

Basair

A U S T R A L I A

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Mr Ian Dundas
Committee Secretary
Standing Committee on Transport and Regional Services
Parliament House
Canberra ACT 2600

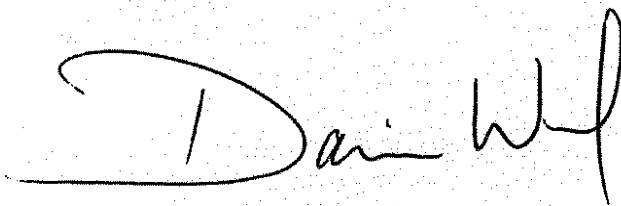
27 August 2002.

Dear Mr Dundas,

Please find attached our submission to the "Inquiry into commercial regional aviation services in Australia and transport links to major populated islands".

We appreciate the opportunity to present this submission.

Yours sincerely,



Darrin Ward,
Managing Director.

Background

Basair Australia is a commercial aviation business located at Bankstown Airport in Sydney. While flying training is the core business, we do conduct some charter operations. We have a staff of 25 people, with 21 aircraft in the fleet.

The role of Government

One of the greatest impediments to regional air services is the conduct of the Civil Aviation Safety Authority.

CASA is constantly changing procedures, rules and regulations, and it would appear that this often simply for the sake of change. While some changes are certainly required, the industry must also feel secure in knowing that it can plan ahead. CASA seems to have little concept of commercial reality, is non responsive when needed and a road block at other times. Aviation is a highly capital intensive industry, and investors will not commit to an industry that is in a constant state of flux.

Additionally, this constant change reduces safety levels as pilots, operators and engineers are spending more time trying to keep up with changes than they are on operating successful businesses. The additional workload often incurred by CASA's bureaucratic and unnecessary procedures prevents organisations from providing additional services.

CASA has recently introduced a raft of additional changes. These changes will essentially make smaller operators who currently operate charter flights, comply with the much higher requirements of Regular Public Transport (RPT) operators. CASA seems to forget that there is a reason that we have a "charter" category of operation in Australia – it is because the service does not warrant the much higher requirements and therefore costs of an RPT operation. In the USA they have the "Air Taxi" category which caters well for the needs of the travelling public and the small operator. Yet, once again our authority reinvents the wheel contrary to what has been demonstrated to work in all major aviation countries. The result of this will simply be the closure of the vast majority of small aviation charter operators – providing a further reduction in the access to air services for regional centres.

CASA's policy also shows an ongoing emphasis to divest itself of any responsibility or function and to put all the responsibility onto the operator. In a clear admission that it cannot perform its function, CASA has spent several years now introducing more and more requirements that simply put all the onus on the operator. Every time CASA has been caught not doing its job properly its reaction is to simply introduce another requirement on operators, and to ensure that CASA can't be blamed for that situation again. Operators need to have confidence that the regulator is functioning correctly, and will do its job in an unbiased, transparent manner before they will expand services.

Efficiency of CASA

Operators cannot operate their businesses properly if being hindered the CASA. Inefficiencies within CASA result in unrealistic volumes of documents of proposed changes being produced (with inadequate response times), when at the same time CASA isn't able to produce small outcomes in a reasonable amount of time. A recent example is a small change that recently needed to be made to our Air Operator's Certificate. This was simply adding an additional aircraft type to the Certificate – essentially an administrative task. It took CASA seven weeks to provide us with a quote to undertake the work, and another 4 weeks have elapsed since that time with the change still not having been made. This is a minor administrative task and again demonstrates that CASA is incapable of providing services to the industry in a timely and efficient manner. These services are essential if operators are going to grow and expand services.

Policies of Government

Airservices Australia provides Air Traffic Services at airports with control towers. The Federal Government introduced a "user pays" system on 1 July 1998. This was called "Location Specific Pricing" or LSP.

When this was introduced the aviation industry reluctantly accepted the proposal on the clear understanding that a thorough review of the levels of services provided by Airservices would be undertaken to address locations where the level of service provided is higher than what is affordable or necessary.

The Federal Government has failed to ensure that the levels of service provided match the requirement for that service, and the ability of the users of that service to pay for it. Alternatives to Airservices' air traffic control system, and even changed procedures within that system have been ignored by Airservices, with Government failing to ensure these were implemented.

Two examples:

1. The control tower at Camden Airport has been deemed as not viable, and unnecessary. Yet, for political reasons the Federal Government has required the tower to remain open, and for operators at Camden Airport to pay the bills.
2. The control tower at Archerfield Airport (near Brisbane) has had a cost/benefit analysis undertaken by Airservices. This analysis showed that the cost of the tower far outweighed the benefits and it should be closed. Once again, for political reasons the Federal Government has required the tower to remain open, and for the operators at Archerfield to pay the bills.

These additional "political costs" are seen right across Australia, and provide a major impediment to the expansion of operations.

Many regional air services, be they charter or RPT grow from small operators. Examples include Hazelton Airlines, or Tamair that grew from a flying school based in Tamworth. This growth ensures that the business has a solid foundation in terms of industry knowledge, procedures and skills that have been built up over a period of time.

Far from looking after small aviation businesses, Government policy, CASA and Airservices are continually causing them damage. Apart from stopping the growth of the industry, their policies are also discouraging owners from expanding their businesses. This company is an example of this situation. Our logical growth path is into charter operations and then eventually into a small regional airline operation. It is not viable with current Government policy for us to consider expanding into these areas. In fact in the last 5 years or so we have seen the closure of many smaller operators – such as Tamair, Yanda Airlines, Country Connection and many others whose owners were simply tired of the continual unreasonable pressures brought by CASA, as well as financial pressures. These operators gave up in frustration rather than fight the inefficiencies and bureaucratic nature of the system.

The Government needs to rapidly implement a pro-aviation policy if it wishes to see the industry flourish and therefore provide the services desired. Instead of continually implementing policy that damages the industry, and allowing CASA and Airservices to further damage the industry, the Government must take control and not be complacent in the demise of what was once a great industry.