

South Australian RAPAC statement to enquiry

Committee Secretariat

Senate Standing Committees on Rural and Regional Affairs and Transport

Email:rrat.sen@aph.gov.au

Dear Sir / Madam:

RE: Senate inquiry into the current state of Australia's General Aviation industry.

Please accept the South Australian General Aviation industry submission to this Senate Inquiry. We have canvassed a range of opinions from General Aviation operators across South Australia to prepare this submission, and trust that the issues raised will be addressed. The experience represented here is broad, and includes operators at all levels of General Aviation. We note that General Aviation operators offer charter services, scenic flights, search and rescue operations, passenger and freight transport, mustering services, photography and survey services. All these services are ad hoc services, and operate according to bookings. We note that for the purposes of this submission, General Aviation does not include Regular Public Transport services with published and fixed routes.

The importance of General Aviation:

General Aviation remains a critical connection for remote communities for mail, freight, and passenger transport. There are communities across the Australian regions who do not have access to any form of Regular Public Transport (RPT) services such as those supplied by ChartAir, Regional Express, Sharp, or Qantaslink. For these communities, their only hope of air transport is an ad hoc charter, supplied by an organisation within, or servicing, the community.

General Aviation remains an important stepping stone between flying training, and the airlines. We note that for the past 30 years, the vast majority of flight crew have come from, or as a result of, flight training institutions, who then progressed to General Aviation before heading to the airlines. The skills learned in General Aviation are incalculable, immeasurable, and essential. These skills can be broadly defined as vastly improved flying skills, improved decision making abilities, better crew management, and greater exposure to the aviation environment (such as different categories of airspace).

Recommendation 1:

That the Federal Government provide the aviation industry with their vision and policy platform for the future.

Recommendation 2:

That the Federal Government complete and publish the Future of Aviation paper as soon as possible.

Recommendation 3:

That the Federal Government act on all recommendations as stated in the Aviation Safety Regulation Review, as presented to the Federal Government on 3 June 2014 by Warren Truss, the then Minister for Infrastructure and Regional Development.

The infrastructure that supports General Aviation:

On 9 November, 2017, the Bureau of Meteorology changed the format of Area Forecasts (ARFORs) from a text based format to a combination of graphical and textual format. The format is known as a Graphical Area Forecast (GAF). The graphic is divided into areas that share common weather characteristics.

Previously, the weather forecast was averaged across a fixed region, known as an Area. As a result, in the event of poor or no Internet coverage, it was possible for a pilot to request the wind and cloud forecast for a particular height and particular area (for example, the radio broadcast to ATC might be "Request wind and cloud for 7000 feet, Area 83"). Now, without a fixed area, the pilot needs to describe to Air Traffic Control his (or her) current location, then for ATC to identify that location and then describe the required weather. It would be interesting to learn of the justification for the evolution of aviation weather forecasts.

We also note that during night hours, there are now limited Terminal Area Forecasts available across regional South Australia. A Terminal Area Forecast is required at a destination before a pilot can conduct a flight to that airport at night or by Instrument Flight Rules. If a forecast does not exist for that destination for a flight arriving at night or under IFR, then the pilot must carry sufficient fuel to divert to an alternate location. The requirement to carry extra fuel will limit the payload that an aircraft can carry, thus limiting the commercial viability of the flight.

We note that most TAFs at night are now updated as required for the South East quarter of South Australia. North and West of a line drawn from Port Lincoln to Port Augusta to Broken Hill will show only one TAF for the entire region – Coober Pedy. All other locations which have a TAF during the daylight hours will revert to a METAR – an Aerodrome Weather Report – at night. Provided as a report on existing weather conditions, a METAR is not a substitute for a forecast, which is a prediction of future weather conditions.

We are advised that this is a result of budget restrictions at the Bureau of Meteorology. The result is a restriction of flights by General Aviation operators of South Australia.

Recommendation 4:

That all locations capable of providing a TAF be returned to providing a TAF around the clock.

Training:

CASR Part 61 governed the introduction of the flight crew licencing regulations to Australia's aviation industry, and was introduced on 1 September, 2014. Prior to the introduction of Part 61, the then Director of Aviation Safety re-assured the industry that "what you can do today, you can do tomorrow". Regrettably, this was not the result, and a level of bitterness remains.

Part 61 introduced a number of new flight tests to check pilots' skills for things that used to be handled under a flight review, or similar. Since Part 61 has been introduced, only flight examiners can conduct flight tests. Accessing the individual or organisation with the required qualifications to examine these skills is proving a costly exercise for the regional and remote operator. Either crew and aircraft need to be re-located to the location suitable for the examiner. We note that the majority of aircraft used in General Aviation are not available at the average training school, hence the relocation of both crew and aircraft.

Alternatively, the examiner – with all associated costs – must be re-located to the business location. Unfortunately, some of the items to be checked (3D approaches, or certain classes of airspace) cannot be re-located, which is why relocating aircraft and crew remains the preferred, albeit more costly, option.

The added complexity of training regulations has seen a number of flight schools close, or drastically alter their business model to remain viable. It would be hoped that this exercise would be seen as a warning for future regulatory amendment, but it appears not to be the case.

