RAAA SUBMISSION

CUTTING RED TAPE

Serving regional aviation, and through it, the people and businesses of regional Australia
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17 July 2014

Cutting Red Tape
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Sir,

RAAA SUBMISSION

CUTTING RED TAPE

The RAAA is pleased to provide this submission in response to the Government's policy for Cutting Red Tape.

I. RAAA Background

The RAAA and its Members

The Regional Aviation Association of Australia (RAAA) is a not-for-profit organisation formed in 1980 as the Regional Airlines Association of Australia to protect, represent and promote the combined interests of its regional airline members and regional aviation throughout Australia.

The Association changed its name in July 2001 to the Regional Aviation Association of Australia (RAAA) and widened its charter to include a range of membership, including regional airlines, charter and aerial work operators, and the businesses that support them.

The RAAA has 28 Ordinary Members (AOC holders) and 68 Associate/Affiliate Members. The RAAA's AOC members directly employ over 2,500 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than $1.5b, carry well in excess of 2million passengers and move over 23 million kilograms of freight.

RAAA members operate in all States and Territories and include airlines, airports, freight companies, engineering and flight training companies, finance and insurance companies and government entities. Many of RAAA's members operate successful and growing businesses providing employment and economic sustainability within regional and remote areas of Australia.

RAAA Charter

The RAAA's Charter is to promote a safe and viable regional aviation industry. To meet this goal the RAAA:

- promotes the regional aviation industry and its benefits to Australian transport, tourism and the economy among government and regulatory policy makers;
- lobbies on behalf of the regional aviation industry and its members;
- contributes to government and regulatory authority policy processes and formulation to enable its members to have input into policies and decisions that may affect their businesses;
- encourages high standards of professional conduct by its members; and
- provides a forum for formal and informal professional development and information sharing.

The RAAA provides wide representation for the regional aviation industry by direct lobbying of Ministers and senior officials, through parliamentary submissions, personal contact and by ongoing, active participation in a number of consultative forums.

II. Executive Summary

The Government has published the document “The Australian Government’s Guide to Regulation” to help policy makers in the future ensure that regulation is never adopted as the default solution, but rather introduced as a means of last resort[1]. This initiative is welcomed by the RAAA but does not address the excessive regulatory burden currently borne by industry.

The examples below are indicators that historic government monopoly and service behaviour is having a significant and deleterious effect on the regional aviation industry’s ability to grow and thrive.

Such behaviours must be expunged and the dead-weight of the government aviation bureaucracies lifted from an industry that is essential to Australia’s economic and social development.

Excessive red-tape only serves bureaucracies and throttles the industries that actually pay the taxes that keep government functioning.

Aviation is particularly susceptible to excessive red-tape because it is a highly regulated industry. Overblown safety and security arguments are often used to enable increases in red-tape and regulation for zero safety or operational gain.

The RAAA hopes sincerely that the government’s red-tape review is a serious attempt to release industry, and aviation specifically, from systems that serve no-one except the people administering them.

Given the losses or poor margins experienced by most parts of the aviation industry action on government red-tape can’t come soon enough.

(1) The Honourable Josh Frydenberg MP, Page i, The Australian Government Guide to Regulation.

III. Expensive, unnecessary CASA maintenance visits overseas

The replacement of the maintenance suite in the CARs with the maintenance suite in CASR 42 and 145 was heralded as harmonising Australian regulations with best international practice, especially that of the European Aviation Safety Agency (EASA).

It appears, however, that after the expense and trauma of this regulatory change CASA thinks it necessary to audit/inspect overseas maintenance organisations. These visits cost operators dearly, for example, $58,000 quoted for a CASA visit to an EASA approved maintenance facility. It is not only the cost CASA charges for such visits that impact adversely on the industry, but also the delays and aircraft downtime that occur while these unnecessary visits take place.

This is even more incomprehensible as this visit was to a facility in relation to performing maintenance on an aircraft, but had it been maintenance on a part of that same aircraft the visit would not have been necessary.

The example quoted above included $42,800 for travel costs and travel time, making up the bulk of the quote. This is due to CASA's habit of quoting its maximum rate of $190 p.h. whilst travelling thus adding unnecessary cost. Such behaviour by CASA is indefensible.

The solution is simple. The list of countries in Chapter 7.2 of the Part 42 Manual of Standards which allows the carrying out of maintenance on an aeronautical product for an Australian aircraft outside Australian territory in Canada, member countries of the European Aviation Safety Agency, New Zealand, Singapore and the United States of America should be added to Chapter 6.2 covering the carrying out of maintenance on an Australian aircraft outside Australian territory.

This issue is causing a significant degree of financial distress and unnecessary delays to a number of regional operators and requires urgent attention.

IV. CASA Audits

A change is required to the current CASA auditing process where audits focus on an individual operator's Air Operator's Certificate (AOC) rather than on a function that may cover several AOCs within a company group.

For example some organisations have a Safety Management System (SMS) which encompasses all activities within the business and often across multiple AOCs. CASA currently audits each of these AOCs separately with the same questions being asked about the SMS each time, often with the same findings. An audit of the function (SMS) with only the AOC specific SMS items audited during the AOC audit will reduce the amount of time spent auditing.

The same applies to Dangerous Goods and Continuing Airworthiness where an organisation has more than one AOC covered by the same Continuing Airworthiness Maintenance Organisation.

