

**OUTBACK HELICOPTER AIRWORK NT PTY LTD**

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office@outbackhelicopters.com.au I www.outbackhelicopters.com.au**SENATE INQUIRY – Australia's General Aviation Industry - 7th September 2021****BACKGROUND**

My Name is Paul Blore. I am the Managing Director and Chief Pilot of Outback Helicopter Airwork NT, established in 2009. I come from rural background, gained my commercial pilot's licence in 1991 and have extensive knowledge and experience in the aviation and cattle industries throughout the Northern Territory.

My company provides professional aerial work services for a range of clientele including private enterprise, small and large pastoral properties, local and commonwealth government agencies, indigenous ranger groups and corporations.

The bulk of our work involves complex technical tasks in low level flying conditions such as aerial stock mustering, fires services including mappings, surveillance, ignition and suppression, sling work, agricultural spraying, mapping, and survey for the management of noxious weeds, management of feral animals as well as various other technical tasks.

The Northern Territory is remote. Living expenses, fuel costs, travel expenses, shipping costs are all significantly higher than southern and eastern states. Qualified and suitable service providers such as maintenance engineers, avionics, parts, and component overhaul suppliers are minimal, even non-existent in some cases and so too are flight training and check and training providers. On top of these constraints our Workers Compensation premiums are astronomical as well as hull and liability insurances with some providers not willing to insure.

In my 30 years of flying and 13 years as an owner operator I have seen and been affected by the changes within the Aviation Industry. I love the Territory and my work, but it is getting harder and harder to do business. The following items outline some of the issues we face today that are making it harder:

CYLINDER & VALVE WEAR – BAD FUEL

Like other operators from the northern regions around 2016 we started to notice changes in the fuel supplied by our normal fuel suppliers, mainly a different smell, different colour and different consistency/feel. Spark plugs were running hotter and wearing out significantly quicker. At times we would only get 100 hours out of a plug instead of approx. 500 – 600 hours. Cylinder and oil temperatures began to run hotter to a point where we started having regular issues with valve wear in the cylinders.

In 2018 we purchased a completely brand-new Robinson R44 Raven I helicopter at a cost of over \$600,000.00 with the expectation of having a full life out of the engine with minimal major maintenance and

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downtime. However, our first major maintenance was carried out at an astounding 178.2 hours Total Time where three (3) cylinders failed at once. So out of a 2000-hour life item (the engine) where you would typically not need to replace a cylinder (pre low lead 100LL fuel), we only managed 178.2 hours before the cylinders broke down, which equates to only 8.64% of the full life of the component.

These valve wear issues continued at an unprecedented level creating major concerns for the safety of our pilots and aircraft. Concern was consistent throughout industry as many operators especially in the northern regions were experiencing the same problems and frustrated with CASA's response and lack of action regarding the matter. To help find a cause for why cylinders were suddenly consistently breaking down we took part in the AHIA funded investigation into the durability issues in Lycoming O-320, O-360 and O-540 Engines fitted to Robinson Helicopter R22 & R44 models dated 21/10/2019.

Our normal fuel suppliers whom we purchase fuel in bulk were now supplying low lead fuel 100LL as a replacement for the older type of leaded fuel 100/130 with no notification of the change. As we felt the valve damage was caused by excessively high operating temperatures because of using the low lead fuel, we searched for suppliers who could provide leaded fuel so we could stop the problem. At the time there was only one provider who could supply the leaded fuel but only in 44-gallon drums not in bulk amounts. This mean the cost was much higher in drum form, but we were willing incur the higher charges if it would fix the problem.

We found that by using the 100/130 leaded fuel seemed to lower the oil and cylinder temps and resulted in a reduced number of cylinders required to be repaired or replaced. 100/300 leaded fuel is now available in bulk form however many of our clientele who provide their own bulk fuel opt for the cheaper low lead version which still creates a problem for us. We try to utilize the 100/130 fuel as much as we can, but we cannot dictate what our clients provide.

The current price for 100LL low lead fuel is \$2.26 per litre and the 100/130 leaded fuel is \$2.55 per litre. A difference of \$0.29 per litre. When purchased in bulk amounts a difference of \$0.29 adds up. See example below. e.g., 14,000 litre bulk tank @ \$0.29 per litre = \$4,060.00

Since mid-2017 we have replaced an incredible **49 cylinders** on our three (3) R22 and two (2) R44 helicopters some of which only managed less than 100 hours. That is **less than 5% of the full life of the cylinder** (at 2000hours). Some of these cylinders have been under warranty however a warranty claim does not cover the full cost of the cylinder or the engineering time it takes to remove and re-install. The cost for this unscheduled maintenance, loss of income due to downtime, freight costs, repair costs and admin costs has been an astronomical burden on the business, myself as the owner and my staff.

PART 61 LICENCE CHANGES – additional check and training requirements

Under PART 61 Aerial Application operations which include agricultural spraying and firefighting require an annual proficiency check which is over and above Bi-annual Flight Review pre PART61.

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This annual check is also required to be carried out by an approved flight examiner and there being no flight examiners in Darwin with the required credentials, we must source someone from interstate which also includes additional costs for flights, accommodation, travel time, car hire etc.

We recently completed our Application Rating training and Bi-annual flight review in July 2021 with an independent flight examiner from interstate at a cost more than \$5,500.00. Compared to other operators in other states who can provide this service for their pilots at approx. \$400.00 per person.

To rub salt into the wound CASA brought out an extension of time for Flight Reviews and checks in August due to COVID19. *CASA EX100/21 – CASA EX92/21 – Extension of COVID-19 Relief Measures – Amendment Instrument 2021.*

Recommendation

CASA to provide an exemption to the CASR regs to allow a Chief Pilot from a third-party operator be able to conduct Aerial Application and Airwork Operations Proficiency Check & Training in replacement of a flight examiner who can then check & train in house personnel. This would alleviate the need to engage examiners from interstate and reduce the cost burden on the business.

PART 138

CASA is pushing for the New Part 138 Operators Certificates into the Aviation sector by 02.12.21. to replace the current AOC Airwork Operations. They say it's going to be easier, simpler and user friendly than the old Air Operator Certificate system. CASA have created another document which will add to the confusion and minefield of regulation and added cost to businesses. There are so many elements to it, pilots will be overloaded by paperwork, it's just another case of been miro managed from CASA.

- Mustering Operations Certificate has 62 pages
- MOS Manual of Standards (Aerial Work Operations) has 102 pages

WORKER'S COMPENSATION INSURANCE

Northern Territory Worker's Compensation Insurance is one of our major costs. Since 2009 when the company started, we have paid over 20.0% workers comp for all staff regardless if they are a pilot, general labourer or office staff. That rate increased to 26.5% over the previous 5 years. Despite seeking quotes from alternative providers this is the best rate we have been able to get despite having had no accidents, no incidents, and no claims. The table below shows alternative quotation rates sourced, 2019.

Current Provider - QBE	Alternative - CGU	Alternative - TIO	Alternative - GIO
26.5%	33.0%	50.0%	100%

Mr Paul Blore
Director & Chief Pilot
06.09.2021