regional Airline Network Support (RANS) with the long running Remote Air Services Subsidy (RASS) Scheme as part of the Australian Government's Regional Aviation Access Programme (RAAP).

RASS subsidises a regular weekly air transport service for the carriage of passengers and goods such as, educational materials, medicines, fresh foods and other urgent supplies to communities in remote and isolated areas of Australia. Due to the distances involved and with road access to many communities often cut for several months during the wet season, a regular air service offers the only reliable means of transport. Mail is carried on these flights under a separate contract with Australia Post.

As a minimum the RAAA believes that the current Regional Airline Network Support (RANS) should be continued to provide shortfall subsidies to eligible airlines to maintain a minimum air transport network during the COVID-19 recovery. The RANS will ensure that airlines can continue flying routes when passenger numbers are below commercial levels but historically were financially viable prior to the pandemic.

- Are there options to improve the effectiveness of governments' support for maintaining a minimum RPT network?

In consultation with its members the RAAA would like to see the continuation of government support past the current end date of 28th March 2021. Many regional and remote communities are still recovering from the effects of the pandemic and there is a real fear that a hard stop to the current COVID support will see many aviation businesses fail. Considering the $100m's that has been spent on maintaining a basic aviation services in Australia it would be catastrophic if support was removed fully. The RAAA would ask the government to provide a staggered scaling back of support by a continuation of the RANS based on historical passenger and freight data.

The Australian Airline Financial Relief Package (AAFRP) is problematic in that the scheme has allowed airports the ability to recover "reasonable" security costs from the AAFRP at levels well above existing airport security charges already captured and paid for via the normal security head tax mechanisms. Thus, airlines are receiving back charged invoices for security costs. The Airports explain that they would not expect the airlines to cover these costs if we were unable to recover these additional costs from our allocated AAFRP grant amount. However, our issue is the mechanism for facilitating that support shouldn't be via the airlines or this scheme and we have concerns that once implemented these security cost increases will be a deterrent for Regional Aviation recovery.

- What is the best way for the Government to scale back support as the aviation sector recovers at a different pace for different routes?

The RAAA is promoting a staggered scaling back to the current COVID-19 support package with a continuation of the RANS beyond the 28th March 2021 on a case-by-case basis.

COVID Objective 2:

Preserving critical aviation capacity

Supporting airlines and airports

- What critical components of the aviation sector need support during the COVID-19 crisis?
    - Regional Airlines
    - Charter Company's
    - Maintenance and Repair Organisation (MRO's)
    - Independent Simulator Training Centres
    - Independent privately owned Flying Schools.
    - Regional Airports.
- Are there options to improve governments' support for critical aviation connectivity and capacity during COVID-19?

The Government should consider integrating or merging the Regional Airline Network Support (RANS) with the long running Remote Air Services Subsidy (RASS) Scheme as part of the Australian Government's Regional Aviation Access Programme (RAAP).

- What is the best way for governments to scale back connectivity and capacity support to allow commercial airline operations to resume as the regional and domestic economies recovers?

The RAAA is promoting a staggered scaling back to the current COVID-19 support packages with a continuation of the RANS beyond the 28th March 2021 on a case-by-case basis.

The RAAA supports additional assistance to industry support services i.e., MRO's, independent Simulator Training Centres, Flying Schools and Regional Airports.

COVID Objective 3:

Maintaining high value freight supply lines

Freight Supply Lines

- Are there options to improve governments' support for maintaining international air freight capacity during COVID-19?

The International Freight Assistance Mechanism (IFAM) has been a vital investment by government to maintain aviation supply chains during the COVID-19 crisis. The RAAA works closely with its members and other industry partners across the aviation sector to develop solutions that can support supply chains in Australia and across neighbouring countries such as in the pacific islands. As the sector emerges from the pandemic, further government support to boost investment and kick-start exporting industries will help aid broader economic recovery.

- What is the best way for governments to scale back international air freight support to allow commercial air freight operations to resume as the regional, domestic and international economies recovers?

