



27 August 2021

Committee Secretariat
Senate Standing Committees on Rural and Regional Affairs and Transport
Email: rrat.sen@aph.gov.au

Dear Sir/Madam

Senate Inquiry into the current state of Australia's general aviation industry

Please accept the Regional Aviation Association of Australia's (RAAA) second submission to this Senate Inquiry, it has been just over a year since our first submission and this submission takes into account the more recent Covid impacts on General Aviation (GA).

I have also taken over from my predecessor in January this year and have been hearing first-hand how GA businesses are coping or not, in the current environment. I have had over 25 years in the aviation industry as a pilot who came through the GA system, from instructor to charter pilot and eventually international airline pilot. Just as importantly as that, in this context, I have worked with the regulator CASA and our government as a Senior Aviation Adviser to previous Transport Ministers so have seen the issues both inside and out.

This submission aims to give practical solutions that I believe the GA industry desperately need at the moment and into the future. I also do not want to focus much on the past but want to look at what is needed over the next year and beyond. I have seen the positives with some flying schools adapting to take on new opportunities such as training of new Drone pilots and some Australian businesses leading the way with electronic aircraft. As more and more young people look to the airline training schools, our GA flying schools must also adapt and look for new opportunities and new technologies.

This submission is focused on some practical solutions which I believe can be implemented by the government, I appreciate the opportunity to submit this and will be happy to answer any questions should the committee wish.

Best regards,

Steven Campbell
Chief Executive Officer
Regional Aviation Association of Australia



RAAA Submission – Inquiry into the current state of the General Aviation industry

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1. Identifying the issues.

Aviation has been the bedrock of Australia's regional landscape for just over 100 years, once a critical connection for remote communities for mail and freight to today's complex multi-layered industry. General Aviation, or GA as it is colloquially known has also been the traditional breeding ground for new pilots and engineers. Once upon a time, to even think about a career with an airline, you had to have cut your teeth in GA for thousands of hours before an airline would even ask you in for an interview. Things have changed of course and today our airlines focus on their own training schools for their main supply of new pilots and engineers are trained directly on to the bigger aircraft. This has left a glut of demand and supply for our traditional flying schools and charter companies, especially in regional areas. Attracting new pilots or engineers and even retaining them whilst competing with the higher salaries of the airlines is almost impossible. This has the potential of causing major disruptions to the transport infrastructure of remote and regional areas of Australia.

On top of this, aircraft operating costs are only going higher as they age and fuel costs go even higher, renewing aircraft is not cheap and we have seen the lifespan of GA aircraft extending beyond 40+ years. Later on we talk about CASA, but whilst ongoing costs from regulations are a small percentage of total costs of running a GA business, regulatory changes have incurred significant costs to the industry which were not fully understood by CASA and we have another big change coming soon.

I believe too much focus has been placed on CASA by GA for the cause of their woes, I believe it is time for GA to look inward for some real self-reflection. Some GA businesses are built from a passion or hobby, once upon a time this worked out ok, but with privatisation of airports, maintenance and fuel costs going up, our GA businesses needed to adapt. Rather than harking back to the 'good ol days' GA needs to be looking 5-10 years ahead, what will flying training look like, how will drones affect GA, how will technology change GA, should GA be looking to regional bases??

So whilst the business environment has changed for GA, the importance of GA to the aviation industry has not. GA is still a vital part of regional Australia with smaller aircraft still providing essential services to regional and remote communities. We need to help GA recover from the impacts of Covid and then look to the future on where we see GA in 5-10 years' time, for all of this, we need government help and vision. The government was in the process of producing a policy document called the Future of Aviation paper, this paper had the potential to highlight the government's priorities for aviation, Covid has obviously changed focus but our industry would still like to see this paper finalised.

Recommendation 1.

The Government needs to provide the aviation industry with their vision and policy platform for the future, the government should complete its work on the Future of Aviation paper and publish as soon as possible.

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2. Technology to reduce operating costs

A study conducted by the Department of Infrastructure, Regional Development, Transport and Communications (the Department) in 2017 found that wages, maintenance and fuel costs contributed most to the overall financial burden of a GA business. The report found that only 4% of operating costs could be attributable to CASA/Airservices costs, this would have surprised many! When you look at fuel and maintenance costs, this area will be the main source of financial distress of operators going forward with their ageing fleets, but also an area where support could help the most.

