

## TIMELINE

I had been a vocal critic of CASAs implementation of the regulatory suite which was delivered a decade behind schedule, and hundreds of millions of dollars over budget. I was approached by the media on these topics, and I made truthful comment.

It is not unlikely that my criticism of some elements of CASA may possibly have caused some employees to act for reasons other than aviation safety or regulatory compliance. It is increasingly likely if allegations have been made against those individuals previously, and that lead to an ABC investigative story, as you are aware.

I walked into my business on October 23<sup>rd</sup>, 2018, having no inclination that by the end of the day CASA would advise me that my flying school of more than a decade, MFT had suddenly been declared an unauthorised operation, and my business APTA was declared to be operating in breach of the regulations. Absolutely no concerns at all had been raised by CASA prior to receiving that notification. Initially, and for the first two months the CASA position was that my operation of more than 10 years had been declared unlawful. It was ludicrous but concerning.

You are also aware that several businesses were forced into closure directly because of the restrictions on my businesses ability to trade. Employees lost their jobs, significant investment was lost, suppliers were left unpaid, students training was impacted, many millions of dollars were lost by a number of well-intentioned Operators, and the impact on me on my family has included the loss of my home and my two businesses. After enduring all of that, CASA then wrote to my Employer advising that my continuing employment was “no longer tenable based on comments that I was making publicly”. Those comments were me defending myself against CASAs actions.

I was now completely forced out of the industry I loved, and had spent 25 years working in. I was left unemployed, depressed, and it has left me destitute at 56 years of age. Like many business owners, my business was my security in retirement. It has gone. My wife and I will most likely never be able to recover from this situation. My wife has had a total of four days free of work since that correspondence in October 2018, as she desperately tries to rebuild our life from the start. In all of this, the impact on my family is the most heart-breaking to watch. Soon, I will make my final submission to your Office and that will clearly outline the impact of the actions and decisions made by the three CASA employees that I have named.

I can assure you that I am someone very affected by the decision making of CASA employee, Mr Aleck, working closely with Mr Martin and Mr Crawford

Those consequences are directly as a result of the “opinion” of a CASA employee. They are not supported by a safety case or regulations. In fact, quite the contrary, there is a demonstrable safety case that CASA actions have actually impacted negatively on safety. As stated, it is the application of an individual’s opinion. It may not be well intentioned and led to my allegations of misfeasance in public office that I made on 20/11/20 before the Senate Inquiry.

Allegations of misconduct were previously made against those same three CASA Employees by Mr Bruce Rhoades. A pilot who died of cancer, desperately trying to bring the alleged misconduct of those same individuals under investigation. under investigation, and repair the enormous harm bought to him and his family. This story was aired on the ABCs 7.30 Report. I mention this because many other affected people have contacted me and offered to make a confidential submission to your office raising the same allegations against those same three individuals. It is reasonable to assume that “where there is smoke, there is fire”. These are not vindictive or vexatious allegations. These are facts. The impact is real and can clearly be demonstrated. The named CASA personnel cannot say the same. They are completely unable to present to your office a supporting safety case, a regulatory breach, or in fact demonstrate any sort of a well-intentioned motivation.

These considerations are significant, and most especially because CASA had no supporting safety case, never identified any regulatory breach, never raised any queries as to the quality outcomes of the Organisation. It was literally just that, a change of opinion. The decision maker took no external legal advice, applied his opinion, and made a decision that he was not compelled to make. In making that decision he would have been fully aware of the implications on the business, and throughout the process I wrote to CASA on multiple occasions highlighting the significant commercial impact, which I will address later in this document.

The decision maker within CASA was not compelled to make the decisions that he made, and there was no precedent. They had no supporting regulation, and CASA has never identified their supporting safety case despite multiple requests made by me. If the intent of the application of decision is not made on the basis of a regulatory breach and has no supporting safety case, that application of opinion should be able to be questioned, and most especially so for the individual who has been impacted.

