

General Aviation Challenges

No Growth without Major Policy Changes

General aviation or, more accurately, non airline aviation has not sustained aircraft utilisation at the same rate as aircraft were used pre the 1990s and before the Federal Government started to reform aviation. Over the last couple of years there have been a number of reviews (including CASA's Annual Report tabled in Parliament), with recommendations and other statistical data produced by the Department of Infrastructure's Bureau of Transport & Regional Economics (*BTRE*) and the Australian Transport Safety Board (*ATSB*) that authenticates that the reforms have had a negative effect on the non-airline sector.

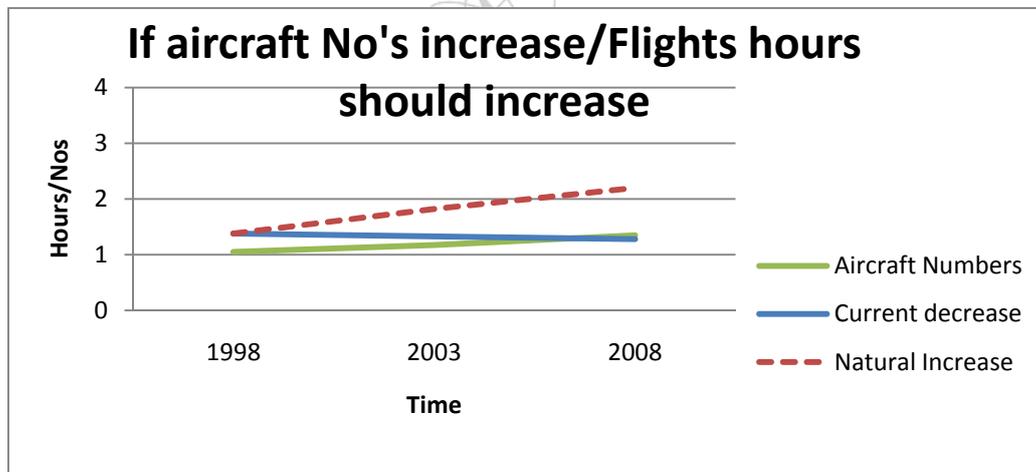
These government departments and agencies collect a lot of information and have databases that make it quite clear that the changes made to the aviation industry since the late 1980s has seen a resultant decline in the GA sector of aviation. What is needed is clear policy to reverse some of the changes imposed in the 1990s.

Major changes have been the separation of a government department into a number of agencies; cost recovery, the privatisation of aerodromes, and airspace reform, continual regulatory reforms that have added costs to the private owner of aircraft so much that aircraft are no longer a competitive form of private transport.

The most startling fact contained in these government databases is, according to an ATSB report, general aviation total flying hours dropped from 1.38 million in 1998 to 1.28 million hours whilst aircraft registrations steadily increased. In 1977 there were 5200 aircraft compared to 11,194 in 1998. CASA's 2009 Annual Report states that 13503 aircraft are now on their aircraft register – also the data shows that 9393 private owners in 2007 no longer used their aircraft as much as approximately 6000 private owners used their aircraft in 1998.

Why hasn't total private aircraft hours increased as aircraft registrations increased?

Though large to medium airline operators have survived and shown increases in total hours flown, many small aircraft commercial operators no longer exists and neither do air services to many small regional centres.



Basically, there should have been a 'natural increase' in total flying hours of the GA fleet if aircraft were still being used as an alternative form of private transport. This downward spiral actually started back in the early 1990s – since then growth has stopped in GA which means that participation rates are lower than it should be.

Currently, aviation is unaffordable as a form of private transport – it is being priced out of existence.

The reality that total GA aircraft fleet utilisation is now lower than it was in 1990 factually demonstrates that changes to the GA aviation environment over the last two decades has failed. Dick Smith coined the phrase "affordable safety", then there was "viable aviation" whilst the current Dep. of Infrastructure, and the Minister, are committed to "sustainable" aviation. **To achieve a "sustainable" GA there needs to be a drastic change.**

For two decades those individuals and entities that could make changes to the GA environment, whether they realised it or not, have not fostered or promoted GA. What they have imposed on the GA community is additional regulatory impost that has unnecessarily increased the costs to private owners/operators.

