

AMROBA[®]inc

ADVOCATE OF THE AVIATION MRO INDUSTRY

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The "Carbon" Tax

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Our members are just coming to realise the additional costs being imposed on small aviation businesses from the aviation regulatory change and now they have to determine the costs of this 'carbon' tax.

Since 1992 when aviation regulatory reform started, private general aviation has continued to stagnate even though more aircraft are on the CASA aircraft register.

With just over 25 hours/annum being flown by private aircraft, this additional tax may, for the first time, drop the annual flight hours below 25 hours/annum.

In the US, a recent report is recommending increasing utilisation of GA to make it more viable — they fly over 100 hours/annum.

Under the 'carbon' scheme announced by the Government, the domestic aviation gas excise price will increase by an amount equivalent to the effect of putting a carbon tax on fuel.

This move is expected to raise \$930 million over the first three years of the scheme's implementation from July. We support the media statement made by the RAAA:

"The Prime Minister claims that the carbon tax is aimed at the big polluters, but the regional aviation industry contributes around 0.2% of the nation's total carbon emissions," Mr Tyrell commented.

"Encouraging people to jump in their cars and drive long distances instead of using one of the regional operators seems a very poor environmental outcome."

According to the RAAA, the only way regional airlines would be able to cut their carbon emissions would be to "walk away from the industry" as aircraft are already flown at maximum efficiency and do not operate on alternative fuel sources.

At 6 cents per litre, the group says the new tax "will add millions of dollars" to regional operators' costs, which will in turn be passed onto

regional communities, threatening the marginal routes which "bring doctors, nurses, teachers and other essential services" to country towns.

Expressing its "strong disappointment" with the announcement, Australia's largest independent regional airline, Regional Express (Rex) says "the carbon tax is just the latest in a raft of "adverse government measures" facing provincial air services, citing in addition, the removal of the en-route rebate scheme for regional airlines, the additional fuel excise to increase CASA funding and increased security screening at regional ports.'

"The combined effect of these measures on Rex alone would equate to at least \$6m per annum," Rex chief operating officer Chris Hine said.

"I foresee many regional operators without the financial strength and diversification of the Rex Group being forced out of business once these take effect after 1 July 2012."

The reckless regard to the damage of Australia's small business by this government is evident in the ever increasing legislative responsibilities that are being imposed on small business.

AMROBA tries very hard to be apolitical but this coalition of Labour, Greens and Independents decision making is beyond the belief of small business.

What small businesses need is a reduction in the increasing red tape being generated by government departments & agencies.

We work in an industry that is at the forefront of innovation and has implemented highly efficient aircraft & engines.

Even using older technology aircraft, it is still a more environmentally friendly mode of transport.

New technology has always been the answer

BASAs

A study released in June this year into the benefits of BASAs in the US included surveys of about 30 different companies — both large and small — that hold about 65 different repair station certificates worldwide. In general, the study finds that the cost of obtaining foreign certification is roughly two to three times greater when no bilateral exists. An average FAA certificate costs a U.S. company about \$15,000 to obtain. The addition of certification from Europe, where a bilateral is in place, would cost an average of \$11,000. But certification from China, where there is no bilateral, would cost \$30,000.

When companies operate on thin margins, the impact of a BASA has a greater impact on the percentage revenues that must go toward certification renewal. FAA certificate renewal would cost companies an average of 0.02% of revenues. European renewal would account for about 0.04% of a company's revenues, while Chinese renewal would take up 0.16% of revenues, on average. Renewal at other civil aviation authorities where there is no BASA in place would cost 0.41% of revenues.

This disproportionately impacts small businesses. For a company with a few million in revenues, certification costs could reach 0.5%, compared with a fraction of that for a company with hundreds of millions in revenues.

"While the percentages are small, it's very significant for small businesses," says Michael Holland, associate consultant for AeroStrategy.

"BASAs are extremely important to promote the wellbeing of the maintenance industry, particularly in the U.S."

"The reality is this is a global industry, and for U.S. companies to compete, we must have a level playing field."