The impact of the “opinion” is totally unacceptable and would have been completely avoided had CASA chosen to “engage” with me rather than adopt an unnecessarily combative stance and place those restrictions on the business. As I have stated previously I only needed CASA to clearly and concisely advise me of the terminology that they wanted in the contracts, and the entire matter could have been resolved at any time within 48 hours. There was no resistance at all from APTA or the entities depending on APTA. Our interest was to have this matter fully resolved to CASAs satisfaction at any time.

Please note, and related to the matters before you now, that I have made allegations of “misfeasance in public office”, against CASA employees, Mr Crawford, Mr Martin, Mr Aleck and Mr Carmody in Parliament before the current Senate Inquiry on 20/11/20 which can be accessed here and located at the “12:40” position on that recording. RRAT [Rural & Regional Affairs & Transport - 20/11/2020 08:49:59 - Parliament of Australia \(aph.gov.au\)](https://www.aph.gov.au/Recorded/Content/DocumentDownload.aspx?DocumentID=104444&RecordID=104444)

I have also made a number of written submissions to the office of the Deputy Prime Minister of Australia at the time, Mr Michael McCormack, as the Minister responsible for CASA. None have been responded to by his Office.

I would like to provide some additional important and pertinent information that I believe needs to be considered as part of your investigation, and most particularly regarding your preliminary opinion where you were of the view.

*“On examining the correspondence between yourself and CASA subsequent to the notice of October 2018 it appears to me that there was an impasse of sorts, though **CASA appears to have made a number of good faith attempts** to assist you in resolving the issue. I accept that **you would have liked CASA to provide clearer advice** about what material to place in contracts between APTA and members of the alliance. **However, it seems to me that CASA provided sufficient assistance in the circumstances.**”*

Regarding your preliminary opinion, that CASA provided sufficient assistance, and that CASA made a number of good faith attempts, I strongly refute that, based on my own personal experience and would like to submit further supporting information for consideration prior to your final determination.

Regarding there being a number of good faith attempts. There was only the one attempt by CASA, rather than a number of good faith attempts. That attempt came almost 6 months after restrictions were placed on the business on April 2<sup>nd</sup>, 2019, by which time the business was decimated. CASA had contacted all customers and told them that I was acting unlawfully many months earlier. The timeline of 6 months was commercially fatal, due to the unreasonably long delays, and a major contributor to the significant commercial harm done to so many stakeholders.

Regarding the finding that, I *“would have liked CASA to provide clearer advice”*. It is much more than that. I was completely dependent on CASA to provide that advice. They were asking for something additional to the legislation, which we had fully attended to in our Exposition. Because it was something outside of the legislation, I needed guidance on what CASA wants. I complied with every bit of legislation. The existing legislation is very clear on my accountability, and after 25 years in the industry and almost half of it as the owner of a large flying school, I understood those obligations at an expert level, and the legislative environment I was operating in. There was nothing else that my Exposition could attend to. If CASA wanted to design a new rule, that was fine, and I was willing to comply, but I was not in a position to guess what it was that CASA was after. All requirements are held within the CASA approved and designed Exposition. I have attended to this later in the correspondence, where I deal specifically with the contract versus the Exposition.

Please allow me to go through the following timeline, with particular attention to the communications between CASA and I, in April of 2019. Importantly the reversal of commitment given to me by Mr Aleck and Mr Martin, shortly after that meeting

### **2006:**

The Company commenced operations at Moorabbin Airport.

### **2012**

The Company commenced operations at an additional base for a Company called AV8, in Darwin at the International Airport, with two other bases outside of Darwin. This was fully approved by CASA. It is this multi base format that commenced in 2012, yet CASA claim they did not become aware of until October 2018, more than 6 years later, when they claimed it was unlawful.

## **2016**

A second Company called TVSA based outside of Melbourne also joins my Company, at the time trading as Melbourne Flight Training. CASA, despite fully approving this additional base, will later claim that CASA was not aware of the structure.

