

17 March 2023

Jason Dymowski
Assistant Secretary
Aviation White Paper and Reform Branch
Domestic Aviation and Reform Division
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Sent via email: Jason.Dymowski@infrastructure.gov.au

Dear Mr Dymowski,

Thank you for the opportunity to make initial submissions about any aspect of the Aviation White Paper Terms of Reference.

Background

In 2019, the national aviation sector was strong, stable, and growing. Aviation was critical to our nation supporting a range of industries from tourism, agriculture, to education and resources as well as providing important social connections and employment for the broader good of Australian society. The value of aviation to the Australian economy cannot be understated yet. Until the pandemic, aviation was so ingrained as a part of Australian life it was, to an extent, taken for granted.

The emergence of the COVID-19 pandemic resulted in the aviation sector moving quickly from a commercially operated network to a minimalist domestic network, where many thousands of aviation sector employees were laid off or stood down. In June 2020, the number of passengers carried on Australian regular public transport flights decreased by over 90 per cent relative to June 2019. Passenger movements at regional airports declined by around 87 per cent and the number of international passengers carried in June 2020 decreased by around 98 per cent. There was a slight upsurge in the charter section of general aviation, however this subsided quickly as domestic airline operations returned.

For the past 12 months, the industry has continued to accelerate into a recovery. Unfortunately, human resource shortages and the traditionally long training lead-times, particularly in the areas of aircraft maintenance engineers and pilots are slowing the rate of recovery significantly.

The opportunity exists now for the Government to address the immediate shortages and put in place a plan that boosts the resilience of the industry into the future.

White Paper's Purpose

In planning for the future, the Aviation White Paper's purpose appropriately identifies the need for long-term policy directions. To do this, an articulation and appreciation of the current and possible future environments would be highly beneficial to enable the identification of problems that would impede the implementation of the desired policies. Once identified, alternative strategies can be prepared that may address the problems, thereby enabling the desired 'growth' and 'innovation' of the aviation sector.

White Paper Scope and Themes

Aviation Australia Pty Ltd is a nationally registered training organisation providing both vocational and airworthiness outcomes for the aviation sector. Training is provided to domestic and international airlines, maintenance repair organisations, regional and general aviation operators along with the ADF. This training is suited for aircraft maintenance engineers, pilots, cabin crew, ground support services, and remote pilots. The following comments are based on this background.

Future industry and workforce skills and training requirements

With the aviation industry now well into a post-pandemic recovery phase, the opportunity exists for improvements to the industry's functionality in several areas, including education and training of personnel and streamlining of regulation and regulatory processes.

The shortage of appropriately educated and trained aviation personnel was acknowledged prior to the pandemic and the exodus that occurred during the pandemic has exacerbated the situation and shortages are now at a critical level. The education and training times for skilled aviation personnel are measured in years, posing both short-term and long-term problems and needing a tactical as well as strategic approach.

Short term measures may involve the introduction of a progressive licencing system for aircraft engineers that would allow trainees to work in the industry at an earlier stage (in line with their progress in training). Other short-term measures may involve facilitating recognition of overseas licencing qualifications to allow skilled migrants to fast-track into the Australian aviation workforce.

In the longer term, the current tensions between vocational education and training requirements and CASA licencing requirements needs to be resolved at a national level.

There is no central point of information on aviation careers and anecdotal evidence indicates that, apart from within specific aviation school programs, knowledge of careers in aviation Information amongst school career guidance officers is poor and information is sparse. It is suggested that the Government should develop guides for pathways into sector specific aviation employment opportunities and these should be disseminated widely and via multiple sources including social media options. The viability and attractiveness of aviation careers should be emphasised, and it is important that pathways are illustrated across the entire aviation eco-system from general aviation to the airlines, from regional to city airports, and from small local businesses to large multinational aviation businesses.

There would be significant industry support for a national aviation academy that would serve as a “centre of excellence” to develop and promote the Australian aviation industry. The centre would be nationally managed but could operate through regional “hubs” in the provision of face-to-face teaching and learning. Virtual, online teaching could broaden access for students in rural and regional areas.

