



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Australia's general aviation industry

(Public)

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CANBERRA

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Friday, 20 November 2020

Members in attendance: Senators Antic, McDonald, Patrick, Sterle.

Terms of Reference for the Inquiry:

To inquire into and report on:

Under Standing Order 25 (2) (a), the Senate Rural and Regional Affairs and Transport Legislation Committee will inquire into and report on the current state of Australia's general aviation industry, with particular reference to aviation in rural, regional and remote Australia.

The committee will consider the operation and effectiveness of the Civil Aviation Safety Authority (CASA) and other relevant aviation agencies, with particular reference to:

- a. the legislative and regulatory framework underpinning CASA's aviation safety management functions, including:
 - i. the application of the *Civil Aviation Act 1988* and the *Civil Aviation Safety Regulations 1998* to Australia's aviation sector, and whether the legislation is fit for purpose;
 - ii. the safety and economic impacts, and relative risks, of CASA's aviation safety frameworks; and
 - iii. the engagement of CASA with other relevant Australian Government agencies;
- b. the immediate and long-term social and economic impacts of CASA decisions on small businesses, agricultural operations and individuals across regional, rural and remote Australia;
- c. CASA's processes and functions, including:
 - i. its maintenance of an efficient and sustainable Australian aviation industry, including viable general aviation and training sectors;
 - ii. the efficacy of its engagement with the aviation sector, including via public consultation; and
 - iii. its ability to broaden accessibility to regional aviation across Australia, considering the associated benefits of an expanded aviation sector; and
- d. any related matters.

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VERCOE, Mr Tim, Quality and Safety Manager, McDermott Aviation Pty Ltd

Evidence was taken via teleconference—

Subcommittee met at 09:03

CHAIR (Senator McDonald): I now declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee is hearing evidence for its inquiry into Australia's general aviation industry. This is a subcommittee that has been established for the purposes of this inquiry. I welcome you all here today. This is a public hearing, and a *Hansard* transcript of the proceedings is being made.

Before the committee starts taking evidence, I remind all witnesses that, in giving evidence, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The committee prefers all evidence to be given in public, but, under the Senate's resolutions, witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in camera.

I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about how and when policies were adopted. Officers are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement seeking out the basis for the claim.

If a witness other than a public servant objects to answering a question, the witness should state the ground upon which the objection is taken. The committee will determine whether it will insist on an answer, having regard to the ground that is claimed. If the committee determines to insist on an answer, the witness may request the answer be given in camera. Such a request may, of course, also be made at any other time.

Finally, on behalf of the committee, I'd like to thank all those who have made submissions and sent representatives here today. I would particularly like to acknowledge the industry's patience. We announced this inquiry many months ago but, due to the backlog of inquiries and work for this committee, and of course all the COVID restrictions, we're only commencing hearings now. I do thank the industry for their patience. Be assured that this will still run the full length of the process. We are looking forward to hearing evidence from everybody that we will hear from.

I now welcome representatives from McDermott Aviation via videoconference. Do you have any comments to make on the capacity in which you appear?

Mr McDermott: We are a helicopter company based in Queensland but established throughout Australia.

CHAIR: I invite you to make a brief opening statement before the committee asks questions.

Mr McDermott: I would like to have it on record that we are not CASA bashers, which has been a term used if you don't agree with CASA. We recognise that regulators are necessary. We work within three different authorities throughout the world—the FAA, PNG civil aviation and the system in New Caledonia. We operate safely and fine within those regulations, as we do within CASA.

Our problem with CASA is that we've been fed a set of regulations that, to be quite honest with you, are far too onerous to understand, are very brutal to comply with and defy the Civil Aviation Act 1988, where it says economic consideration should be given to the impact of any regulation. We would like to see the outcome of this being CASA working with us as an industry and identifying that general aviation is a big part of the Australian aviation industry—far bigger than airline industries—and the role we play in helping out the communities of Australia, in all the roles that general aviation has, and how important it is. We really want to work with CASA to find outcomes that actually happen instead of putting band-aids over broken regulations.

CHAIR: Thank you very much.

Senator PATRICK: Mr McDermott, can you describe the size of your company and where it operates from?

Mr McDermott: The head office is on the Sunshine Coast, in Queensland. We've got fixed-wing and helicopter bases throughout Queensland, around the Sunshine Coast. We've also got an operation in Bankstown, New South Wales. We've got an operation in Victoria. We conduct operations in Tasmania and we have a significant base in Western Australia. We've got a permanent staff of around 130, and that balloons out during our

busy season, during the firefighting season, up to about 145. We also conduct operations in French New Caledonia and Indonesia. This year we were working in Greece, and on occasion we get seconded to do operations in the USA, mainly in support of firefighting but sometimes responding to ship [inaudible] which we did in New Zealand a number of years ago on the [inaudible]

Senator PATRICK: Would you be kind enough to tell us how your company has changed over perhaps the last decade? I'm just trying to get a sense of—people have transmitted to this committee that general aviation is in decline and in serious trouble. Are you a thriving industry? Have you shared those struggles? Have you watched competitors around you fall away? Or has it in fact been static over that time?

Mr McDermott: It would be fair to say we have actually done okay in the last 10 years, despite some of the regulations we've had to work with. I would suggest some of the smaller operators have been more impacted. The single biggest impediment to our expansion currently is aircraft engineering—obtaining people to come into the industry. We are working actively with our own training academy to do that. Getting engineers licensed has been a big problem for all of general aviation. We now have a team of about three people—certainly 2½ people—working pretty much all the time within the CASA regulation format to assist us to comply with all the regulations and requirements that we are up to.

Mr Vercoe: If I can I just add to that: our ability to prosper in the last 10 years has largely been through our ability to operate overseas and under those other jurisdictions. For example, our FAA registered aircraft and our FAA maintenance organisation has enabled us to expand to the point that we are now.

Senator PATRICK: You mentioned New Caledonia and Greece. I associate FAA with the United States. Are you operating in the United States?

Mr McDermott: We don't operate per se in the United States. We are sometimes asked to go in and operate under another company's operating certificate. But in the last couple of years that opportunity has not been available to us. But, for that reason, we have FAA, which are N registered aircraft [inaudible]

Senator PATRICK: Okay. What is your experience between the Australian jurisdiction and, say, the French and Greek jurisdictions, and indeed your experience with FAA regulations?

Mr McDermott: Within the Greek system, we were working under an operating certificate in Greece under our FAA operating certificate, so we actually didn't have any interface with the Greek authorities. EASA, through the French, is very complex. Fifteen years ago we were in consultation with CASA, and then we said the EASA system is not the system for general aviation to be following. Throughout Europe, general aviation basically does not exist anymore, because of some of the obstacles that part 66 and 61 are imposing upon us here in Australia.

Senator PATRICK: Do you say that the FAA rules represent the gold standard in terms of the right balance between safety and the ability to operate under reasonable regulation?

Mr McDermott: Absolutely. If we had a choice, the FAA system is still complex but it's workable. It's clear. It's concise. It's not as open to individual interpretation as our CASA regs are. In fact, many years ago we were asked as an industry what rules we thought would work for general aviation in Australia. The New Zealand model was put forward and we find the New Zealand model—although we don't actually operate under it—to be a very straightforward operation. Papua New Guinea actually took the New Zealand model and modified that to suit their regime. We actually find that PNG model extremely workable and extremely good.

Mr Vercoe: Just to add to that, the FAA regulations may not be the best around but the difference is in the way that it's used by the regulator. The regulator has a very strong focus on keeping operators flying under the reg set, so they are very helpful in finding ways to achieve things under the regs, rather than finding ways to use the regs not to do things.

Mr McDermott: To give you a very small example, under the FAA system we had to advise the FAA that we were going to Greece to work and we got a reply from our FAA primary maintenance inspectors and flying operations inspectors saying, 'Thank you for the notification and we wish you well for your endeavours in Greece' et cetera. We tried to go to Fiji to work with one of our helicopters about six years ago and, after 12 months, it became all too hard and we just didn't go. The whole time it was because of obstacles put up by the regulations that were in place and that the CASA guys had to adhere to.

Senator PATRICK: That leads to my final question. I'm trying to understand, when you say that the FAA system is better, is it a case that the regulations are less voluminous? Is it a case that the response, as you just talked about, is much better? Is it to do with attitude? Can you elaborate on what it is that is good about the FAA system in contrast to Australia's system of regulation?

Mr Vercoe: It's all about those things. And, in addition to that, it's the recognition that the FAA system has across all the other jurisdictions in the world. So, when we go to Greece, EASA, for example, will cross-recognise FAA licensing registration, airwork [inaudible] issues and so on. So it's a well-recognised system for operating in just about any part of the world. Then it's the other three things that you mentioned. It's a relatively small reg set by comparison with CASA. The attitude of the regulator is about keeping operators operating, and it's about the flexibility that they can apply to the regs and to get outcomes.

Mr McDermott: Also, my original background is I'm a licensed aircraft maintenance engineer so I would be now affected by part 66. During CASA's discussions with adopting the EASA system, we were told that our licences would transfer to an EASA style licence and that would give us recognition through the world. I own an operation in New Caledonia, a French helicopter company in New Caledonia, as well. I have aircraft licences under my Australian part 66 licence and, to be honest with you, I'm not allowed to sign out a lawn mower in New Caledonia because EASA don't recognise the qualifications. They don't recognise our release forms. So, for example, if a company other than McDermott Aviation and maintenance organisation wanted to overhaul transmissions for Bell Helicopters or Eurocopter or whatever and export them to America or Europe or wherever, our release notes, our [inaudible] releases are not recognised anywhere outside of Australia. The FAA advised us that the reason for that was that, a number of years ago, the FAA got around various countries with their various authorities and said, 'Let's sit around a table and work out how we can do cross-recognition,' and CASA didn't attend the meeting.

CHAIR: That leads me very neatly into my questions, Mr McDermott. Which other countries in our region are coordinated with the FAA?

Mr McDermott: In what sense?

CHAIR: You were just using that example of CASA not attending a meeting.

Mr McDermott: New Zealand have released tickets under their system which can be recognised throughout other jurisdictions. To be honest with you, in our region there are probably not a lot of other countries that have organisations that would be in the export business. But certainly it's an impediment to Australian providers.

CHAIR: I would have thought that, given that Australia operates in the international market, that recognition between us and a big jurisdiction like the US would be important—again, as you say, as an export market. We might come back to that.

Mr McDermott: They talk about free trade between all our jurisdictions. I'm not sure if you're up to electrical terminology, but our free trade in the aviation industry is like a diode: it only flows one way. So it's very detrimental to those of us who are trying to conduct business. It's just a major roadblock for anybody who really wants to get into providing services into other jurisdictions.

CHAIR: That might be something that the secretariat could take note of, around a recommendation on the reduction of non-tariff barriers to aviation exports in our region. I want to go to a submission that you probably won't have had the opportunity to read, from Harold Carter. He talks about consistency between CASA officers and within CASA officers so that, if somebody has written a manual, there is a broad working document for CASA officers across the country to make decisions around the same framework. Mr Carmody has said that he would establish an office within CASA that would deal with concerns of inconsistency between CASA officers. Have you got any commentary around consistency of decision-making between CASA officers in different parts of the country or even between different CASA officers within your part of the country?

Mr McDermott: Factually, the only thing consistent within CASA is the inconsistency. For the last probably eight years we have applied for a certain privilege, whether it's to instruct some of our pilots or to do courses or whatever, and we have been told by a certain individual in the office, 'No, you can't do that.' We go, 'Give us a reason why, because we believe that, under the regs, we can do it.' Well, that's their interpretation. So then we'll go to another place and get another interpretation. This goes back to a type rating test that we have just basically, we think, cleared up in the last week or two, to do with one of our helicopter types that we use for firefighting. In August last year I sat with two flying operations inspectors. We came to a conclusion on how we would go about it, and then their management got hold of it and it went around and around in circles. We got an exemption in January of this year to actually do what those two flying operations inspectors had suggested that we were going to do in August last year but were overridden. That enabled me to do two flight tests. Since then—to be honest with you, COVID has had an impact—we've just played a game of tennis where the volley goes forever. It's not necessarily because of people's desire not to help; it's because of interpretation by individuals of certain regulations. It's most frustrating.

We've been issued a 142, which is a training document, and it's attached to one of our N registered Bell 214s on a discrete AOC. We've gone back and challenged that, because there's no reason that it should be. Our local guy says it should be. We go back to Canberra, and they say: 'Oh, no, he's misinterpreted it. It shouldn't be.' For God's sake, if they can't sort it out, how in the hell are we supposed to sort it out?

CHAIR: Do you think that this approach has driven up the cost of doing business for your business? Have you had to hire experts or take time away from the business, time that you would normally be working in it, to manage these interpretation issues and compliance issues?

Mr McDermott: I spend a disproportionate amount of my time trying to help manage issues with CASA. I mean, it has been identified by our safety RIS that CASA is now the biggest safety risk to our business model. I've got documents here that go back to type ratings for engineering that started in 2017, when we identified an issue. I got involved in it by 2018. It still hasn't been resolved. As recently as yesterday I was dealing with trying to resolve it. So instead of me running a business that employs a lot of people and generates good income and supports a big community, I'm dealing with things that shouldn't be this complex, things that I don't have to deal with under the FAA system or under the PNG system.

CHAIR: I just want to clarify that you, as a successful and a significant operator in the industry, have flagged that you don't want to bash CASA, and I really respect that—I don't want to lead you that way as I can see that you're trying to be productive in the recommendations that you're making—but do you think that operators are fearful about being as bold as you are and being as public as you are in your concerns and in identifying these issues?

Mr McDermott: I have no doubt that there are people who would just not do something because they aren't in a position, maybe, to take CASA on and to spend the time and resources trying to get to a conclusion. There are numerous people that I know of in the local helicopter community who've faced obstacles that they haven't been able to overcome. As far as retribution goes, I can't honestly say that we necessarily feel that. We feel frustration and what have you, and, like everything in business, we don't have to love everybody, but we have identified that we have to be able to work with the people who don't necessarily agree with our views. I'm sure it has an impact. And, you know, CASA do carry a big stick. They can make a small operator's life a damn misery by going out and threatening to remove certificates and all that.

CHAIR: There's a huge amount of ground to cover, and, following our conversation today, you may want to make an additional submission about anything that you want to clarify, or additional examples that you'd like to provide. Are there three things, or just a couple of things, that you think government could do to ensure that CASA is actually adding value to the GA sector in your opinion?

Mr McDermott: CASA have identified that it's government responsibility to change regulations, so maybe they should work—again, alongside the industry—to achieve that. I just think that CASA really should be working closer with industry to get regulations that are workable. Consultation is not about coming up with a set of rules and then force-feeding them to us. It's actually about working with us. I think there are a lot of ways that it could be improved, not necessarily with one bullet or one bandaid. Tim?

Mr Vercoe: Yes, there were a couple of things I wanted to add to what John was saying before about CASA. Sometimes it's not the adverse finding or the adverse interpretation that's the problem; it's the interminable discussion about it, or the differences of opinion that just make things just go longer and longer. It's death by attrition, rather than by an act, in some of those findings, and those time frames can be killers for smaller organisations.

Just in terms of the three things, and this has been raised several times before, there's the need to change the act to recognise commercial viability as an outcome, as well as safety. Safety on a jumbo jet or an A380 is completely different to what it would be on a Cessna 172, so going for the highest possible level of safety is actually a killer for smaller aircraft and the GA, where they're dealing in a riskier environment anyway. They need to be able to juggle safety, to make sure that they get a safe outcome, but that they also stay in business.

Mr McDermott: Managing our own risk, yes.

Mr Vercoe: That's right; it's a risk management process. The other thing is, yes, recognising the structural flaws and [inaudible] training for pilots and engineers because the other thing that's killing the industry is that the age class of all the skills in the business are getting older and older, and the pathways to replace those skills are getting more and more tortuous. I didn't mention it before, but one of the advantages under the FAA system is that we're able to recognise skills much easier in the learning cycle than we can through CASA licensing, particularly in maintenance. So it would be good to deal with those flaws in training and licensing.

There is also that whole thing about cross-recognition, particularly with FAA in the US. Most of our aircraft and so on are made in the US or in Europe, so it makes sense to have our training and skills base and certification and so on match and align with those jurisdictions. We've spent a huge amount of money virtually making sure that we're not aligned, and so that's a huge flaw in the system as well.

CHAIR: I want to ask you about the changes that have been made in regulations of CASA over the last, let's say, 10 years, but it's possibly a little longer. Do you have any sense of whether or not it has made the industry safer? For all of the additional regulation and costs, are we seeing an industry that's safer?

Mr McDermott: CASA doesn't make industry safer. Regulations don't make industry safer. We make industry safer because there are so many reasons for us to be safe, other than just adhering to a regulation, which we've got to do. I believe we're safe despite CASA. I would suggest there would be operations at present that are operating outside of CASA's regulations—probably unknowingly—that are operating safely because of the regulations that are there at the moment. For example, the certifying of some aircrafts or various type rating recognitions or training recognitions are not being complied with as per CASA, but they are actually being done safely, as I say, despite the regulations.

In all honesty, I cannot see the statistics to say that aviation is safer because of any rule implications of CASA that I'm aware of. Aviation does have risk associated with it; if you want to stay safe, maybe don't go flying. It's all about risk mitigation and taking responsibility for our own actions. Despite what CASA think, we are actually the experts in what we do. We do a significant amount of work in quite risky areas, with certain lifting jobs, and we have to go to CASA to get an exemption. We've already done all the risk mitigation. We've already done all the assessment of perceived risk. Then a guy from CASA comes along and says, 'Yes, but I want you to do this and this and that,' and we go, 'We don't like that; we don't know whether it's the best outcome.'

I asked Mr Carmody one day: 'If you want us to get CASA to give us that way of doing it, are you going to accept the responsibility for that job if it goes wrong? We've already done our risk matrix, and this is the best way to do it. Now you're coming along and telling us, "But we want you to do this as well." We don't necessarily agree with that.' It's not in anybody in the aviation industry's interest to be unsafe, to not do the right thing. It's not in our interest.

CHAIR: No. It's been put to me that there need to be additional regulations to make the industry safer, and yet we accept that hundreds of people a year die on roads, in car accidents and other things. We understand the risk mitigation process of wearing seatbelts and all of those regulations, but we certainly don't stop people from driving because there has been an accident.

Mr McDermott: No.

CHAIR: I think it would be fascinating to understand what it costs industry in terms of compliance with CASA regulations, particularly, as Mr Vercoe identified, the length of time. If you could put that amount of effort and money back into your business, how much safer and more successful could you potentially be?

Mr McDermott: Yes.

CHAIR: Senator Patrick has a last question.

Senator PATRICK: Yes, thank you very much, Chair. This goes to your statement about A380s versus Cessna 172s. I have two questions. Back on 24 October last year, the parliament passed a bill that caused a change to the Civil Aviation Act, most relevantly in section 9. There was a section 9A(3) added, which says:

Subject to subsection (1),—

which is about safety—

in developing and promulgating aviation safety standards under paragraph 9(1)(c), CASA must:

- (a) consider the economic and cost impact on individuals, businesses and the community of the standards; and
- (b) take into account the differing risks associated with different industry sectors.

Firstly, are you aware of that change to the primary legislation and, secondly, noting it's a year gone by, have you seen a change in approach by CASA, mindful of that new law?

Mr Vercoe: I'll take that one first. I was aware that that change had been discussed for a long time. I actually wasn't aware that it had been enacted. Certainly we haven't seen any evidence of that—any outward evidence, anyway. I'm not sure what the discussions may or may not have been in CASA, but we haven't seen anything related to that at the coalface.

Mr McDermott: It may come down to area managers who are risk averse, but there is a tendency for disallowing things to happen—based on the fact that they perceive that it might be higher risk, they say, 'No,

we're not going to allow it.' In one instance recently, one of the manager's said, 'Oh, but I don't think that's right.' No disrespect to him, but I said, 'It's not up to whether or not you think it's right; the regulation says I can do it.' Where's the law here? Where's the regulation?

None of us are talking about lowering the standards of safety. I don't believe, as I said to Senator McDonald, that that's in anybody's interest. But there is a different risk matrix between four people flying around in a Cessna 172 with two means of escaping out of that aeroplane, and 400 people on an A380 with half-a-dozen means of escape from the aeroplane. That's how I would interpret maybe the juggling, but it's not about us trying to water down any safety or encourage cowboyism, whereby people can go out—in fact, people can go out and do what they damn well like, because they call it 'private flying' and 'sports aviation', not that I'm knocking it. I think it's a great thing, don't get me wrong.

Senator PATRICK: Mr McDermott, I was really just after the answer that Mr Vercoe gave—

Mr McDermott: Sorry.

Senator PATRICK: which was that he wasn't aware of the regulation and that in fact there has been no change. That was the burden of my question. Thank you.

Mr McDermott: Okay. Thank you. Sorry.

CHAIR: Thank you. We are out of time, Mr McDermott and Mr Vercoe. If there are any additional issues that have been raised following the questions today, that you didn't have the opportunity to answer or to be asked, I would encourage you to put in a further submission. I really appreciate your time and your contribution, and please be assured that this committee is very committed to understanding what the regulatory impost is on aviation and helicopters in particular. Again, we really value your input today. Please go with the committee's thanks.

Mr McDermott: We appreciate the opportunity. Thank you very much. We wish you well.

MORGAN, Mr Benjamin, Chief Executive Officer, Aircraft Owners and Pilots Association of Australia

Evidence was taken via teleconference—

[09:42]

CHAIR: I now welcome the representative of the Aircraft Owners and Pilots Association, Mr Morgan, via videoconference. I invite you to make a brief opening statement before the committee asks questions. Do you wish to make an opening statement?

