APTA

Australian Pilot Training Alliance

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***ABN 90 119 046 28S ACN 119 046 28S***

29/10/18

Glen Buckley

CEO- Australian Pilot Training Alliance

Dear Mr Shane Carmody, I include you in this correspondence, as the matters are substantive. May I respectfully request a meeting with you or your nominee at the earliest opportunity.

Dear Mr David Jones,

The root cause of this current challenge, is that experienced by the entire Industry.

CASAs failure to achieve "clear and concise" aviation standards as is required of them by the Civil Aviation Act.

"Clear and concise aviation standards" would have avoided this situation.

I am in receipt of correspondence CASA Ref F14/9540 and we have a meeting scheduled for Tuesday 30th October at 10AM at the CASA office in the Melbourne CBD because of that correspondence. I send you this letter with good intent and to ensure that our scheduled meeting can be as productive as possible.

Your correspondence:

* Highlights the difficulties for in industry, that occur when CASA fails to achieve clear and concise aviation standards as required by the Civil Aviation Act.
* It brings enormous personal stress to me that is well beyond what I have experienced to date in my life.
* It shatters the confidence of my Key Personnel and Senior Management, at a time when the attraction and retention of staff is a critical challenge.
* Highlights the variances in application of CASA policy that continue to be one of the greatest challenges for Business.
* Is simply too heavy handed and inappropriate.

***AUSTRALIAN PILOT TRAINING ALLIANCE***

When I write this please be aware that I am frustrated. Michelle Massey, John Costa and his entire team built a strong relationship between CASA and my Organisation. It was a relationship of professional respect, and more importantly a relationship of confidence and trust, that enhanced safety outcomes. It was achieved by many years of professional conduct.

The change of CMT in my opinion, has undone many many years of hard work in relationship building. Quite frankly, this new approach is immoral and most likely irrecoverable. Not a single person from within my current CMT made any attempt to discuss or communicate with me prior to you issuing me with "7 days' notice".

I will provide you a brief overview of APTA and what APTA is about. As no-one from my current CMT team has made any effort to ascertain it, I will provide an overview here for educational purposes.

Please be mindful that APTA was one of the 5% of Australian Flight Training Organisations that transitioned to a Part 142 by the CASA deadline of September 1st 2017. The cost was significant and the task enormous. Evidenced by the fact that only 5% of schools met the deadline.

We Transitioned ahead of schedule, as per CASAs preference. CASA subsequently extended the deadline 12 months, despite assurances to me that this would not happen. That delay cost me many hundreds of thousands of dollars. Continuing frustration of our efforts is unacceptable, particularly as they are well intentioned and safe.

The implementation of Part 61/141/142 was not implemented as well as it could have been, and that is acknowledged by the Regulator.

That implementation would of (and has been demonstrated to) resulted in.the closure of many Australian owned small businesses and aero clubs. This would be associated with a loss of jobs. Your correspondence risks this Business as well.

, Recent years have seen overseas owned companies now deliver more than half of Australian flying training.

APTA overview

My Business is Melbourne Flight Training, and that is where I attempt to derive my income.

APTA is not intended to provide me with an income. It is intended to:

* + Be well intentioned.
  + Deliver industry leading safety outcomes.
  + Create jobs,
  + Protect Australian owned businesses,
  + Give capability to the group to compete with overseas owned businesses
  + Be highly compliant
  + Be a good "neighbour''
  + Have a group of organisations working together to build a relationship with

**CASA.**

* + Mentor develop and support

I do not plan to bring any legal counsel, and to this point I have not sought any legal guidance. Quite simply, all we need to do is tell the truth and act with good intent.

The CASA correspondence is of a significant nature. There can be no doubt that the consequences of that documentation are well understood by CASA. It effectively

-notifies me that my operations could be halted shortly after the 7-day notification. It brings enormous uncertainty to my Business. That would effectively cease operations indefinitely. This would create a situation that the Business would not be able to recover from. It is a reasonable expectation, that CASA would be aware of its impact when that correspondence was signed by CASA and forwarded to my Head of Operations. It would result in the closure of a number of bases and effect

./\. employment of a significant number of staff. All highly likely outcomes and within CASAs considerations.

The distribution of that CASA letter alone would shatter confidence amongst the group and destroy what we are trying to achieve. I need a quick resolution, because I have obligations to share that information.

I am in discussions with a potential purchaser from overseas and am bound to notify them of such matters. Similarly, my personal reputation could be affected, as well as my Business obviously. Your approach has also significantly impacted on me personally as you would be aware. A resolution that is not prompt and efficient will not be acceptable.

I appreciate that CASA has lengthy processes that need to be followed if they wish to shut down a Business. This is a more "unconventional" approach; however, it achieves the same outcome: in significantly shorter time frames and could be seen to be an alternative way to achieve a desired outcome. It is highly effective, but in my opinion highly unfair and inappropriate.