The RAAA supports a staggered scaling back rather than a hard finish date on the IFAM. Policy makers should also be mindful of the need to support international air freight capacity whilst international borders remain highly restricted. The dramatic reduction in international passenger aviation has greatly reduced international air freight capacity in and out of Australia through belly freight in these aircraft. International air freight will be critical in supporting the recovery of high-value export sectors as well as ensuring the supply of critical goods into Australia. For example, air freight will likely play a key role in ensuring the supply of some COVID-19 vaccines, which may require rapid importation into Australia at very low temperatures (such as -50^{o}C).

Part B: Future of Aviation:

The Government's Five-year Plan for Aviation

Reducing the Regulatory Burden - General Aviation

- The Government understands the key challenges facing the GA industry. Given the impact of COVID-19, are there other areas where governments should be focusing to support GA?

GA is an important industry as a provider of skilled personnel to the Regional Aviation sector. The sector missed out on many of the support programs that were availed to the Regional Airlines. We would ask the government to extend cash flow assistance to the General Aviation sector as they recover from the COVID-19 crisis.

The RAAA has concerns for the following sectors.

- Maintenance and Repair Organisation (MRO's)
- Independent Simulator Training Centres
- Independent privately owned Flying Schools.

The RAAA suggests that the following initiatives be considered by Government to assist essential support services for the regional aviation industry to survive the emergency and be available for the post COVID-19 recovery:

Consider access to a funding assistance programme similar to that provided for regional airlines and charter operators providing essential regional air services: The continued operation by regional operators due to the regional assistance programmes will help to some extent in that they will need to use essential service providers. However, the scale of operations will be so small compared to pre-emergency activity that many support services will struggle. This is particularly so for flying schools that will not be needed until the recovery phase. If critical MROs or simulator centres are closed, then it will prevent the smaller operators without in-house expertise from operating. Any assistance would of course only be needed once the avenues of the Jobseeker Programme and other initiatives were exhausted.

Assign VET Student Loans to the student rather than through the University or TAFE system: This would allow students more flexibility in selecting a training institution and would funnel more business into the smaller schools. It would open opportunities to regional students to undertake aviation studies through bespoke providers at a faster completion time frame. Courses through tertiary institutions as per the current VET funding scheme can sometimes take 3 to 4 years to produce a pilot. This will not be quick enough in the post pandemic recovery phase once demand starts to pick up again.

Part B: Future of Aviation:

The Government's Five-year Plan for Aviation

Reducing the Regulatory Burden - General Aviation (cont.)

Consider funding for setting up online pilot training: Aviation training providers have had to be agile with the recent government guidelines and have moved classes online. This has come at a cost. A fund that operators could utilise to upskill staff and acquire both hardware and software to minimise capex burdens in their business would allow cashflow to be utilised for keeping staff in jobs and the business viable. This could be part of the funding assistance programme suggested above and would allow schools to attract student to carry out the non-flying part of their training whilst still self-isolating.

Waive CASA Regulatory Service Charges: These are a small part of the CASA budget but constitute a significant expense for flying schools. This will be especially so for those that incur extra costs from CASA due to staff changes involved with downsizing and then rebuilding at a later date as a result of the COVID-19 virus.

Allow the entry into Australia of non-operational air crew for the purposes of simulator recurrency training as soon as possible: For countries like Papua New Guinea and some Pacific island nations the grounding of domestic services will have a dramatic impact. Air Niugini is one operator whose pilots can no longer carry out recurrency training due to the travel ban. Any lifting of restrictions could be done with the same safeguards currently applied to transiting operational flight crew.

Part B: Future of Aviation:

The Government's Five-year Plan for Aviation

Demand Management at Sydney airport

The RAAA will be making a submission to the Sydney Airport Demand Management - Discussion Paper.

Airspace Management

- What issues need to be considered in shaping future airspace protection polices and regulations?

The RAAA would like to see the full financial benefit promised from the OneSKY program delivered to industry as promised.

The RAAA would welcome a review of Airspace Management at Melbourne Airport and why it has not introduced a slot scheme similar to those that operate at most major city airports in Australia.