Mr Morgan: I do. Firstly, I'd like to thank the committee for the opportunity to testify today for this inquiry and to affirm that this inquiry's actually incredibly important. It's important for a multitude of reasons, but none more so than the fact that Australia's general aviation industry right across this nation is in decline, and that decline is being driven primarily by decisions that have been made by the Civil Aviation Safety Authority, not decisions that have been made by the aviation industry itself. We find ourselves in a highly unique situation in which Australia's aviation industry is governed and run by a regulatory system which has been created to be unique to Australia and does not mirror the framework in either our closest trading partner, New Zealand or the world's No. 1 general aviation economy, the United States, with their Federal Aviation Administration framework.

I would like to try and keep my presentation today at a simple level and use basic language to explain the context of the challenge that we as an industry are facing. And we can start with the simple fact that, right across Australia, we have a wholesale decline in access to flight training. Right across the general aviation industry, in virtually all corners of Australia, general aviation flight training has been in decline. The reason general aviation flight training has been in decline is that CASA changed its regulations a number of years ago and made a change to the process for an individual who is a certified, licensed flight instructor to participate in their local community by teaching people how to fly. That one fundamental change, which removed the independent flight instructor out of regional communities right across this nation, 25 or 30 years later has resulted in the largest declines in general aviation, simply because, if we're no longer teaching people how to fly and are no longer making access to learning to fly easy and we restrict the number of outlets in which this can happen, people lose interest in aviation, so private persons who would otherwise be involved in aviation simply are no longer taking part. That's one issue.

A second issue is that, as a result of the wind-down of general aviation, we've also experienced declines in our general aviation maintenance and our supply line right throughout the industry. Today we're in a situation where, according to BITRE, at the last survey period some 3,300 VH registered Australian aircraft in the general aviation categories, from a total pool of registered aircraft of around 8,500, are no longer flying. So, when CASA say that they are successfully managing Australia's general aviation industry and that their regulations are responsive and their regulations work, it flies directly in the face of the glaring data that shows that participation in general aviation is tanking.

I could spend, quite frankly, months talking about the various aspects of general aviation and why the decline has deepened to the extent that it has, but unfortunately at this hearing today we are extremely limited in the amount of time that we have. So what I would like to do is simply step through some of the points that we raise as things that need to be done in order to turn around Australia's general aviation industry and get the aviation community moving again so that we can start to experience some growth and prosperity. Ultimately that's what this is about, and I would reflect back on some comments that have been made by McDermott Aviation, which are that nobody in the Australian aviation industry wants to be seen as CASA bashing, contrary to what CASA may feel. I'm sure they do feel that the industry's highly critical of them, and I know that they have some misguided views that we seem to enjoy this, but we don't. We want to see this industry work. We want to see this industry thrive.

To do that, we need to get those independent flight instructors back into the system, we need to harness the passion and dedication of the thousands of people still involved in aviation and we need to get the aero clubs in regional communities back into the flight-training spaces. We have a huge opportunity right now, with thousands of airline pilots who are out of work, to reskill and retask these people and get them involved in aviation again so that they can help create that bow wave of growth that we need.

We need to address the maintenance regulations in this industry. There was a commitment from the Deputy Prime Minister back in 2018 that we would receive the part 43 reforms and that these part 43 reforms would form part of the reinvigoration of general aviation. We're at the completion of 2020, and the part 43 reforms are still nowhere near delivered. We need to get these done.

We need to look at private pilot medical certification processes. We need to end the decades of medical discrimination and abuse of the aviation industry by AvMed applying medical standards that are akin to passing

an astronaut's medical test and have nothing to do with flying a private light aircraft. We need to remove those hurdles to encourage more people in at these basic levels so that we can enhance the CASA recreational pilot licence and the CASA private-pilot-licensing system, returning to the system people who have otherwise been forced out of aviation.

We need to look at the categories that our general aviation light aircraft are classified in. The Canadians have some fantastic examples through their owner maintenance categories, where private aircraft can be declared owner maintained, removing some of the regulatory hurdles and empowering owners of aircraft to be able to work on these machines and maintain them. Canada did this successfully many years ago, and it has helped invigorate their general aviation community and industry, yet in Australia we haven't even looked at it.

We need to look at adopting the US FAA's approach to things like Cessna SIDs. We have general aviation aircraft owners in this country who own Cessna aircraft and are forced to maintain these aeroplanes with prescribed processes of inspection and maintenance that were designed for Cessna aircraft being used for commercial purposes. Australia took a unique approach and demanded that private aircraft owners apply these maintenance standards, and the consequence of this is that Cessna aircraft owners in Australia have been hugely disadvantaged, to a point where they pay extremely high rates of maintenance and upkeep on these aircraft. Senator McDonald, you would know that, right across regional Australia, the Cessna 182 and the Cessna 172 are the Toyota Hilux and the Toyota LandCruiser of our regional communities. These aircraft are used no differently to a farm vehicle or a truck to get people and supplies to and from the property. But these Cessna aircraft have been made unaffordable because CASA took the decision to do something that nobody else in the world was doing, and we've paid a huge price for this.

We also need to look slightly externally to CASA as well. We need to look at things like the aviation security identification card program. How is it that Australia, which has not had an airliner flown into a high-rise building, adopted an aviation security card that clearly was designed for commercial aviation? If you read the Aviation Transport Security Act, it's clear that the ASIC was designed to be a mechanism to protect commercial aviation, yet, because of a wording conflict within the drafting of that legislation, persons who hold a recreational pilot licence or a private pilot licence under the CASA system have been captured in an unintended way and subjected to having to renew these security cards, with the costs and the imposts that apply in all of this.

These are some of the operational issues that we see at the bottom end of the system. The reason I raise these things is that, over the last 4½ years, I've taken each of these issues to CASA on numerous occasions, and they've been thoroughly ignored. So the decline of the Australian general aviation industry is not an accidental occurrence. It's an intentional occurrence, because CASA are aware that these things have been driving broad decline in our industry but have been unwilling to either listen to industry or even consider that they must change direction in order to stop the industry being forced out the back door.

The purpose of this inquiry, as I read it, was to question whether the legislative structure of CASA is fit for purpose and whether the impacts of the way in which CASA is currently conducting its operations in the alignment with that legislative structure are damaging the industry or improving the industry. Again, we're short on time, but I would contend—and it's our association's firm view—that we do not agree that the current legislative process is fit for purpose. CASA, as an authority, appears to operate quite disconnected from the government, meaning that the current structure does not permit the minister responsible for aviation to effectively direct CASA to do anything. CASA has become, by virtue of a direction of the parliament, an autonomous authority that has power and at this point in time really has no checks and balances in place.

I will quickly finish here, and I'll be happy to take some questions. So we have a structure today in which we have this authority and we as an industry face enormous challenges in dealing with this authority. I've performed a multitude of interviews over the past six months where I've allowed individuals who've come up against CASA and experienced the worst of CASA to talk about those experiences and their dealings. The common theme in just about all of these experiences and dealings is that, once CASA decides they're going to come after you, there is no help for you. We have an independent commissioner who reports through to CASA DAS and the CASA board. He's paid by CASA. There is no independence here. There is no commission that oversees the power that this authority wields.

So it's our view that the parliament must address these concerns by redrafting the legislation and returning CASA to the civil aviation safety administration, removing its powers as an authority and placing the management of CASA back under the direct control of the minister for transport and the government to ensure that the government and the minister have the powers to protect the aviation industry from suffering the abuses that are so prevalent, so clear and so defined. I might end there, if you'd like to direct some questions to me.

CHAIR: Thanks very much, Mr Morgan. You've covered quite a range of information there. Before I hand to Senator Patrick, I want to clarify something. We talk about general aviation. It has been put to me that, under the ICAO definition, 'general aviation' includes 'sport, recreation and flight training'. CASA would say that, under that definition, general aviation is growing. My experience is exactly as you've identified: it is the cost of operating, as you describe them, the aviation Toyota Hiluxes of regional Australia, and there is a number of them that are either shedded up or that people are selling off because of the cost of complying with maintenance and regulation under CASA. Given that my direct observation is that planes are disappearing from those tarmacs, what would you say about whether or not general aviation is in decline or growing, using the statistics that ICAO use?

Mr Morgan: There is no question that general aviation across Australia is in wholesale decline. It is AOPA's firm view that CASA continues to play games, effectively, with its representation of what general aviation is and is not. The simple truth is that BITRE themselves produced a report that shows that, in their last survey period, of an applicable general aviation VH registered aircraft fleet—we can remove a few things like hot-air balloons and some other stuff; let's look what you would genuinely classify as a general aviation aeroplane, that number of around 8½ thousand aircraft—of 8½ thousand aircraft that CASA are responsible for regulating, some 3,300 of those aircraft are no longer flying. That's bordering on 50 per cent of the Australian VH registered aircraft fleet that CASA regulate that no longer participate in aviation.

There is a huge problem here. CASA claim that they've made the aviation industry safe. Senator, I've heard you put this to Mr Carmody directly, and I would make the statement again: they are achieving a safe aviation industry, but they're doing it because they are driving aircraft out of the industry and they are claiming, falsely, that these aircraft are no longer participating because they are simply old aircraft. That's not true. These aircraft are able to be maintained and operated for many, many, many more years to come, because aviation is such a great, safe industry. We service and maintain aeroplanes, we inspect aircraft and we replace parts where they need to be replaced. So, effectively, an aircraft can remain in service for an almost indefinite period of time, as long as we keep that maintenance going. Why we are not able to keep aircraft flying in this country is that CASA have made the processes impossible for businesses who want to be involved in parts manufacturing. I've interviewed parts manufacturers from around Australia who've gotten out of the industry because they cannot afford to design and manufacture a part and get that part approved under the CASA system. They'll tell you Australia has a huge manufacturing opportunity but that they just cannot navigate the CASA regulatory processes; they are too difficult. So these companies are now going overseas; they're moving to America. They're taking all that talent offshore, because they can't work with the system that we have in this country.

CHAIR: That's shocking evidence. I'm going to throw to Senator Patrick.

Senator PATRICK: I only have one question, but I would ask that you provide the committee, perhaps on notice, with an assessment or at least something that grounds your statement about the decline in general aviation. You've mentioned one metric, which is registered VH aircraft, but perhaps you could inform the committee with a short submission as to that decline, such that we are armed with solid evidence. That would be appreciated.

Mr Morgan: We have a submission prepared for the inquiry, and it is our intention to submit that after this hearing.

Senator PATRICK: Thank you. As I said, I only have one question. I have heard your evidence across a number of different committees in this place. This is a question I asked of McDermott Aviation, relating to the amendment to the Civil Aviation Act back in October 2019—so a year ago. Firstly, are you aware of that change in the regulation?

Mr Morgan: It was AOPA Australia that led the push to get that change implemented.

Senator PATRICK: Okay. The fundamentals of that regulation are that CASA, in making its regulations and safety standards, must:

- (a) consider the economic and cost impact on individuals, businesses and the community of the standards; and
- (b) take into account the differing risks associated with different industry sectors.

Have you seen a change in the way in which CASA exercises its powers over those rights to organise, in relation to that provision?

Mr Morgan: No, we have not. In fact, what we've seen take place over the past 12 months is almost like a worsening of the situation. I'd just like to discuss three specific examples which address the question as to whether CASA genuinely understand the cost impact of the rules they are imposing on this industry and their policies that are put on this industry.

One of these examples is an AOPA Australia member who is based in Queensland, who is currently navigating a really disgraceful situation, to say the least. He is an approved testing officer up in Queensland; he provides services to the flying doctors and is quite essential to their overall safety and operation. He found himself being questioned by CASA in relation to a process of training that he was conducting, and he did what all responsible pilots and people in this industry do; he responded to CASA and said: 'Look, I have no desire to want to break the rules. If you require me to work in a particular way, I'm happy to comply with what you need. Tell me what you would like me to do.' They went through that process, and there was an agreement. That wasn't good enough for CASA. They continued going after this individual and decided, 'Well, we consider that there's been a breach'—even though no-one had ever been injured or was ever put at a considerable risk. It was really an argument over a definition as to something that could be done. Again, I'm happy to provide an extensive brief on this as part of our package, which I recommend you go through.

The net effect of this is that CASA decided that the best course of action to take with this pilot was not to encourage the fact that he worked with CASA and demonstrated that he was quite happy to meet their expectations and move forward in a safe manner—that wasn't good enough. They've now decided to take his approvals from him, effective at the start of next year, for two years, and put this poor bugger out of work. CASA are leaving the RFDS short a critical person that provides safety to their organisation. They have hammered this guy so hard his only course of action now is to represent himself in the AAT. He is a pilot going up against barristers and legal professionals, on his own, to defend the fact that he is a highly respected, highly valued, highly trusted senior member of the aviation community. He now has to go to extreme costs to defend himself.

Senator McDonald, I have raised this particular issue with you and you offered to attend that AAT hearing. I would like to invite all of you to attend that AAT hearing so that you get to see firsthand what a kangaroo court the AAT truly is and just what it exposes aviation industry participants to. They have to fight to protect themselves, yet there is no framework to protect them. They are fully exposed to an authority that regards its enforcement action powers to be more important than simply encouraging safety and lifting the industry up. As this member will attest, he has never, in the process of any of this, said to CASA he would not comply. In fact, he did comply and he said: 'I'm glad we've had the conversation. At least I know I'm doing exactly what you want. Let's move forward.' But instead of agreeing to do that, and monitoring the situation and encouraging compliance, they've decided to come after him.

The reason they have come after him is that one of the people involved in this case happened to be a former competitor of his from his home airfield. The two of them didn't really like each other a great deal. But this individual now works inside CASA, within the construct of an authority, and has power to wield—but with no checks and balances to stop the conflicts from being turned into abuses. That's one example where it really is disgraceful. But we as an industry have no power to stop this. We go to the boards of CASA and we raise these concerns. The boards don't reply, the boards don't respond; they don't get involved. Susan, I'm sorry to raise this, because I respect what you do enormously, but we go to our Deputy Prime Minister on these issues and we say, 'These things shouldn't be going on. They are absolutely abuses of power. Our industry is being victimised'—and there is nothing? Are the costs of CASA's regulations and policies being taken into account in that case? It's a clear no—it's an 'F', it's a 'Fail'.

I have another example. I have a 30-year-old pilot in Western Australia—and I see Glenn Sterle is here, a WA representative—who is falsely accused of low flying. He denied ever being involved in low flying. The investigators themselves acknowledged that he wasn't involved in low flying. But that wasn't good enough. They have pursued this poor bugger and, because he dug in and decided to defend himself, the investigator said he was making himself look like he was not a fit and proper person. How dare he question CASA! He was showing himself to be contemptuous because he was questioning the regulator! This young man has decided to fight. He's got a lawyer involved. He has spent a fortune on legal fees—\$20,000 or \$30,000. This is for a 30-year-old person starting out in aviation to defend himself against false accusations! He has made applications to get information under FOI, and now CASA are interfering in the FOI process to stop him mounting a full and fair defence of himself. Yet we have no rights as an industry. Does CASA consider the cost of its regulations? No. Does CASA consider the costs of its policies? No. Is the legislative structure of CASA that allows them to be this authority, to impose these authoritarian enforcements, helping the industry? No. Does it grow the industry? No.

I will raise a third example with you. By the way, there are many more of these examples. I have to congratulate CASA because, by God, they are absolutely brilliant at pulling the wool on the Australian parliament. None of this has got airtime. It has been so well-kept and so well swept under the rug that I believe the government doesn't even know this stuff is going on half the time. But, when you really delve into it, you will find these examples.

This third example is an absolute shocker. We have an aircraft manufacturer today that has spent the last two years being victimised on a level that I would never have believed imaginable in this industry. Their aircraft has been accused of being unsafe. CASA went to the extent of announcing to industry that the aircraft was unsafe. But CASA have not been able to produce one piece of paper that can explain why the aircraft is unsafe. Now a year has gone past since they slammed the safety notice on this aeroplane. The manufacturer has pushed back hard, as anyone would, to defend themselves. And what have CASA done in the meantime? They've said: 'We don't like you. You're criticising us and pushing back. We'll make your life even harder.' This aircraft manufacturer can't get CASA to communicate or to come forward and say, 'We've put a safety notice on because of A, B and C.'

In fact, one of the reasons CASA put a safety notice on this aeroplane is that someone conducted a dodgy aircraft test flight that wasn't conducted to standards and was not conducted by a person who was duly licensed to conduct such a test flight. They wrote a report. The report has no standing, because the person is not a test flight pilot. Yet CASA can't go back from its position, because CASA does not know how to admit when it's wrong. Does CASA take into account the millions of dollars it's now cost this aircraft manufacturer? Of course not. That's not what's important to CASA. What's important to CASA is that they're right. They don't care if it damages the industry. They care if they look right.

So it brings into question this one most important fundamental: if CASA were the civil aviation safety administration, under the direct management of the Deputy Prime Minister, the minister for transport, and were run like the safety authorities of New Zealand, America and the UK, we would not be having these problems, because our minister could step in and simply direct that investigations, inquiries and reviews take place, to stop the abuses of power. This inquiry's important, Senator McDonald. I do thank you for taking this on, but I caution you that this is a very complex issue. There is no possible way, within the construct of 30 minutes, that I can adequately respond. To be honest, I didn't sleep last night. I probably look a little bit tired, because I didn't sleep a wink last night. Mary, who'll be up next, can attest to this, because I spoke to her this morning and said, 'Mary, I don't know how I'm going to be able to convey the depth and the gravity of just how broken this system is in 30 minutes.'

So what does AOPA Australia feel needs to happen? I can't see how this can be addressed by anything short of a royal commission to deeply examine all of these issues and to allow all of these people across the aviation industry to come forward and share their experiences with the way that their rights and their businesses have been abused and the impacts and damage this has caused to their livelihoods, their incomes, their employment and their superannuation. It needs to come forward, and it needs a mechanism through which it can be properly examined and cross-examined. We've had these inquiries. Many of these inquiries have taken place, and I can only form the view that CASA laughs at inquiries and at the Senate committee. I can only come to that conclusion, because I know what they say behind the scenes, and I know that there does not seem to be any substantive change, even though each year I've listened to Senator Sterle identify it. At times he's caught them red-handed. Senator Patrick, you caught Mr Carmody red-handed making false testimony about industry's purported support. Nothing seems to change.

CHAIR: Mr Morgan, you have a lot to say, which I appreciate and value, but unfortunately we are well over time. I invite you to make further submissions to this inquiry on anything you don't believe has been covered off. Senator Patrick, are you alright if we move on?

Senator PATRICK: Absolutely. Thank you, Chair.

CHAIR: Mr Morgan, please go with the committee's thanks. I appreciate and understand exactly what you're saying. It is very difficult to get across the problems in the industry in a short amount of time. Please go with our thanks.

Mr Morgan: Thank you.

BROWN, Mrs Mary, Private capacity

Evidence was taken via teleconference—

[10:15]

CHAIR: Welcome. Is there anything you would like to add about the capacity in which you appear today?

Mrs Brown: I'm the joint owner of North Queensland Aviation Services.

CHAIR: I invite you to make a brief opening statement before the committee asks questions. Do you wish to make an opening statement?

Mrs Brown: Yes, I do. Good morning, and thank you, Senators. I would like to thank the members present for the opportunity today to speak to my Senate submission on the current state of Australia's general aviation industry, with particular reference to aviation in rural and remote Australia. This Senate inquiry is incredibly important because it gives the general aviation sector an opportunity to be heard, an opportunity to be honest and bold and an opportunity to be acknowledged for the significant contribution this sector makes to the whole of Australia.

I speak today as a representative of those communities—our communities—to whom aviation is an integral component of our very existence, our connectivity and our sustainability. Our communities, which rely so intrinsically on aviation for many of their everyday needs, are often taken for granted by more urban centres and their voices are not often heard. I speak to you today for our aviation community, to voice their concerns regarding the decline in general aviation we have been witnessing for some time and as a voice to call for the decision-makers to listen and act urgently to address these concerns, before livability, skills and opportunities are completely lost from our regions.

I ask the members present to consider the vastness of our country—and I'm sure many of you have travelled its length and breadth and understand the tyranny of distance in this great nation. Yet it is rural and remote Australia, despite these distances, that is the home to communities supporting industries that contribute significantly to the GDP of Australia. Regional Australia is an economic driver, and those residing in the regions rely considerably on general aviation to get the job done. It absolutely beggars belief that, in 2020, GA is experiencing such catastrophic decline in those very same regions. From passenger transport to essential medical evacuations, commodities supplies and agricultural applications, GA is essential to livability, connectivity and the economic prosperity of the regions, as I've said. Add to these the significant role GA plays in times of natural disasters, and one begins to [inaudible] thinking. I don't think many would dispute the critical role that aircraft contributed during the last couple of years alone, starting with them providing invaluable support through the duration of the 2019 monsoon flood events in Queensland and then the vital aerial reinforcement [inaudible] during the devastating bushfires as examples of the absolute importance of the role that GA plays in times of need.

To explain the impact that GA has had on this sector, I will share with you our own personal aviation story. I was introduced to general aviation as a 15-year-old schoolgirl living in a rural community. I was fascinated that a couple of my fellow students were learning to fly at a local flying school. I was impressed that our small town had the capacity to enable anyone who had the motivation to undertake their training locally, and that, on the day of their 16th birthday, they could complete their pilot's flight test before they came to school. Clearly, this was also a great way to impress the ladies, as I ended up marrying one of those students. And so began my aviation journey. That young pilot went on to become a licensed aircraft maintenance engineer, a commercial fixed- and rotary-wing pilot, an aviation auditor and an aviation business owner. We, as a family, made a conscious decision to live and raise our family in a rural community and we chose to invest in and develop our GA business because these are our passions: family, aviation and regional communities.