The CASA approach appears to be heavy handed and akin to what would be expected, if there was grave and imminent risk to aviation safety. In fact, we have a situation in which CASA has issued an action against me, and in my opinion, has not done sufficient due diligence. This is evidenced by the number of hours that CASA has allocated to the project, after our scheduled meeting was postponed by CASA. Most likely those meetings were arranged at short notice and required reshuffling.

That work should have been done by CASA before they sent the correspondence. You should have been fully prepared. The hastily prepared meetings within CASA could be reasonably perceived by me to be collusion, or at least an "alignment" of approaches

I would point out that we have been operating with CASA approval for 18 months as a Part 141/142 Organisation. Our systems and procedures are in place. CASA has subsequently approved bases for us at Bacchus Marsh Aerodrome and three bases at Moorabbin Airport. CASA was heavily involved in the development of APTA and that will be acknowledged by the amount of hours CASA has recorded against this project.

It is important to understand that this appears to be a complete reversal of policy and coincides with a change of CMT between CMT 2 and CMT 3. Much documented criticism has been levelled at CASA about wide variances in application of CASA policy across geographical locations. This variance of.application is generated from within the same office. I emphasise that previously, I have had absolutely no indication of any existing concerns expressed by CASA on this issue, and in fact we had an.extensive Level 1 Audit in November 2017, since our CASA approval. Any concerns should have been raised at that audit or amongst post audit findings. The results were all attended to, and we were commended on the way the entire process was handled. I consider that the operation had CASA support, and that was reinforced by an audit that was quite "gruelling", but professional and fair. As were all dealings with my previous CMT.

I would point out to you that the Civil Aviation Act requires of CASA *"promoting full and effective consultation and communication with all interested parties on aviation safety issues".* The way CASA has chosen to engage with me does not meet that requirement and does not conform with the commitment given to Industry repeatedly by Mr Shane Carmody, in his role as the Director. Irrespective of whether it is within "guidelines" the approach is inappropriate with a well intentioned operator.

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This situation could easily have been averted had CASA approached me. I have no doubt that my previous CMT team would have handled this differently. It would have been at a regular scheduled meeting, where we would have engaged with a relationship built on confidence and trust. John Costa or any member from his team would have suggested that he wanted a discussion around the way we operate, and the team would have gathered the information they required. He would have asked me for a copy of the contract which I would have happily provided. He would have explained that he will keep me in the loop within his obligations to CASA. It would · have probably been a 1-hour process with minimal cost associated to it. The course of action that CASA has chosen is a significantly "larger approach" and has probably already cost 1Os of thousands of dollars already to both CASA and myself, if one considers the letter writing, the to and froing of correspondence, the involvement of the legal department, the hurriedly rescheduled meetings. To someone in private enterprise it seems incomprehensible. A simple approach and chat could have achieved a far better outcome. The approach of bullying and intimidation just doesn't work. It really doesn't. It simply wastes resources and detracts from Safety.

The way this has been handled indicates to me a level of confusion that exists within CASA and not within my own Organisation. Therefore, I feel it reasonable that CASA nominate the Subject matter Expert (SME) from the team, most likely Brad Lacy to commence Tuesday's meeting with a simple overview of approximately 1Oto 15 minutes on CASAs understanding of "how we operate". That will assist me to identify where the misunderstandings are and clear up any confusion before we proceed on the more substantive contents of the meeting. I believe this request to be fair and reasonable. You have all the material, by way of our manuals and have previously been provided with the "contracts" so I will leave it to you to guide the meeting.

I have previously sent my initial response on this matter but will readdress it in this correspondence.

I am not sure what has triggered this "change of direction" and hope that will be clarified at our meeting. In preparation for that meeting am I able to request a copy of the SFR (standard form recommendation) that has triggered this process. If CASA is not prepared to supply that information, am I able to request it under Freedom of Information? ·

The Aviation Ruling.

I draw your attention to the requirement in the Civil Aviation Act for *"developing and promulgating appropriate, clear and concise aviation safety standards;"*

I appreciate that CASA has created a difficult environment to operate in, however I would like to point out some considerations in drawing on the Aviation Ruling.

My view in my own organisation, is that procedures that are not clear and concise are akin to fraud.

Lets look carefully at this.

I am not a lawyer, however when I receive that letter I read it as something along the lines of this;

At any time after 7 days it is most likely that CASA will decide to

* + Direct APTA Ballarat Base to cease operation.
  + Direct APTA Latrobe Valley to cease operations.
  + Permitting LTF (which has previously been approved to continue operations from its old base but rejecting the approval to the new and improved facility. They appear to be the 1;mly base that can continue operating under those conditions.
  + APTA Moorabbin Base (AVIA) is currently operating although CASA will reverse its previous approval.
  + APTA Moorabbin Base (ARC Aviation) will be directed to cease operations.
  + APTA Moorabbin Base (MFT) my own Business established for 12 years, will be directed to cease operations.
  + APTA Brisbane Base (Sim Jet) request will not be processed.
  + APTA Moorabbin Base (Vortex) will not be processed
  + APTA Ballina (Whitestar) will be directed to cease operations as a Temporary location.