## **April 2017**

The Company completed a two-year process and a very significant investment with CASA, to redesign all systems and procedures to meet the new regulatory requirements of Part 141/142. In April 2017 APTA was one of the first schools in Australia to obtain the new Part 141/142 Approval. At the time of approval, we were operating in a multi base format. This revalidation entailed a complete overhaul of systems and procedures to ensure the multi base format met the new regulatory requirements. Every aspect of every system was designed in conjunction with CASA and contained within our Exposition. CASA assessed, approved, and audited every one of those systems and procedures. Ten CASA personnel were involved in this process, and the entire proposal was sent for a Peer review within CASA. The approval was issued by CASA. This was a significant project costing many hundreds of thousands of dollars.

## **November 2017**

Six months after obtaining the new CASA approval, the Company undergoes a routine CASA Level 1 audit. A level 1 audit is the highest level of audit that CASA conduct. The audit is standard procedure after the issue of a Part 141/142 Certificate. The audit was conducted at the Head Office location and also at the bases that CASA later claims they were not aware of. No issues of concern were raised at the audit. No concerns at all were raised regarding the structure of the Organisation that CASA had fully revalidated only six months earlier, and as the Company had been doing for many years prior. The contracts that had been in place and provided to CASA were the contracts that we went to audit with. Absolutely no concerns are raised by CASA.

## **23<sup>rd</sup> October 2018.**

With no warning, after more than a decade of safe and compliant operations, CASA provides notification that my business is operating illegally, is “not authorised”, and most likely subject to regulatory action. I am provided with only 7 days surety of operations. CASA places several restrictions on the business’s ability that halt the business taking on any new customers or students from that date.

There was no allegation by CASA that we were doing anything unsafe, and that we were doing anything wrong. Quite simply, CASA changed their mind, or rather, someone within CASA changed his mind.

The next day, I notify in CASA in writing of the impact of the restrictions with this correspondence attached as Appendix A. My initial estimates are that the restrictions will cost me more than \$10,000 per week. As the restrictions continued for many months, that figure grew to approximately \$20,000 per week.

Only eighteen months earlier the business and its structure were revalidated by CASA. To say I was completely bewildered would be an understatement. There was no basis in safety or regulatory breaches for CASA to have taken this action. It was totally inexplicable then and remains so today. It came with no prior indication. No one from CASA had raised any concerns, not even by way of a face-to-face chat or a telephone call. Absolutely nothing at all. As a family-owned business this was devastating news.

### **20<sup>th</sup> December 2018**

In the Melbourne CASA Office on 20<sup>th</sup> December 2018, the CASA Executive Manager of Regulatory Services advised me and my father that **“under the current CASA regulations the APTA model would not be accepted by CASA and was operating illegally. It may work some day in the future but not now”**.

I was in dismay. I recall that I responded, “that will send me bankrupt”, as it now has.

I was advised by the CASA Executive Manager that CASA would work with me to dismantle APTA but could not propose any practical solutions that would not result in a loss of jobs, decrease safety and lead to the closure of businesses, and loss of significant investment.

Both my father and I spent the train journey home working out how to handle the staff redundancies. Many of my staff had many years of loyal service. I also expected potential legal action from my members, and understandably so. I had led them to believe that APTA was fully approved by CASA, as it was. From their perspective there would understandably be some suspicion that I had mislead them on the legitimacy of APTA if CASA were now shutting me down. There were several businesses now dependent on me for their surety of operations, and also my Suppliers who were supporting me during this “temporary” interruption to business with the business’s revenue restricted. They had already been supporting me for two months since the matter commenced.

Later, CASA became aware they had erred and had no basis for that determination that I was operating illegally, leading to a change of approach, and the topic would now alternate over a range of topics. They fell away as CASA realised none of them could “stick” and focussed on the issue of “contracts” which is one of the considerations before the Ombudsman now.

It is important to realise, that at this stage, CASA has stated that my operation is illegal, the terminology in the initial notification makes that very clear. There are no concerns about safety or quality outcomes of the Organisation. It is a determination that my business is illegal, and all indications are that I will be closed down. The ramifications of this correspondence are clearly laid out in Appendix A.

## **2<sup>nd</sup> April 2019**

It is only now after having restrictions in place for 6 months that CASA makes the first attempt to provide me with guidance. This point is significant. How can I have my business deprived of revenue for 6 months waiting for CASA to determine what will satisfy them, in a completely new requirement that they have placed on my business, and on my business only.