Our passage into general aviation was natural and achievable, as most of the airports in the 1980s were vibrant. Jobs and opportunities were plentiful and accessible to rural residents. Having started our career working for other aircraft maintenance providers and air operators, in 1998 we progressed to investing considerable capital into our own maintenance facility. Starting out with an approval for only piston-engine fixed-wing aircraft, we deliberately focused on industry diversity and grew our custom to include agriculture, flight training, skydiving, charter and private aircraft. In those heady days, we operated seven days a week to cover scheduled work; we had up to nine staff, including apprentices and contractors—and yet we still had a backlog. We willingly invested in developing our skills, qualifications and infrastructure to support our business and the changing industry. We continued to invest capital to keep in line with changing industry expectations, which resulted in us adding fixed-wing turbine piston and turbine engine rotary winged aircraft to our [inaudible]

I make these points known, as with each investment into our business to broaden our service delivery and scope and to keep abreast of the regulatory requirements, we observed a decline in our client base. Continuous

review of our operations and business plans, modifications to our business models and adaptations made to reflect the needs of the industry were still not enough. We weren't losing clients to other maintenance providers; our clients were simply exiting the industry.

Our investment was not restricted to Australian aviation, as we provided offshore services to clients in the South Pacific for many years, including investing to secure a PNG part 145 approval, which enables us to provide maintenance in Papua New Guinea. At this same time CASA Australia advised industry that it intended to introduce FAA part 145 regulations for maintenance provision in this country. Again, we made the decision to be proactive and we made the necessary investment to prepare for those changes. We undertook the process of preparing and submitting our Australian part 145 application for approval at our regional CASA office. We had invested considerable funds in writing manuals and preparing our facility for the application and approval process, only to be advised at the eleventh hour that CASA had had a change of heart in Australia and we were now adopting the EASA—that is, the European—rules.

Not only did this decision render our application and investment null and void; it created massive uncertainty for our future viability, as at that time the EASA regulations had very limited GA scope. Industry expressed those concerns and were assured that the Australian version of these regulations would ensure GA was catered for and that our concerns were not valid. Sadly, to this very day, those assurances given by CASA at the time have not been delivered and industry predictions of negative impacts on the sector in Australia have come to fruition.

Having already made a commitment to combat the decline in GA by diversifying our business, we were now forced to combat the fallout from CASA's change of heart. It was then that we applied for our air operators certificate. We purchased two helicopters. We engaged additional staff and we commenced operating a helicopter flying school and charter business, to help sustain our maintenance activities. Happily, for several years our business diversification served us and the industry well. Unfortunately, due to family reasons, we sold the flight training and charter aspect of our business, which relocated to another regional area. Sadly, this business is no longer in operation.

CASA has been undertaking a regulatory transition process for many decades now and that remains unfinished to this day, resulting in a lack of certainty and investment confidence across the GA sector. Fuelling this lack of confidence by industry is the regulatory consultation process whereby industry is asked for and contribute their views, yet very often these views are ignored when the final regulations are released. So many industry participants have lost faith. They've lost heart, and they've lost respect for the regulator. Many existing businesses have made or are making the decision to exit the industry. This is resulting in businesses closing, jobs being lost and ultimately communities being impacted.

The result of these closures is a serious and rapid decline in highly skilled maintenance engineers. This decline is already having serious impact on GA, as the loss of this skill set cannot be quickly replaced especially in the regions. The business exodus is not only leading to loss of apprenticeships and employment opportunities for those who still wish to explore an aviation career pathway; it is impacting especially more in regional and rural communities. We are being told within our communities that the flying operations in the regions are also now being impacted because of the lack of aircraft maintenance, as it cannot be provided.

The length of time this industry has been in regulatory transition is unfathomable. This is coupled with the overcomplication and overregulation of GA by policymakers, who now have very little understanding of this sector or how it operates. This once vibrant sector has been effectively decimated, all done under the guise of safety. Many are questioning what safety benefits have really been achieved and what the decline has cost this nation.

I close with this final comment: general aviation in Australia has often been described with the analogy that GA is to the larger aviation sector as junior league is to the NRL. Without the foundation framework that develops young skills, passion and commitment, how will a robust and vibrant aviation industry continue to develop and be sustained? General aviation has traditionally been the breeding ground that is the feeder to the next levels of the aviation industry. Where will Australian aviation be in the future if GA continues to decline in the manner we are now witnessing?

CHAIR: Mrs Brown, thank you for your opening statement. I particularly reflect on your comment about general aviation being to the industry what the junior rugby league is to the senior teams. You're quite right: it is definitely an industry where we grow our own, we train our own and we have our own manufacturing and training, with successful, vibrant businesses. I think it's a sports analogy that works very well in this case. I think it has been at Australia's peril that we've allowed our feeder clubs to fall into disrepair. So thank you for that.

I'm just going to ask a couple of questions. In your submission, you say:

... a worrying scenario exists with the interpretation of Rules, AD's, requirements etc. It is often found that interpretation, rather than solid clarification, is offered by CASA representatives when contacted for assistance from Industry. These interpretations differ from staff member to staff member. It has become obvious to Industry that if CASA cannot agree to an interpretation, the clarification that industry needs can never be obtained. In summary, if our regulator cannot answer Industry's questions, how can Industry comply?

I've been reading the report of a previous review of the aviation industry held under Minister Warren Truss. One of the recommendations and issues raised then was consistency between CASA offices and within CASA offices. I note that there has been some commentary about Mr Carmody identifying inconsistency as an issue in May and November of 2019. But, from an industry point of view, what steps are you seeing towards CASA being consistent in its interpretations of regulations for industry?

Mrs Brown: I'd have to be honest and say that we haven't, at this point, seen any tangible evidence that anything has changed in regard to that consistency. I do understand that CASA is looking to implement a centralised contact point to address the concerns of industry. As an industry, we haven't been given a lot of detail on that at this point in time. That may have some merit, but I have to be honest in saying that what absolutely concerns the industry is this: if we go down the path of a hub that everyone has to contact, and then CASA will get back to you when the duly appointed person can answer your questions, what is that going to do to the effectiveness and efficiencies of continuing to operate within our business structure? Remember that, especially for maintenance orgs such as ours and many of our industry colleagues, time is of the essence. Those aircraft cost a lot of money when they're sitting on the ground. When we have a query, we need to have it addressed as quickly as possible.

I really need to say this: our interaction with the CASA representatives on the ground in the field offices has been exceptional. The guys on the ground work very hard to support us as best they can, so we don't have an issue with the people we are interacting with. They try their level best to support and interact with us and engage with us and assist us, because they know our businesses. They know the environment we're all operating in and they understand the challenges we're facing and the particular idiosyncrasies of each and every business. This is part of industry's concern. If we go to a central spot and we're dealing with someone who has no knowledge or understanding of our businesses, how we're operating and what our requirements are, what are the impacts going to be to our industry?

CHAIR: I think that's a good point to make about the local CASA representatives, because that's certainly the feedback that I get. The North Queensland or Far North Queensland guys do a great job in trying to provide solutions. You spoke about the impact of the CASA regulatory process and delays in the implementation on GA conflicts and business investment. You have provided some specific examples of that impact, but is there anything else you want to add to that?

Mrs Brown: No. I think our particular situation actually is a fairly good demonstration. It's often said that general aviation is in the state it's in because it's doing what it's always done. I find that absolutely offensive. For someone who has spent many decades in this industry constantly looking at reviewing and trying to improve our business, we literally view it as that: it's a business. And we're here for a reason: to run a good operation. Unfortunately, as I spoke about, a lot of impact that has happened and the decline in the industry is because a lot of businesses like ours have just tried and tried and reached a point where they just can't see the point of continuing anymore because it's non-viable, so they're walking away.

CHAIR: That leads me to my next question. I'd like to hear about what you, as a maintenance organisation, and your colleagues are experiencing in relation to the availability of skilled maintenance personnel in rural and regional Australia, because I can tell you that, in every town I go to, it's terrifying. How on earth are we going to get aircraft maintained if there's just not enough skilled maintenance people available?

Mrs Brown: Absolutely. The availability of LAMEs is, as you identify, is quite terrifying. What is an even bigger concern is the age demographic of those LAMEs and the lack of a younger generation coming through—more importantly, the younger generation that views rural and regional Australia as a lifestyle choice and would want to position themselves in those areas and support those businesses that are looking after the respective industries out there. I have, for a long time, expressed very grave concern about where our future LAMEs are coming from. I am fortunate to be on the part 66 TWG. That's the technical working group for the LAME licences. We've had quite a lot of conversation about this. I know that the RAAA, in their submission, made reference to the misalignment of CASA and ASQA's processes, which is impacting and compounding the problems in general aviation and, more broadly, for LAMEs. I can definitely speak to that, and a lot of my colleagues in not only the maintenance industry but just in general aviation are reflecting the same thing: LAMEs are almost impossible to get hold of in the regions.

CHAIR: You mentioned in your opening comments that you have PNG part 145 approval to provide maintenance in PNG. Given you have experience working with other aviation regulators, can you provide some insight into how that experience differs from Australia's CASA?

Mrs Brown: Yes, I can. We have PNG 145 approval. We worked with New Zealand when we were a parts distributor for a particular kind of aircraft. We've also worked with the FAA. Probably, most aligned to what we do in Australia and what we do in PNG is that, basically, we deliver maintenance in both countries. In its simplest terms, it's easiest to say that the PNG system is incredibly simple and easy to work within. It's scalable and, in the simplest term, the most defining difference is that PNG is not restrictive. PNG sets up an act, it sets up its regulations and then it comes to each and every operator and asks us to tell them how we will comply with their regulations. Now, once we've done that and they have approved it, they hold us to account on that process.

It is absolutely almost the reverse in Australia. We have a set of regulations that is trying to be so prescriptive and so legal that, in trying to cater for each and every possible scenario within the country, we end up with regulations of this magnitude that nobody can understand or interpret—and, worse still, it's written in legal jargon. So the average bloke on the street, the average operator, really struggles to interpret what is meant by those rules.

CHAIR: Do you believe CASA has any role in fostering a robust aviation industry in Australia?

Mrs Brown: CASA will tell us consistently that they don't, and I understand that they technically do not have a role in fostering aviation in this country. But what I will say is this: CASA's role is to set up a clear, concise framework that enables the industry to get underway and get business happening. So, in essence, CASA's role is to make the framework clear and concise—and then get out of the way. Let business do business. I heard Mr McDermott say that CASA doesn't make the industry safe. He is 100 per cent correct. Business and industry will make a robust and vibrant aviation industry, but we need a clear, concise framework with certainty that enables us to do it and with confidence invest in our businesses and continue on. I fully support a lot of what John said. We're in this industry; that's our bums on those seats. We have so much at stake here. We don't need the regulator to tell us what we need to do to be safe. We have a safe culture. We develop that within our businesses. Let us do what we do best. Provide us a framework that we need to comply with.

CHAIR: Well said. Senator Patrick, I give the call to you.

Senator PATRICK: Thank you very much. You said that you had embarked down an FAA pathway, understanding that that is what CASA was going to do. They switched to EASA and gave you assurances. Were those assurances in writing?

Mrs Brown: No. At the many workshops that we attended—'we' being the industry; I'm speaking collectively—when we raised concerns, yes, there was acknowledgement that EASA did not have a robust GA sector. But we were assured that the regulations would be modified in Australia and that the Australian GA sector would be taken care of, and we were told to be patient with CASA and it would happen. As I mentioned, we haven't seen them yet. Those regulations still haven't been finalised.

Senator PATRICK: The regulations haven't been finalised or simply haven't been modified? Sorry, the question goes to whether there is a modification going on and it hasn't been completed yet, or there is no intention to modify.

Mrs Brown: No, there's a modification happening, CASA's version of the modification, and it has been happening for a considerable number of years—and it continues, as we speak. But it's still not finalised.

Senator PATRICK: Does that mean that you are running under the original EASA regulations? Or is this released to you in drips and drabs?

Mrs Brown: Drips and drabs. We're running under a crossover of some different regulations.

Senator PATRICK: Okay. You mentioned in your submission that you'd put in an operations manual—it took 2½ years to review it. Has that review been completed?

Mrs Brown: I don't know that—I'd have to go back and check on that one. We don't have an operations—

Senator PATRICK: My apologies. That might have been McDermott Aviation. I just want to go to cost. Obviously, there is a cost associated with your business in terms of meeting the regulations. Mr McDermott indicated it was about 3½ people in his organisation. What's the size of your organisation, and how much of it deals with CASA regulation?

Mrs Brown: Our organisation, at this particular point in time and for the last couple of years, has been deliberately downsizing. We are one of those businesses I spoke about. We are planning our exit and transition out of this industry. We identified about five years ago that we'd done all that we possibly could, from a business

perspective, to try and reinvent ourselves and remain sustainable. We've made a very, very conscious decision to start to transition out, and we are investing in other industries, industries not related to aviation.

We are currently running on probably 10 per cent of our capacity. At this point, right here, right now, we have my husband and me and one other full-time staff member. Probably 20 per cent of our time is spent on compliance. We're in aviation; we acknowledge that there will always be a component of time and money spent on compliance, and we have no problem with that. What we do have a problem with is the lack of certainty about what that regulation is going to be next week, next month or next year.

Senator PATRICK: I want to go to a question I asked other witnesses. Last year in October, the parliament changed the Civil Aviation Act, requiring CASA to have regard to GA, making sure that it considered the commercial effect of its regulations—its effect on businesses and individuals—and also to recognise there's a difference between an A380 and a Cessna 172. Have you, in the last year, seen any changes that might be a result of that command from the parliament?

Mrs Brown: I'd have to be really honest and say no. I will refer specifically again to something currently underway that relates to our region and to a lot of our colleagues, and that is part 138 of MOS. It's a set of regulations that has an impact on aerial work operators, flying ops and aeromedical retrieval, and it's a process that is, as we speak, underway and being finalised. I know that the technical working group that advised the project leaders on that one expressed their concerns about what was being proposed and the impact it would have on businesses. They went so far as to say in their initial report that they did not support the MOS, right as it was about to be put out to industry for consultation. It still went out to industry for consultation, in April—in the middle of COVID—which was the middle of the mustering season for many of the people who had to respond. There was a very good response, which identified the challenges, and the businesses that would be impacted expressed their concerns. There has been some very slight modification to the final version, which was released last week or the week before, but we did not see what we expected to be the modification, changes and alteration to the regulation that we thought CASA would take on board, especially in light of those changes that were made to the act.

Senator PATRICK: Thank you very much. Thanks, Chair.

CHAIR: Thanks, Senator Patrick. I'm sorry, Senator Sterle. I know how vitally interested you are in regional aviation across Australia, but thank you for acknowledging our time pressures.

Senator STERLE: Chair, thanks very much. I am mindful of the time. I would just like to make a statement. Mrs Brown, your words are so true. There is a trend in this nation of killing off the nurseries for our skills, whether it be in shipping, road transport or aviation. The sad part is, as we heard from Mr Morgan, we've had so many of these things and we just continue to go on this path. Problems are raised, and nothing gets done! Sorry, Chair. It's a statement. It's frustration. No wonder the industry is pulling its hair out.

Mrs Brown: I absolutely concur, Senator Sterle. As you can appreciate, we live with that every single day of our lives, and it's why the frustration of the industry is now bubbling up to the point of almost being acrimonious. We just can't take it anymore. You can only take so much.

Senator STERLE: Yes.

CHAIR: Mrs Brown, I understand your frustrations. I hear it as I travel right across the country, particularly regionally, where it's just so difficult to get the skilled workforce to carry out maintenance or to fly the aircraft or to continue in businesses regionally, particularly in aviation. I really appreciate your time today. As I said, I invite you to make any additional submissions following on from the questions today or the evidence that was provided. Please go with the committee's thanks.

Mrs Brown: Thank you very, very much for the opportunity to speak out about our challenges in the industry. I really appreciate it.

CHAIR: Thank you.

HURST, Mr Phil, Chief Executive Officer, Aerial Application Association of Australia

Evidence was taken via teleconference—

[10:45]

CHAIR: I now call representatives from Aerial Application Association of Australia Ltd. I invite you to make a brief opening statement before the committee asks questions.

Mr Hurst: Good morning, senators, and thank you for your time. We'll try and get through this as quickly as we can. GA in Australia makes an enormous and vital contribution to Australia's national interest. Unfortunately, the primary restriction on the future of general aviation remains the Civil Aviation Safety Authority. Jobs, productivity and the facilitation of all we provide to our end users is being compromised by the culture of CASA, poor leadership and a fixation on introducing increasingly complex regulations not based on risk management or international best practice and with no impact on aviation safety. AAAA wants to highlight the incredible courage of aviation companies and individuals coming forward to this inquiry to again highlight—as they have done many times before—in the interests of better government the ongoing disconnect between CASA and real aviation safety, efficiency and effectiveness.

We all have a deep commitment to, and self-interest in, safety. As you heard from McDermott Aviation, the current sausage factory of complex rules is now a significant safety risk. The gulf between honest industry experience and how CASA is seeking to represent issues is highlighted in CASA's submission to this inquiry, which we think should be filed under fiction. One thing that has not changed over the decades is the lack of coherent management systems within CASA to address longstanding criticisms, including those identified during the Forsyth report. Risk management, quality assurance, continuous improvement, standardisation and cooperation are all novel concepts to CASA, apparently. Action in the short term is both essential and possible. The answer is to address the systemic shortcomings just identified and to split CASA into two divisions—one focusing on fare-paying passengers on RPT, or regular public transport, and the other focusing on general aviation, including low-capacity charter, aerial work operations, and private and sport flying. This fundamental change sits within a classification of operations policy that recognises that all operations should be safe but that there are different and better ways of achieving this relevant to the size, complexity and culture of the companies, sectors and operations involved. This administrative restructure must also be accompanied by a new way of doing business for CASA and GA, where cooperation with the GA industry leads to a deeper understanding of the risks involved and drives a simplification of regulations. The framework for this already exists through sector risk profiles, but these very useful documents, which are based on real safety data and cooperative work with the sector, are purposely ignored in the current regulatory drafting process.

Finally, culture change is essential at CASA, and that comes from leadership. You can't keep doing more of the same and expect better outcomes. The new CASA leadership team that we're looking forward to working with must move quickly to a more accountable, transparent and efficient organisation that recognises that a healthy GA sector is also good for CASA.

CHAIR: Thank you very much, Mr Hurst.

Senator PATRICK: Mr Hurst, can you give me an outline of what it is your members do, the scope of their operations and so forth?

Mr Hurst: We represent approximately 90 businesses—AOC holders—and they conduct all of the aerial application in Australia, such as spraying of crops to protect them with chemicals, frost protection and sowing of crops, like rice and wheat. We do a lot of firefighting work; the entire single-engine air tanker fleet is constituted by my members. In addition, we represent a whole bunch of helicopters. Basically, we rely on providing a service to end users, whether they be farmers or state emergency service operators.

Senator PATRICK: Across your membership, have you seen a decline in size and scope over the last decade or have you fared well?

Mr Hurst: We've been stable for many years. I've been in this job for 22 years, and it's been fairly stable in that time because we rely on both agriculture and bushfire fighting for our business model. If you had asked me that question three years ago in the middle of a drought, we would have probably been giving a fairly negative response: 'No, we've seen a considerable downturn in the industry.' But, because we work in agriculture, we're used to that. We plan for it. We understand that you'll get certain years in a drought period where you're just not going to have any work, so we've made our own arrangements. We've got a very resilient industry because of that, and we're able to respond quite well to downturns. So, whilst business hasn't changed that much, certainly the cost of compliance has increased over that period of time. We've sought to work with CASA to reduce those costs by

doing innovative things like a chief pilot course and our aerial improvement management system being recognised by CASA. But that's a chequered history as well—trying to get CASA onto a different paradigm.

Senator PATRICK: Can you quantify that cost? Is it a monetary cost or is it a cost in terms of difficulty conducting business? I guess there's a bit of both that would be prevalent.

Mr Hurst: Absolutely. One of the big costs we have is in the time of managers. So, as McDermott Aviation pointed out, the compliance cost in terms of the time of management soaked up in having to respond to CASA requirements, whether that's through audit or just through new rules being brought in, is quite significant and is continuing to grow. Your previous witness, Mrs Brown, talked about the issues involved with part 138 for aerial operations. I sat on the technical working group. That is a suite that has significant cost impacts which have never been allowed to be considered by the technical working group. For that matter, even the connection between risk management and regulations has not been allowed to be considered; they've been proscribed in discussions of that technical working group. And I know because I was there.

Senator PATRICK: To unpack that, there's a technical working group and you say CASA don't use that group? What's the purpose of the group?

Mr Hurst: That's a good question. The technical working group has been the subject of many years worth of work by industry—free of charge; we turn up and don't get paid for it—to give advice to CASA on ways and means that we can actually address real safety risks. But, as recently as a few months ago, one of the members of the TWG sought to raise a direct safety issue related to good safety data—it was actually about private mustering versus commercial mustering—and they were proscribed by the chair of the committee from having any discussion based on that risk data that they brought to the table. Even with part 138, which is the most recent one out of the sausage factory, we're still faced with the same problem: there's a disconnect between real risk management and what the regs are actually asking us to do.

