



20 August 2020

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2601

Dear Secretary

I welcome the opportunity to make the following submission in regards to the Senate inquiry into the current state of Australia's General Aviation Industry, with particular reference to aviation in rural, regional and remote Australia.

By way of introduction to my background and interest in the Aviation Industry, I am co-owner of NQ Aviation Services based at Ingham Airport in North Queensland. My husband and I have worked in differing roles within the aviation industry for many decades; and since the early 1990's, have operated several aviation businesses in our own right. Throughout that period, we have invested in purpose-built infrastructure to support the establishment of an aircraft maintenance facility, helicopter flying school and aircraft refuelling facilities at Ingham Airport. Our business currently has the capacity to service the needs of both fixed and rotary wing, piston and turbine engine aircraft. We hold a CASA CAR 30 Certificate of Approval for maintenance provision, and also hold a CASA Papua New Guinea Part 145 Maintenance Organisation Certificate.

For decades, regional communities have relied heavily on the Aviation Industry. General Aviation (GA) provides vital services in regional Australia. From passenger transport, natural disaster support, essential medical evacuations, commodity supplies and agricultural applications; this sector is essential to the liveability, connectivity and economic prosperity of our regions.

In light of this, and in consideration of my observations from over 35 years involvement in Aviation Maintenance and GA, I submit the following responses to the Senate Inquiry's terms of reference.

1. *The operation and effectiveness of the Civil Aviation Safety Authority (CASA) and other relevant aviation agencies, with particular reference to the legislative and regulatory framework underpinning CASA's aviation safety management functions, including:*
 - A. *the application of the Civil Aviation Act 1988 and the Civil Aviation Safety Regulations 1998 to Australia's aviation sector, and whether the legislation is fit for purpose;*
 - B. *the safety and economic impacts, and relative risks, of CASA's aviation safety frameworks; and*
 - C. *the engagement of CASA with other relevant Australian Government agencies;*

First and foremost, it is recognised that the Civil Aviation Safety Authority's (CASA's) primary consideration, as our Industry's regulator, **should** be safety. Section 9 of the *Civil Aviation Act 1988* stipulates that one of CASA's primary functions is to develop and promulgate appropriate, clear and concise aviation safety standards. For many people within the Organisation that is CASA, this is their clear and honourable intention. Unfortunately however, CASA's management processes **currently** do not deliver clear and concise communications with stakeholders within the industry, and this is undermining the strength of this once vibrant sector.

The GA Industry widely believes that CASA has **failed** to comply with Section 9 of the Act, and as such, has failed to communicate clear, unambiguous, concise, brief-but-comprehensive aviation safety standards, and would benefit from immediate Ministerial intervention into the operations of CASA and its' Board. I believe that Industry would wholeheartedly support the suspension of new Regulations until oft-identified and industry-communicated issues with current Regulations are remedied.

In again referring to the *Civil Aviation Act 1988*, this legislation provides that in developing and promulgating aviation safety standards, CASA must consider cost impacts and take into account the differing risks associated with different industry sectors. This clearly is not being reflected in CASA processes, with the most recent examples being the release of the draft Manual of Standards (MOS) for Part 138 Aerial Work Operations. Not only was industry consultation sought amidst the extremely difficult operational circumstances resulting from COVID-19 restrictions and at the commencement of the busiest operational period for most responding operators, this same process of Part 138 amendment commenced in 2010. Yet CASA deemed it appropriate to further burden Industry in one of the most challenging business environments in recent times, with an ill-timed release and short consultation period. Regulatory reform transformed the MOS from 34 pages to one that exceeds 120 pages. This cannot be considered concise. There is insufficient evidence to support an assertion of a tangible benefit to safety outcomes with this increase in 'content', however the cost impacts on operators expected to comply are considerable.

To be clear, the GA sector absolutely supports workable regulation that provides safety outcomes in a sustainable and thriving working environment. What it does not support are the current actions by CASA in releasing a MOS that fails to clearly identify safety outcomes, coupled with a consultation period that is rushed and ill-timed, and will have a detrimental impact on GA in Australia and provide further cost imposts and operational confusion. This is an outcome that is in stark contrast to the intentions of Section 9 of the Act. This is not the first time such a situation has been created in drafting regulations and detrimental outcomes to industry. Part 61 pilot licencing is another example of badly written regulations creating significant cost and operational impacts to pilots and businesses, for many of them to retain the exact same privileges they had pre-regulation change, for absolutely no tangible improved safety outcome.

The inefficiencies of CASA's management functions and substandard systems and practices, coupled with the over-complication and over-regulation of GA by decision makers who have little to no experience in the sector they purport to represent, are effectively decimating our once vibrant industry under the guise of safety, but with no measurable advancement to aviation welfare.