It seems reasonable to me that when CASA placed those trading restrictions on the business six months earlier based on content of the contracts, they should have had a clear indication of what they wanted at that time, and it should not have taken 6 months. This is now two years after the business was revalidated as a Part 141/142 Organisation doing exactly what we were doing for the decade previously. I believe that this point is significant. If CASA wanted to put something into the “contracts”, I was fully supportive of that. CASA met no resistance from me, but it was incumbent on CASA 6 months earlier to have an idea of what they required. In order for CASA to determine that something is wrong, they should have a concept of what “right” looks like.

If CASA provided the required text that would satisfy them, I could have had it embedded, and returned within 48 hours. The restrictions could have been lifted, and I could have returned to Business as Usual. It really was that simple. The matter should have been completely resolved in less than 7 days, as I believed that it would be, and am certain could have been. But it took CASA a staggering 6 months.

I attended to all CASA legislation in my Exposition. If CASA want something in the commercial contracts, that was not already covered by the existing legislation, that is fine, but I cannot possibly speculate what that is. It was incumbent upon CASA to clearly and concisely advise me because they were requiring something outside of the legislation. Despite the fact that CASA were not prepared to be a signatory to the contract.

These restrictions CASA put in place were not proportionate, and most especially because they remained in place for 6 months before CASA was able to identify to me, what they required in the “contracts”. Furthermore, I do not believe the restrictions were lawful, and strayed dramatically from the policies and procedures

outlined in CASAs Enforcement manual, Writing Guide, Regulatory Philosophy, Ministers Statement of Expectation, PGPA,

It was unlawful, unfair, and totally unnecessary. A well-intentioned discussion would have had the entire matter promptly resolved in a matter of days. I emphasise that it took CASA 6 months to clearly and concisely advise me what they required.

Throughout this entire period, I am unable to take on customers or students as the entire business is operating on an "interim approval" and CASA have placed an administrative freeze on all required regulatory tasks that the business is reliant on.

### **20<sup>th</sup> March 2019**

I meet with the CASA Executive Manager of Regulatory Services and Surveillance. Mr Aleck at Melbourne airport and have a discussion regarding APTA. Mr Aleck produces a checklist that he expects APTA to attend to. Surprisingly, it is exactly the same checklist that CASA had already ticked off on and can be found as Appendix B. This is the checklist that APTA and CASA used to design the Exposition for APTA over a two-year period. The suite of documents that are the backbone of every aspect of operations. Every single item that Mr Aleck identified at that meeting had been assessed by CASA as satisfactory two years earlier, audited for compliance by CASA, and contained within our Exposition, a part of which has been provided to the Ombudsman Office. It seemed absurd that he was showing me that same checklist. Everything on that list had been assessed, approved, and audited by CASA. There was nothing else that I could write, everything on the list had been attended to. It is important to appreciate that our existing commercial contract directed the signatories to comply with our Exposition (operations manuals). For clarity, we had the Exposition, and we had a commercial contract. The commercial contract made it clear that all operations were in accordance with the Exposition, and everybody had to sign to say that they would comply with the Exposition. That checklist was obtained by me under FOI and is attached as Appendix B.

In writing this paragraph, I have realised that this particular topic needs to be very clearly pointed out.

There is no CASA legislative requirement for a "contract", but there is for the Exposition. Everyone who operates under my authorisation at all bases signs the Exposition regularly to state that they will comply with the Exposition. Each staff member did that on every day that they operated.

The contract, which is of a commercial nature, and attached as Appendix C is our first version, and directs that all operations will be in accordance with our CASA approved Exposition. I was in an impossible situation, I did not know what CASA wanted, so could not possibly resolve the issue. It was incumbent upon Mr Aleck to clearly and concisely advise me what it was that he wanted, that I had not already attended to.