A LEVEL PLAYING FIELD

The new aviation regulations are not EASA. What has been applied increases regulatory imposts when compared to EASA regulations. Why?

Our Asian neighbours adopted the EASA MRO & licensing system and are benefitting from the additional trade that is being generated with Europe.

Leaving out the licensing system, the organisational approval system is quite different when the details are studied.

CAR 30 today places the responsibility on the AMO to employ qualified persons to do maintenance—so does EASR Part 145.

- So why does CASRs require a LAE to carry out and certify maintenance?
- This additional wage costs really impacts on base maintenance capability.

The object of regulatory change to achieve a BASA with USA & Europe would enhance efficiencies for government & industry, reduce regulatory duplication and lower compliance costs, all while ensuring effective oversight and to build on our safety record.

Wangaratta Consultative Meeting

All members that can attend this meeting on Monday the 15th August at the Wangaratta Aero Club are encouraged to attend.

It is extremely important that members and any others attend this meeting to ensure the future of GA is made aware to the CASA attendees.

The meeting will start at 1300 and conclude around 1700. We know we have members coming from SA as well as Vic & NSW.

We are concerned that CASA is doing the same as when they created these regulations that are very unique when compared to EASRs.

General aviation will only survive if all attend and drive home to CASA attendees that regulations based on provisions that are already in Part 42 would do irreparable damage to GA.

The total confusion and stuff-up with the implementation of the licensing system cannot be repeated.

It is so important that this industry does not resign itself to accepting whatever CASA produces in the way of legislation.

It is up to our members to not only attend meetings with CASA but to encourage non-members to attend and voice their concerns.

It was obvious at the Brisbane meeting that CASA at last heard the real problems facing aviation and that nobody supported what CASA has created.

At Wangaratta, we need to do the same and continue to do that in the future.

We know the CEO of CASA would have preferred to adopt the FAR system; it is up to us to get that message across with CASA representatives.

This may be the last chance to influence CASA before the create GA maintenance regulations.

Please email amroba@amroba.org.au the names & numbers attending for catering purposes.

Aircraft Maintenance Training

CASA continues to state they have introduced the EASA maintenance licensing system but it needs to be underpinned with the EASA training system.

We are also aware that the apprentice funding in Australia does not cover the training hours set in Europe so training is "streamlined" to meet funding thus reducing the skilling standards of Europe.

If you look at the following you will see that the training courses being provided in Europe are more intensive than in Australia.

CAA(UK) approved European standard (Avionic or Mechanical Part 66) training equates to:

- 89 week full time training, or
- 4 year apprenticeships (77 weeks class room + 11 weeks OJT + 24 weeks maintenance experience)

Compare this with what is being offered locally for avionic and mechanical:

- Full time course consisting of 38 weeks of structured theory and practical tuition.

Also being provided for structures training:

- Full time course consisting of 34 weeks of structured theory and practical tuition.

AQF 4 training funding is approximately 1800 hours - well short of new technology training courses offered in Europe.

These courses and hours can be checked by accessing Air Services Training Ltd website in the UK. Web: airservicetraining.co.uk

How can Australia meet the same EASA stan-

ard in 42% of the time taken in Europe.

How can the future skills in Australia be equivalent to our European counterparts and how will any NAA accept the skill training once they compare the training.

Unlike Europe, we have excluded the self study pathways. This European option is well catered for by their training facilities.

Closer to home, Singapore now has CAAS approved courses for:

- Cat A licence —1 year full time (diploma)
- Cat B licence — 2 year full time (degree)

Singapore Air Transport Training College
Web: www.attc.edu.sg

The EASA format has imposed training standards that are being adopted by those countries that have adopted their licensing system whilst we are still wed to the current AQF training standards.

As we have accepted the EASA AME licensing system then we should accept EASA/NAA approved licensing courses, no matter where they are produced.

CASA approved courses must meet the same skills as EASA/NAA approved courses.

Until the competency standards and pathways to qualifications are equivalent to the EASA system, as being applied in Europe and Asia, Australian aviation qualifications and licensing will be perceived globally as sub standard.

The UNSW study will map the difference between European training courses and what is provided in Australia.