Simultaneously, GA across the Tasman continues to prosper. **Why?** In the early 1990s they had the vision to radically change their regulatory system by adopting the US FAA GA system. Theirs worked – ours doesn't.

AMROBA 05-

Why Australia did not follow NZ in adopting the FAA GA System

In the early 1990s, both the Australian and New Zealand CAAs were meeting to discuss “*harmonisation*” of proposed regulations but NZ, with the advantage of an international aviation review of their whole system, decided on the **most cost effective safe GA aviation system**. The difference between the CAAs was that NZ adopted the US/FAA non-airline regulatory system and the European airline regulatory system whilst CAA (Aus) adopted a more controlled system, similar to England/Europe, for both the non-airline and airline sectors.

It was commonly thought within CAA(Aus) that the NZ safety record would plummet by adopting the US system and it would be proven as foolhardy in the long run – mistake. By adopting the FAA GA system, onus for safety is placed on individuals; the GA system has safely prospered in NZ.

GA safely prospers in those countries that have systems similar to the FAA non-airline regulatory framework. However, CASA, and its predecessors, will and have not considered, or will they offer the US GA system as an option. Their concern is it would reduce CASA involvement in the non-airline sector beyond controlling individual entry. (Pilot/LAME)

GA struggles to survive in countries that have a European style aviation regulatory system similar to our current system. CASA is proposing more European aviation regulatory requirements in the latest maintenance package. The proposal does not contain any cost/benefit analysis that justifies such a radical change to the current system. AMROBA has demonstrated to CASA that its proposal will add costs to owners/operators, not reduce costs.

The only reason we believe that CASA continues to propose a highly administrative system is that they think it will add to safety – the only reason it adds to safety is that it creates an environment that dampens and negatively promotes/fosters the non airline sector. Unlike airline safety, GA safety is based on airworthy aircraft; piloted by qualified pilots and maintained by qualified AMEs and LAMEs.

The reasons that cost effective beneficial change has never happened for GA owner/operators is the inability of our industry to band together for a better system and CASA, and its predecessors, communicating with individuals. CASA is a Regulator who, by nature, feels compelled to create regulations. Real change has never been proposed by CASA as mostly their proposals have been based on converting current requirements into one format or another. Every change and even proposed changes has added costs to private owners/operators.

If the CAA(Aus) had followed CAA(NZ) lead in the early 1990s, they would have proposed the FAA non airline system to safely reduce costs to owners/operators. The non airline sector can only blame itself that it has not prospered over the last couple of decades. Many Australian aviators that have visited NZ have vocally supported the change to the NZ system but CASA has not, and will not, offer the FAA/NZ system as an option.

Why? Because it reduces CASA’s involvement in the non airline sector.

Owners and Operators must unite

Unless **all** owners and operators of GA aircraft combine and reject the current system and any proposed changes, unless it is adoption of the FAA/NZ system, then they will be left with a newly formatted system with additional costs that have been proven not to foster or promote GA.

There is no radical change being proposed that will foster and promote GA.

Back in 1992, a paradigm shift in the responsibilities of aircraft owners/operators and maintenance provisions were introduced to align with the emerging European JAA system but it also included more prescription, based on past requirements. Ever since that paradigm shift for the non airline sector, GA total flying hours started to decline. This trend has been documented over the last couple of years in BTRE and ATSB reports.

Owner/operators were advised back in 1992 that JAA requirements were basically being applied to the GA maintenance sector. Prior to this change, GA maintenance was more like the FAA sector. It was a safe “cottage” industry that had been fostered, and prospered under the stewardship of the old Department of Civil Aviation.

It is now history that NZ went their own way and adopted the FAA system for the non-airline sector and their GA system has continued to grow. The outcome is that the NZ system safely fosters growth in GA and the Australian system does not foster growth in the non-airline sector.