Senator PATRICK: So there was no consultation? Was it purported to be consultation or simply—

Mr Hurst: Absolutely. I've sat on the technical working group for part 138 for the best part of 15 years, and what we see is some appalling window-dressing where the consultation consists of CASA telling you what they've decided and then you trying to talk them down off the high building. Sometimes we're successful; sometimes we're not. With regard to the maintenance regulations, for example, we were not. I also sat on that technical working group. And, in an act of what can only be described as sheer bastardry, there was a separate element in the maintenance regulations for a B3 licence, which was meant to be a general aviation licence, which was removed just before the regulations were made. That's what we're dealing with—just completely misleading information being given by CASA as to what is going to come out in the regs. It has improved considerably over the last four to five years, but it is still not a coherent system where industry and CASA can work very closely together. The best way to do that is to use sector risk profiles as a starting point for discussion of risk management. A few sector risk profiles are being done in cooperation with industry, but they currently sit as outliers and do not inform the regulatory development process.

Senator PATRICK: Are you aware of the changes to section 9A of the Civil Aviation Act?

Mr Hurst: Yes, we were involved in supporting those changes.

Senator PATRICK: Have you seen any shift in CASA's approach since that law came into effect in October last year?

Mr Hurst: Absolutely zero compliance.

Senator PATRICK: Thank you.

CHAIR: Could you expand on that—zero compliance from whom?

Mr Hurst: One would expect, if you sit on a technical working group and you raise issues to do with the cost of proposed regulations, that that would fulfil the exact scenario considered by those changes to the act. We're being actively proscribed from having those discussions about cost. In the current technical working groups that have only just put up to the Aviation Safety Advisory Panel—we made our report probably only a month or six weeks ago—we made a report that clearly identified the report was a dissent report. We could not reach consensus, in the sense that we, industry, were in consensus, but CASA wouldn't accept that industry dissented from the way they were going about business. So, even in the most recent case, the most recent TWG report to CASA, to the ASAP, that report was basically glossed over, and we haven't seen any sensible discussion at either the technical working group level or in our direct discussions with senior management about the costs of compliance or the cost of these regulations.

CHAIR: That would be in direct contravention to the legislation and the change that was made last year to ensure that costs were considered, wouldn't it?

Mr Hurst: I think, as you've heard from previous witnesses, CASA is nothing if not cunning, so the way that it answers your questions in estimates tells you part of the story but not the complete story.

Senator STERLE: You're assuming they answer our questions.

Mr Hurst: Sorry, leap of faith. The problem that we see is what actually goes on at the ground level and within CASA, from our own direct discussions and trying to work with CASA, but what is represented, as we've seen in the CASA submission to this inquiry, is fanciful. I think it's a bit rich for CASA to try to quote out of context some elements of our submission to this inquiry or the RAAA's submission to this inquiry as some sort of evidence that they're doing something right. We really struggle with leading CASA to water and trying to get them to drink from a program base that would actually deliver real safety outcomes. It's not all about regulation—it shouldn't be—but the regulations are so prescriptive, as you've heard time and time again. We cannot get CASA at the TWG level to focus on doing outcome based regulations, which was a recommendation of the Forsyth report. It's inherent in the spirit of the changes to the act that you've described.

Senator PATRICK: Chair, can I ask a question supplementary to yours. So that we can ask about this when CASA appears before us this afternoon, is the TWG that you're referring to a particular TWG or is there only one? Can you help me out there?

Mr Hurst: No, the primary consultation mechanism CASA now uses—and I do know a little about it because I wrote the original discussion paper to get CASA to focus on this—is the Aviation Safety Advisory Panel. Depending on what issues are before the ASAP, they will then, through their head of power, create a technical working group for a specific issue. The way it's worked out is that there are technical working groups, essentially, for each of the regulation sets; so there's a TWG for part 138, and there's currently a TWG for parts 61, 141, 142, the licensing and training suite. It's generally targeted at a reg suite.

Senator PATRICK: Which regulation suite are we talking about? In the period since the legislation was passed, there was a 'consultation' and a dissenting report was provided. Which suite of regulations?

Mr Hurst: That was the technical working group for part 138, and 138 covers all other aerial work that is not included in part 137, which is aerial application, which is, to put it bluntly, my dung heap. Part 138 also has significant implications because it simply cannot work without a hand-off to a rewritten part 137.

Senator PATRICK: On notice, could you provide your interaction in respect of the TWG looking after part 138, that being an understanding of when the TWG was stood up, when it met, what reports were created—including by CASA and by the TWG itself—just so we can get a view as to that. It's very interesting noting that this is post the change to the legislation.

Mr Hurst: I'm only too happy to provide that to you. I'd have to go and investigate what limitations I'm under as a member of the TWG to release documents that may or may not be CASA's purview. Perhaps a question to CASA would be the same.

Senator PATRICK: Sure. As you answer that question—noting I'm asking that question, in effect, from derived powers from section 49 of the Constitution—I would be very interested in any pushback you have from CASA. I respect that you have to go through your processes, but can you also provide any indication from CASA as to what you are not allowed to show us, or what they believe you are not allowed to show us?

Mr Hurst: Yes, certainly. I'm happy to do that.

Senator PATRICK: Thank you. Sorry, Chair.

CHAIR: That's alright—good question, Senator Patrick. Mr Hurst, you've raised a number of times the lack of standard management systems within CASA—QA, continuous improvement et cetera. Why do you place so much emphasis on systems within CASA?

Mr Hurst: A little bit of background probably helps. For the last 20 years, I've been, amongst other things in this job, a business coach for the business owners in our industry. We developed a business management system 10 years ago, and we've rolled it out now to approximately 40 per cent of our members, who are either accredited or seeking accreditation. So we understand that the power of a system is critical to getting consistency of outcomes. Whether that's for a risk management purpose or safety or a quality assurance purpose, systems are quite critical.

The thing that amazes me in this day and age is that some organisations—government organisations, in particular, such as CASA, and I work across many different regulators, not just CASA—are very good at systems and some of them are very poor at systems. I don't think CASA even makes the pretence—although I'm sure they

will defend themselves—of having, for example, a continuous improvement program or a quality assurance program. They certainly don't have, in their interactions with industry, a risk management system, because we are actively proscribed from having that discussion during the regulatory development process. They half got there when they started to develop sector risk profiles. We were the first one. We were the peak body that worked with CASA to describe the key risks in our sector and what to do about them. And we think the sector risk profiles hold enormous power for a new cooperative model for general aviation and CASA to do better work. The problem is the culture of CASA. If they won't share power and they won't help put those systems in place, even in their own business model, they're certainly not going to recognise industry models, despite our best efforts. And that's what we're working with them on at the moment.

CHAIR: So you've identified that CASA regulations, particularly the newer ones, are not based on managing identified risks. I think we talked around this in some of your earlier evidence, but, specifically, what are your recommendations for fixing this?

Mr Hurst: It's interesting that we've actually seen some minor change in the last, probably, six months, maybe a little longer. A good example is the part 61 technical working group for reform of part 61, which is pilot licensing. I'm sure others have mentioned to you that part 61 is an absolute dog's breakfast. Even CASA admits it was poorly implemented, but they can't quite bring themselves to say it's a bad reg set. But they do have a reform process at the moment. Our great challenge with that reform process is simply trying to get the right people from CASA with the right culture to look at simplifying things, to get an outcome based rules set—not to take shortcuts but simply to get an outcome base that gives us the flexibility to continue to develop. It will be interesting to see what comes out of part 61. We put forward a very detailed proposal to simplify part 61 for specialised training. Whether CASA takes that up is yet to be seen, although it looks positive. But that, again, goes to the individual. It would be great if they actually had a system that embedded that change or that culture, rather than industry having to try to get the right individual to get some change. I'm not sure if that answered your question, Senator, sorry.

CHAIR: I'm just reflecting on that training issue. In mustering helicopters, previously you were able to have on-the-job training—it would be up to 500 hours; it's taken very seriously—and now people have to go away to be trained by somebody who doesn't have the depth of experience, the depth of capacity. It's not on the job, and it's for a lesser amount of time. It perplexes me how that can possibly be a better outcome.

Mr Hurst: Just to give you a practical example of how this pans out in industry, we've been trying to get changes to CASA part 61 since it was introduced in 2014. The key problem that we see from our sector is that fixed wing and rotary wing have different rule sets. If you're in fixed-wing, part 61 requires you to have an aerial application operator proficiency check each year. That was the trade-off that we discussed with CASA years ago to improve safety. Unfortunately now, fixed wing can manage that because the chief pilot is empowered to do that—another initiative from us. Unfortunately, if you're in a helicopter, you have to go and find one of two—I'll say that again: two—providers of this highly specialised training. One's in Tasmania and one's in South-East Queensland. How do you think that's gone during COVID? So we're really struggling to understand why CASA will simply not issue an immediate exemption, which we've been asking for for three or four years, to bring rotary-wing operator proficiency checks into line with fixed wing. There's no safety issue. We've had the fixed-wing system in place since 2007. It's worked fine.

CHAIR: Well, let's make a call to CASA right now—an immediate exemption so that they allow for those flight checks for rotary aircraft to be carried out by the chief pilot. These are the guys who've got thousands of hours on the job and know what they're doing, yet we're going to send them away to Tasmania—goodness! That will be handy if you're in Cloncurry—or, worse, Senator Sterle, if you're all the way on the other side of the country. It is thousands of dollars in travel expenses to be assessed, flying away from the very people who know your industry and know your job.

I recently asked the CEO of CASA about part 38, in his appearance before this committee during budget estimates. I was assured that industry was fully on board with that process. Less regulation was being brought forward in the manual of standards. Is that your understanding? And what is your experience in helping develop that regulation over some years? Is it now a good rule set?

Mr Hurst: It's not a good rule set. I think my earlier comments on part 138 highlight that, to some degree, that is exactly what you'd expect CASA to say with the culture they've got. CASA can never be wrong. CASA has to be talked down off high buildings on a regular basis, but they can never be wrong. And this is another example where part 138 is wrong. Industry has told CASA that a number of times. As I mentioned, if you want to get a flavour of how industry viewed the process of part 138, the technical working group submitted a report labelled 'Dissent'. We didn't support the MOS being made, because we didn't believe it was fit for purpose—even though we'd managed to reduce the MOS from 180 pages of nonsense down to about 80 pages. But the problem with 138

rests fundamentally in the regulation suite, where we have never been permitted—remember, I've been on this technical working group consistently for 15 years or thereabouts—to have a fundamental discussion about what operations have what risks and how they should best be managed. We actually made that work. We put it in our 138 submission, and it was ignored. From memory, it was as recently as February of this year that we made that submission. What you're being told by CASA about part 138—which I listened to also—I really think is a bit of a misleading statement. Perhaps Mr Carmody hadn't been advised by his staff that, in relation to 138, TWG had put in a dissent report. I can't speak to that, but I can speak to what the view of the technical working group was, and that was that more work was required.

CHAIR: That has been my experience to date. You get an answer which leads you to believe that the question has been answered, but it's only ever half the information. When you go back and question it, you're told they answered the specific part of the question that you gave, which, of course, is not in the spirit of a Senate inquiry and certainly doesn't lead to better outcomes for industry. I have another question around the helicopter operator proficiency checks and the costs required. I think we've covered off on part 61 pilot licensing. I was pleased that you made reference to the Fawcett report. I've gone back and read that. There are recommendations in that that have still not been adopted. It was a terrific, practical report from somebody who has deep experience in the aviation industry in Senator Fawcett. It is frustrating to be given the answers and then not have them followed through. Senator Sterle, do you have questions?

Senator STERLE: I would endorse that the committee write to CASA to request an immediate exemption on the issue we were just talking about for the training, under your signature and with our support. We could flag that with the committee. It would be interesting to see why they can't.

CHAIR: Thank you very much, Senator Sterle, for that practical suggestion. Through the secretariat, I would ask that we follow through on writing to CASA to ask them why there couldn't be an immediate exemption to the helicopter operator proficiency checks to allow the chief pilot of their businesses to carry them out. It was well recognised, particularly in the mustering sector. Senator Sterle, with your support, we will go forward with that.

Senator PATRICK: Can I just ask one question?

CHAIR: Of course, Senator Patrick.

Senator PATRICK: Everyone talks about the FAA suite as being much more pragmatic and much simpler to use. My understanding is that aircraft that are operating under FAA certification from overseas can fly here. I just wonder whether or not the strategy we adopt is to say, 'Let's just drop that into the Australian context.' Whether that's a realistic suggestion or whether the other thing we do is we make Mr Carmody's pay contingent on a reduction in regulation each year. The first question was serious. The second comment was, perhaps, not.

Senator STERLE: He's leaving! He's retiring.

Senator PATRICK: I understand. Would it be possible to just drop in the FAA suite?

Mr Hurst: Is that a question to me, Senator?

Senator PATRICK: Yes, it is.

Mr Hurst: I think we would struggle to drop it straight in. However, the starting point when we started work with CASA many years ago to get part 137 rewritten was actually to look at the regulations in Canada, the US and New Zealand. We found quite a lot of commonality across those three regulatory suites. Part 137 in Australia took note of them, and we wrote them, originally, in that context. That regulation suite was introduced in 2007 and has stood the test of time. It's been a really practical, useful set of regulations. It can be done. I'm not convinced it's as simple as just dropping it in, but I think it would be a very good start to look at, 'Why not?' It may not be the FAA regs that you end up dropping in; it might be the New Zealand regs or some other regs that have good benefits, are simpler and are outcome focused. That's the big issue. The regs are so prescriptive. And I don't like criticising the individuals involved because they try hard, but, to be blunt, the interesting thing is that, normally, the people who are put as project officers of these tasks within CASA have no experience in the sector themselves. They might be sitting at the table with pilots and operators that have millions of dollars wrapped up and thousands of hours of experience, but their opinion trumps industry's opinion. And yet industry, as you've heard a couple of times today, is the one who creates safety. The regulations are a low-level requirement that we're all quite happy to meet if they are simple, but the regulations seek to micromanage and run your business.

So, yes, a move to at least benchmarking against international regulations would be a good start, but we're very shy of that. We're very shy of the bona fides of CASA doing that given our experience with the maintenance suite, where we were assured that the ASA-style rules, as they were called at the time, would be internationally recognised, would be transferrable from one jurisdiction to another and would be scaled to match the complexity of the company being regulated. The first thing that CASA did was remove the B3 licence to get rid of GA

[inaudible], with no consultation with industry at all. We were all caught flat-footed. We could not believe that, to be blunt, we'd been lied to and misled. That was under a previous DAS about two or three DASEs ago, I think—hard to keep count with the churn. But that's the culture you're dealing with. The culture really hasn't gone away, because the same people who drove those decisions are still working in CASA today.

CHAIR: That's an extraordinary statement, isn't it? This is reflecting a regulator that is more interested in shutting down sections of the industry process and the ability of the industry to work successfully. In fact, that's just tying industry's arms behind its back and letting [inaudible].

Mr Hurst: We've done everything we can as an industry sector. We're a small office, but we punch well above our weight in program delivery to our members and broader industry. We've done everything we can to work with CASA cooperatively. It's even led to some success, where we've now got our chief pilot course, which is a skills based competency base course, recognised by CASA. We were hoping that was a new dawn and a start of something extremely positive. It's certainly better than what CASA had on offer, which was a half-day inspection and a flight with a pilot to determine if they liked the cut of your jib, and then you might be found to be a fit and proper person and approved at the will of the FOI. Our course is three weeks' pre-reading, three days' face to face, conducted against a syllabus et cetera. So industry is very willing to work with CASA and not to skirt our duties to provide something that's meaningful and has depth. The problem is getting a CASA culture that's willing to look at that and go, 'That's the best way to get safety, not through additional regulation.'

CHAIR: Thank you very much for your contribution. I do invite you to make any additional submissions based on the questions or the evidence today. Please go with the committee's thanks.

SHARP, Mr Malcolm, Chairman, Regional Aviation Association of Australia

Evidence was taken via teleconference—

[11:18]

CHAIR: Welcome. I invite you to make a brief opening statement before the committee asks questions. Do you wish to make an opening statement?

Mr Sharp: I do. I've recently been elected to the position of Chairman of the Regional Aviation Association. I will give a bit of my background. I'm very much a product of general aviation. I started learning to fly at 16 years of age. I live in Hamilton in regional Victoria. I grew up there and was one of those kids that hang over the fence at the local airport. I could actually fly a plane before I could drive a car. Obviously, I've moved through aviation. I've got around 17,000 hours, a lot of that—around 10,000 hours—in piston engine or general aviation. I have a lot of flying training background. I've done firefighting, regional airlines, and corporate jets. I am 37 years into aviation, so I'm only a young 54! Every day, I keep learning in aviation, and it's a great industry to be involved in. I'm also still an active pilot. I've recently been appointed to the Aviation Safety Advisory Panel at CASA. I've represented industry on a number of working groups. I hold an airline transport pilot licence and a flight examiners' rating and I'm also the accountable manager of a 145 and chief pilot in our organisation.

I represent the RAAA. I'm sure you've heard of the RAAA before. I won't go into too much, but we have 100 members, including a lot of AAC members, and we've got members from Tasmania and all other states of Australia. It is a pretty broad church, I'd say, with regard to general aviation. Obviously, I'm here representing them today.

The RAAA's view on general aviation—I won't need to define what 'general aviation' is; I'm sure that's been done. In my opinion—and I've said I'm a product of general aviation—general aviation is still there. It's still alive. It's still well. The demographics have changed somewhat. As I fly around, I see a lot of small airstrips in paddocks and people's backyards. It's changed. I refer to submission No. 30, by Mr Peter Cromarty, who says there's only been a one per cent decline annually between 2008 and 2016.

What's hurting general aviation is competition. Kids have other, more exciting things to do in life now. When I had a charter business, we used to fly people to buy cattle and sheep in New South Wales and Queensland. Low-cost carriers came in and changed the whole description around that, making it a lot easier for people to travel. Roads and cars are getting better now. So we've found our charter business in that particular area has declined. Look at the Recreational Aviation Australia. There are 10,000 new members, they've got over 3,000 aircraft and they're running 40 per cent of the flying schools now. Only a few weeks ago, I was out in the backyard and I heard a drone fly over my head. I went out and spoke to the guy. I said, 'What are you doing?' He said: 'This is my recreation. These are my eyes in the sky.' So people have found other ways to, if you like, get their fix.

I've not read through not all 46 of the submissions, but I've read through a large proportion of them, and a large proportion of them put the blame on CASA. It's the RAAA's position that we don't think CASA should become a punching bag for every issue or every downturn we have in our industry. It's pretty easy to stand on the outside and throw stones, but it's a lot harder to sometimes get in and get involved. That's no disrespect. I was just listening to Mr Phil Hurst speak there, and I know people have put a lot of time and energy into working groups over the years. But we have been as an industry calling for more consultation and more engagement, and I'd have to say that we're actually starting to see that as an association. We've certainly seen hundreds of people involved in industry, in the working groups, from the aviation safety advice panels to the technical working groups to [inaudible], and there are a lot of other associations a lot of other consultations being done down the line.

CASA does have its faults and weaknesses like in any organisation, and I think the introduction of part 61 in the training regulations was probably a big wake-up call for industry and the regulator. That was certainly badly done. It's on the record, and there's obviously a new set of those. The technical working group has been formed, and they're putting some recommendations back to CASA, so I think we need to see where that goes.

There are certainly other areas that CASA could improve such as the inclusion of just culture in the act. I think CASA is slow to realise that the knowledge and the skill lies in the industry and it's the industry they need to consult with. As I said before, we're starting to see the wheel slowly move that way, but it's a big ship to turn around. But we're all trying to do the right thing. There are a lot of good people in CASA, too, but there are some people in CASA who are tending to block progress. It's probably a matter of weeding out those people. But, personally, I've had a lot of good dealings with CASA. I've been on both sides of the fence. I've been called as an expert witness for CASA, and I've also taken CASA to task over changes in regulation and policy over the years. I've been on the other side of it as well, representing industry against CASA. So I do see both sides of the story.

As an industry, we need to move on. I think CASA's only one part of the issue with general aviation. I think we need more bilateral support between the regulator and industry. We just need to continue to consult and engage. Thank you.

CHAIR: Thank you very much for that, Mr Sharp.

Senator PATRICK: Can you explain to me what process you're currently going through to be able to take on some of the functions of CASA?

Ms Sharp: Are you talking about me personally, or talking about the association?

Senator PATRICK: The association.

Ms Sharp: The association is very actively engaged in consultation with CASA. We have a number of our members who are working through the Technical Working Groups. I've spoken to a lot of operators who are engaged actively in those working groups that are members of our association. There are some good stories and there are some difficult stories in that mix.

Senator PATRICK: But are you not going through an application with CASA at the moment, under part 149?

Ms Sharp: No, not to my knowledge.

CHAIR: Thank you very much, Mr Sharp. You have provided a great deal of information in your opening statement. You [inaudible] this concept that there are both enablers and disablers in CASA. Is there a complaints function within CASA, where, if you have an issue with CASA, you can go and report to? Are you aware of that?

Ms Sharp: I am aware of that. If I can give you an example, in recent times there have been recommendations put up from the Technical Working Groups. The Technical Working Group, which is mainly made up of industry, has made recommendations. In some instances, those recommendations have been hijacked within CASA. When they've then arrived at the ASAP, they certainly weren't what was intended. We've had that feedback, obviously, directly from the association members. In that situation, I'd say that the ASAP has worked well, in that it has had that feedback and it has then reverted it back down into the TWGs for rectification. So there has been some CASA meddling in some of the outcome of the TWGs.

CHAIR: That function sits within CASA, is that right? It's not an independent function; it's informed by the skill set and the advice of the legal team, particularly, in CASA? Is that fair to say?