## **2<sup>nd</sup> April 2019**

With the trading restrictions in place throughout the last 6 months CASA finally provides guidance on the content that they would like APTA to place in the “contracts”. It seems reasonable to me that when CASA placed those trading restrictions on the business six months earlier based on content of the contracts, they should have had a clear indication of what they wanted at that time, and it should not have taken 6 months. This is now two years after the business was revalidated as a Part 141/142 Organisation doing exactly what we were doing many years before, and as far back as our Darwin operation 6 years earlier.

## **4<sup>th</sup> April 2019 at 8.30AM**

I emailed Mr Peter White, the CASA Executive Manager Regulatory Services and Surveillance at the time, requesting a meeting at 11.30AM that same day from the office of my accountancy firm.

I advised that the meeting would be about the potential cessation of all operations at APTA, Ballarat Aero Club, Latrobe Valley Aero Club, Simjet, Whitestar Aviation, AVIA and Learn to Fly, and MFT. This situation had come around due to cashflow difficulties as a result of the CASA trading restrictions being in place for 6 months. The affected businesses had been unable to enrol customers for a period of 6 months. As we have seen most recently with COVID restrictions, few businesses simply could survive 6 months deprived of revenue, and in my case with no Government support at all.

My accountant was obligated to intervene, and sought an explanation, before advising me on how to proceed. By this stage my parents had funded \$300,000 towards staff salaries so that I could avoid redundancies. The business had been unable to take on new customers for 6 months, many existing customers were departing. Staff and customers had lost confidence in their ongoing job security and training. The reputation of the business and my own personal reputation had been significantly impacted.

It was imperative that the matter of the contracts was resolved at that meeting. The matter was time critical; my funds were completely exhausted; Suppliers were understandably concerned. These were long term suppliers with established and valued relationships with my business. They backed me during the initial restrictions on the businesses cashflow. They like me believed that this matter should have been resolved months ago. None of us could have imagined that it would not have been resolved by now. The business could not proceed if the restrictions remained in place. It was imperative that the “interim operations” and other CASA imposed restrictions be lifted and the business permitted to return to “business as usual”.

I recounted to my accountant, the story to date of the delays in CASA producing what they wanted in the contracts, and other matters including the use of the Aviation Ruling, the advice from Peter White that Mr Aleck had determined that

APTA would not be permitted, the many allegations of regulatory baseless breaches that CASA made, but withdrew every single one of them, as they were not valid.

My accountant had grave concerns about the impact of the restrictions on the business over the previous 6 months, and like me, could not see any basis on safety or law for the CASA actions. It was a change of opinion. By now the business is under extreme financial distress. My accountant was extremely concerned that after 6 months waiting for CASA to determine what they want in the contracts; the matter was still not resolved.

#### **4<sup>th</sup> April 2019 at 11.30AM**

The meeting proceeded at 11.30 AM by way of a conference call.

Mr Peter White, the CASA Executive Manager who had been dealing with my matter appeared to cease his employment with CASA at about this time.

In attendance representing CASA was the Executive Manager Aviation Group Mr Graeme Crawford, and the Executive Manager of Regulatory Services and Surveillance, Mr Craig Martin. Also in attendance were two staff from my accountancy firm and two staff from APTA.

My note taking of this event is comprehensive. All four attendees took comprehensive notes with emphasis on quotes made by the CASA personnel. The matters that would be attended to at that meeting would determine if I was to cease all operations that day or resolve this matter immediately. By now my home had been sold, my parents had spent their life savings and it was increasingly difficult to meet my payroll obligations. My families funds across three generations had simply run out. There were multiple attendees taking notes and recording statements and commitments. Those notes can be validated by four statutory declarations of the attendees.

At that meeting, CASA Executives Mr Martin and Mr Crawford individually gave me firm and repeated commitments that if I embedded the CASA suggested text, that was provided to me only two days earlier by CASA into the contracts, then the restrictions on the businesses ability to trade would be lifted. APTA would be promptly approved to continue operations and as CASA termed it, return to "business as usual" as it had been 6 months earlier. This commitment was made by both Mr Martin and Mr Crawford at that meeting. I emphasise that each of them gave me repeated assurances.

