

**AUSTRALIAN FEDERATION  
OF AIR PILOTS**



**MEMBER OF THE  
INTERNATIONAL FEDERATION OF  
AIR LINE PILOTS' ASSOCIATION**

*President:*  
**Bryan Murray**

*Executive Director:*  
**Terry O'Connell**

30 June 2008

The Secretary  
Senate Standing Committee on Rural  
and Regional Affairs and Transport  
PO Box 6100  
CANBERRA ACT 2600

Dear Secretary,

**Inquiry into the Administration of the Civil Aviation Safety Authority  
(CASA) and related Matters**

Please find attached a response by the Federation to the inquiry into the Administration of the Civil Aviation Safety Authority (CASA) and related matters.

We are more than happy to speak to the response and to elaborate further if required.

If there are any queries in relation to this correspondence please contact Bryan Murray on 0417 098 618 or the Federation on 03 9928 5737.

Yours sincerely

**Capt Bryan Murray**  
President

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## **Inquiry into the Administration of the Civil Aviation Safety Authority (CASA) and Related Matters**

The Australian Federation of Air Pilots (AFAP) is an industrial organisation representing over 2500 professional pilots employed in the airline, regional airline and general aviation sectors of the industry. Amongst our membership is the CASA Flying Operations Inspectorate (FOIs) and we are able to state that in over a quarter of a century of representation no conflict of interest has arisen in this representative role.

The AFAP is active in promoting aviation safety standards as they affect our membership through our technical team, IFALPA representation, membership of the CASA Standards Consultative Committee (SCC) and participation on various SCC (Standards Consultative Committee) sub-committees and technical working groups. We believe we have an important, ongoing, professional working relationship with CASA.

With regard to the Inquiry, history records that the Regulatory Authority, in its multiple guises, has been the subject of countless reviews and restructures. Not all have realised tangible operational and administrative benefits. In fact some have had an adverse impact, particularly when considering staff morale, focus and direction – the creation of the CAA being a classic case in point. The Federation believes that CASA may well be 'review weary' and therefore deserves a period of sustained consolidation rather than change at this time.

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From the viewpoint of the Federation, the issue is simple. Australia must have a well resourced, highly professional and effective safety regulator if proper accountability for standards and safety in the aviation industry is to be assured. There is no doubt the travelling public assumes that CASA acts as the aviation safety watchdog ie. the policeman. The Committee might care to keep this in mind during its deliberations; particularly the confusion that we infer arises in CASA's approach to 'policing' versus 'education'. These functions can coexist but it is apparent that the 'education' role assumes primacy because it is more acceptable to the industry.

In turning now to the terms of reference, we offer the following comments:



### **1. Effectiveness of Administrative Reforms since 2003**

As previously mentioned, the Authority has been subjected to numerous reforms over the years. However, in the administrative areas the performance of CASA appears to have improved in recent times. Unpopular and excessive as they are, significant revenue gains have been made in the cost recovery programme through increased fees and charges for CASA services. We believe that these charges should be constantly reviewed to ensure that charges reflect actual costs, except where some level of subsidy should be applied. The Federation has previously argued for subsidies in certain sectors.

CASA's consultative and communication processes have also improved. Effective use of the internet has been made to signal rule changes, exemptions and safety notices etc. CASA is also very active with its education programmes and safety seminars.

At a more basic (day to day) level however, we have had cause to question CASA's commitment to communicate with its 'customers'. As an example, we have been trying to get a response to an important technical submission we made over twelve months

ago – a state of affairs that continues to be unresolved despite repeated attempts to get the problem at least acknowledged, let alone addressed.

We support CEO Bruce Byron's policy of prioritising CASA's resources and manpower towards the air transport sector of the industry, and the notion that rule changes must be subject to a vigorous risk analysis. These are not new concepts, they are simply common sense. We also guardedly support Mr Byron's reforms moving safety regulation personnel out of Canberra to Brisbane and other 'front-line aviation offices'. Whether Brisbane should assume the mantle it has is questionable but we do support the concept of placing safety regulation personnel close to the 'coal face'.