Ms Sharp: The Technical Working Groups, primarily, make the recommendation to the ASAP. The ASAP is basically a peer review, if you like. But, obviously, CASA has final determination in regards to those recommendations—the DAS and the board, that is.

CHAIR: I'm just trying to tease out this idea: if you have a problem in CASA, what's your process for working through it? Do you send an email to the CEO or do you have an independent arbitrator who will help you? We had a story this morning about an operator who's going to appeal through the AAT, and with that there is the cost and challenge that an individual has, as compared to the full might of the CASA legal team. [inaudible]

Ms Sharp: There's a process. Our operators will typically take issues to the association, and our association, being the Regional Aviation Association, will raise those issues directly with CASA. We do tend to find that that's a mediation process. We're not always successful, but we tend to try that process first before taking legal action.

CHAIR: Thank you very much, Mr Sharp.

Senator PATRICK: I must apologise to the witness. I confused you earlier with RAAus. I've just now got my head back into the right space.

Ms Sharp: That's okay. If you've seen the wheel of regulations, I wouldn't blame you!

Senator PATRICK: There are too many acronyms in your sector, I think!

CHAIR: Mr Sharp, I invite you to make any additional submissions to the committee following your evidence today. I appreciate that we are short of time, so it's very difficult to get across a complex issue in a regulatory environment in such a short amount of time.

Ms Sharp: Yes.

CHAIR: But I do appreciate your appearance, and the work you've put into this. Please go with the committee's thanks. We are going to have a short break now.

Proceedings suspended from 11:31 to 11:46

CASSIDY, Mr Robert, Private capacity

Evidence was taken via teleconference—

CHAIR: Welcome. Would you like to make an opening statement?

Mr Cassidy: Yes. Please allow me to introduce myself. I'm Robert Cassidy from Bothwell, Tasmania. Despite my accent, I have been an Australian citizen since 11 February 2005. I've held the highest available pilot licence from seven countries, earning my first airline transport pilot licence on 31 December 1982. Then I earned the highest available pilot licence for helicopters, the instrument airline transport pilot licence, on 5 October 1983. I have held commercial single and multiengine seaplane licence. I've held the highest available flying instructor ratings for single and multiengine aeroplanes and helicopters, allowing me to teach pilots to fly with reference to instruments and fog, clouds and at night without a natural horizon, from 1981 and 1987 respectfully until 2013. Though I could only ever achieve grade 2 flying instructor in Australia, which expired after only two years. I have held an FAA aircraft mechanic licence for airframe and power plant for aeroplanes and helicopters since 1993, but I could never achieve that in Australia as arrangements work differently here I suppose.

I served as a US Army trained helicopter pilot, maintenance officer and maintenance test pilot. I have flown approximately 130 different aircraft, including single and multiengine aeroplanes, single and multiengine seaplanes, single and multiengine helicopters, two and four engine turboprops and jets, including serving as a captain of Boeing 747-400, 747-300 and 747-200 jumbo jets, as well as Boeing 737-800 and 737-700, like Qantas. I made my first trip as a new captain flying a Boeing 747-400 jumbo jet to Australia on 20 September 1999.

Throughout my career, spanning 36 years, I fought hard against hostile forces and commercial pressures to maintain a perfect aviation safety record. I have enjoyed a career that has taken me to 47 countries. I have been a published aviation safety writer since 1983. I'm a published author of my autobiography titled *Dancing with Clouds*, which is in the National Library. I have no axe the grind against CASA. I'm just passionate about aviation, which is my reason for making this submission.

When I separated from active duty with the US Army as a Bell Iroquois pilot to pursue a civil aviation career in March 1982 I was 28 years old. Back then, I fully expected I would still be earning my living as a pilot well into my 70s. That means I have another decade of usefulness as a pilot. And why not? If I can still pass an aviation medical examination. The egregious costs to keep my Australian pilot licence, command instrument rating, class 1 aviation medical and Aviation Security Identification Card valid are more than I can afford.

I believe the real reason for the decline of general aviation is the egregious overregulation, verbosity, regulatory complexity and the cost burden on everyone involved, for no added safety benefit. To purchase several volumes of CASA regulations costs nearly \$500, compared to \$25 for the FAA regulations that come in one book. I believe I have provided sufficient information in the attachments to my written submission to prove that aviation safety statistics for Australia are worse than for the US, even though CASA has wrapped in cotton wool every aspect of aviation that does not involve straight and level fair-weather flying.

One key indicator of the health of the aviation industry is the number of pilots with expired instrument ratings, those who hold current instrument ratings and those applying for new instrument ratings, compared to the entire pilot population over the past decade. I cannot get any statistical data from CASA about those numbers. I was refused. I was told I would have to pay a fee. Yet they provide other statistical data supporting their agenda. Perhaps the Senate committee can force the issue with CASA, to get at the truth, to understand the real health of Australia's aviation industry. To know that, you should know what contribution general aviation makes to the gross domestic product and employment statistics.

Just to recap: the definition of an instrument rating is that it allows the pilot to take off and land in foggy conditions, to fly through clouds and fly at night by reference to cockpit instrumentation and without reference to a natural horizon. What is the value of an instrument rating? According to the Australian Transport Safety Bureau, in the decade from 1 July 2009 to 30 June 2019, there were 101 occurrences of continued flight visually into fog or clouds that obscured forward visibility and terrain that were reported to the ATSB. Of those, nine were accidents resulting in 21 fatalities. That is about one in 10 aircraft flying by visual flight rules into weather where the pilot cannot see the natural horizon or ground which resulted in a fatal outcome. Why is this statistical data important? Would you be aware that the cost of an instrument rating for a helicopter pilot is a whopping \$65,000 in Australia? It's a little more than half of that in the US to fly the same aircraft. A large part of the cost is the extra flying hours required by CASA's overregulation that must be administered by a part 141 or 142 flying school, versus, let's say, an independent flying instructor. On CASA's website, part 61 specifies that to gain your

instrument rating you need to hold at least a private pilot licence. You also need to complete flight training at a part 141 or part 142 flight training operator. In addition, it states:

... you need to have the following aeronautical experience in aircraft of the same category that the flight test is to be conducted in:

- 50 hours cross-country flight time as pilot-in-command ...

CASA defines 'category' as either an aeroplane or helicopter. To reiterate, CASA requires the 50 hours cross-country experience to be in the same aircraft category, for no added safety benefit. That is: 50 hours flying an aeroplane plus 50 hours flying a helicopter for a pilot like me who wants to fly both. By contrast, the FAA requires only 10 hours specific to the category. A Cessna 172 would cost \$297 per hour, versus \$1,100 per hour for a Robinson R44 helicopter. This just gives you an idea of how CASA's overregulation builds in unnecessary costs to pilots. But it has not improved safety one whit. Those are minimum requirements, not what the pilot may actually need to fly to pass the test.

Under the FAA, if a private pilot owns a two-engine Beechcraft Baron, he will be required to hold a multiengine class rating. 'Class' refers to either single-engine or multiengine. If that same private pilot wants to hold an instrument rating, he could conceivably receive all of his training for an instrument rating in a single-engine aeroplane, because there's no separate instrument rating for single-engine aeroplane, multiengine aeroplane, single-engine helicopter or multiengine helicopter like there is under CASA. Again, for no added safety benefit, just added cost to pilots and the aviation industry. Under CASA, that one word, 'class', can add \$22,000 to an instrument rating in a multiengine helicopter that would offer real employment prospects.

The difference for a pilot wanting an instrument rating in a typical multiengine aeroplane like a Beechcraft Baron, leading to job prospects and giving the pilot a leg up toward an airline career, is that it rents for circa \$780 per hour, versus a single-engine Beechcraft Debonair, which rents for \$205 per hour. That additional 10 hours required by CASA, who wants to wrap everyone in cotton wool, would cost a pilot an additional \$5,750. Why? Has it made Australian skies safer? An altimeter and air speed indicator work the same in an multiengine aeroplane as in a single-engine helicopter. In fact, as the holder of an FAA aircraft mechanic licence, I can assure you that you will find the same instruments designed and built by Mid-Continent Instruments and Avionics installed in a wide variety of single- and multiengine aeroplanes, seaplanes and helicopters.

So why does CASA demand a specific instrument rating for each category and class of aircraft? Did I end up in a crumpled heap or smoking hole on a hillside? I have over 5,000 hours flying in actual weather requiring solo reference to instruments. Thus I believe a conclusion could be made that the unaffordability of acquiring an instrument rating and keeping it current could be contributing to Australia's aviation accident statistics. It is hard for ATSB to interview dead pilots, though. Please recall, if you will, former Prime Minister Malcolm Turnbull's father, Bruce, was killed along with two other passengers and the pilot on 11 November 1982 in a single-engine Piper Warrior aeroplane. The pilot was not instrument rated, yet he continued visually into adverse weather conditions, probably experienced spatial disorientation while flying in cloud, which occurs about 178 seconds before losing control of the aircraft and exceeding the design strength limits of an aircraft. That is according to the ATSB.

By contrast to CASA, under the FAA I did all of my instrument training in a single-engine helicopter, yet I could fly multiengine helicopters, and I became an examiner for other instrument rated helicopter pilots, based at LAX, as busy as it is. Further, when I received my instrument training for aeroplanes in 1980, I did it all in a two-engine Beechcraft Duchess and took my flight test in a single-engine Beechcraft Sierra. Yet, under the FAA, my instrument rating was valid for both single-engine and multiengine class aeroplanes. I did not need to hold a multiengine command instrument rating to fly any two-engine aeroplane, like under CASA. To reiterate, I maintained a perfect aviation safety record throughout my career spanning 36 years. Not once did I inadvertently fly into cloud. How is that even possible without the benefit of CASA wrapping me in cotton wool, just in case?

In Australia, the egregious costs under CASA discourage a pilot from earning an instrument rating in the first instance. Then, once he gets an instrument rating, if he hasn't been stuffing wads of cash under his mattress over the next 12 months, then he would not be able to afford to renew his instrument rating. My previous employer paid \$9,000 to renew my instrument rating for me to fly a two-engine aeroplane—just to give you an idea of the cost of a renewal. That's not an initial. I have never once had to pay for an instrument rating renewal anywhere else. Please consider that I have held a current and valid instrument rating since March 1979. In Australia, I just could not afford to renew it at my own expense. Thus it expired after I was put out of work by a shonky operator who went into liquidation owing everyone money. He owed me eight weeks pay and didn't pay any of the superannuation I had earned. I just couldn't afford to keep it all current. Are you beginning to get an idea just how

much overregulation costs the aviation industry and pilots like me? How it limits the jobs and growth of the Australian aviation industry and the economy?

Further, in Australia, under the egregious cost burden of CASA's regulation, I would be required to perform an instrument rating proficiency check in the more expensive multiengine class aeroplane or multiengine class helicopter to satisfy single-engine as well. By comparison, under FAA regulation 61.57 it is only required to do it in the same category, which is aeroplane and helicopter for me. Under the FAA I would not have to rent a much more expensive two-engine aeroplane and helicopter as I would according to the CASA regulations. This one set of CASA regulations about instrument rating is a very good example of where the FAA model should be introduced completely, and I emphasise 'completely'. I believe it would save lives, because more Australian pilots could afford to earn an instrument rating and keep it current. That would certainly generate more activity and flying jobs. There would be fewer instances of pilots flying aeroplanes and helicopters from clear weather into clouds and crashing.

A fellow pilot recently confided that the lack of an instrument rating, simply because he couldn't afford it, has held his career back as a commercial helicopter pilot. Imagine that pilot coming up with \$65,000 to receive training in a Bell 206 helicopter, which I did for \$2,500 in the States, yet not being able to gain employment because most employers would require him to hold a multiengine command instrument rating—that is, learning to fly a helicopter with two engines but still with one main rotor/propeller, if you will, incurring greater costs to fly, let's say, an AS355, at \$2,200 per hour. With this kind of regulatory burden it is surprising anyone can afford to learn to fly at all, except the elite of our society. In Australia, I could only ever afford a VFR helicopter airline transport pilot licence.

Another set of cost regulations to consider is in the requirement to hold a night VFR rating. Again, there is both category and class, plus proficiency checks. The FAA merely requires three hours of night training in category and class for a private pilot. CASA states in its advisory circular 61-05, 'Flight operations conducted at night under VFR—also known as NVFR operations—are not a common practice internationally,' yet I've enjoyed 3,263 hours flying at night during my career without CASA NVFR rating. CASA just don't have a clue.

Please consider economic recovery post-COVID and the loss to employment opportunities in general aviation under CASA's egregious and verbose overregulation, for no added safety benefit. This is our one opportunity to make real and meaningful change to the way the Australian aviation industry is regulated. Post-COVID, every job we will create will count toward economic recovery. The cost burden of overregulation and bureaucracy kills job-creation opportunities in aviation. My hope is to allow you to fully understand the cost burden of the regulatory differences under CASA versus the FAA's much simpler and more practical approach.

Statistically speaking, flying in Australia is no safer than in the USA, though topography, combined with weather, are easier here. The way CASA administers its suite of regulations is complex, is expensive to comply with, does not encourage compliance and does not provide the safety outcomes that section 9 of the Civil Aviation Safety Regulations 1998 mandates. It is bad enough that CASA is nothing more than a government business enterprise like Aus Post, recently in the news. But worse, CASA writes regulations out of fear of litigation. I believe the Civil Aviation Safety Authority, along with Airservices Australia, should revert to a department of civil aviation under a government department of transportation. I believe the federal aviation regulations should be adopted and enacted completely, not simply rebadged into complex CASA regulations with the FAA-style numbering system.

I believe the CEO and director of aviation safety should be two separate individuals. In fact, the CEO position could be eliminated entirely, saving one fat cat bureaucrat's salary and benefits package. If CASA reverted to the department of civil aviation, the director of aviation safety must be a pilot, hold or have held an airline transport pilot licence and have a breadth and depth of general aviation experience, military experience and airline experience. That is someone who is truly in touch with aviation—someone like me.

The oversupply of aviation personnel will be temporary, due to the COVID pandemic. Regardless, both Boeing and Airbus still predict a requirement for 248,000 pilots and 253,000 aircraft mechanics just in the Asia-Pacific region. Where will they come from if the aviation industry is stymied by CASA's ridiculous overregulation for no added safety benefit, just greater cost to everyone involved? Australia will need to issue 457 visas for pilots and aircraft mechanics if the status quo is maintained. General aviation is being suffocated. I'm urging you: please save general aviation from CASA's chokehold. Thank you very much for listening. Do you have any questions for me?

CHAIR: Mr Cassidy, thank you very much for the submission that you've written and your verbal submission just now. You touched on a really important point, which is the number of pilots that we know have been made redundant during COVID. I'm interested in the point that you're making about the amount of money that it will

cost for those people to maintain their accreditations, particularly if they want to come back to work sometime soon, which I'd hope they would. So what are your views on that? Do you have any specific recommendations? Are they around a waiving of fees to renew? What would be your suggestion of the best way to go about this?

Mr Cassidy: I truly had a hard time hearing you. It sounded like there was an echo in the back, but I think the gist of it was the cost of renewal for pilots and how, with so many pilots being out of work, they would be able to afford to renew their credentials—is that correct?

CHAIR: Yes. I'm sorry about that echo. That's difficult for you. The question is: what would be the recommendation for CASA to ensure that we weren't losing any pilots out of the industry as a result of people not being able to afford to pay their renewal fees?

Mr Cassidy: Personally I don't think that CASA would really care very much. But the government as a whole should care, because what are all of these people going to do? Are they all going to work in Bunnings? In my instance, I was put out of work back in 2014. My employer went into liquidation, and, in the build-up to that, let me go with no notice. But, according to my contract, I was owed eight weeks pay. I found out later that he didn't pay any of my superannuation that I had earned, so I was truly out of pocket. I've got a mortgage, bills and so forth to pay. I applied for a Newstart allowance, and I begged them for assistance more than once. I got no assistance. I would strongly urge the government, from the top down, to consider interest-free loan programs—like HECS, for example, or whatever scheme you can come up with—for pilots and aircraft mechanics to renew or even upgrade their credentials so they can go back to work. If I could have gone back to work within the first six months, I imagine I'd still be working—if not here, probably overseas somewhere. I was in China for nearly five years flying, for example, and Papua New Guinea after that. So I'm very flexible. I think there are ways around this. We need to think outside the box. For Centrelink to just be obstructionist and intransigent is unhelpful. It almost feels like they need to have an underclass of people, to use us as a whipping boy. I'm desperate. I'd love to go back to work. I miss flying desperately. I feel young enough. I can still do it. And why not? I hope I've answered your question.

CHAIR: Thank you. I want to explore, too, the cost of obtaining a helicopter or pilots licence. This is certainly something that I'm well aware of. Unless you're fortunate enough to get an apprenticeship or traineeship with an airline then it's pretty cost-prohibitive to most young people. Is that correct—you're saying that, in Australia, the cost of a helicopter licence would be around \$65,000 as opposed to the US? I can't recall what the amount was that you were quoting there—

Mr Cassidy: That \$65,000 was for an instrument rating for helicopters. To get, let's say, a private pilot licence in a helicopter, it would be much more. You might be pushing as much as \$80,000. It depends on which flying school you go to, which aircraft you fly and whether you can put cash upfront on the counter. In fact, when I was calling around to get cost estimates to present to this committee, someone suggested I would have to put \$10,000 upfront as a deposit. They just make it too hard. They really do.

CHAIR: That's certainly a significant barrier to entry for young people, particularly into general aviation. There are a couple of elements to how that cost is built up. I'm intrigued: you've certainly had a very interesting flying career, and your love of flying is evident. I reflect that regional Queensland used to have flying competitions, where local pilots would compete to drop bags of flour on a target—things that people used to get a lot of enjoyment out of. Of course, none of that happens anymore. I'm not sure if that's because of the lack of aircraft regionally or if it's due to some sort of regulatory restriction. As I travel around regional Queensland and reflect on the 100 years of Qantas, it certainly used to be much more the case that people would fly because they loved it, as opposed to just because they were employed to do it. You've certainly reflected on that. Is there anything else that you want to contribute today in your evidence?

Mr Cassidy: I think the greatest contribution that I could possibly make is to encourage the federal government to have a revamp of CASA and, especially, the CASA regulations. I'm not trying to make Australia like the United States; in fact, I wouldn't want that. But, if the government adopted the Federal Aviation Administration regulations in total, the way they're written, and just rebadged them—wherever it says 'USA', put 'Australia'; wherever it says 'FAA', put 'CASA'. Just keep it simple, enact those and let us run with that. There will be an initial cost for all operators to change their operators' manuals and so forth, but, in terms of the cost savings over the years of the way that their business could be managed with a much simpler regulatory system, it would save money for everybody. It would save money for aircraft maintenance, flying instruction et cetera. It will trickle down, and it will generate more jobs.

CHAIR: I agree with that. Barriers to entry certainly cost. Thank you very much for your evidence today. I invite you to make any further contributions in writing if there's something you feel was overlooked today. Please go with the committee's thanks.

Mr Cassidy: Thank you very much, Senator McDonald. I really appreciate this opportunity to speak.

LINKE, Mr Michael, Chief Executive Officer, Recreational Aviation Australia Ltd

MONCK, Mr Michael, Chair, Board of Directors, Recreational Aviation Australia Ltd

Evidence was taken via teleconference—

[12:13]

CHAIR: I now welcome representatives from Recreational Aviation Australia. Before the committee asks questions, do you wish to make an opening statement?

Mr Linke: Michael, our chair, is going to make a brief statement on behalf of both of us on behalf of our organisation.

Mr Monck: Recreational Aviation Australia—we're more commonly referred to as RAAus—are a not-for-profit organisation whose purpose is to advance aviation in Australia. We do this through a range of functions designed to enable Australians to engage in aviation related activities in a cost-effective manner through a simplified set of rules. This is facilitated by CASA, who oversee our operations, and they enable an alternative means of compliance with the safety requirements of the regulator. Our rules are somewhat abridged compared to those that apply to operators in some other parts of the aviation sector; however, our activities that we engage in are equally abridged. What I mean by that is, in return for a simpler set of rules, our members are restricted to a smaller set of available activities compared to those pilots who fall under the CASA system. Contrary to what some may have you believe, it's not a free-for-all.

To us, the benefits that accrue to the broader economy are quite plain. Perhaps the simplest way to illustrate this is through the funding we receive and the safety dividend we provide to the broader Australian public. In the 2019-20 annual report, CASA noted that their total revenue was in the order of \$200 million. Of this, around 86 per cent came from government revenue, or fuel excise, which accounts for around \$174 million. In that same annual report, CASA state that they have 15,721 aircraft on their register, and 31,203 flight crew licences. RAAus, on the other hand, have around 3,300 aircraft and about 9,700 pilots, and that number is growing. This means that we have around 21 per cent of the number of aircraft and 31 per cent of the number of pilots. We operate on a budget of around \$3 million per annum, of which almost nothing comes from those government sources that I mentioned earlier—their broader government revenue and fuel excise. Of the \$174 million from those sources, RAAus get about \$140,000—that is, we administer 21 per cent of the number of pilots and 31 per cent of the number of aircraft that CASA do, and we get around 0.075 per cent of the public funding made available to Australian aviators.

Despite this, we deliver comparable safety outcomes to the equivalent parts of aviation directly regulated by CASA. Our accident and fatality rates are comparable to those in the CASA regime that engage in a similar set of activities. In addition to this, we receive no additional funding to deliver safety outcomes arising out of accident investigations, we receive no legal protections that are afforded to the ATSB and other government agencies, and we still opt to invest our not-for-profit member funds into accident investigations to advance the cause of aviation safety in Australia. All of this comes at almost zero cost to the Australian taxpayer.