Mr Martin and Mr Crawford repeatedly confirmed that if I embed the suggested text into the contracts that all would be resolved. They confirmed that once the amended contract was returned the restrictions that had been in place for six months, would be lifted and confirmed that is the advice they had received from Mr Peter White. Mr Martin advised me to get the contracts to them as soon as possible. "Once signed and returned to CASA, we would be returning to business as usual".

Mr Martin urged me to get the contract back as soon as possible, as that was “all we were waiting for”. His tone suggested that they were waiting on me, as they were. Although I had only received the text from CASA two days prior, after waiting a staggering 6 months with trading restrictions in place.

I advised Mr Martin and Mr Crawford that the completed contracts would be returned in the next day or two, we had only had the information supplied to us by CASA two days earlier.

My accountant queried as to why it had taken 6 months for CASA to provide the suggested text and lift the restrictions on the business. Mr Crawford advised my accountant that he didn't have to explain CASAs position and that he didn't have to talk to him because he was the accountant. It was obvious at that meeting that Mr Martin and Mr Crawford were unable to justify the unacceptable timelines and were not going to explain the reason that it took CASA 6 months to work out what it was that they wanted.

There was no doubt in my mind or my accountants that at the conclusion of that meeting CASA would lift the restrictions if I returned the contracts with the CASA guidance fully embedded, because those were the repeated assurances given to me at that meeting by Mr Martin, and Mr Crawford.

I did ask Mr Martin and Mr Crawford why APTA was required to have a contract when other operators doing the same thing did not have the contractual requirement placed on them. CASA advised that my operation was unlawful without contracts but would not explain why my flying school was being targeted, but others were permitted to do the same thing for at least the last 25 years, and I had been able to do it for the last 6 years.

I pointed out that CASA had held contracts for 18 months, before they sent that correspondence in October 2018, and asked why we were still dealing with this years later.

I explained very clearly the commercial impact on me, my family, the suppliers, customers, students, employees etc. Both men were already fully aware of the commercial impact on the business and the impact on my wellbeing. This was however reiterated at the meeting because, it was important to ensure both men were fully aware that this matter needed to be resolved promptly. Several businesses and their employees were depending on this matter being resolved. The business had now been unable to attract new business for 6 months.

My accountant again reiterated the commercial imperative. “We do not have much time”. “We need to get this done or we must wind up the business” “we need to try and make up the substantial lost ground”

Mr Martin said that Mr Whites email of April 2<sup>nd</sup> answered the accountants question. Mr Martin was answering in the affirmative. And kept referring to that email, assuring me that if I utilised the CASA suggested text, the restrictions would be lifted.

Whenever I tried to get an explanation, I was repeatedly met with “If you want to go back six months, well go back six months”.

Mr Martin assured me that once the contracts were signed, restrictions would be lifted.

Mr Martin advised that CASA could not approve new customers until the contracts were resolved. He advised that CASA was not permitting new customers to join because they were waiting to get contracts finalised.

I confirmed that regulatory tasks that had been on hold for 6 months would now proceed. These courses were APTA courses, both Mr Martin and Mr Crawford both advised that the tasks would proceed once the contract was back. He advised that tasks were put on hold because the APTA model may not be permitted.

Mr Martin read me document of April 2<sup>nd</sup> which is attached as Appendix C to reiterate that restrictions would soon be lifted based on Mr Whites advice.

I reiterated that I was prepared to put anything into the contracts that CASA required., and had been since October ,6 months earlier.

Mr Martin explained that APTA was unlawful without contracts, but advised it was “not a contract for CASA”. My accountant pointed out that in fact it was CASA wanting to become involved in the commercial contract between members, CASA was actually interfering in the contract, and particularly so if CASA was not prepared to be a signatory to their required contract. My accountant expressed his confusion ta CASA wanting to put matters of control and supervisory responsibility in commercial contracts.

Mr Martin confirmed that “CASA had perhaps given me incorrect advice”.

My accountant again sought a clear direction from Mr Martin, and highlighted the financial impact on the business, and that he was depending on a resolution, or he would be obligated to direct me to cease operations, as the businesses funds were by now exhausted and it was becoming increasingly difficult for the business to meet its obligations to suppliers and staff.