Fatigue management regulations:

As of 1 July, 2021, all operators were required to transition to CAO 48.1, and implement enhanced fatigue management procedures to reduce aviation incidents attributable to fatigue. However, we note that the ATSB Transport Safety Report: "Fatigue Experiences and Culture in Australian Commercial Air Transport Pilots", released 22 January 2019, noted:

The majority of survey respondents reported they were sufficiently well rested by the end of their last duty. Over half of pilots reported having 7 hours of sleep or more in the previous 24 hours, and over 60 per cent reported having more than 14 hours in the previous 48 hours, at the end of the last flight. The survey also found a small but significant number of pilots, 10 per cent and 17 per cent, who reported obtaining less than 5 hours of sleep in the previous 24 hours, or less than 12 hours in the previous 48 hours, respectively, at the end of their last flight. These sleep thresholds have been shown to be associated with impaired performance.

The report also indicates that the pilots most likely to suffer fatigue as a result reduced rest breaks were short haul regional turboprop pilots. As a result, although over 50 per cent of pilots reported sufficient rest, General Aviation and RPT are moved to similar regulations.

We note that the majority of General Aviation operators provide passenger carrying services in single engine aircraft under Day Visual Flight Rules. Under existing regulations, it is prohibited to carry fare paying passengers in single engine aircraft at night or under the Instrument Flight Rules. As such, these charter operators are keen to make full use of all daylight hours, particularly during the South Australian winter, when the flying conditions are generally nicer for Outback operators and passengers. The requirement to limit duty and flight hours in accordance with the time of commencement of the duty period is unnecessarily restrictive.

The Fatigue Management System, Appendix 4, currently restricts pilots starting at 6am to 0759 hours to a 10 hour day, while a pilot starting at 0800 hours can be rostered on for an 11 hour day.

Given the limiting factor is the Start and End of Daylight, restricting pilots further by limiting duty time seems unnecessary.

Formerly, General Aviation operators were able to operate under CAO 48.1, which did not limit duty hours according to the start time.

Recommendation 5: That General Aviation operators be separated from RPT operators and be permitted to operate under a fatigue management system as described in CAO 48.1 (published 8 December 2004).

Passenger Transport / Aerial Work regulations:

On 2 December, 2021, all General Aviation operators are required to move to new passenger transport and aerial work regulations. The full details of these regulations are yet to be released. With now less than three months until the start date, when operators must be compliant, it is well past time for all details of the amended regulations to be released.

At the moment, pilots are able to be trained to perform a limited amount of maintenance on piston engine aircraft. This may include such things as (but not limited to) changing a tyre, changing oil or an oil filter, or changing a spark plug. Each pilot can only be trained by a Licenced Aircraft Maintenance Engineer, who must provide written approval to the operator before the pilot can complete the maintenance.

Draft regulations show that this training is no longer available to pilots, and that all maintenance must be completed by a Licenced Aircraft Maintenance Engineer. For regional or remote operators, this is a financial blow, with no demonstrated improvement in safety.

By preventing pilots doing maintenance, including the change of oil and oil filter which forms the main part of scheduled maintenance performed every 50 hours, means the aircraft must be removed from service, flown to the LAME for the 50 hourly service, then flown back to base to be returned to service. Instead of being unavailable for approximately two hours for the 50 hourly, an aircraft may be unavailable for revenue flights for up to a full day.

In a busy year, this means an aircraft must be removed from service approximately once every two weeks, instead of once a month. This increases to the cost to the operator – both in the higher wages of a LAME vs the wages of a pilot – and with the additional travel time between base and maintenance facility.

Currently, aircraft must be re-located to a major regional centre or capital city for the scheduled maintenance every 100 hours of flight. This include the aircraft being removed from service for four days, on average, for the aircraft to be flown to the maintenance provider, for the maintenance to be completed, and the aircraft flown back to base to be returned to service. We do not request any changes to the regulations governing the maintenance which must be carried out every 100 hours.

Recommendation 6: That CASA release the finalised Part 135 / Part 138 regulations, in plain English.

Recommendation 7: That CASA ensure that pilot maintenance, as described in Schedule 8, Paragraph 42ZC (4) (d) in the Civil Aviation Regulations 1988, be retained.

Regulatory Compliance:

On 1 July, 2021, all operators in Australia were required to move to new fatigue management regulations. This required time for senior staff to understand the regulations and train staff to ensure compliance. All company operation's manuals needed to be updated and submitted for acceptance. This came at a cost in staff time, and in a financial cost for those operators who chose to employ a consultant to assist with re-writing operations manuals to meet the new regulations.

On 2 December, 2021, all General Aviation operators are required to move to new passenger transport and aerial work regulations. This will include a major re-write of all company operations manuals. Again, there is a cost in staff time, both in senior staff and in training employees to ensure compliance.

With so many operators experience a down turn in business due to Covid 19 travel restrictions, is this really the best time to be burdening General Aviation operators with a new expense that has a limited improvement in safety?