Today I'd like to thank senators, and the government more broadly, for recognising the success of the system under which RAAus operates—that is, the self-administration system. Recently, so in the past couple of years, part 149 of the Civil Aviation Safety Regulations was passed into law by the Senate and other parts of the government, and this will go a long way to furthering the success of those self-administered organisations that opt into the regulations and enable Australia to continue its track record on the world stage. We both look forward to addressing the panel today, and we welcome questions and comments from the senators. Thank you.

CHAIR: Thank you both for your contribution. Why did you not do a written submission to the Senate inquiry?

Mr Monck: We are in the midst of preparing one. We are currently waiting to see what happens with the CEO DAS position at CASA. We were actually hoping for that to be announced before Christmas. But we do have quite a complete submission, albeit in draft form, which we're waiting to submit.

CHAIR: What difference will the appointment of a new CEO DAS make to your submission today?

Mr Monck: It's clear to many involved in aviation that there are mixed views on CASA. I won't try to paint an all-too-rosy picture of CASA from our perspective, but I think, being quite objective, over the past few years we have seen some improvement in CASA. I refer back to part 149, which I've just mentioned. That regulation has been in draft form for about 20 years now, and under Shane Carmody it's been accelerated and has now been approved by both houses of the government, yours included. Having a clear understanding of who takes on that

role going forward gives us a little bit of direction in terms of which pain points we really need to impress upon that person and which ones are already understood by that person.

CHAIR: So you're reflecting on whether or not the appointment is somebody from within the existing CASA organisation or somebody from outside aviation altogether. Is that the sort of distinction you're making?

Mr Monck: No, not necessarily. I think we're just looking at the individual in general, whether that person comes from within CASA or outside of CASA. There are good people on both sides of the fence. I think we would be looking at the individual, rather than where they come from. There are some people within CASA who are quite productive, and there are some people we find a little bit unproductive from time to time. They're all located within CASA, so I wouldn't say we're necessarily skewed one way or another.

Mr Linke: We're not going to presuppose anything until another DAS has been appointed. We can then top and tail the submission that we have spent many months preparing already, given that we still have some time to put in that submission. Obviously, if the announcement is going to be made within the due date, we will submit our submission in the time line provided anyway.

CHAIR: That's terrific. Can you talk me through some of the restrictions on your members? As members of a self-regulated sector of the industry, what are the sorts of restrictions that your members have?

Mr Monck: Yes, happy to do so. As a CASA pilot licence holder, I'm free to fly, within reason, pretty much anywhere in Australia—outside of controlled airspace, within controlled airspace, at pretty much all airports. There are some exceptions to that, and I won't go into too much detail. With the appropriate qualifications, CASA flying authority holders are allowed to fly in instrument conditions. They're allowed to engage in aerobatics, they're allowed to fly at night and they're allowed to carry multiple passengers, so there are many things that they can engage in. In contrast to this, we have a simplified set of rules that, at this stage, requires RAAus pilot certificate holders to remain outside of controlled airspace, to fly only during the day and to carry no more than one passenger. Also, at this point in time, although we're hoping soon to increase this limit, we are limited to aircraft of up to 600 kilograms.

CHAIR: Would you be able to fly out of Mount Isa?

Mr Monck: My hunch is yes. I'm not familiar with the aerodrome, but I believe Mount Isa, off the top of my head, is not controlled airspace and I think the answer would be yes.

CHAIR: You've got restrictions on passenger numbers—one passenger in addition to the pilot—and you're restricted to aircraft of up to 600 kilograms. Is that right?

Mr Linke: That's correct, yes.

CHAIR: You referred to ATSB and their reviews of accidents within the broader aviation industry. Are you required to provide your accident reviews to ATSB or to the manufacturer of the aircraft? This came out in our last inquiry.

Mr Linke: Yes, the use of the word 'required' is interesting. There's no requirement for RAAus to actually investigate. This is a very complex field. The ATSB, if they choose to investigate an accident, whether it's aircraft, marine or rail, then have control of the accident scene—the police don't control that scene—and the ATSB have certain protections under the Transport Safety Investigation Act. If RAAus investigate an accident, we must first be invited by the police or the investigating authority, generally the police. At all times that accident scene is the realm of the police, and we're simply a subject matter expert providing subject matter expertise and guidance on what may or may not have happened to cause that accident, given that the police don't have that expertise.

So we prepare a report and, at all times, that report is the property of the police and the coroner, and various coroners rules around the country require that subject matter expertise reports remain the property of the coroner. It's only the coroner who can release them. So RAAus don't have a choice on whether we release them; despite the pressure from some other agencies and despite the claims that some people make that we're refusing or we're not playing ball, there's actually no legal possibility for us to release those reports.

There are two exceptions to that. We may be ordered by the ATSB, under section 32 of the Transport Safety Investigation Act, to provide the ATSB with a copy of a report, and we, of course, would comply with that legal requirement. Similarly, the Civil Aviation Safety Authority may compel us to provide them with a copy of the report. Both of those have happened at times in the past. We've been investigating accidents for 40 years as an organisation, and this topic has never come up, other than in the last couple of years, when there's been some contention around an accident report involving a specific type of aircraft. We've supplied that report to the ATSB, we've supplied it to CASA, and they will do what they choose to do with those reports.

If the government wants to fund RAAus or provide RAAus with, most importantly, legal protections, which they have the authority to do, we could then easily release our reports. But, right now, if we were to release a report, our staff and our organisation would be exposed to untold litigation from people about what we said in that report, and that's a different playing field to the playing field that the ATSB plays on, so we're not able to comply with any requests to release those reports. Mick, you might have some more on that.

Mr Monck: No, other than to reinforce that, from time to time, we do get requests for those reports and, as Michael said, unless we are legally compelled to do so, we simply refer those requests to the coroner or the police, depending on who has jurisdiction, and it's at their discretion whether those reports are released.

Mr Linke: Realistically, we would like nothing more than to be able to release those reports. We think it's important. There have been several accidents in the past where we have seen that there has been a safety imperative, and we've spoken directly to manufacturers about that. An example is an aircraft accident in 2015 involving a specific type of aircraft. Within seven days, RAAus contacted that manufacturer and said, 'We have safety concerns about the aircraft.' In the ensuing time, there have been several other types of aircraft about which we've noted safety related issues, and we've communicated those safety related issues to specific manufacturers. If we had a safety concern about an incident, we would, without releasing our report, communicate with that manufacturer or issue a safety notice to our members in that regard. We're very focused on safety.

We would deeply love to have protections similar to those that the ATSB have, because it would get these reports out into the open. Or we would dearly love the government to provide additional funding to the ATSB, and then they could investigate RAAus accidents. We don't choose to do these. We're not required to do them. We do them at the request of the police and the request of our community to provide safety assurance to our community.

CHAIR: RAAus is applying to be able to have heavier weighted aircraft. Would it be a complementary part of your application that the ATSB would then be required to investigate accidents of a broader range and of heavier aircraft?

Mr Monck: I wouldn't say it would be a part of our proposal. It would certainly be a welcome addition if it were to be the case that the ATSB was provided with additional funding. I think it's important to note that it's not just RAAus's action; it's that the ATSB balance not investigating. There are many accidents that occur with VH registered or CASA registered aircraft that the ATSB simply does not have the funding to investigate. So, whilst we might gain some additional aircraft on our register—and should those aircraft be involved in some sort of accident or incident, they would likely not be involved by the ATSB—it's important to note that, in many instances, those accidents would not be investigated anyway, even if those aircraft remained on the CASA register.

Mr Linke: This isn't unique to recreational aviation in Australia. The Sports Aviation Federation of Australia, formerly the Hang Gliding Federation of Australia, investigate their own accidents as well. So this isn't the unique thing that RAAus does. It is done by other self-administered organisations. I think the fundamental flaw in the system is that the ATSB aren't provided with the appropriate level of resources, and people don't have a clear understanding of the role self-administering organisations take. If more funding were provided to the ATSB, there may be more opportunity for broader investigation of all aviation related accidents.

Mr Monck: A number of years ago, and we're talking a few decades now, there was a series of high-profile accidents which triggered a review of how accident investigations are handled. That resulted in a separation of the investigation function away from what we now know as CASA. I think that is equally valid here. We are not legally compelled to investigate accidents. We think it's in the interests of aviation safety that we do so. But we would welcome the ATSB, as an independent body, to come and investigate our accidents if they were provided with sufficient funding to do that.

CHAIR: We've just heard evidence from Mr Cassidy about the cost of licensing for aviation, particularly for helicopter pilots. Do you have any helicopter pilots in your association?

Mr Monck: No. We mainly have fixed-wing. We have several weightshift aircraft and a couple of other smaller categories, but the vast majority of our aircraft are fixed-wing aircraft—aeroplanes of the traditional nature.

CHAIR: What would it cost on average to be licensed to be an RAAus member?

Mr Monck: It's a bit of an open ended question. I think it's useful to talk about the minimum requirements to gain a qualification. The minimum hour requirement for RAAus is 20 hours before you get your very first qualification. After that, you add on additional qualifications to be allowed to carry passengers, to do navigation, to fly different aircraft, et cetera. That first basic qualification could cost anywhere between \$6,000 and \$10,000.

So it would be 20 hours, based on \$250 to \$300 per hour, plus a few additional costs. In contrast, to fly a GA registered aircraft, while the rates do vary, it's not uncommon to see a GA registered or CASA registered basic aircraft cost around \$400 to \$500 per hour to hire, and then you've got to add on your incidental costs on top of that.

Mr Linke: There is some research out that suggests learning in an RAAus aircraft is up to 70 per cent cheaper than learning in a traditional GA aircraft. That's one reason why our sector is growing and continues to grow. We've experienced about 11 per cent growth in the last three years. We note comments made this morning by AOPA that the sector is in decline. Whilst there is a fairly narrow definition of GA—and AOPA were quite careful to specifically exclude RAAus aircraft from that category—it's important to note that GA does include RAAus aircraft. As Mick said, we have 3,300 aircraft on our system and almost 10,000 pilots—11 per cent more than we had three years ago. People are seeing the value of recreational aircraft and the economy available to them in terms of the money that they spend to gain qualification. It's a choice. People have a choice. There's no requirement that they come to RAAus. We're not a monopoly; 95 per cent of the aircraft on our register can also be registered with CASA on the VH register. People have a choice and people are choosing to register with RAAus because our aircraft are safe and we have 165 flight training schools across the country—most of them are in rural and remote areas, supporting rural and remote communities. The asset value is about \$500 million worth of assets in aircraft used in RAAus flight schools, with about \$400 million invested into the Australian economy. It's a significant movement and a significant opportunity for people to get into recreational flying.

CHAIR: I don't want to come between two industry organisations if you're having discussions that you want to take offline. I am interested in the application of aviation in regional, rural and remote Australia. If you were somebody who was going to carry their family because you lived on a remote property; if you were going to carry more than one staff; if you were going to transport goods you wouldn't be able to have an RAAus licence, by the sound of that?

Mr Monck: No, that's not entirely true. A lot of our aircraft are used on farms, stations and whatnot for exactly those purposes—

CHAIR: You just said you couldn't have more than one passenger.

Mr Monck: I was just about to say probably with the exception of the passengers. Many of our aircraft are used by people to check locations of cattle, dam levels, fences, and to cart tools from one side of a station to another. In recent weeks, I was at a station called Clifton Hills—pretty much in the middle of Australia—and that's a station that's the size of a small country. I think it's the second largest cattle station in the world, from memory. They use aircraft extensively. Whilst I can't say exactly what aircraft they do use, I can say that's the exact scenario where some of our aircraft are used.

CHAIR: Rightio. Can I ask you about medicals. Do you have a different requirement for medicals in your association, compared with others?

Mr Monck: We do. It depends on what you are comparing us to, though. If you're comparing us with a PPL holder—that is, a private pilot licence holder from CASA—then, yes, we do. We are a self-declared model, which essentially says that you can engage in those activities we've previously discussed if you are fit to drive a motor vehicle. Whilst I say it's different to a PPL, it's not different to other jurisdictions around the world. We've certainly got our counterparts, self-administered equivalents, in countries like the UK; even across in New Zealand they have an equivalent. They work on similar schemes. Indeed, even the FAA in the US—although they directly administer it through the FAA—they have what's called a 'sport pilot licence'. It essentially says in simple terms—with a couple of little complications over the top—that, if you hold a motor vehicle driver's licence, then you are considered medically fit enough to hold a sport pilot licence. Which is the equivalent of what we offer through RALs.

Mr Linke: I think that's commonsense information, as we've explained to you. A person who holds a PPL could ultimately go and operate an A380, the largest aircraft in the fleet. Someone with an RAL licence can't operate heavier aircraft. Having that different medical regime is an appropriate mix—an appropriate fit—for the types of services and the types of activities that our pilots do. There's nothing wrong with 'different'; it is just different, as we explained. There are a whole range of limitations, based on our aircraft and where they can operate now. That medical regime fits the type of aircraft and the type of operation that we're doing.

CHAIR: If you're a PPL holder operating a Cessna 206, someone in regional Australia, you're not flying a jet, but you do have to have a medical that is much more onerous. That's certainly one of the complaints that I receive from pilots right across Australia. Do you think that there's an opportunity for CASA to change its medical

requirements so that private pilots who are operating light aircraft—similar to the size that you're proposing your members should be able to fly—do not have to have the same medical standards that a jet pilot does?

Mr Monck: Again, I draw on the worldwide experience here. Different models have been employed by different countries around the world. Certainly, in the US, that's the model that they opted for, where the FAA directly administers these pilots. Again, I refer to the examples that I used before—the UK, New Zealand et cetera. Their equivalent civil aviation authorities have opted to essentially outsource it. I think one of the benefits of that model—I go back to the opening statement that I made—is, firstly, that it is accepted around the world as a viable option. Secondly, it provides benefits back to—in our case—the Australian economy, in the sense that the government body responsible for aviation safety in Australia is not directly overseeing an additional 10,000 pilots and the cost of that administration falls onto us as an organisation. We are almost 100 per cent funded by member funds. The benefits of the wait increase that CASA is looking to give to us are that they achieve that outcome that you've just referred to at almost zero cost to the Australian taxpayer and the Australian public.

CHAIR: Thank you very much for your evidence today, Mr Linke and Mr Monck. Please go with the committee's thanks. I appreciate the time you have spent preparing for today.

Mr Monck: Thank you, again, for the opportunity. If anyone has any follow-up questions we would be more than happy to engage offline.

Mr Linke: Thanks for the opportunity.

BUCKLEY, Mr Glen, Private capacity

[12:40]

Evidence was taken via teleconference—

CHAIR: Welcome. Do you have any comments to make on the capacity in which you appear?

Mr Buckley: I'm appearing in the capacity as a provide individual and somebody that's spent 25 years working in the aviation industry.

CHAIR: Thank you. I invite you to make a brief opening statement before the committee asks questions. Do you wish to make an opening statement?

Mr Buckley: Yes, I'd like to take advantage of that. Thank you.

CHAIR: Please go ahead.

Mr Buckley: I realise this isn't a 21st birthday speech—this is something somewhat more substantial than that—but I would like to take the opportunity to thank some people, particularly Senator Susan McDonald. I realise these sorts of issues aren't things that attract a lot of votes in your electorate. They're bigger picture things that take ethics and integrity, so I want to thank you for that. Senator Glenn Sterle, I don't think you will remember me, but I came into your office about two years ago with another aviation gentleman. You a lot spent time taking me around parliament and spent a lot of time with me. I came home after having a very inspirational day so I have a lot of trust and confidence in you. I met you. Thank you for being on board today.

I want to thank [inaudible] a couple of pilot forums: PPRuNe, Aunty Pru—a couple of organisations that are behind me—all the people that trained together, established a crowdfunding page and contributed to that crowdfunding page. Probably more important than the financial contributions they made are the comments that they made. They meant a lot to me. I want to thank all my friends, everybody in the general aviation industry that stood up to get behind me. As you may be aware, I've got a forum going that's had close to 700,000 views 1,500 comments. The support's been exceptional.

I also want to apologise. I want to apologise to all of the people that've been [inaudible] to the supply of the business, the value [inaudible] my customers, my family, my parents, my children, my kids' school. Everybody's been impacted by the story that I'm about to tell you. Everything I say today is absolutely truthful. I can support everything I say in writing. This is the truth. This is about intent. If you ask me a question I'll answer in the intent that you want me to answer. I won't try and cover anything up and I will be truthful. I understand that this privilege afforded to me today gives me access to parliamentary privilege and I'm somewhat protected from the comments that I say. I don't want that protection. I want to send a very clear message to Mr Carmody, the CEO of CASA. I am waiving my right to any sort of parliamentary privilege to give my story the credibility that it deserves. You are welcome to initiate any legal action against me at the conclusion of this—

CHAIR: Sorry, Mr Buckley, you don't need to go down that path. This is a Senate inquiry. Leave it as it is and you continue with your evidence.

Mr Buckley: Okay. This is prepared statement I want to say. It's fairly brief. While I appreciate the diversity of the experience before me, I cannot reasonably expect you to be subject matter experts on flight training and aviation safety matters. Irrespective of that, you will have an appreciation of the importance of a productive relationship between the regulator and the industry that is regulating, be that aviation, trucking or any other industry. A relationship of mutual respect, trust and good intention will irrefutably enhance good safety outcomes. If the culture of Australia's national aviation safety regulator, CASA, could be demonstrated to be unsafe, that it did not act in good faith, did not follow clearly stipulated procedures, denied individuals their rights under administrative law procedural fairness and natural justice; if it could be proven that CASA has done this to many individuals and small business owners in Australia, not just me; if it could be proven those actions were unlawful and couldn't be justified on the basis of any desired safety outcome; if it could be proven those actions cost businesses and jobs; if it could be proven CASA acted vindictively and vexatiously, then you would be compelled to act, as you will be. I'll call on both of you at the end of this. Before I proceed, I want to be perfectly clear, as Mr Carmody will present before you shortly, I put the question to him to clearly outline any safety case for the action that you took against me and clearly outline any regulatory breaches.

I'll talk to you about the business of what APTA was. CASA introduced a regulatory change called part 61, part 141 and part 142. It came in a decade behind schedule, hundreds of millions of dollars over budget and was uniformly rejected by the industry, and CASA will admit the failure of it. It massively increased the cost of running a flying school. The regulatory burden was very, very high. In fact, the regulations meant all flying schools in Australia had to close down in three years unless they complied with the regulations.

I approached CASA and I put to them a concept I was going to call the Australian Pilot Training Alliance. I was going to take my existing flying school, Melbourne Flight Training, and morph it to the Australian Pilot Training Alliance. It was a registered training organisation and had CRICOS approval to train overseas students. In conjunction with 10 CASA personnel over two years and an investment by me of many hundreds of thousands of dollars, I built APTA. It was fully approved by CASA. CASA recommended members to join APTA. The best analogy that I can give is that APTA is probably somewhat like IGA is in the supermarket industry. I took all the powerful approvals that I had in my school of 10 years and put them up the top and provided the opportunity for 10 schools to join underneath. I had full accountability for the entire operation. As I said, CASA helped me design it. They approved the basis to operate under it, and that business operated.

On 23 October 2018, with absolutely no warning at all—not on the basis of any regulatory breaches and not on the basis of safety, Mr Jonathan Aleck, the executive manager of legal international and regulatory affairs at CASA had a change of mind. He will be appearing before you shortly. Ask him what the regulatory support of what he did to me was. There is nothing. He has no rules. The Civil Aviation Act requires one of the functions of CASA to be to provide clear and concise aviation safety standards. I expect Mr Jonathan Aleck, before you shortly, to be able to show you the rules that were broken. There were none. Their conduct was vindictive and vexatious.

I'm jumping around a little bit here, but I want to talk about what APTA did for flying schools in regional areas of Victoria. The cost of running a flying school has gone through the roof. I felt it in my own flying schools. Consider an aero club. It's made up of the local insurance broker, a local farmer and the shop owners—local people come together in a rural aero club to enjoying flying together. It's an important part of these communities. These aero clubs can't keep up with CASA legislative compliance. The constant changes and the restrictions are too burdensome for them. They want to be running aero clubs, having competition days and flyaways and getting around to the bar at night-time and having a chat. That's what APTA was supposed to give them. CASA should have supported this. I was going to take all the compliance and safety responsibility for the operation and let them go about running their aero clubs.

APTA was very well intentioned. It was a very big investment and ultimately it has cost me my house investment savings. Mr Carmody will get up later on and he will say CASA has to assure themselves of good governance. Well, I will say to you, Mr Carmody—APTA was the first organisation in Australia, not just in flying schools, to give CASA full 24/7 access to every single aspect of the business. The staff training, the students' files, the flight duty, predictive maintenance, communications between the staff—they had access to the whole system. The system was designed with a management structure of schools that do 10 times the volume of flying. It was a registered training organisation subjected to frequent audits. It was a very, very high calibre organisation and a big investment with industry-leading personnel. What did CASA do to me?

Before I start this, I want to talk very briefly about gentleman called Bruce Rose. I'm not sure if you're familiar with him. Bruce Rose was a gentleman whose company was involved in an aviation accident. He fought diligently to protect his name and his reputation, as I am, but unfortunately he acquired cancer. He went to his grave before he had the chance to clear his name. I apologise to his family, if this brings them any discomfort, because I haven't had the opportunity to seek their approval to tell you this story. But the ABC, 7.30, did an investigation into the conduct of the CASA personnel. He went to his grave not being able to defend himself. I don't know about the decisions he made in the aeroplane on the day. I wasn't there. It's not up to me to judge. You fly yourself, Senator McDonald—constant decision-making. So I can't judge his decisions. To me, they seem to be decisions that are possibly somewhat similar to those I would have made.

