



Submission on regulatory requirements that impact on the safe use of RPAS, UAS and associated systems

December 2016

About QBE

QBE is one of the few domestic Australian-based financial institutions to be operating globally, with operations in and revenue flowing from 37 countries. Listed on the ASX and headquartered in Sydney, stable organic growth and strategic acquisitions have seen QBE grow to become one of the world's top 20 general insurance and reinsurance companies, with a presence in all key global insurance markets.

As a global insurer, QBE believes that Australia must continually look to refresh its financial and regulatory systems, to ensure the nation remains competitive with global financial markets, and attractive to investment.

As a member of the QBE Insurance Group, QBE Australia & New Zealand (**QBE**) operates primarily through an intermediated business model that provides all major lines of general insurance cover for personal and commercial risk throughout Australia.

QBE – through its specialist aviation division – is a market leader in the insurance of Remotely Piloted Aircraft Systems (**RPAS**), Unmanned Aerial Systems (**UAS**) and associated systems throughout Australia.

Background

On 13 October 2016, the Senate moved that the Rural and Regional Affairs and Transport References Committee inquire into RPAS, UAS and associated systems, including:

- current and future options for improving regulatory compliance, public safety and national security through education, professional standards, training, insurance and enforcement; and
- insurance requirements of both private and commercial users/operators, including consideration of the suitability of existing data protection, liability and insurance regimes, and whether these are sufficient to meet growing use of RPAS.

Industry regulation

QBE is aware that the RPAS industry has grown at a rate which has posed challenges for regulators, owners, operators and private sector participants and welcomes the opportunity to provide this submission to the Inquiry.

Our comments are primarily focussed on the following provisions of Part 101 of the *Civil Aviation Safety Regulations 1998 (CASR)*:

- Part 101.237 – Meaning of excluded RPA; and
- Part 101.238 – Meaning of standard RPA operating conditions.

We also suggest that Government consider a mandatory insurance requirement given potential risks associated with RPAS.

Part 101.237 – Meaning of excluded RPA

The amended CASR reduces regulatory requirements for operators of excluded RPA, which are defined by aircraft size and purpose. Operators of aircraft meeting this definition are no longer required to obtain an Remote Operator Certificate (**ReOC**) or a Remote Pilot Licence (**RePL**).

QBE considers that the removal of the requirement to obtain an RePL may pose a safety risk, and is of the view that consideration needs to be given to reinstating the requirement for commercial operations, regardless of whether any of the parties involved receive direct remuneration.

In the course of undertaking an RePL, operators learn from a CASA-approved syllabus, which includes content regarding regulations, human factors, meteorology, aerodynamics, navigation and practical flight training.

QBE considers that allowing operators to use RPAS without a minimum education requirement places both the safety of operators and members of the public at risk. It is important to be aware that aviation and third party liability insurance generally excludes coverage for unlawful activities. QBE is concerned that an operator's failure to understand applicable regulations may lead them to engage in conduct which falls outside of the scope of their liability cover.

As such, QBE believes that the requirement for all commercial RPAS operators to hold an RePL should be reinstated.

QBE is also of the view that, for the protection of the public, a minimum education requirement for hobbyist operators is required. These hobbyist operators generally have less aircraft experience overall, and may also be operating in more populated areas resulting in increased risk.

Part 101.238 – Meaning of standard RPA operating conditions

Under the amended CASR, standard RPA operating conditions apply where a number of requirements are met, including where *'the RPA is not operated at or below 400ft [above ground level] by day'*.

For both safety and privacy reasons, QBE is of the view that further consideration should be given to introducing a minimum operating altitude in certain circumstances, especially over private homes and infrastructure, and particularly where consent has not been provided or sought.

Compulsory insurance requirement

RPAS can be similar to other forms of motorised vehicles in terms of weight, power, and the damage they are able to cause. As a market leader in this area, QBE's experience is that the use of RPAS – both commercial and hobbyist – is expanding rapidly, and this trend is likely to continue. QBE is concerned that some operators in this growing sector may not be aware of the full extent of their potential liability obligations.

For the protection of third parties, consideration may also be given to requiring some operators to hold a minimum level of aviation and third party liability insurance. This would ensure that members of the public who are injured or suffer damage to property caused by an RPAS would be able to access compensation for their injury or property damage.

Conclusion

Thank you for the opportunity to make a submission to this Inquiry. Please do not hesitate to contact Kate O'Loughlin at kate.oloughlin@qbe.com or on (02) 8275 9089 if you would like to discuss any aspect of this submission, or if you require any further information.