We also have an interest on behalf of our Flying Training members in the impacts of Western Sydney Airport on Sydney airspace (Bankstown and Camden). We currently have an RAAA director on the Forum on Western Sydney Airport (FOWSA) and will be advocating on behalf of our members.

- How can airspace protection balance the needs of the aviation industry with those of landowners and surrounding communities?

The RAAA supports the guidelines set out by the National Airports Safeguarding Framework (NASF) for airspace near airports.

Airline access to domestic and international routes

Whilst the RAAA generally supports free trade it does not support cabotage of the domestic airline market in Australia, particularly as the industry struggles to immerge from the COVID-19 pandemic.

Facilitating new and emerging technologies

- Are there barriers to the take-up of innovative technologies in the aviation sector?

The RAAA believes that CASA should allow organisations with a mature SMS to manage new and emerging technologies through their Safety Management System (SMS). This should be recognised as an acceptable means of compliance (AMOC) by CASA and will facilitate the Operator adopting a risk managed approach. The Regulator can observe/audit implementation without the red tape of an approval process.

CASA should also be more open to accepting overseas ICAO certification for new types. This will again reduce the red tape and cost and compliance burden on the industry.

Safe, secure and environmentally sustainable aviation

Safe air travel

- Are there options for governments to improve aviation safety governance and consultation processes?

It is the RAAA's position that CASA must adhere to Directive 02-0057 effective July 2019 – Development and Application of Risk-Based and Cost-Effective Aviation Safety Regulations. This Directive reaffirms CASA's commitment to ensure that regulatory changes are justified on the basis of safety risk and do not impose unnecessary costs or unnecessarily hinder participation in aviation and its capacity for growth. It also extends the principles underlying this commitment to the application and administration of the regulations by CASA, to the fullest practicable extent consistent with the interests of safety.

The RAAA supports the current industry consultative process within CASA through the many industry technical working groups (TWG's) and the ASAP (Aviation Safety Advisory Panel).

Secure aviation

- Are there approaches that governments could pursue to improve aviation security governance and consultation processes?

The RAAA maintains the position that any security requirements for regional airports and their passengers must be based on actual and not perceived risk. If a funding model is adopted which covers the cost of regional security without a significant impact on the cost of airfares, then that should not be used as an excuse to ramp up regional security requirements simply because the economic penalty has been reduced. Such rules must always have a basis in fact.

This is the philosophy applied by the Civil Aviation Safety Authority in promulgating new rules and regulations and it is just as appropriate to apply it to security arrangements for regional air passengers. It should be noted that some airlines are already incurring a cost burden under security regulations with the requirement for airline aircraft with 30 seats or more to be fitted with hardened cockpit doors. The RAAA also strongly believes that security charges should not be levied on airlines where they are not required by law or not agreed to by the air service operator. Currently some regional airports are charging airlines with aircraft of less than 40 seats for security screening which is not required and, in most cases, not wanted. This is a case of profiteering by those particular airports and is against the spirit of the security legislation promulgated in February 2020. As part of a sustainable screening regime this levying of unnecessary extra costs should be eliminated. This includes not imposing any type of network cost on those aircraft that are exempt from screening requirements.

Further information can be found in our recent submission to Sustainable Security Screening at Regional Airports industry discussion paper September 2020.

Environmentally sustainable aviation

- Are there options to improve environmental outcomes while maintaining an efficient and effective aviation sector?

The RAAA's vision is to see improved environment outcomes through the Airservices OneSKY Program. Shared use airspace, route optimisation and trajectory-based operations will enable opportunity to decrease noise, save fuel and reduce carbon emissions.

Reducing the Regulatory Burden & greater local decision making:

Federally leased airports

- Are there options to improve the regulation of Federally leased airports, that balance the benefits of local level regulation and management with strategic national level interests?

The imposition of managing airspace under APARs federal legislation that is not supported by state legislation leaves airport operators exposed. Breaches of controlled activities has no state MOU to support airport operators, all the airport operator can do is manage the risk.