Recommendation 8: That the introduction of new formatted Operations Manuals be delayed until 2 December 2022.

Financial support:

Although Covid and its accompanying travel restrictions have devastated the aviation industry at all levels, Federal Government support has focussed almost exclusively on the airline / RPT sector.

We note Regular Public Transport operators have received significant financial support since March, 2020.

This support has included:

Aviation Services Accreditation Support Program:

Domestic Airport Security Costs Support:

The Retaining Domestic Capability Program:

Tourism Aviation Network Support Program: The objective of the program is to generate a further 800,000 fares connecting visitors to these tourist-dependent regions over the Program Travel Period. The Program will drive more domestic tourists to travel to nominated tourism regions that have been significantly impacted by the loss of international tourists. This will support jobs and have an economic multiplier effect, as travellers spend money on accommodation, food and activities in these regions.

The tickets will be available for purchase under the Program from 1 April to 31 July 2021, to support designated regions and on eligible Regular Public Transport (RPT) air routes, for travel up to and including 30 September 2021.

The Domestic Aviation Network Support: DANS provides shortfall subsidies to four domestic commercial airlines to operate flights along the top 50 domestic routes, determined by

historical passenger volume (BITRE 2018-19). These destinations include all state and territory capital cities, as well as several regional centres (map below).

Australian Airline Financial Relief Package (AAFRP)

Regional Airlines Funding Assistance (RAFA)

The Australian Government provided up to \$100 million in 2020 to assist smaller regional domestic air operators to manage cash flow issues they may be experiencing as a result of the impacts of the Coronavirus. This supported these service providers to maintain essential connectivity for regional and remote communities.

Air Services Fee Waiver:

The waiver of Airservices fees provides a 50 per cent reduction in charges, including charges by the Bureau of Meteorology, for regular public transport (RPT) and aeromedical services. The waiver has been extended to 31 December 2021 and will continue to lessen the operating costs for airlines in providing RPT and aeromedical flights.

The General Aviation sector has not had the financial support that has been so generously supplied to the airline sector, regardless of the airline's financial viability prior to Covid 19.

General Aviation has been eligible for a fuel excise of 0.035 cents per litre as part of the Aviation Support package. This works out to 2.1 cents for every 60 litres burned – the average fuel burn for a General Aviation single engine piston aircraft is 60 litres per hour. The cost in staff time to prove the fuel has been burned and to apply for the refund far exceeds the amount received.

The GA sector has been eligible for a waiver on Air Services fees. Both the waiver on Air Services fees and the fuel excise rebate require aircraft to be flying and earning revenue before the claims can be made. In the past 18 months, GA operators have experienced significant business downturns.

As a result, General Aviation operators 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 for General Aviation operators. Aviation relies on transporting people from Point A to Point B, or from Point A to Point A (for a scenic flight). Any business model that relies on the movement of people means GA operators are limited in the manner we can "pivot" the business. General Aviation cannot work from home, we cannot change to a take-away service.

Capital costs are very high and the 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 airline pilots and engineers will still come from. 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.

Border closures and travel restrictions have hit General Aviation particularly hard. People are reluctant to book a scenic flight if they are uncertain they are able to travel at all. Those flight operators who cross state borders as part of a tour, or who are partnered with Indigenous tour

operators, have been hit particularly hard. Passengers are reluctant to book knowing their tour can be cancelled with limited warning, or knowing that the attraction at the destination may be closed.

As a result, scenic flight operators in South Australia are reporting downturns of 70-80 per cent.

We also note that Aviation is one of the few industries that has maintenance and service components that must be adhered to according to the hours flown, and according to calendar time. As an example, an aircraft must be serviced every 50 hours of flight, or every four to six months (whichever comes first). An extensive service must be carried out by a LAME every 100 hours of flight, or every twelve months (whichever comes first). These service intervals appear to be non negotiable, but remain a significant cost at a time of business downturn. An aircraft must still be maintained every 12 months, even if it has not flown or earned any income in the previous 12 months.

The recognition that the aviation sector at all levels needs support is wide spread. Given the vast amount of money distributed to the Aviation sector, it is devastating to see how little has trickled down, or been available, to the General Aviation sector.

Source: The West Australian, 3 March, 2021:

"We're very conscious of the need in the aviation sector for continued support," Treasurer Josh Frydenberg told reporters on Wednesday.

"There has already been substantial support but the government recognises the need to retain a domestic sovereign capability in our aviation sector.

"We're all very much focused on other initiatives that we may be considering with respect to aviation and other areas of need."

Recovering from the effects of the business downturn which was a direct result of Covid 19 will take General Aviation operators years.

Recommendation 9: That the Government make available as soon as possible a grant scheme for affected GA businesses (including maintenance organisations) similar to the scope of the Exceptional Circumstances scheme eligible to agricultural businesses affected by drought.

Recommendation 10: That the Government re-instate Jobkeeper for affected GA businesses who can prove a decline of 30 per cent or more on 2018 / 19 financial year.

Recommendation 11: That the Government make available a loan scheme of up to \$2 million at minimal interest targeted at aircraft refurbishment / replacement.