Masters, Distinguished Guests, my Lords, Ladies and Gentleman.

It is a particular pleasure to welcome you all here tonight to this livery Dinner of the Guild of Air Pilots and Air Navigators and to this magnificent hall - indeed I am most grateful to the Worshipful Company of Drapers and their staff who have provided us with such an excellent meal this evening. And I am sure you would wish to join with me in thanking the members of the Guildhall school of Music who once again have entertained us so well.

Some years ago when I set off on this personal path to eventually become Master of this important working Guild, 2012 a pretty distant horizon and the significant events in my year were Her Majesty's Jubilee and the London Olympic Games - and keeping my flying medical against the pressure of eating a multitude of splendid dinners.

The Queen has of course been an example to us all in unswerving dedication to this country and has been a true pillar of stability and strength in this sometimes manic world.

I take great pride in the fact our country secured the Olympic games for this great city and despite the many challenges - not least those in aviation I think we should take time to congratulate the overall team under Lord Coe for getting us to this point without major drama and against the most difficult financial background.

It is the financial background that has been the root cause of so much that I did not see would be of such significance in 'my' year particularly in the world of aviation. In all areas of aviation we are quite simply up against it and the litany of challenges makes quite depressing
reading. We in this country are not unique in having these problems and the overarching debate rages between austerity and spend - polarised to a large degree by political argument. We are therefore becoming more and more enmeshed in a debate where the general public believe, to a greater or lesser extent, that salvation lies in one or the other course of action. Reality is always different and articulating the essential balance between the two positions is extremely difficult - but we must - particularly in our world.

The margins in aviation have always been narrow – both physical and financial- and we have learnt to live with those margins to maximise the operational effectiveness, or corporate profitability, without compromising standards or safety. But in the important day to day work that this Guild engages in, through our professional committees and other means - we see an increasing number of fault lines that are extremely worrying. Increasing examples of skill levels - that is basic skill levels - being eroded such that the ability to handle events that occur when technology fails is just not there. A breakdown - or at least over-tension - between management structures and crews - where crew - people - are just one of those commodities like money and machines to be 'managed' with sometimes quite adverse effects on fatigue.

Our military aviation face different but no less significant challenges, but I would be the first to recognise and salute the magnificent efforts of our services that are still an exemplar in all fields. But our military aviation has been reduced significantly and while the financial reasons are understood that does mean that we now have some significant and concerning holes in our structure. By way of example I feel keenly, as a previous commander of our long range maritime patrol force, the complete lack of any capability in this field. We are a
maritime nation and we forget that at our peril and the crew skills that we have lost -
developed over decades - are irreplaceable, even more so than the aircraft.

One could get depressed about our lot and seek the solution in a jolly good bottle of
Bordeaux and wait for someone else to manage us out of the situation. But nobody is going
to 'manage' us out of our problems - it is going to take leadership of the highest calibre and at
all levels. And here I take a lot of what Jack Welch the late dynamic chair of GE has said.
“Call people managers and they are going to start managing things - getting in the way!” The
job of a leader is to take the available resources - human, material and financial- and allocate
them rigorously. Not spread them out like butter on bread, that's what bureaucrats do. It
takes courage and tough mindedness to pick the bets, put the resources behind them,
articulate the vision and say why you said yes to this and no to that.

Incidentally, the word ‘lead’ stems from a north European word meaning a path or road - , in
other words something with direction. It would be unrealistic to expect government or such
bodies to provide the level of 'tactical' leadership that we in our business require - that frankly
would be a cop out as they simply do not have that level of expertise. So much of the
initiative and drive must come from us, and does, but - and it is a large 'but'- the field in
which we operate must be level and this is the responsibility of our governing bodies.

I make no apology for raising the matter that Wally Epton raised last year – the matter of
VAT on our Flight Training, which ties one hand behind our backs when trying to be both
competitive and to produce our own crews - here in this country. We are good at training and
the standard of our product is recognised worldwide - it is an exportable service and could
raise a lot of money as well as sustain our own industry.
We must also recognise the international nature of aviation and not place restrictions - in the form of crazy passenger taxes – that drive people away from our shores- we are in a competitive, zero tolerance, industry which must exhibit the highest professional standards - and we do. It is a partnership that demands a fine balance between Crews, Management, Government and our Regulatory Bodies - and I am delighted that we have been able to have Dame Deirdre Hutton, the Chairman of the Civil Aviation Authority, to address us tonight.

Ladies and Gentlemen we can be justifiably proud of our aviation heritage - invention, innovation, drive and courage have been, and remain, watchwords of our profession. And perhaps it is no wonder that when we see someone being successful, in any walk of life, that the expression 'they are really flying is used. The founding fathers of this Guild placed a motto on this badge of office that I wear tonight - it simply says 'We Fly'- indeed we do, and I can think of no better toast to end my address.

Ladies and Gentlemen please join me in that toast

"We Fly"