However, we have significant concerns about the downgrade of the FOI complement in favour of lesser qualified 'specialists' such as Safety System Specialists. It might save the Authority money, but people who lack knowledge and experience in operational and airworthiness disciplines on surveillance duties will have little credibility with pilots and ground engineers on the line.

We highlight the ad-hoc nature of FOI training generally, and type currency training in particular. We are advised that FOIs are being asked to perform safety assessments and checks on aircraft types on which they are not current or even worse, on which they are not endorsed. This may be explained away as a move to 'system' rather than 'product' testing. It may be done in the interests of saving costs and is consistent with the employment of the lesser qualified 'specialists'. Whatever the explanation, the outcome is palpable; a degradation in the skill level of the FOI group.

Furthermore, our members report that many vacant FOI positions remain unfilled.

CASA's objective is uncertain, the outcome is clear: a reduction in the number of FOIs and the specialist training provided to them.

## **2. Effectiveness of CASA's Governance Structure**

### **2.1 Board vs CEO?**

Assuming this heading addresses the question of a Board for CASA versus the current governance structure, our preference resides with the current. When the Board did exist it was problematic as it became political and susceptible to nepotism. It is our position that the current structure whilst imperfect is better than the alternative.

### **2.2 CASA Governance of Industry**

Within the organisation, we observe with some concern an apparent shift in CASA's priorities in allocating resources. There appears to be an imbalance now between its primary role of safety regulation and that of education. It seems that there is an emphasis now on safety education to the detriment of safety regulation. Whilst we applaud initiatives to spread the safety message and to keep the industry well informed, we expect the regulator to devote the bulk of its resources to fulfil its obligations under the Act i.e. the achievement of compliance by conducting comprehensive aviation industry surveillance, particularly in the air transport sector.

This does raise the question whether the regulatory functions should be separated from the educative, so that these roles are transparent and clearly defined.

CASA appears uncomfortable about being perceived as 'The Policeman' and prefers a closer and less formal relationship with the industry along with rules that encourage self-regulation. However, history leads us to question this philosophy, with examples both local and international available: The FAA became too close to the US aviation industry to the detriment of airline safety. Closer to home the creation and sudden demise of CASA's predecessor, the Australian Civil Aviation Authority with its 'affordable safety' mantra delivered an opaque framework for air safety that confused CASA and most of the industry.

It is of course entirely appropriate that operators be responsible for the safety management of their operations. We have indicated our support for CASA's policy initiatives in this regard. Similarly, pilots, engineers, air traffic controllers, airport

operators etc. all have responsibilities to ensure the safety of our aviation system. However, this does not justify reducing CASA's expertise and effectiveness. It still remains the legislated safety regulator – the public watchdog and a vital component in the total aviation safety network.

With regard to CASA's Regulatory Reform Programme (RRP), progress has been slow. The time, energy and money (both public and industry) that have been invested in this project are disproportionate to outcomes. The reasons why there has been such little return on this investment are varied and complex. We support Bruce Byron's move towards appointing small specialist working groups for future policy development. We could learn from our counterparts in New Zealand when they undertook to recast their aviation rules in FAR format. They set a goal to complete the project and did so.

### **3. Strengthening CASA's Relations with Industry and Meeting Community Expectations**

As alluded to previously, improving CASA's relations with the industry and meeting community expectations are in reality conflicting issues.

On the one hand the industry's interests are better served by CASA maximising self-regulation, and thereby minimising surveillance checks and other regulatory impacts on operations. Industry prefers the 'hands-off' approach provided by an emphasis on education versus regulation.

On the other hand, the community's expectations are really quite simple. The expectation is that CASA will be alert and active to protect their interests so that they can be assured that when they choose to travel by air, they will arrive at their destination safely. They want CASA to set rules, and to be out there checking the rules are being complied with, and to take appropriate action if they are not – as we have said, not unlike the role of a policeman.

This implies a professional and businesslike association with the industry is the appropriate relationship to have. CASA needs to concentrate on its primary role of safety regulation. In so doing the relationship with industry will be clarified and the community's expectations met.

30 June 2008