For some time now, the GA industry has been weighed down by the lack of opportunity to upgrade their aircraft fleet, the costs of newer modern aircraft are beyond what most GA operators can afford. Even today, new GA aircraft are being built which are still only able to use expensive aviation fuel such as AVGAS.

We have seen the cost of AVGAS rise to levels that is putting further financial stress on GA operations. With limited supply and reducing demand, costs for AVGAS will only keep increasing. Alternative fuels such as Jet A1 and biofuels are options for GA but only a few GA aircraft have adapted to be able to use them (if any).

This is also why I believe we should look to the potential of electronically powered aircraft as the future of flight training aircraft. Not only would these aircraft drive down operating costs, they also produce very little noise which would help to alleviate noise complaints around GA airports. Currently the development of these aircraft are making huge advances and the range and endurance of them is increasing making them perfect training aircraft. There is also an opportunity for Australian manufacturers who have taken somewhat of a lead in the development of e-aircraft and supporting products in Australia.

Recommendation 2.

The Government should look at incentives or other support mechanisms to help facilitate the up-grade of GA aircraft fleets and to assist in the introduction of alternative fuels or the introduction of e-aircraft.

3. CASA

To understand most of the angst around CASA it is important to recognise the impact that the introduction of the flight crew licencing regulations (CASR Part 61) had on the GA industry. CASR Part 61 was introduced in 2014 and the effects and bitterness remain, as with other introduced CASR Parts. Industry were told by the then Director of Aviation Safety prior to the implementation not to worry and that "what you can do today, you can do tomorrow". This may have been the intent, but the result was far from what was promised. Some of the major issues were around the ability of who could do what. An example is where Part 61 introduced a number of new flight tests for things that used to be handled under what was called a flight review or similar. Unfortunately, under Part 61 only 'flight examiners' could conduct flight tests and in some parts of Australia, this proved to be extremely difficult!

CASA have been endeavouring to fix up some of these issues, however the pace of reform has been incredibly slow and has added to the angst with CASA. I believe that this work is critical for the GA

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industry in particular and needs to be finalised so we can all move forward. Considering the work that has already been done, a short burst of resources to assist CASA in finishing off this work is all that is needed.

Recommendation 3.

The Government should provide resources to CASA over a 2-year period to finalise the reform of CASR Part 61 and associated CASR Parts previously introduced. This will require funding and a small number of contracted staff to facilitate the consultation and recommendations for regulatory changes.

With the pending commencement of the new operational CASR Parts due on the 01st of December 2021, comes new requirements for industry. One of the main aims of introducing the new rule sets is to align safety for Regular Public Transport and the Charter industry, this was a Ministerial Direction from the then Minister, the Hon Jon Anderson back in the late 90s. For over 20 years this work has continued and we look to have the end in sight, unfortunately that end happens to coincide with one of the worst economic disasters of our generation. Whilst CASA has delayed a number of new requirements such as Check and Training systems and Human Factors training, there are a number of other areas which will cost industry to transition to the new rules. Many small operators do not have the time or ability to write new manuals or have the resources to implement much of what will be required, this is also only IF they are around next year. There is still uncertainty around a number of important policy areas including maintenance, to which the industry are still uncertain about what will be required, and also if recruitment of new accountable managers will also be needed. It is neither CASA's fault nor the industry's, but the reality is, the new flight operations regulations are commencing at possibly the worst time conceivable for industry. I personally am not in favour of delaying the commencement date, but it must be an option now, most definitely CASA and the government must work to ensure costs are kept to bare minimums to implement any new requirements.

Recommendation 4.

CASA and the Government should consider options to alleviate the costs of introducing the new flight operations regulations for affected aviation operators and look to provide resources to assist industry in making that transition.

4. Airport access

Since the privatisation of our Federal airports in the late 90s, GA businesses have seen increasing rents and reducing security on leases. The focus of airport owners to more commercial developments on airports has increased dramatically over the last decade. Whilst this is perfectly allowed for in the head leases and communicated through Master Plans, the ability for GA businesses to 'push-back' on development has been diminished.