At this meeting Mr Craig Martin stated that his predecessor, Mr Peter White has seen the positive outcomes of APTA firsthand. This occurred on Saturday January 12<sup>th</sup>, 2019, when Mr Peter White visited the facilities.

This 6-month delay had come close to destroying the business. It was becoming obvious that I would need to approach my parents for further funding to avoid staff redundancies. I had been unable to take on any new customers for a period of 6 months, and the accountant was advising that I must cease operations, unless this matter could be immediately resolved.

To summarise this meeting Mr Craig Martin and Mr Graeme Crawford gave me very clear commitments, that if I embedded the CASA text, I could return to business as usual. On 9<sup>th</sup> April, CASA would not meet the commitments made at that meeting.

**9<sup>th</sup> April 2019 at 7.33AM**

I embeds fully all CASA suggestions into the contract as advised 4 days earlier, and six months after trading restrictions are in place. All Members are fully satisfied.

That contract is returned to CASA for review by Mr Peter White the CASA Executive Manager of Regulatory Services and Surveillance at the time, and my primary contact within CASA.

My reasonable expectation at this stage was that the business would soon be able to work towards repairing the enormous damage done. as usual as CASA had already assured me on so many previous occasions during the previous 6 months, and most recently by Mr Martin and Mr Crawford at the Accountants Office days earlier on April 4<sup>th</sup>.

**9<sup>th</sup> April 2019 at 6.32PM**

CASA has now received the finalised contracts from me and my members approximately 12 hours earlier. Peter White the CASA Executive Manager of Regulatory Services and Surveillance at the time, reviews the contracts and sends me an email titled "*I can confirm the content is acceptable to CASA*". Within the body of the email, it goes on to state.

*"Dear Glen, I have reviewed the draft contract provided this date. I can confirm the content is acceptable to CASA. My appreciation to you and your staff for provision of same....."*

On receiving that email, I was overwhelmed. Finally after more than 6 months I thought it was over.. By now the business had been decimated and my parents had put in \$300,000 of their own money to ensure I could avoid any staff redundancies over the previous 6 months that the trading restrictions had been in place. Many of my customers and staff had already left because of the previous 6 months uncertainty, and I had been unable to take on new customers or students for 6 months The accountant had very firmly advised me that this matter must be resolved immediately, or he would have to intervene. He would not permit continued operations now costing approximately \$20,000 per week.

I have now had a commitment from the following three individuals that if I embed the CASA suggested text that I have waited 6 months for, my businesses MFT and APTA will be able to continue.

1. CASA Executive Manager of the Aviation Group- Mr Graeme Crawford at my accountant's office less than a week prior.
2. CASA Executive Manager Regulatory Services and Surveillance- Mr Peter White via email

3. CASA Acting Executive Manager Regulatory Services and Surveillance- Mr Craig Martin at my accountant's office less than a week prior.

There is no doubt in my mind that this matter that has dragged on unnecessarily for 6 months will finally be resolved, and I can return to business as usual and try to repair the substantial damage that has been caused. The cashflow crisis on the business has now been continuing for 6 months, my parents funds are exhausted, as are mine, and the businesses is on the cusp of collapse.

This good news is to be short-lived.

### **9<sup>th</sup> April 2019 at 10.56PM.**

Only hours later, after having there is yet another complete reversal and I am back at the start of the process again when CASA write back to me and ask, "can you hold off distributing for a day or two".

The only two individuals within CASA that have more seniority than Mr White, Mr Martin and Mr Crawford are Mr Shane Carmody, the CEO of CASA and Mr Jonathan Aleck, the CASA Executive Manager of Legal, International and Regulatory Affairs. It is more likely that Mr Aleck was the decision maker of the reversal, as he is the Executive Manager responsible for these matters, although that is only my reasonable assumption, I have no evidence of that.

Something happened on the evening of Tuesday 9<sup>th</sup> April to lead to a complete reversal from CASA.