Safety Management Systems

What is confronting businesses today is the need to document how a business is to stay compliant with regulatory needs that businesses need to integrate within a single business procedure manual.

Environmental, safety, quality, OH&S systems must be compliant with the various government instrumentalities (requirements) who provide regulatory oversight.

It is disappointing that there is not a whole-of-government approach to all new legislation because of the conflicting requirements possible with new aviation regulatory requirements.

Duplication costs businesses a lot.

When a person is determining the business's level of regulatory compliance, it should keep in mind that relationships exist between many regulatory requirements.

No matter how well the documentation is developed, unless the individual adopts a safety approach, the documentary evidence will achieve no improvement.

Nurturing staff to understand the intent and purpose of safety, OH&S, quality & environment requirements is the only way to meet the obligations that are imposed on business today. We already have an excellent safety culture that we need to nurture.

General Aviation

What is the purpose of regulating aviation operations (non AOC) in Australia?

We are told CASRs are "safety" regulations but at what stage does viability of aviation be seen as a 'risk' element to safety rule development. It appears a safe aviation industry is when there is no non-commercial aviation sector.

The new draft CASR Part 91, on top of the changes to AME licensing and the Part 42 regulations that are applicable to the non-airline sector, will impose more negatives on a struggling industry.

Add the carbon tax and it is obvious that GA is being regulated out of business.

Over-regulated in the 1980s started regulatory reform but the growth of regulatory requirements has been the major element that has stagnated higher utilisation of aircraft as a form of transport.

CASR Part 91, written to comply with the criminal code, should adopt a Manual of Standard and remove from criminal law the many requirements that are technical in nature.

FAR 91 is not criminal law.

Just look at the draft 91.567 that talks about 'briefing' any passenger that is carried. This would be OK if the briefing was about what may happen in an emergency during flight or things not to touch.

However, 91.567 (2) states the PiC must brief the pax:

(a) *whether the aircraft is to be operated to the safety standards that apply to aircraft that are used to conduct commercial pax flights,*

(b) *Whether each of the operator and PiC is insured for:*

(i) *Death or injury of pax, and*

(ii) *Damage or loss of property.*

(c) *whether the insurance is voidable.*

This rule is applicable to any aircraft that carries passengers.

An issue that we have with this draft Part 91 is that it imposes increasing requirements to VH aircraft.

Once again, the impositions proposed to be applied will send more potential aircraft owners to the non VH deregulated aircraft sectors.

The real outcome will be more owners will join RAAUs to reduce the overhead of operating an aircraft. It seems quite ludicrous that CASA can oversight the operation of the same type of aircraft to two quite different operation and maintenance standards.

It is very confronting to write "*commits an offence if...*" to those involved in aviation who already apply a high degree of attention to safety matters.

Like the maintenance regulations, it is misleading to state it is a consolidation of the various requirements.

We now know we don't have the EASA maintenance or LAME system; this draft Part won't provide an environment that encourages the growth of VH aviation as a form of transport.



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The Aircraft Maintenance Engineers/Technician Creed

Worth Remembering

"UPON MY HONOR I swear that I shall hold in sacred trust the rights and privileges conferred upon me as a qualified aircraft maintenance engineer/technician. Knowing full well that the safety and lives of others are dependent upon my skill and judgment, I shall never knowingly subject others to risks which I would not be willing to assume for myself, or for those dear to me.

IN DISCHARGING this trust, I pledge myself never to undertake work or approve work which I feel to be beyond the limits of my knowledge nor shall I allow any non qualified superior to persuade me to approve aircraft or equipment as airworthy against my better judgment, nor shall I permit my judgment to be influenced by money or other personal gain, nor shall I pass as airworthy aircraft or equipment about which I am in doubt either as a result of direct inspection or uncertainty regarding the ability of others who have worked on it to accomplish their work satisfactorily.

I REALIZE the grave responsibility which is mine as a qualified aircraft maintenance engineer/technician, to exercise my judgment on the airworthiness of aircraft and equipment. I, therefore, pledge unyielding adherence to these precepts for the advancement of aviation and for the dignity of my vocation."