How to support and regenerate Australia’s general aviation sector

The General Aviation sector provides the lifeblood of connection with rural and regional Australia. The pandemic clearly illustrated the importance of a general aviation charter aircraft fleet. However, there is general industry-wide reluctance to lease or purchase new aircraft whether they be for charter, RPT or training. This contributes adversely to the age of the Australian aircraft fleet having a detrimental effect on the environmental footprint and leaves Australia lagging in a fleet capable of using Sustainable Aviation Fuels or alternative technology.

At least one factor in the reticence modernise fleets are barriers to financing new aircraft versus the rate of return. For those industry participants capable of securing a financier willing to support capital investment in aviation assets, the stringent repayment expectations of those financiers present a further challenge as operators are required to pay off new asset purchases over significantly tight repayment periods. In terms of small business cash-flow, these time periods are unrealistic and virtually impossible for industry to meet without access to significant other material assets by way of loan security. Many aircraft operators simply do not possess fixed assets to secure the financing of new aircraft as aviation businesses tend to have their operational bases on Commonwealth leased airports, where they are unable to purchase land.

It is suggested that the Government considers incentives for fleet renewal, possibly by way of a financing scheme which will positively encourage growth in all sectors of the aviation eco-system. From a sustainability perspective, a fleet renewal incentive and financing scheme has the potential to produce an outcome which will see enhanced environmental footprint with markedly reduced CO2 emissions and the potential to reduce aircraft noise footprints in the vicinity of Australian airports.

Aviation Ombudsman

The industry is diverse, as are the variety of issues that arise needing resolution, often involving the regulator. There is no single pathway for resolution of matters, particularly those that may involve more than one portfolio. While CASA has an internal complaints commissioner, the position reports to the CASA board and the independence of the role has been questioned. While the largest organisations have Government relations departments that interact with Government departments and sometimes their ministers, the majority of operators do not. Matters involving agencies such as CASA often do not come to the forefront until they become critical, and frequently involve the sometime laborious processes associated with the Administrative Appeals Tribunal.

In light of the specialist knowledge required, it is recommended that the role of an Aviation Ombudsman is established, with an appropriately wide remit and available to all of the industry. This would assist in dealing with matters as they arise.

Changing Aviation Technologies & Regulation

Technology is evolving rapidly and emerging technologies such as remotely piloted aircraft systems (RPAS), alternative fuels, and electric propulsion and electric vertical take-off and landing (eVTOL) vehicles have the potential to catalyse important economic and social gains. However, both the development and implementation need to be supported by appropriate policies and regulatory frameworks.

The Civil Aviation Safety Authority (CASA) supported the industry during the pandemic and the early recovery phase through a range of alleviations from extant regulations without any measurable impact on safety. The question arises and the opportunity exists to explore whether at least some of the alleviations can become more permanent.

The pandemic recovery is clearly indicating that the funding model for CASA is flawed and current delays in the provision of regulatory services are unacceptable and are holding back the industry at all levels. There would be benefit in examining the functioning of CASA in its role as a modern regulator.

Summary and Recommendation

The recovery of the aviation industry from the COVID-19 Pandemic presents Government with a unique opportunity to re-shape aspects of the aviation industry. Australia has the potential to be a world leader and innovator in terms of regulation, operation and training. Some potential initiatives have been mentioned in this paper, however, it is suggested that a body in the form of an aviation “think- tank” comprising strategic thought leaders from across all of the Australian aviation eco-system be formed. The goal would be to provide a continuing source of high-level strategic advice to the Government on the development and support of Australian aviation not only during the dynamic pandemic recovery period but into the future as advances in technology continue apace. Such a body would provide Australia with the ability to be at the forefront of global aviation industry innovation and transformation. Government

aviation policy would be informed by the output from a diverse team of strategic thinkers, including bright young minds, tasked to produce concepts and plans supporting and demonstrating innovation and forward-thinking ideas. It is suggested that the existence of such a group, appropriately empowered by Government would be to encourage and stimulate conversation that lead to specific projects and associated growth across all sectors from general and sports aviation through to international regular public transport, freight, handling, education and training, sustainability and technological change.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'W. Horrocks', with a stylized flourish extending to the right.

William Horrocks
Chief Executive Officer