As you will appreciate your action to date has had a significant impact on me, my family, my employees and my Business.

CASA has drawn on an Aviation Ruling. By.your definition an Aviation Ruling is "only a statement of CASA's policy. It is not a restatement of U1e law. Accordingly, while rulings are drafted to be consistent with the law referred to in the ruling as understood by CASA from time to time, they cannot displace any inconsistent legal requirements"

CASA draws on docum ntation that is outdated, not relevant, and basically not "clear and concise" to make their case.

An Aviation Ruling is not law.

It is dated in 2006 and was created because of activities in the Charter Industry two decades ago Since it was written the entire legislation has been overhauled. It was written for a completely different environment. Applying a ruling intended for the Charter Industry to Flying Training seems unfair. Equally dragging terminology such as Chief Pilot from the Charter world and reclassifying Flight training as a CAR 206 operation to suit your case is tenuous to say the least. You also use the "arm's length" terminology which is grossly inaccurate.

First let me address your concerns:

Point 3.1 *"B advertises to the public in its name (not* A's *name) that it will conduct commercial aviation operations.*

Flying training used to be classified as a commercial operation, however CASA elected to remove flying training from that classification. APTA deals in flying training operations only and not in commercial operations as defined by CAR 206.

Point 3.2. *"B hires the staff engaged in carrying out the operations, organises maintenance and controls all financial dealings including contracts for*

*the flying activities covered by the Franchised AOC;"*

. .

APTA uses a APTA employees on site as required at the locations. We currently have Company employees based at both LTV and Ballarat delivering most of the operations at those locations and drawing a salary from us. At Moorabbin locations that engagement is achieved by th close geographical loc tion and constant engagement. This face to face engagement on a consistent and regular basis is also supported by our well documented, approved and operating procedures. We regularly accommodate and base our personnel at these bases, conduct regular meeting and rove amongst the bases consistently. This includes regular auditing, ongoing training etc as documented in our approved procedures.

Point 3.3" *B's operations are not supervised by* A's *Chief Pilot;11*

A Flying Training Organisation·does not have a Chief Pilot. The most aligned position in the flight training industry is a Head of Operations. If it is intended to include a Head of Operations, apply continuous improvement and write it in there. Work towards legislation that is "clear and concise" as is required of CASA. Drawing across terminology and saying it applies, is simply not fair.

All operations are highly supervised by the HOO, Standby HOO, Safety Manager, Standby Safety Manager, Senior Base Pilots and Training Managers. All systems have been designed from the onset with high levels of supervision and integration. All Personnel at all bases are fully inducted into APTA.

Point 3.5 *"B1s operating* systems *are not integrated into company A1s approved systems and have not been reviewed by CASA for the purpose of the*

*issue or regulation of the Franchised AOC 11*

There are only one set of operating procedures. Those are APTA procedures. They have all been reviewed and approved by CASA.

Point 5. *It is CASA's view that the scheme of the Act and CARs intend that the activities authorised by an AOC are carried out 'within the organisation of the AOC holder.*

All activities authorised by an AOC are carried out within the organisation of the AOC. When I make this statement, I refer to all CASA and Regulatory procedures. The bases are responsible for paying their own utilities, tea, coffee etc. Matters that do not relate to compliance or safety. If this is of concern to CASA or may have safety ramifications I am more than happy to review that with CASA.

Point 6. *"Among other requirements in the Act, CASA requires that to comply with the Act all AOC operations must be conducted:*

* 1. *in accordance with the systems of an AOC holder;*
  2. *under the oversight and management of the key personnel of that AOC holder; and*
  3. *using the facilities and documentation of that AOC holder"*

Point 6.1 and 6.2 are fully complied with.

Regarding Point 6.3. Our documentation is used. The facility is not paid for by us. If CASA can present a supporting safety case, I am prepared to take on payment of rental for the building, or whatever other requirements CASA stipulates.

Point 7. *"The AOC holder at all times remains responsible for the actions of another person conducting operations under the AOC."*

We are fully aware of this and accept responsibility for all operations. In fact, there is no other way, as we are the holder of the authorisation. This can easily be verified by Brad Lacy has he has repeatedly asked this of us and I have re-stated it many times over. My response has always been the same to him. "As the CEO of APTA, I accept total and full responsibility for all operations"

Point 9 *"conducting operations for CAR 206 purposes without an AOC"*

APTA does not deliver CAR 206 operations.