It should be noted that aircraft, pilots and maintenance providers who are members of Recreational Aviation Australia (RAAus) are not subject to the same regulatory requirements as non-members. Both sectors involve aircraft (often identical manufacturer and model). Both sectors become airborne with the same aerodynamic processes involved. Both sectors require trained pilots and maintained aircraft. It could be argued both sectors encounter the same safety risks, yet the regulatory reform process undertaken over the past (nearly) three decades, has seen RAAus and its' members and aircraft become a self-regulated organisation, and others in the GA sector being subject to far more stringent, confusing and over-burdensome regulations. One must query why one sector of the industry is being treated by CASA in a completely different manner than the other?

2. The immediate and long-term social and economic impacts of CASA decisions on small businesses, agricultural operations and individuals across regional, rural and remote Australia;

Crucially, GA in regional areas makes an invaluable contribution to most aspects of community liveability. The diversity of service provision in the form of connectivity, employment, economic and social contribution that GA makes to rural and regional communities can be identified in an integral range of industries. From passenger movements to freight deliveries, aerial applications to mustering support for agricultural industries. From tourism development to first responders in times of natural disaster, and from flying training to aircraft maintenance and provision, and refuelling services. All of which are critical and essential services to any regional community. From Australia's recent and horrific bush fires, to cyclones and devastating floods, evacuations and medical retrievals; regional and remote communities rely on the disaster management capabilities of GA operators.

Rural and regional Australia plays host to a multitude of small businesses servicing aviation. From Charter Companies to Aerial Work Operators, from Maintenance Organisations to Component Shops, these businesses provide services to safely keep aircraft in our skies, people on the move, and livestock and crops under sustainable production.

In terms of Aviation Maintenance in rural and regional communities, but not limited to this sector; the withdrawal of frustrated LAME's into other career paths, has seen a downturn of skills and experience in Maintenance Organisations throughout Australia. This is evident across the Nation, however is exacerbated in regional areas due to the national shortage of Licensed Aircraft Mechanical Engineers required to maintain and ensure the airworthiness of aircraft based in these areas. Burdensome regulatory compliance over proven safety outcomes can shoulder the blame. The lack of clarity of regulations and uncertainty of direction and length of transition time (ongoing since 1982) in the regulatory reform process, has also contributed to a lack of business confidence. This lost confidence has resulted in reduced capital and skilling investment in aircraft maintenance facilities across the nation. This in turn contributes to less local employment, and has also contributed to the increase in national skills shortages for LAME's within the GA sector particularly.

In line with the broader GA Industry, aircraft engineers endorse actions that support proven safety outcomes. However, working within a set of rules that is ambiguous, oft-contradictory and more often than not unclear, has taken a toll and resulted in a considerable skills departure, and a resulting negative effect on aviation businesses across the country.

The career pathway for those wishing to become LAME's in the last (approximately) 20 years has become ambiguous and challenging for a variety of reasons, not the least the changes to Part 66 licencing and the misalignment between federally administered licencing requirements and state managed education processes. Add to this equation the loss of aircraft maintenance facilities that can host apprentice or trainee aircraft engineers in rural and regional communities, it then becomes clear why there is such an obvious lack of skilled aircraft engineers in the nation. The diminished intake of engineering students, coupled with the departure of many highly skilled LAME's who have chosen to transition out of the industry during this time; has resulted in the often lengthy grounding of aircraft due to a lack of qualified engineers to carry out necessary repairs and maintenance. This is the serious and costly result of poor regulatory reform imposed upon the Industry, and a very real inhibitor for regional service demand.

Unfortunately, added to the LAME scenario previously described, the regulatory reform process that CASA has undertaken has imposed undue and burdensome over-regulation on the GA sector; which has resulted in a downturn of skills and experience for the sake of regulatory compliance purporting to improve safety, yet failing to prove so.

Our regulator should be relied upon to facilitate and enable the continuance of the vital support offered by air operators and maintenance organisations, so as to ensure their ongoing viability and responsiveness to the needs of GA and our rural and regional communities at large.

3. *CASA's processes and functions, including:*

- A. its maintenance of an efficient and sustainable Australian aviation industry, including viable general aviation and training sectors;*
- B. the efficacy of its engagement with the aviation sector, including via public consultation; and*
- C. its ability to broaden accessibility to regional aviation across Australia, considering the associated benefits of an expanded aviation sector; and*

In responding to matters pertaining to CASA's processes and functions, particularly relating to the efficacy of its' engagement, I again draw reference to the amendment of Part 138 which commenced in 2010.