What I can assure you, for Bruce Rhoades, who has now passed away, and for his family, is that in his case CASA reverse-engineered the process. They did it to me. They work out what they want and they work backwards. He was breached under administrative law and denied natural justice and procedural fairness. He wasn't given those things. He went to his grave with his reputation in tatters, and I'm not letting it happen to me.

What did CASA do to me? Okay. To simplify this story—we don't have a lot time, I appreciate—CASA did three things to me. The first stage they did overnight. For no reason at all, they changed their opinion, came in and placed my entire business on seven days notice of operations. That's classified as a cancellation, variation or a suspension of an air operator's certificate. There are very strict procedures and protocols they need to follow to take such substantive action. Bear in mind this is not on safety grounds; it is the complete reverse. They denied me my privilege under administrative law and they put restrictions on my ability to trade.

For a staggering eight months, I couldn't take revenue. We'd just been through this with coronavirus; we know what it does to businesses. No-one was going to join a school that only had seven days certainty of operation in the future. Consider what that does to staff, what that does to employees, what that does to customers and what

that does to suppliers. My parents stepped in so I could avoid redundancies with those restrictions placed on my ability to trade. My parents stepped in for eight months and funded the staff salaries to the tune of \$300,000 so that I didn't have to make anybody redundant. At the end of the eight months, exhausted of funds and too embarrassed to go back to my parents, I sold that business for five per cent of what it was worth. That was stage 1.

In the second stage, I retained my existing flying school, called Melbourne Flight training. CASA—this is a right they don't have; this was again their opinion; this isn't defined—came up with something called direct operational control and they required me to transfer my flying school, my staff, students, resources and financial control over to the new owners of APTA that I'd sold the business to. There's no basis for this in administrative law. That left me with debts and leases on photocopying equipment et cetera, with no revenue.

In the third stage, I obtained employment in the industry and continued to defend my reputation on PPRuNe and Aunty Pru, until CASA sent a letter to my employer, saying my position was untenable, based on comments that I was making publicly. I was terminated that day. I spent eight months unemployed, dealing with a very depressed state, and have recently returned to the workforce—outside of the aviation industry. Are there any questions at this stage? Are you happy for me to continue?

CHAIR: Keep going. There will be questions at the end.

Mr Buckley: Thank you very much. I will keep going. I'm going to read from a written statement here. I want to briefly go to the impact on me of CASA's actions, just so that is very clear. I've lost my home. I've lost my business. I've lost my job. I've lost my reputation. My parents have lost \$300,000, supporting staff salaries. My daughter's education at a remote university has been impacted. My son is doing his VCE, and I'm unable to pay his school fees. The school has had me declared bankrupt, and that will be activated in February. I have no money. I have been left absolutely, completely destitute and, at 56 years of age, have no hope of ever rebuilding my life once I have been declared bankrupt. I have nothing left.

Whilst I'm no lawyer, I have done extensive research over the last two years that this has been going on into the definitions of 'misfeasance in public office' and 'negligent misstatement'. I've had the opportunity to discuss this matter with several legal firms to ensure my understanding is correct. First, on the subject of misfeasance in public office, Justice Deane in the High Court determined that misfeasance in public office requires an intentional but 'invalid or unauthorised act' to be committed 'by a public officer in the purported discharge' of their public duties which causes loss to a person. It requires that the person committing the act did so deliberately. I'm going to come back to that; that's going to become very important for some allegations I'm shortly to make.

Second, on the subject of negligent misstatement, negligent misstatement is information that is provided but is inaccurate or misleading. It requires that a legal duty must be recognised and requires a certain standard of conduct to protect against foreseeable risk; that there must be a breach of that duty by failing to meet the requisite standard of care owed; and that the party receiving that advice has suffered material injury as a result of that breach. It requires that the 'speaker' of the information, CASA, realises that they are being trusted and that it is reasonable for the party receiving the information to act upon the information or advice.

So I, in this forum, am lodging a formal allegation of misfeasance against Mr Shane Carmody, the CEO of CASA. I'm also lodging to both of you senators a formal allegation of misfeasance against Mr Jonathan Aleck, the Executive Manager, Legal, International and Regulatory Affairs, and finally an allegation of misfeasance against Mr Graeme Crawford, the executive manager of the aviation group. My options? I've been out to industry. Industry crowdfunded me \$50,000 over a short time. If I have to go out to industry and seek crowdfunding to hold these people to account, I will do it. However, Senator Susan McDonald and Senator Glenn Sterle, I have raised those serious allegations against these people. It should not be necessary for me to go out and get equity funding from industry, but I will do so if required.

I'm going to give you about 10 topics. I realise we don't have lot of time so, rather than go over all the topics, I'm going to give you both a choice of 10 topics. Hit me with one of them and I'll briefly tell you that story. The topics that I could have a chat to you about are: the restrictions on the business's ability to trade, the administrative freeze, the limited dates of operation, the contracts issue, the CASA direction to terminate my employment, CASA's use of the aviation rules, the falsified audit results, the temporary locations procedure or my allegations that they have misled the Ombudsman's office. I'll give you those topics again, just for you to jot them down. You can hit me with any of those topics and I will talk to them. I want this to be a positive experience, so I do want to leave 10 minutes at the end of it to give you well-intentioned suggestions as to how I genuinely believe CASA could be improved. You could talk to me about the restrictions on the business's ability to trade, the administrative freeze placed on the business, the contracts issue, CASA's direction to terminate my employment, CASA's use of the aviation ruling, my claim about falsified audit results, my temporary locations procedure or my

allegations that members of the CASA senior executive have misled the Commonwealth Ombudsman's office. Over to you two.

CHAIR: Mr Buckley, thank you for appearing. I appreciate that it will be a very emotional presentation for you, given the impact this has had on you personally and on your children and parents. When we had budget estimates a couple of weeks ago, I was broadly aware of your issue from industry reports. I asked questions of Mr Carmody and his response was not fulsome. I want you to respond to that, because I'm trying to understand. I asked a question of him. He gave me a very narrow answer. Can you comment on what your views are on that?

Mr Buckley: On this matter, I don't want to say that he was untruthful; I want to say that he was deliberately misleading. You asked him if there had been any settlement on my matters and he focused very much on the settlement issue. I have a number of claims against CASA. There are two claims that I have against CASA that I'm going to call part A and part B. Part A of the claim, which I want addressed first, is the claim about everybody outside of my family who's been affected: the staff who have lost their jobs, the businesses that have closed down, the suppliers that have remained unpaid. That's part A of my claim. There's another part of the claim, against the conduct of CASA—breaches of administrative law, natural justice and procedural fairness. Mr Carmody was fully aware of that. The only offer that CASA has made to me, to be honest, I don't recall the amount of because I found it so offensive that I opened the email only once. It was a lot less than \$5,000. My recollection is that they offered me a total of about \$3,500, somewhere in that vicinity.

CHAIR: I want to ask you about the initial issue, which was that you were establishing a—I think you described it as an IGA approach for flight training schools. It has been suggested to me that the issue that was raised was that flight training schools shouldn't be able to use an established SAP and the manuals that you had developed with CASA—that you could use them for one business, but it wouldn't be appropriate to use them for multiple businesses. Is that your understanding? Have I got that right?

Mr Buckley: Look, that would be an argument that perhaps CASA or somebody would potentially put forward. I'd like, very much, the opportunity to refute that. You've got to bear in mind, APTA was designed with CASA over two years with 10 CASA personnel; I attended to over 600 CASA requirements throughout that. I've been contacted by an ex-CASA employee today to say that they'll support this contention. They worked side-by-side with me. We had the most advanced IT system—it was an Australian-designed product, as I insisted—and we built a very, very high-powered overview system. My staff would each base themselves in the base to make sure the induction was thorough. We had regular meetings, regular audits. CASA does an audit on us once every couple of years. We've audited our own organisation on hundreds of occasions over the two years. We had a very large safety department, the largest safety department of any organisation in Australia. So, no, there was one certificate, one set of procedures. The whole thing was designed to be scalable, with input from ex-military personnel, and the structure was that it could grow and reduce in size as was required.

CHAIR: So putting aside whether or not that was the case, you were given seven days to stop operations?

Mr Buckley: I'll just stop you there, Senator McDonald. Interestingly enough, the letter originally—I have the letter here—was just a request for documents and it led me to believe that it was most likely that, in seven days, they were going to shut me down. I was issued interim approvals to continue operating throughout the eight-month period, until the business couldn't continue any longer.

CHAIR: So the letter asked for a production of documents, but it didn't require that you stop?

Mr Buckley: Correct. They did let the business go on, but I guess my point is you can't run a business—any business, whether it's BP, ANZ bank, a flying school or, in particular, an education facility—where you've only got seven days certainty of operation. You can't enrol people in courses.

CHAIR: Alright. One of the issues that has been raised by other people who have provided submissions is the consistency in decision-making by CASA officials within and across CASA. Would this be a reflection of that lack of consistency, or am I swimming outside the lanes to suggest that?

Mr Buckley: I can assure the viewers that is not a Dorothy Dix question, but it's probably one of the most beautiful questions you could ask me, Senator Susan McDonald! So CASA are operating what they call certificate management teams. These are small, roving groups of CASA personnel consisting of experts on flight training, safety, aircraft maintenance. I operated under a team called CMT2 for a decade, under the leadership of a gentleman called John Costa—I say his name now, because he has retired and he has left CASA—an exceptional person and a very good team—and they worked with me to design APTA. Then, without warning, I received notification from CASA that I was to have a change of oversighting team, from CMT2 to a team called CMT3. Now these two teams don't sit across the country from each other; they sit opposite each other at the same desk. As I said, I have the emails. Within 24 hours of being notified of the change from CMT2 to CMT3, I wrote to the

CASA regional manager and I requested a one-on-one on-the-record meeting, because the new team included a flight operations inspector, Mr Brad Lacy, who has a very bad reputation as being somewhat vindictive and vexatious in the Victoria-Tasmania region.

CHAIR: Mr Buckley, I am very keen to hear your story, but I'm not a legal expert and I don't want you to wade into anything that's going to get you into difficulties. I suggest we leave individual names out of it.

Mr Buckley: Okay. I had a change of oversighting personnel. I went from one team to another team. I requested a meeting with the CASA regional manager, where I said, 'I don't want this individual oversighting my business because I think that that would bring harm to me and my business.' CASA ignored that request. There was the change of CMT to CMT3, and sure enough that very individual initiated the action against me. Interesting.

CHAIR: Thank you, Mr Buckley.

Senator STERLE: Good to see you again, Mr Buckley. On what basis did they give you seven days notice that they were winding up your business or not going to allow you to operate?

Mr Buckley: To simplify the matter, they used a document called the aviation ruling, which is a document designed for the charter industry, not for flight training. That's one of the topics I could talk to in detail. The Commonwealth Ombudsman has completed phase 1 of his investigation and he found that CASA had erred because they used the wrong document. Then they came back to me and said, 'Well, you have to have contracts.' I said, 'I have contracts.' They said, 'No, you don't.' I said, 'Yes, I do have contracts and they've been provided to you previously.' They said, 'No, you haven't.' I provided evidence, and even Mr Graeme Crawford had been provided with a copy of the contract. There were just a lot of CASA errors. Initially there was the aviation ruling, which the Ombudsman and I advised CASA at the start was completely the wrong document. Then it became an issue about the contracts. CASA has never asked any other operator to have a contract. I asked CASA, 'Do you hold contracts for any other operators?' They don't hold any other contracts. That was a unique requirement put onto my organisation, but I'd already pre-empted it because I had contracts and they had been provided to CASA. All of a sudden CASA ended up with mud on their face.

Here's another one. I asked CASA, 'When a new member comes on board, how do I induct these new flying schools into the organisation?' CASA advised me to use a procedure called the temporary locations procedure, which I adopted. According to my manuals, CASA approved that and CASA approved bases under it, CASA audited it and CASA commended me on it. Then, when I got the initial notification, they told me that the temporary locations procedure wasn't the approved procedure. 'You recommended it to me. I put it into my manuals on your recommendation and then you audited it. You've approved bases under it.' The point is that that's my claim. I was a big critic of CASA before this regulatory program came in. Dr Jon—I'll keep away from naming names but—

Senator STERLE: No, I think the chair will support me here: Dr Aleck will be there and we can ask him questions, so you can name him. The chair won't mind, because that's on the record.

Mr Buckley: CASA's regulatory program, as you are probably aware, is a decade behind schedule and hundreds of millions of dollars over budget. Before it was introduced, I argued with CASA at every conference and at every opportunity: 'Don't bring this in. It will decimate the Australian owned sector of the industry. It will decimate flying schools in country areas.' What happened? Obviously, it came in and it's had a devastating effect on the industry. Dr Aleck is the man responsible for this program. He is Executive Manager of Legal, International and Regulatory Affairs for CASA. He has been there for many, many years and many people have raised allegations against him, as I said.

Senator STERLE: You sat with CASA; they helped you to design it and they said, 'Here is the box to work in,' and you worked within the box. I understand that you had financial support from your parents. You said it was because you didn't have redundancies. Was there a legal avenue? Was there a dispute settlement procedure? Was there somewhere for you to say, 'Hang on CASA, I have the right to put forth my case'? Was none of that going on?

Mr Buckley: No. I ask that Mr Carmody or Dr Jonathan Aleck be asked to put forward their case in plain English with good intent to try to provide an overview of the reason for their actions.

Senator STERLE: Okay, we'll do that. But let me ask you this, then: did you seek legal advice?

Mr Buckley: The industry did a crowdfunding page for me on what I should do, and that's why I'm fully satisfied that I have a claim of misfeasance against those individuals.

Senator STERLE: Sorry, Mr Buckley. I'm saying: did you have to go and actually engage—ugh, this gives me the creeps—a lawyer to throw good money after bad? Did that happen?

Mr Buckley: No.

Senator STERLE: Can I ask you why?

Mr Buckley: Just to make sure I understand: you're asking why I didn't go to a lawyer to pursue this matter until now?

Senator STERLE: Yes, when it first came up. I've been around industrial relations a while, and what they say is one thing and what happens in reality is another thing. But did you have contracts with CASA to become the overarching training provider?

Mr Buckley: That was the process that I went through for the two years, so that was basically the intent. I already had the process operating under me in a somewhat similar format. It was a two-year ground-up engineering process to attend to a deficiency that existed in the industry. Each of the members sought legal advice on the contracts. There was a lot of input into the contracts. But, in my opinion, CASA can bring up the contracts, but CASA had regulations, and I met every single one of the regulations. They stipulated over 600 procedures. The suite of manuals is as wide as I can go on the camera here.

Senator STERLE: Okay. But, going back to my original question—there's probably a very good reason—why did you not go and seek legal support or advice and say, 'How can I defend myself? How can I avoid losing not only my house but my parents' money? My workers have lost their jobs.' You've lost your job, and then CASA came in and told the crew that they were through; they had to give you the flick. You were eight months unemployed. Why didn't that happen? I'm just trying to get a clear picture.

Mr Buckley: The situation is that, as soon as CASA put those restrictions on my trade, that cost me somewhere between \$10,000 and \$15,000 per week. I started haemorrhaging money quickly. My parents stepped in to support the cycle. There wasn't a lot of money left over. I believed that good intent would prevail. I put complaints in to the industry complaints commissioner. This is one of the suggestions I'd like to attend to, and I'd like to leave enough time for that. On the aviation ruling, which was the document that CASA originally used, the CASA internal industry complaints commissioner came back and found that it wasn't worth investigating because CASA had taken it off the table. So then I put a complaint in to the Commonwealth Ombudsman, and the Commonwealth Ombudsman came back and found that there was a deficiency that could have caused detriment to me. So the answer to the question is that I'm a big believer in due process. The process is to go to the industry complaints commissioner as the first thing. These things take time. Also, I've never engaged a lawyer. I've been in court on two occasions and haven't engaged a lawyer, because once a lawyer's engaged it's combative. It's two parties each trying to do the other one over. I just want CASA to sit down, acknowledge that they've made a mistake, say a lot of people have been impacted by this and return everybody affected to the situation they were in in October 2018, before CASA started this process. It shouldn't need a lawyer. It should need Tony Mathews, the chair of the board, to step up and act with good intent.

Senator STERLE: Forgive me, Mr Buckley, but I am unclear as to why CASA cut you off at the knees.

Mr Buckley: Yes. There is no safety argument. You put that to them. Ask them: 'Was there any regulatory risk? Did any planes slide off the runway? Were there any allegations of unapproved maintenance? Were there any allegations at all?' Ask them that question.

Senator STERLE: Alright. Why do you think they did it? You did touch on a certain person—CMT2 to CMT3.

Mr Buckley: Yes.

Senator STERLE: Give us a bit more history. Don't mention the name; that's fine. But why would this individual go out of their way to put you out of business?

Mr Buckley: I think it came from higher up. That's why I say it was misfeasance. I think it comes from the highest levels in CASA. I was a critic of the regulations before they came in. I predicted what they would do to industry. They did do it to industry, so I was somewhat of an embarrassment. I also point out that CASA introduced these new regulations. They came to me. There are 350 flight training organisations in Australia. They gave these 350 businesses three years to transition to the new format, parts 141 and 142, or cease trading after that date. Those new regulations took away 90 per cent of my revenue by way of the 150-hour commercial pilot licence rules. My business was faced with shutting down in three years and a loss of revenue unless I stepped up to what was called a 'part 142' organisation. I was very, very critical of CASA and I still am critical of CASA.

Let me give you a brief example of what these new regulations have done to a country flying school versus a city flying school. A country flying school will probably be, in almost every single case, below a classified part 141 school. My school, like many of the city schools, is a higher classified part 142 school. Both the 141 school and the 142 school can deliver a commercial pilot licence. In the 141 and 142 schools they can fly to exactly the same syllabus, fly exactly the same aircraft with exactly the same flying instructor, they do all the same CASA flight exams, they fill in the same CASA CPL test application form and are able to do exactly the same flying test. The 141 school has to do the training in 200 hours. The 142 school—the higher-level school, like mine—gets to do it in 150 hours. But it's competency based training. How can CASA possibly mandate that a 141 school, a country school, be forced into delivering a 200-hour commercial pilot licence with GST on it, when the guy down in the city, at my business, can do a 150-hour commercial pilot licence course, exempt of GST? It's the same course. It's competency based training. Why should the guy in the country flight school have to fly another 50 hours before he can do a flight test, even if he meets the competency? You can understand why country flying schools haven't got a snowflake's chance in hell. People from the country will gravitate to the city to chase the more cost-effective option provided in the big city schools. It's ludicrous.

Senator STERLE: It does sound like it was set up for failure. Chair, there are a lot of questions we need to pose to CASA, and I'll be very interested to hear their points. There's a lot of background information there. I'm very keen to know why they cut you off, Mr Buckley. Could you prepare something for us about that—just a simple set of questions to put back to the committee that we can ask?

Mr Buckley: Certainly, I can do that.

Senator STERLE: We can seek answers. If you parted your hair the wrong way, or you wore orange socks, or you gave them the shits—sorry, you upset them—I could understand, but I'm none the clearer.

Mr Buckley: Wilco, nor am I. When Mr Carmody—who's down there now—spoke at the last RRAT committee, he said that CASA very rarely gets the opportunity to publicly defend themselves. Here's a perfect opportunity for Mr Carmody to publicly defend himself. I'll make a written submission of suggestions of how I believe CASA could be improved, because I realise that we're getting short of time. I'd like to say something in parting. You are aware that CASA did surveys of their own staff. There was a massive lack of confidence in the senior executive of the organisation. It really does need a clean-out.

I very formally, before the both of you today, lodged a claim of misfeasance. I believe there should be a process by the Commonwealth Ombudsman or the Attorney-General's Department for that allegation to be followed through. I stand fully liable for everything I say. I'll support it with evidence. If that isn't forthcoming, I will go out to industry and I will seek industry support. I live in the seat of Chisholm, a marginal seat, and at the next federal election I will run as an independent politician against the current incumbent, Gladys Liu, if I have to. I'm not going away, Mr Carmody. Let me be very clear.

CHAIR: I just have one more question for you, Mr Buckley. At the very first step, when you went to the Industry Complaints Commissioner within CASA, what were the words you used—was it that CASA had said: 'It was off the table'?

Mr Buckley: Correct. The document that CASA used—it must have been bring-your-kid-to-work day or something, because they used completely the wrong document. CASA's argument was that because it was off the table they weren't investigating. That means that CASA could go and allege unsafe behaviour by a pilot, who tries to appeal to the Industry Complaints Commissioner; CASA realise that they've ballsed-up two months down the track and say they've taken it off the table, and he's denied his rights. I emphasise that the Commonwealth Ombudsman investigated the same matter, found an administrative deficiency, and it did cause detriment to me. I await stage 2 of his investigation, which will include the CASA direction to my employer to terminate my employment based on the comments that I was making publicly.

CHAIR: I'm still intrigued about the independent complaints commissioner. So that person has gone and sought advice, I assume, from the legal team at CASA?

Mr Buckley: Yes.

CHAIR: It's a little bit circular, isn't it?

Mr Buckley: It's very, very circular. That's one of my suggestions to you. Mr Carmody sits on the board of CASA, who the industry complaints commissioner reports to. It's ludicrous to me. This is one of my suggestions: there needs to be a redesign of the board. I wrote to Tony Matthews, the Chair of the CASA Board, for six months before I went public with this. He completely ignored every request. I raised substantive allegations against these personnel. It was six months. Had he acted in an appropriate time line and demonstrated good governance, I'd probably be in a very, very different situation today.