There is a very good reason for airports, such as the GA airports (also known as Metro Ds) like Moorabbin, Archerfield and Parafield (to name a couple) to look to commercial developments and that comes down purely to money. These commercial tenants such as the likes of Bunnings, DFO or Costco have much deeper pockets and can pay the much higher commercial rates asked for by the airports. The airports argue that this money is also used to help maintain and even develop aviation infrastructure, this is true. However, when you take the example of Moorabbin airport, the commercial development is now forcing the removal of the aviation infrastructure in its path. Aviation businesses affected by this

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are being offered very little in return and in some cases forced to compete with other aviation businesses for a small patch of grass or tarmac. It seems the tipping point has come when the Federal Government who are the 'landlords' of these Commonwealth assets, needs to come in and ensure the intent of the Airports Act and the head leases are being adhered to. **Airports are for Aviation!** There needs to be minimum footprint set out for the GA airports with realistic access to runways and taxiways and longer leases offered. We see at Moorabbin now that a lot of businesses must locate their main offices and training facilities off-airport and then transport students to the aircraft parking areas from there. Moorabbin is a great example of how an airport, left unchecked, can rid itself of aviation and eventually replace it with more shopping centres. These airports provide up to 67% of our pilot training, the importance of maintaining aviation activity cannot be understated!

Recommendation 5

The Deputy Prime Minister must intervene in the current Moorabbin Master Plan process and re-evaluate the effect on the GA businesses who are gradually being squeezed out of the airport land. More land must be rezoned for aviation to assist those businesses already affected by development.

Recommendation 6

Master Plans for GA (Metro D) airports must meet criteria which will guarantee a minimum footprint for aviation and provide more security for viable aviation businesses.

5. Covid assistance

The Federal government has provided an unprecedented amount of financial support to the aviation industry since early 2020, this has resulted in many regional airlines staying afloat and supporting regional communities that otherwise would have seen air services diminish or disappear completely. However, those in the GA sector have felt very much left out.

Covid and its accompanying restrictions have devastated the aviation industry and whilst welcome government support has focused on the airline sector, most in GA have had to rely on other support packages for small businesses. These packages may well be enough for businesses such as cafes and shops, however the unique nature of aviation meant the support fell well short of what was needed. Aviation relies on "bums on seats", we can't work from home and nor can we change to a take-away menus and you definitely can't 'click and collect'. Capital costs are very high and our operating costs even higher. GA is a critical part of the aviation eco-system and deserves to be recognised as such. This is where future pilots and engineers will still come from, it is the breeding ground for our airlines to support their services into the future. Not looking after GA now, will result in problems in years to come, especially in remote and regional Australia where many communities are still heavily reliant on GA operations.

Any financial assistance from all levels of government has been welcomed but is unfortunately not enough to maintain basic services for most. Take for example our flying schools teaching future overseas international airline pilots, with the international borders closed, these once shining lights of GA are on the brink of decimation. The Asian airlines who have been the main contributors are now looking elsewhere and the longer our borders remain closed, the greater the risk we won't see these

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students return. With no students, the aircraft are grounded and the financial assistance does not even cover the insurance for the aircraft that are sitting idle.

The RAAA understands that the window for lockdown relief is probably closed, this is of course naturally very disappointing to GA, particularly when we are currently in one of the worst outbreaks of this pandemics. We would therefore like this committee to look at recommendations for next year (2022) to assist GA in their recovery phase.

Recommendation 7.

The Government to provide a total waiver of CASA and Airservices Australia's fees in 2022 for any business operating aircraft below 5,700kg Maximum Take-off Weight within Australia.

Recommendation 8.

The Government should make available as soon as possible a loan scheme for affected GA businesses (including maintenance organisations), similar to the scope of the farm Drought loan scheme, with loans available up to \$2M to help re-finance current commercial debt.

Recommendation 9.

The Government should ensure that international flight students are able to return to Australia as soon as our international borders re-open, delaying their return severely risks losing them to other countries permanently.

End of submission.