V. CASA Approval of Manuals

Currently all changes to the SMS manual suite (including both safety and QA manuals) have to be approved by CASA prior to implementation thus causing unnecessary delay. CASA has started to reduce red tape with the circulation of a draft change to CAO 82.3 which will allow organisations to amend their SMS without CASA approval, providing the change procedure is approved by CASA. This change process needs to cover all manuals/expositions including FRMS manuals where amendments can take many, many months to be approved.

VI. Drug and Alcohol Management Plan (DAMP)

This Program imposes large testing costs on operators in situations where no safety benefit is gained.

Testing of prospective employees undergoing supervised training prior to employment is an unnecessary cost. The high turnover of less skilled staff makes the testing of persons who may well not be employed and who are under close supervision, a cost for very little safety benefit.

Multiple testing and training of a person working for more than one employer subject to the DAMP is redundant. There needs to be some form of recognition of testing and training under another DAMP.

A tighter definition is needed of persons who are subject to testing. A number of persons, such as building maintenance contractors, grass cutters and administrative employees, who go into the DAMP testing area but who perform no safety related function or do not even approach aircraft, have to be tested for no apparent safety benefit.

VII. Overlapping building control regulations

The Civil Aviation (Buildings Control) Regulations 1988 and Airports (Protection of Airspace) Regulations 1996 impose similar but different requirements on building owners and developers near airports.

This results in a duplication of paperwork and can involve parties that really have no substantive interest in the issue. RAAA understands that CASA no longer takes any effective enforcement activity in relation to the 1988 regulations. If this is so they should be repealed.

VIII. Failure to up-date noise curfew regulation to recognise newer, quieter aircraft

The relevant regulations simply need updating to recognise these aircraft. Not to recognise these quieter aircraft is an unreasonable restriction on operators' businesses for no valid reason.

Adelaide Airport has designed a research-based approach to allow operations outside of curfew hours. It contains a combination of decibel and operational restrictions that enable larger aircraft to operate within the curfew hours.

The Adelaide model is reviewed annually and is working successfully.

It is entirely logical that such an approach should be investigated carefully with respect to Sydney Airport within the curfew period. The economic and employment benefits are likely to be significant.

IX. Lack of performance standards for CASA regulatory services

The ASRR report recommended "CASA reinstates publication of Key Performance Indicators for service delivery functions" (Recommendation 8.a).

The University of SA was recently informed that the Permissions Application Centre turn around for an ATO application was 42 days. This, according to the Flight Training & Testing Office (FTTO) is for the "final processing and signing" after 2 flight tests and the "draft ATO delegation and associated paperwork was submitted" to Permissions Applications Centre (PAC). Such delay imposes unreasonable costs on the school/ business, especially after having paid up front for the "service".

CASA chargeable services are monopoly services and should be subject to an audited KPI regime.

As well as regulatory services KPIs should be applied to such things as presenting final audit reports and AV MED, where one flying school member reports that on at least 50% of occasions in recent times major delays have been experienced by international students.

Cost estimates quoted by CASA can be quite arbitrary and often do not reflect the work required for a task. Administration functions carried out by CASA could be contracted out and an on-line system set up. This would allow companies to directly update databases using a password issued by CASA, thus reducing administration cost and delays.

X. Medical Renewals

Early implementation of ASRR recommendation 35 to allow Designated Aviation Medical Examiners (DAMEs) to renew medicals would save time, money and much frustration.

The medical section of CASA also requires urgent review given its well documented (within the ASRR) overly bureaucratic, inefficient approach to its duties. This feedback is consistent across the industry.

XI. Letters to DAMEs, Pilots and AOC Holders regarding Colour Vision Defects (CVD)

Whatever the merits of any arguments about CVDs, the letters mentioned above were totally inappropriate in the way they attempted to shift responsibility to assess the medical risks to the letter recipients. CASA issues medical certificates and industry participants are entitled to rely on those certificates. Creating uncertainty in this way, when supposedly new medical evidence has not been tested and the manner in which implications when tested might be applied to aviation had not been discussed with or forecast to the industry, was entirely unacceptable.

When this argument is juxtaposed with the fact that a closely related issue is being tested currently at the AAT, the reasons and justifications for the CASA letter appear problematic, possibly an abuse of process, and out of step with the Government's guidelines for cutting red tape.

XII. English Proficiency for Student Pilot Licence

CAO 40.0.8 requires an English assessment by the Chief Flying Instructor (CFI). The CFI is often not readily available. The rest of the certifications on the Student Pilot License (SPL) form can be done by others, including Approved Testing Officers (ATOs). The English certification should also be able to be done by ATOs and assessors appointed under CAO 40.0.9A.

XIII. Simulators

In the CAOs, CASA mandates that in certain circumstances an operator must use a simulator for non-normal exercises. However in the regulations CASA also mandates that an operator must seek permission from CASA before an operator uses a simulator, even though the simulator is already approved by CASA.

CASA charges each time a simulator request is lodged. The only benefit seems to be to CASA's income, rather than supporting any safety case.

XIV. CONCLUSION

The RAAA is grateful for the opportunity to provide our views on the Government's policy for Cutting Red Tape. If you would like further information about the items contained in this submission, or clarification on any of the points we make, the RAAA would be more than happy to assist.

Regards,

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