### **12<sup>th</sup> April 2019**, (Friday)

CASA advise that they will contact me verbally over the weekend.

### **16<sup>th</sup> April 2019** (Tuesday)

CASA advise that they would like another teleconference.

### **17<sup>th</sup> April 2019** (Wednesday)

CASA advise that they have some "disappointing news". The contracts were now not acceptable, CASA put a proposal to me that they would now pursue a different approach, although a new approval for interim operations would now be issued. It was the "interim approvals" that bought so much instability and uncertainty to the

business. The matter was still not resolved, and another interim approval to operate is issued. Any remaining confidence in the APTA model and my flying school, MFT by customers and potential customers is now lost as they have been in “limbo” for 6 months already. Their reasonable expectation, as was mine, was that this matter should have been resolved long ago.

### **24<sup>th</sup> April 2019**

I write to CASA raising my concerns. Attached as Appendix D

### **30<sup>th</sup> April 2019**

CASA write to me advising that they have “now received the external legal advice and that it has confirmed, inter alia, that Part 141 certificate holder is **not** “precluded from entering contractual arrangements with other parties to deliver flight training activities.

Interestingly this legal advice, that CASA received does not mention Part 142 Operations which are contracted checking and training and make up over 90% of APTAs revenue. I believe that CASA received legal advice on part 142 operations but chose to avoid mentioning Part 142 activities because these are clearly permitted and exactly what Part 142 is all about i.e. contracted checking and training. I have asked CASA to bring clarity to Part 142 operations on a number of occasions, but they choose not to answer this question. This new legal advice received 6 months later, differs very much to the assertion by CASA in October 2018 where Mr Alecks position was “The Ruling does not permit an AOC Holder to authorise a third-party body corporate to conduct operations under its AOC. This was Mr Alecks opinion and was later found incorrect by the Ombudsman in Stage One of his investigation, when the Ombudsman found; “As of October 2016, no Australian legislation prohibited “franchising of an AOC”.

This point is significant for the investigation by the Ombudsman office, because the Ombudsman is of the view that CASA took legal advice. I was advised by CASA that in fact at the time of CASA initiating their reversal of approval in October 2018, they had NOT received external legal advice. CASA advised me that they only sought external legal advice much later on, and in fact only received that external legal advice in April, which is 6 months after the restrictions were placed on the business. If that is the case, then the truth is that when CASA initiated their action, I was dealing only with the opinion of Mr Aleck.

In phase two of the Ombudsman investigation (not yet finalised) the Ombudsman was of the view that CASA had received external legal advice. I do not disagree that CASA did perhaps obtain legal advice, but I would question the timelines and what information CASA provided to the legal firm i.e., was it accurate? Based on the fact that the legal advice was only confirmed as received some time just prior to 30<sup>th</sup> April, (“*now received the external legal advice*”) leads me to believe that in fact there

was no prior external legal advice and confirms my view that I may have been dealing with a CASA employees' opinion, and not any basis in law or safety. Mr White had also confirmed to me that there had been no prior external legal advice taken by CASA).

The matter should immediately have been resolved at this stage.

Despite this, CASA offer yet another short-term interim approval for APTA to operate, while CASA look at alternative options.

### **30<sup>th</sup> April 2019,**

I advise CASA of the impact on my business and my health. Refer Appendix D. With the restrictions on the businesses ability to trade remaining in place, and the matter far from resolved, I will be unable to meet the upcoming payroll for my employees, and I have only two options.

Shut the business down or try and sell the business at a nominal value.

If I shut the operation, hundreds of student's part way through their training would have been impacted, and many staff would have lost their jobs. Similarly, Suppliers would be impacted. Several businesses dependent on APTA had already been forced into closure because of the 6-month delay, and the several remaining businesses would also be forced into closure.

### **June 6<sup>th</sup>, 2019**

CASA CEO Mr Carmody sends me correspondence "...*To be absolutely clear, if CASA does not have the evidence we require i.e. contracts, in hand by 1<sup>st</sup> July 2019, we will have no choice but to consider what further action we may need to take in relation to the flight training operations in which APTA and its affiliates are engaging.*"