The seriousness of CASA's disregard for Industry was highlighted at the outset of the consultation period for the Part 138 MOS. Amidst a pandemic, and an exceptionally difficult operational environment and period of uncertainty, CASA, completely out of touch with the Industry it represents, added an additional burden to GA Operators who were doing their best to survive in the most challenging of business environments.

The following information has been taken directly from the CASA website: "*CASA has established the Aviation Safety Advisory Panel which was established with intention to provide the CASA Chief Executive Officer (CEO) and Director of Aviation Safety (DAS) with informed, objective high-level advice from the aviation community on current, emerging and potential issues that have, or may have, significant implications for aviation safety and the way CASA performs its' functions*".

Also taken directly from the CASA website: "*Technical Working Groups may be established by the ASAP for referring specific issues within an industry sector, subject matter or domain for advice. CASA may also establish Technical Working Groups to provide us with input on specific technical issues and proposals. In these cases the ASAP will be requested by CASA to endorse the Technical Working Group so there is transparency in the collaborative work conducted by CASA and Industry representatives*".

Unfortunately, the effectiveness of these processes is questionable.

Drawing reference to CASA's engagement processes, and keeping the aforementioned Part 138 amendments at the fore, the Technical Working Group (TWG) for Part 138, did not endorse the Manual of Standards that was published for consultation. Yet CASA, despite looking to TWG's for advice and guidance on industry specific issues, seemed to have completely ignored their recommendations and pursued its' own objectives. CASA's operations in this vein demonstrate the regulator's disregard for the future health of GA in Australia. The experience of the consultation process for Part 61 Pilot Licence regulations also resulted in a very negative outcome for many in that sector.

I highlight in particular the Terms of Reference, Part 3 (C) point above, being: *its' (CASA's) ability to broaden accessibility to regional aviation across Australia, considering the associated benefits of an expanded aviation sector.*

In my opinion, this point alone is possibly the essence of the greatest challenge, frustration, sadness and underpinning issue that has had the most significant impact on the Australian Aviation Industry in recent decades. Because of the vastness of this country, there is an absolute necessity for a robust, thriving and safe General Aviation sector, that can support rural and regional connectivity, liveability and economy. Traditionally, rural and regional aviation has been the breeding ground for pilots and engineers who often either remain in GA and make an important contribution to those economies, or they progress through to airline, Defence or CASA positions and ultimately hold executive and mentoring roles. The manner in which the regulatory reform process that has been undertaken by CASA over the past several decades has contributed to the significant decline in this sector, and the flow on to community has been tangible. CASA policy and decision makers have demonstrated they have negligible ability to understand the importance of regional aviation, let alone the benefits and contribution it makes to rural and regional communities.

4. *Any related matters.*

A report from the Australian Transport and Safety Bureau 'Aviation Occurrence Statistics 2008-2017' clearly identifies that the number of fatalities in GA and RA during 2017 were consistent with the previous nine years. This in itself demonstrates that CASA delivered no measurable safety improvements during this time. In 2008, according to the CASA Annual Report (07/08), CASA employed 653 employees. CASA's 2016-17 Annual Report stipulates that the Organisation had 830 employees. Whilst no measurable safety outcomes were delivered, a raft of regulatory changes WERE delivered, as evidenced by the increase in the Organisation's staffing levels over the period examined by the ATSB Statistics report.

In addition to the increase in staffing levels, we have seen CASA move to an electronic platform as its preferred means of communicating and consulting with Industry. The Organisation's apparent reluctance to directly engage with stakeholders has resulted in a communications breakdown that can only be remedied with improved access to face-to-face exchanges and personal communications. Many within the Industry admit to being able to communicate more effectively in person than on-line. It is that personal interaction that will facilitate a more positive relationship between Industry and CASA, and allow CASA to glean a full understanding of the sentiments of those operating within the space of GA. Many of these Operators are highly skilled, exceptionally knowledgeable and expertly practiced in the practicalities of safe and sustainable aviation in Australia.

With regards to communications with CASA, a worrying scenario exists with the interpretation of Rules, AD's, requirements etc. It is often found that interpretation, rather than solid clarification, is offered by CASA representatives when contacted for assistance from Industry. These interpretations differ from staff member to staff member. It has become obvious to Industry that if CASA cannot agree to an interpretation, the clarification that industry needs can never be obtained. In summary, if our regulator cannot answer Industry's questions, how can Industry comply?

Australian aviation has the capacity to return to the vigorous and exciting industry it once was, as we are incredibly well positioned to be a training ground for pilots and engineers to specialise in their fields, and meet the needs of an ever-evolving and improving industry. We simply need to be equipped with the tools to do so. Unfortunately under CASA's current operational structure, scope and delivery style, there is very little confidence within the industry that this will ever eventuate, unless urgent, industry knowledge and proactive expertise can be introduced into the organisation.

Yours in Aviation,

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