The only paradigm shift that should now be proposed for the non-airline sector should be a drastic change to adopt the US/FAA system for GA similar to what NZ did in the early 1990s.

The FAA GA system is ICAO compliant and has a great safety record so CASA cannot state it is unsafe.

Benefits of US non airline system for GA aircraft owners/operators

The basis of the US/FAA non-airline system is that FAA approval of organisations does not exist but organisations must be a State registered business at a fixed location that complies with normal State/Federal OH&S, and other business related legislation. These businesses provide services to the non-airline sector on condition they employ FAA licensed/certificated personnel applicable to the services provided such as flight instruction and aircraft maintenance. These State businesses are known as Fixed Based Operators (FBO).

Also, under the US Department of Transport rules, approved aerodrome operators have a responsibility to encourage aviation growth at their aerodromes. Many aerodrome operators assist with the growth of aviation in their locality by encouraging FBOs to set up businesses at their aerodromes.

More than 50% of pilots trained in the US are trained under Part 61 and most are trained at FBOs specialising in flight instruction. Most aircraft that are not used in commercial passenger carrying operations are maintained by FBOs specialising in aircraft maintenance.

The difference in the US aviation sectors is the same as the ICAO Standards differ between commercial airline operations and general aviation. Even most aerialwork aircraft are maintained by FBOs in the US. Australia has drifted away from giving effect to the Convention & ICAO requirements by continuing to create a system that relies on “*control mechanisms*” by CASA.

The recently promulgated maintenance rules NPRM **will impose another paradigm shift** that will add more costs to owners/operators and the NPRM has provided no cost/benefits analysis to private owners/operators so that they can evaluate the proposal.

This latest proposal has been created by a CASA direction that excludes compliance with the Federal Government’s own guidelines for developing regulations.

Ever since CASA became focused on EASA, it has not been able to laterally look at the local industry and develop proposed rules that would provide Australia with safe but cost effective general aviation.

What the FAA system provides is minimum standards for GA owners/operators to fly and maintain their aircraft. These minimum requirements give effect to the ICAO Annexes for GA aeroplanes and rotorcraft.

Owner/operators are the only ones that can change CASA’s direction.

The only way that CASA can be stopped from recommending to the Minister a maintenance regulatory package that is another costly paradigm shift for the non-airline industry, that will increase regulatory impost on an already over regulated system, is for the 11,000 plus private owners/operators to write to CASA, the Minister and their local Member of Parliament rejecting the proposal. The maintenance proposal for the non-airline sector is not supported by AMROBA. Why is there a need for CAMOs?

CASA has not followed the government’s guidelines in developing aviation legislation – it has not looked at more cost effective options nor has it carried out any cost benefit analysis of what they are proposing.

The Federal Government’s “Best Practice Regulation Handbook” states “*existing or proposed regulation may achieve a particular policy goal but not necessarily be the ‘best’ or lowest cost means of doing so.*”

- *Determining whether regulation meets the dual goals of ‘effectiveness’ and ‘efficiency’ requires a structured approach to policy development that systematically evaluates costs and benefits.*
- *Restrictions on competition and the cost to business of complying with regulation are areas of particular concern to the Australian Government.*
- *When introducing or amending regulation, departments and agencies must meet a number of requirements aimed at ensuring that any regulatory change is warranted, and that any costs imposed on business and individuals or the economy are justified.*

If CASA had followed the Federal Government’s “*Best Practice Regulation Handbook*” guidelines then it would not be in the mess with regulatory development that it is today. No options have been considered during the development of these rules that will meet Government’s guidelines to lower costs.

The future of the non-airline sector depends on whether aircraft owners/operators continue to accept CASA proposals like they have been doing for the last couple of decades or they reject the current direction and demand a more cost effective and efficient regulatory framework. Aircraft owners/operators can no longer trust CASA to produce a cost effective system – they trusted paradigm changes almost two decades ago but those changes have now been proven to restrict, not foster, General Aviation. **Time to act.**