Smaller airports which rely on non-aviation development for their viability should have a lighter touch of regulation. E.g., Sensitive Uses under the Airports Act should be reviewed, such as education, health and certain types of residential such as build-to-rent and residential aged care.

Greater local decision making - Local government owned aerodromes.

- Are there options to improve how Aerodrome Local Ownership Program (ALOP) aerodromes are regulated?

The RAAA and its airport members believe that a new governance and management structure for regional airports needs to be developed. Airports that are typically run by small local councils tend to struggle with traditional local government bureaucracy and commercial management. Also getting access to qualified and experienced staff with commercial airport experience can be challenging.

- Are there other ways the Commonwealth could support state, territory and local governments in their operation and management of regional and local aerodromes?

The Commonwealth should continue to provide infrastructure grants to regional airports, preferably not via a co-contribution model. The Commonwealth could provide a central training offering to ensure that ALOP's have suitably qualified personnel managing these facilities.

Targeted assistance - Funding of regional airports.

- Do current Government airport grants target key priorities for regional airports?

In consultation with our regional airport members the RAAA does not believe that Government airport grants target key priorities. It favours councils with the resources to have off the shelf ready to be constructed projects, regardless of whether it is critical in the national sense. Councils often tie existing projects to grant opportunities regardless of whether there are more deserving projects elsewhere. In addition, the co-contribution funding model is not feasible for the smaller airports/councils in regional and remote Australia.

The range of airports that are supported by grant funding includes airports with no regional or rural air services operating. If the priority is to support connectivity between regional/rural Australia, all airports that provide access to these type of air services should be considered for grant funding, excluding major capital city airports. For example, Essendon Fields is a regional-style airport but has been excluded from regional funding grants due to its location in a metropolitan area.

Reducing the Regulatory Burden & greater local decision making:

Targeted assistance - Aviation skills and workforce development

Australia has a major opportunity to develop a coordinated Federal and State/Territory aviation training program to meet the demand for aircrew, maintenance, airport and related skill over the coming decades. This program is not just to provide skills to our domestic industry, but also the rapidly growing aviation industry in the Asia Pacific.

Targeted assistance - Aviation skills and workforce development

- Are there other or modified options to improve the aviation workforce training framework to better meet the current and future needs of industry, beyond those identified in the Expert Panel Report?

The RAAA strongly believes there is still a latent demand for skilled persons within the aviation industry. COVID-19 has only slowed up the tsunami approaching us, and that urgent action is needed to address the severe shortage of people choosing aviation as a career. The Expert Panel Report highlighted many of the issues facing the industry and rather than start again perhaps a review of the relevancy of the report should be carried out. Some of the report's recommendations have been implemented with positive outcomes.

The RAAA continues to support the Governments vocational education and training (VET) student loans scheme and welcomes the recent increase to $150,000.

The RAAA also supports the continuation of the Small Business wage subsidy facilitated through the Australian Apprenticeship Support Network (AASN) for small to medium sized businesses of under 200 employees.

- Are there options to improve the longer-term development and/or retention of aviation skills?

ICAO held the Next Generation of Aviation Professionals (NGAP) Global Summit in 2017. At that time the industry supported 63.5 million jobs around the world, contributing more than 2.7 trillion dollars to the global GDP, carrying more than half of the 1.4 billion tourists who cross international borders every year. The NGAP team produced a report which highlights some of the key issues and also offers solutions to developing and retaining aviation professionals.

Targeted assistance - A sustainable and equitable funding base for CASA

- Are there options to rationalise the number of fees and methods of charging the aviation sector?

The RAAA looks forward to consulting with the government on a new funding model for CASA driving greater efficiency, transparency and accountability and reducing appropriation spend.

International flights (including those operated by Australian carriers such as Qantas, Jetstar and Virgin Australia), major airports and Airservices Australia either do not pay the fuel levy or are not fuel users so no levy can be applied. Clearly, a large proportion of CASA's resources are expended on sectors of the industry which do not contribute to CASA funding. The main burden of CASA funding falls on regional and mainline domestic operators and domestic aerial work companies who are paying far more than their fair share under this funding arrangement.