

OPENING STATEMENT – 27 May 2015 Estimates

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Thank you, Mr Chairman, for the opportunity to make a short opening statement today. I realise this isn't my first appearance; however I would like to highlight some areas.

I fully understand that the duty of the Director is to manage CASA, subject to the directions of, and in accordance with policies determined by the CASA Board. However, I consider that there is an implied task for me to 'lead' CASA to become a trusted organisation whilst promoting a strong, cohesive and highly effective workforce with well-articulated objectives.

Government's Direction

The Australian Government has set a clear agenda for CASA in 2015 and the years to follow through their response to the Aviation Safety Regulation Review (ASRR) which was released late in 2014.

The aviation community will be particularly interested in the implementation of the ASRR which was given effect through the Minister's Statement of Expectations (SOE) issued on 14 April 2015. CASA's implementation schedule to the Government's response to the ASRR is fully embedded within the CASA Corporate Plan for 2015–16 to 2018–19. The Plan clearly articulates what CASA will do to deliver the Government's aviation safety objectives, how we intend to do that, and the associated performance measures.

Intent and Priorities for 2015

In achieving our core business, in 2015, I intend to focus on:

- implementing the Government's response to the ASRR report
- improving service delivery with clear key performance indicators
- inculcating and implementing a rational *just culture* approach in CASA's regulatory dealings with all members of the regulated community
- developing our workforce to meet the future challenges.

In keeping with my immediate focus for CASA, we have already commenced implementing a number of ASRR recommendations in accordance with the Government's response. To list a few:

- a new regulatory philosophy is being developed, confirming our commitment to embed a meaningfully consultative and more collaborative approach to the way in which regulations are made—where there is a need to make them at all—and a more rational and responsive approach to the way in which the regulations are applied. Integral to CASA's regulatory philosophy will be the explicit adoption of rational 'just culture' principles consistent with recognised international best practice and, in keeping with the Government's response to the ASRR, drawing on the approaches adopted by the United Kingdom, the European Union and anticipated ICAO standards and recommended practices.

- work is continuing to complete remaining parts of the regulatory reform program using a three-tier structure
- commenced reviewing CASA's Key Performance Indicators
- signed the revised CASA/ATSB MoU on 31 March 2015 and continuing discussions with ATSB regarding sharing of safety sensitive information
- undertaking discussions on how best to approach disclosure of audit findings at audit exit briefings and considering the grading of Non Compliance Notices.

Further, I have initiated a functional review of CASA on 28 April 2015, with the assistance of advisers from the HayGroup—an international firm with a long and distinguished track record in the fields of organisation design, business improvement and leadership development. This review will focus on an examination of the operations and activities of each Division and how they contribute to the effective and efficient achievement of CASA's plans, priorities and initiatives.

The work has not stopped here, as part of my strategic vision for the organisation, it is my intention to develop and publish by the end of 2015 a statement of CASA's long-term strategic intent, *Flight Plan 2030*, broadly setting out our objectives over the next 15 years. This Plan will identify CASA's future path and will help the aviation community to better understand our commitment to, and shared interest in the promotion of aviation safety in and for Australia.

Community Engagement

I have started and will continue to ensure that CASA is engaging constructively with the aviation community. Additionally, I would like to see CASA and industry forming a strong and appropriate 'safety partnership' where we all play our roles in getting the best from the aviation safety system—part of this is being open to criticism and I can assure everyone that where CASA is deservedly criticised we will listen carefully and respond. I firmly believe that by collaborating, we will get the right safety outcomes from regulations and regulatory practices that support a vibrant and strong Australian aviation community.

A 'just culture' approach is already implicit in CASA's enforcement policy and practice. As I mentioned, however, CASA's regulatory philosophy will clearly and explicitly emphasise and elevate our commitment to those principles. As a key component of CASA's overarching approach to better regulatory policy and practice, our efforts to give meaningful effect to this commitment will be active, ongoing and demonstrable.

I believe CASA is one of the leading aviation safety regulators in the world with high quality staff and fair and appropriate processes. However, we can and will do better, and I am proud to lead CASA on a path towards real improvement in everything we do.

In closing, Mr Chairman, after over 50 years in aviation, 16 of which have been with CASA, the Deputy Director, Terry Farquharson, will leave CASA on 10 July 2015. On behalf of CASA, I would like to take this opportunity to thank him for his extraordinary contribution to CASA and wish him best for the future.

Mr Chairman, I thank you again for the opportunity to make these opening remarks, and I am happy to take questions from the Committee.