Point 11. The Ruling refers to an "arm's length contractual agreement".

Meaning of 'arm's length' RG 76.62 The Corporations Act does riot define 'arm's length'. Case law on the meaning of 'arm's length' suggests that this phrase refers to a relationship between parties where neither bears the other any special duty or obligation, they are unrelated, uninfluenced and each act in its own interests.

I robustly malntain that this is not an arm's length agreement and invite the opportunity to have that tested.

other Matters

The Aviation Industry frequently requires us to use our signature to accept responsibility for our actions. The nature of the correspondence sent to me by CASA was substantive. We had a meeting scheduled for Thursday 25/10/18. That meeting was delayed until next week by CASA to give CASA the opportunity to meet amongst themselves prior to my opportunity for a meeting. My expectation is that meeting and discussion should have happened prior to that letter being sent, and that the signatory would have a good understanding of the content prior to its distribution. I depended on the Mr David Jones to act as the final ''filter'' before choosing to put his signature to the letter. It is understandable that it would appear to the Business Owner, that the meeting was delayed facilitating "collaboration" and getting stories aligned within CASA. The postponement of the meeting by CASA indicates that the due diligence was not done prior.

It would appear to me that the letter has been issued against the contents of our website, rather than any identified breech of our CASA approved operating procedures which I find somewhat questionable. Especially considering that absolutely no attempt has been made to even raise this matter in any way prior to the letter from CASA giving me no longer than potentially 7 days to continue operating.

Attendees at the meeting

I will be in attendance, with Mr Ermin Javier my HOO, and Jacqui Armstrong, my HOO designate who has been undergoing approximately 12 months of mentoring and Training.

They will be in attendance to partake in the discussion, but as you will appreciate, their job security **only** extends to potentially 7 days into the future. Out of respect for their situation, they need to be fully conversant with what I am faced with and must make important career decisions based on their respective family's interests.

For a similar reason, I will have my own father in attendance. My parents have been closely involved and affected by this process over the last few years and culminating

. in this. By observing both sides of the argument, my father can form his own opinion. My parent's opinion is the most important one, and I mean no disrespect to CASA processes by that comment

Requests prior to that meeting

CASA to advise if the meeting will be audio or visually recorded, and if a copy of that recording can be made available to me.

Advise attendees at the meeting.

Confirm the meeting will have all required decision makers from CASA in attendance.

Confirm that the SFR or trigger for this action will be available for me to review. Confirmation of my position

As you would reasonably expect, you have significantly and unacceptably increased my stress levels, and I am acutely aware of it I can assure you. My preference is to continue in the role of CEO and Standby HOO. Mindful that I have Jacqui Armstrong fully inducted and able to provide significant support to me.

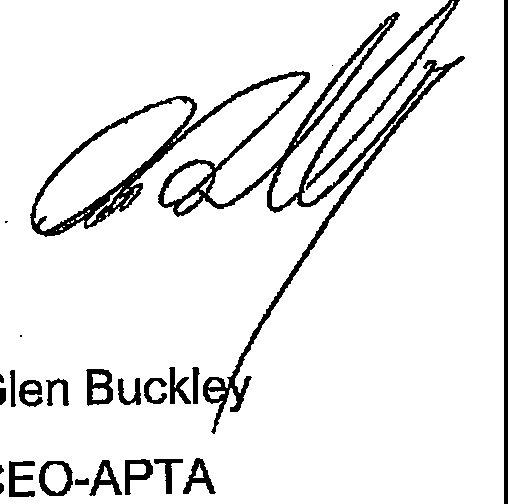
Unfortunately, I do not feel I would be eligible to hold an Aviation Medical at the moment. I will arrange-this at the earliest opportunity. This will allow CASA Aviation Medicine Branch to make a determination, which would be the fairest process. They will be best placed to determine my current state of health as a result of the manner in which CASA has conducted itself.

CASAs approach brings harm to me and my Business.

* It shatters the confidence of my Key Personnel and makes them question their job security.
* It halts a Business that is established and operating.
* It appears to be complete reversal of policy.
* CASA personnel from my own CMT are obviously so opposed to the operation that it degrades from the relationship and negatively impacts on safety.
* The CASA response seems disproportionate to the risk to aviation safety.

Closing

Fundamentally, im like most people. I have a family depending on me for their welfare. I have an almost and perhaps more stressful obligation, in that I am surrounded by a group of exceptional, well intentioned and highly capable APTA employees with the same obligations to their families. In turn there are a lot of highly valued staff and pilots around me, many with an enormous wealth of experience to be put back into the industry, and they in turn have obligations to their respective families. We are doing everything we can to make everyone come home safely at the end of the day. We are well intentioned. But quite frankly, I won't be subjected to bullying and intimidation.

CASAs approach has been totally unacceptable.