CHAIR: Mr Buckley, we are out of time. I am very pleased that you have had the courage to come forward and do this. I do have some serious concerns about due process when people are pursued by CASA. I've a number of complaints from people who've come before me, so I'm very concerned that we have a cultural issue that urgently needs to be addressed. But, of course, that's cold comfort to you who has lost your home. Your parents are so out of pocket, and, devastatingly, your children have been impacted as well. So I thank you for your contribution today. I know you'll be watching the rest of the inquiry with interest. This is the process of a Senate inquiry: to try and shine lights into dark corners and help bring some justice to issues. Thanks for coming today. Please go with our thanks.

Mr Buckley: Thank you so much, both of you, for your time.

ALECK, Dr Jonathan, Executive Manager, Legal, International and Regulatory Affairs, Civil Aviation Safety Authority

CARMODY, Mr Shane, Director of Aviation Safety and Chief Executive Officer, Civil Aviation Safety Authority

CRAWFORD, Mr Graeme, Group Executive Manager, Aviation, Civil Aviation Safety Authority

CROME, Ms Philippa, Group Executive Manager, Corporate Services, Civil Aviation Safety Authority

WALKER, Mr Rob, Group Executive Manager, Stakeholder Engagement, Civil Aviation Safety Authority

[13:22]

CHAIR: I now welcome representatives from the Civil Aviation Safety Authority. Again, I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on a matter of policy or factual questions about when and how policies were adopted. Officers are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim. I invite you to make a brief opening statement before the committee asks questions. Do you wish to make an opening statement?

Mr Carmody: I'd like to make some brief remarks, if I can, noting some of the statements made today and noting that the committee is intent on giving me an opportunity to respond to some of those statements. Listening to all of the testimony today, there have certainly been some positive contributions to the debate on general aviation but there have also been some highly negative statements about CASA, some possibly valid, but some that have to be contested because, I would argue, they are wildly inaccurate. I will go through a couple of those when I have an opportunity to do so.

It's also a bit disappointing that, listening to some of the testimony, many matters are made to sound contemporary, when, in fact, they are not contemporary. I'll give you an example. The decision not to go with Part-145 and transition to EASA regulations, which was discussed earlier today, was made in 2005. It wasn't made last week; it wasn't a change in policy that I made; it wasn't a horse jump. It was a very, very long time ago. The implication that comes from some of these statements is that we're changing horse midstream. Some of the statements that I've heard today reflect that. Also I would say that, in terms of the regulatory development program that we've been running, which we will no doubt get to today, that began with the transfer to the Civil Aviation Safety Authority in 1995. Between 2000 and 2010 the consultative framework delivered about 22 regulations. Another six regulations were delivered between 2010 and 2016. A number of the people who spoke today were involved in that process from the outset. They still might be a bit unhappy with the outcome, but they were involved in the consultation for 15 years. Since 2016, I created the Aviation Safety Advisory Panel, and within three years we completed the remaining 11 regulations—and they have been made. They were all consulted—they were all consulted under the technical working groups—and some people have made the point that in the last three to four years there has been increased consultation. So those regulations have been made, they have been consulted on and we have made a significant improvement. The regulation program of the 55 regulations is now made. The implication in some of the discussions that it's still rolling on I find a little disingenuous.

Senator, returning to a couple of facts that were just made—I will try and deal with them very briefly because I know that you're short of time and you've had a long day. Clearly, we disagree with Mr Buckley. There's no doubt about that. Mr Buckley made the point that the CASA chair had ignored him. The CASA chair met face-to-face with Mr Buckley to go through these issues, a fact that he conveniently omits. On industry complaints, he's dealt with the industry complaints commissioner many times, and there are other complaint mechanisms. His information has been with the Commonwealth Ombudsman for some time. That is the next avenue to appeal. The allegations that I have misled the Ombudsman or that CASA has misled the Ombudsman I find offensive. The Ombudsman asked us for every bit of correspondence that's been dealt with by Mr Buckley for the last five years. We provided 40 gigabytes of data—over 20,000 files—to the Ombudsman, who's been reviewing them. The Ombudsman matter is still going on. Its case is not concluded. I object strongly and personally to allegations that I have misled the committee. I have not. And I'm quite happy to stand by my record.

I also note a lot of comments that Mr Buckley made, and I'll move on to a couple of others, but I would make the point, and I can back this up, that Mr Buckley indicated that the transition from one team to another was the beginning of the change. A number of senators have referred to that. I won't refer to the team leader's name, who

has since left the organisation. What I will tell you is that the team leader applied repeatedly from 2015 to 2018 to be removed from the supervision of Mr Buckley's case because he felt that his team was wilting under the demands and behaviours of Mr Buckley and he felt that his team was captured. So he went to his supervisor and asked that Mr Buckley's matter be allocated to another team, and it was allocated to another team, and it was looked at a lot harder. Now, the fact is that Mr Buckley will say that he had a very pleasant journey with CASA employees over a number of years designing his future. The CASA employees didn't quite see it that way. The CASA employees got to the end of that process and felt that they were not delivering the right outcome, and they asked to be removed from that. Mr Buckley—as you've probably noticed, and you'll notice my emotion in this—has harassed my staff and continues to do so under PPRuNe and just about every other website. He makes unsubstantiated allegations, and I'm quite happy to deal with them. He has assaulted my staff, he has stalked my staff in the Melbourne office and, frankly, we've had enough of him. So the matter is with the Ombudsman, and I'm very, very happy for the matter to stay with the Ombudsman and get resolved. But I will not accept the allegations that are made.

I'll make one more point on Mr Buckley. Essentially, Mr Buckley has been asked to do one thing, deliver a legal document between him and his franchisees or his subordinates or whatever he calls them that clearly outlines who has the safety responsibility and supervisory responsibility. Put it in a clearly defined legal document that we will accept and we would be comfortable with the business model. I'll stop Mr Buckley at that point because, clearly, he's been told this many times and we're in a very different place.

Senator, a couple of other points, if I may, really briefly. Some of the points that have been made today, I think, are very, very positive. I listened to Mr McDermott and McDermott Aviation. I thought they had some very interesting things to say. I note they have a unique business model but it's an interesting business model, and we try to accommodate it. But it's a different business model. Mr McDermott primarily operates foreign registered aircraft, as he told you, and brings them into Australia. The oversight requirement for the foreign aircraft is by the foreign operator, so it's kind of handy. He has a business model that operates globally with N registered aircraft, and it's a good business model and it makes him a lot of money, but it's very different to lots of other business models here. We have to jump through a lot of hoops to accommodate that, and we've done our best. Mr McDermott mentioned in his submission that he had a lot of outstanding jobs. I went through the outstanding jobs and found that more than 70 per cent of his 60 jobs had been completed within 30 days; I'm quite happy to put that evidence on the record. I think, as a whole, his submission was very positive, and I welcome it.

I was very disappointed with the AOPA discussion. There are a couple of points that I must make about the decades of aviation medical abuse. In the last 12 months we approved 25,000 aviation medicals and rejected 84. That is hardly systematic abuse—that is 84 rejections out of 25,000 applications. I object to the fact that we have thoroughly ignored him. We write back to him all the time. With regard to the points he made, which I note the committee noted with interest, on the young pilot accused of low flying and that it's not true—well, that's not what the instruments on his aircraft say. They say he was at 125 feet.

CHAIR: Mr Carmody, I don't think we have to get into the specifics of this individual case, unless you want to flog it out. We don't have time for that.

Mr Carmody: No, I don't. He raised three points, and—

CHAIR: Please continue progressing without getting into it. We will run out of time, which would be unfortunate.

Mr Carmody: It would be. There is a different side to that story. The AAT fellow, if it's the same one we referred to, is a person who has failed multiple flying tests and is back in the AAT. His licence is going to be reissued subject to him passing a test, and he has not yet.

The third matter relating to the aircraft registration is that it concerns me that that point is made when that company misrepresented the aircraft when they introduced it into Australia. It was a self-declaration, and we caught them. I would also say that the legal representative for that company is actually on the AOPA board—something that does not get mentioned. So we get the issue raised, but disingenuously and not completely.

There are a range of other elements I covered. The reg program is pretty much complete. There are lots of other issues related to pilot qualifications. Some are raised by the AAAA. I did note that they said—I wrote it down, amongst other things—that matters have improved considerably over the last four to five years, which I thought was helpful. There have been some minor changes to part 61 in the last six months. There is a very extensive working group trying to change part 61. Part 61 was a regulation that was implemented well before I arrived at CASA, and we're doing our best to modify it. And there was some discussion on part 138.

I might stop there. I know that we're very short of time and I know you want to ask some questions. I welcome the opportunity to respond. I have some officers here if I find that I am out of my technical depth.

CHAIR: Thank you, Mr Carmody. I hope my questions will be dealt with with a little bit more thoughtfulness than the complete rejection you have just gone through. I suspect some of the response that some of your CASA complaints have come from is—

Mr Carmody: Excuse me, I'm sorry—

CHAIR: Would you like to hear my question, Mr Carmody, or did you have a comment to make?

Mr Carmody: I just wanted to say that I'm not in a position where I am completely rejecting. I'm offering another point of view. A point of view is made very strongly by people, and I'm offering another; that's all.

CHAIR: No, no, you did say you reject it; you did use that language. I was just reflecting on what you said.

Mr Carmody: I'm sorry; yes, I did. I reject the allegations against me.

CHAIR: At the last budget estimates I asked you a question about Mr Buckley and I tried to clarify, to confirm the completeness of the information that you're providing and whether or not it was the only matter that you're aware of, and you said yes. Given that I've subsequently discovered that there are other matters afoot, I felt—and you have said you didn't mislead the committee—that you had not been fulsome in your answer, and I didn't think that was a satisfactory response. Do you want to expand on that now?

Mr Carmody: Certainly; I'd love to. I think you said, 'I want to raise Mr Glen Buckley' and I responded and said, 'I'm aware of Mr Buckley, yes.' You asked, 'Is it correct that there's been a settlement made with Mr Buckley recently?' That was your question, and I said, partially: 'There has been no settlement made. Mr Buckley put in a complaint about a CASA officer with regard to defamation and said the CASA officer defamed him.' That was in the context of the only settlement offer that has been made, which is the question you asked. I went through that. You asked, 'Do you want to consult with your internal lawyers to check that that's current?' And I consulted with my lawyers and it was current. Then you moved straight on and said that the industry's following it with great interest, and then you went on to part 138. I was quite happy to answer more questions about Mr Buckley. There has been one offer of a settlement to Mr Buckley, and that was the matter that I raised. There has been no other offer for a settlement to Mr Buckley at all. He's made claims for years—

CHAIR: [inaudible] a lawyer and not having enough technical accuracy to have teased out what was patently a range of other issues that were put with Mr Buckley. So yes, technically you're quite correct. But if you were my child and we were having that conversation I would think that you were not being completely honest with me, and that was the sense I was left with, which is that you'd just left stuff off the table.

Mr Carmody: Well, that was not my intention. I did answer fulsomely with regard to that question, and then you moved very quickly on to part 138, which surprised me. But you wanted to ask questions about 138, so therefore I went onto 138. I was not intending to mislead. I had a stack of information on Mr Buckley—the same information I have now.

CHAIR: Well, it did surprise you, obviously, because you had a whole lot of other things you could have said—

Mr Carmody: Absolutely.

CHAIR: You left it unsaid, so: note to self, that I will have to ask more-broad questions in future. I want to ask you about this concept of an independent complaints commissioner. Can you tell me why you got into this situation whereby what could potentially have been resolved much earlier with a better process was actually—and I think these were Mr Buckley's words—because the document was off the table, that there was no problem to answer. Can you expand on that for me?

Mr Carmody: I'm not quite sure I can. The reason I say that is that there have been multiple interactions between Mr Buckley and the Industry Complaints Commissioner. I just don't have in front of me the document he's referring to that we allegedly said was now off the table. I do note that there have been interactions. But, as I said, to be open and completely frank, the whole matter is with the Ombudsman. Everything that we have done with Mr Buckley is at the feet of the Ombudsman, and I'd be very happy to see that process worked through.

CHAIR: It's most fortuitous for you that it is before the Ombudsman, because Mr Buckley's individual circumstances will not be discussed, because they can say it's being considered by the Ombudsman. But I'm telling you—and I have raised this before, and we have had a frank discussion about this before—I hear this all over Australia, that individual little businesses don't have the capacity to go up against your legal team, and there is this very adversarial approach which means that small general aviation businesses right across Australia are

being crippled by this very approach. You talk about consistency—you've made comments around your desire to see consistency in the business. How's that project going?

Mr Carmody: Quite well. But just to close out on the Industry Complaints Commissioner, if I may—and I'll go to consistency—the Industry Complaints Commissioner is one person with a staff of one. He's not supported by the CASA legal team. He is a lawyer by training. He conducts his investigations completely impartially and reports to the board. He's very clear. He doesn't seek that engagement that's being referred to. I accept the fact that people might have difficulties with regulation and may have difficulties with the CASA legal team, but the industry complaints commissioner is a very clear process put in place around 2006-2007. He deals with about 130 complaints a year and as far as I know deals with them quickly and efficiently, but sometimes people don't get what they want.

In terms of the second point you raised about consistency, it is a huge challenge. We are restructuring our organisation to create a central guidance function so that we can deal consistently with matters across the country. I do note that some people at the same time gave evidence today that they don't want to deal with the central element; they want to deal with their local office. It makes it extremely difficult. We can deliver consistency—

CHAIR: Just to clarify: the evidence that was given by that person said that they didn't want to end up with a central agency that would take a very long time, because businesses will go to the wall if there's no sense of urgency. I don't think she was objecting to a central agency; she was concerned about the amount of time and money that would take.

Mr Carmody: Thank you for the clarification. What we are proposing in terms of guidance is that our local officers will always have one place to go—only one place—to seek guidance before they make a regulatory decision, so we will always be consistent across the country. We have trialled the arrangement already. We've said we'll put the same arrangement in place for review of fatigue rules, so the same people will look at all of the applications for relief-from-fatigue rules. So we are moving very much to that centralised function, and it's taken a long time, but it is a fundamental structural change to the organisation. We had a regional structure for a very long time and have a lot of regional experts whose deal very closely with their local constituency.

So we are working on it. I know the trial's through. I'm not sure of the date, but I expect part of the structure to be in place by early December of this year so that it actually beds down by the middle of next year. That's a key element of our approach to becoming more consistent. Developing that process has been quite challenging because consistency and outcomes based regulation don't always work together, if I can put it that way. Consistency can be binary. We are trying to come up with consistent decisions to complex regulatory matters that can apply across the country, and it is quite a challenge.

CHAIR: Alright. I need to hand over to some of the other senators, but I want to clarify. Mr Buckley, when he asked to see the chair of the board, did actually make that point. He said that, after six months, he had a response. I just want to be clear that he met with the chair and with a staff member of CASA who was later the person who wrote to ask that his employment be terminated.

Mr Carmody: He did meet with the chair. That was probably about 12 months ago. It's just that that point didn't clearly come out. He has corresponded with the chair and the board on a regular basis. He writes matters to the board, and the emails that he sends are always responded to. We make a point of responding to all of the correspondence.

CHAIR: Is that you or is that the board?

Mr Carmody: The board makes the point of responding to all of the correspondence. I respond to it all. I've got three lines of inquiry that run with Mr Buckley. I've got a single point of contact in the organisation, because I cannot not respond. The board secretary has a single point of contact and responds on behalf of the board. There is one other line as well. So we manage to ensure that we are always responding to Mr Buckley and we are always being appropriate, consistent and timely.

CHAIR: Unfortunately, it hasn't saved his house, his parents or anybody else, so that's a most unfortunate for Mr Buckley, isn't it?

Mr Carmody: It is.

CHAIR: I'm sure that none of the CASA staff have had to bear anything near that financial impost.

Mr Carmody: It is a tragedy for Mr Buckley. I understand the points that have been made by Mr Buckley. As I indicated before—and Mr Buckley pleaded the point—the notice we provided in October of 2018 was for allowing him to expand his services, which happens all time. We did not approve that. We did not stop him operating. We allowed him to continue to operate under his current arrangement. I can't speak for his house or his

family. As I said, I'm very sorry for Mr Buckley but I'm quite happy to answer for the approach that we have taken with Mr Buckley. It has not been perfect—but it has not been perfect from both sides.

Senator PATRICK: You are obviously aware of the changes to the Civil Aviation Act in October last year.

Mr Carmody: Certainly.

Senator PATRICK: What has CASA done in response to that change in the legislation? Have you set up committees? Have you set yourself objectives and those sorts of things to achieve the command in the provisions?

Mr Carmody: The provisions are very clear. It is a requirement for us to, essentially, take cost into account in the management of manuals and standards and other things. That is what we are doing. We have a process in place to do that. Dr Aleck might be able to speak to that more accurately than I can.

Senator PATRICK: The requirement is that you consider the economic and cost impact on individuals, businesses and the community and take into account the different risks associated with different industry sectors.

Mr Carmody: Correct.

Senator PATRICK: It might help if I give some context to where I am coming from with this question. The government and the parliament developed this out of a concern various people have expressed to various committees over time as to the increased regulatory burden. I would be hoping that this is not just being seen as some small issue but that you are genuinely looking at ways to reverse the trends that people are telling us about.

Mr Carmody: We genuinely do look at cost. In regard to the technical working groups that have been referred to today, it would be fair to say that industry members are always referring to cost. We are always trying to ensure that we do not increase the cost burden on industry; we try to reduce it. We have processes in place to do that. Dr Aleck might refer directly to the legislation. We are trying to make sure that we are absolutely compliant with it. I think people have different expectations of what it might mean and how you would apply it.

Senator PATRICK: And that's what I want to get out on the table. I have a definite view on what that means and I'm trying to understand CASA's view in respect of that change directed by the parliament.

Dr Aleck: We were very conscious of that change, very well aware of what it would imply. The language, as you probably know, was taken almost verbatim from the minister's statement of expectations. At the time, we were aware of the fact—as were those who participated in the introduction of the legislation and the second reading speeches—that this provision enshrines what CASA was meant to be doing anyway. Those expectations about taking cost and risk into account are expressed in our regulatory philosophy. They are expressed in the directive that's been around about risk based legislation. By putting it in the act, and in the course of the second reading speeches, it was made clear that this was about making the importance of that expectation as clear as it could possibly be. Of course, it creates a legal duty where previously there was an expectation.

Senator PATRICK: So you're saying that's business as usual—that, prior to that point, you were doing that anyway?

Dr Aleck: We did. But I must say that, cognisant of the fact that this was now a legal duty, we made it very clear that, as this is now a duty, the expectation will be that we will be able to demonstrate in a much clearer way how this is done. We provided guidance and direction to those in our organisation who are responsible for developing standards under the provisions of the act that are referred to in the amendment—what these terms mean? These are terms that have been dealt with in a legal context. So we said that, if you're going to comply with the law, you need to know what that means. It does actually impose a new discipline, and in the process of developing—

Senator PATRICK: The burden of my original question—and I don't necessarily want to get into a legal discussion—is that I want to know what CASA has actually done. Maybe you can take this on notice and spell out: 'The legislation passed. That caused the board to do this. That flowed down to this activity being carried out and these new KPIs being set.' Maybe that can be done on notice.

Mr Carmody: We can explain for you on notice, if that helps, what we have done to implement the change. Then that can be subject to further questions.

Senator PATRICK: Okay. I'd also like to know any objectives that have now been set. Do you see this as something that needs to be applied retrospectively, not in a legal sense of placing the duty on you before the legislation was passed but in looking at the current legislation and asking, 'How do we take that legislation or those regulations that are in place and now fit them to the new legal duty that we have?' Is there any effort being conducted in respect of that?

Mr Carmody: There is not. I looked at it in a slightly different way, but with the same outcome, and that is that we worked very hard to complete the regulation suite because it had been going on for so long and, therefore,

various iterations of that regulation suite came to life at different times over the last 25 years. That's why my focus was on completing the regulation suite. It's because my strong view is that we need to look at the entire regulation suite again, but we couldn't change horses midstream. We improved the way we do regulations, but we couldn't change it midstream. Within the context of that, reducing the regulatory burden is a clear element, but we needed to complete—

Senator PATRICK: I understand the proposition you're putting. Thank you very much. But the second part, therefore, implies that you might be rolling out a plan, having completed the regulations, to now walk back through these regulations and say, 'How do we get these things'—and I will use the words of witnesses—'looking like New Zealand's and looking like the FAA's?' and so forth.

Mr Carmody: To be frank, we're actually doing that. There was a discussion today about part 61. There is an ongoing review, a technical group, of part 61. Part 61 exists. We are endeavouring to streamline part 61 and make it fit for purpose so that we will be able to change part 61. A lot of those things are alive in the context of the work we do, but I was talking more generally about the entire suite. We also said to industry, 'Aside from the fact we're trying to complete, what are the regulations that bother you most?' Part 61 is one that bothers industry most, so we focused on it.

Senator PATRICK: If you wouldn't mind, please explain in a story what you've done as a result of that—meetings, objectives and what outcomes you have met. I will go back to one other point. It was raised in the hearing. It is clear that you were listening in. It's in relation to part 138. That is a regulation that I understand has been worked on post the changes to section 9.

Mr Carmody: The regulation was made in the manual of standards and has just been made, yes.

Senator PATRICK: This is a regulation that was put in place after the change to section 9 of the Civil Aviation Act. It was put to us that the technical working group went through a process and provided a dissenting report in respect of the propositions of CASA. I know you said that you engage in consultation. The evidence we've heard today in relation to that particular committee was that it was not necessarily 'consultation with' but 'consultation to'. You're allowed to push back on that, but what I would like to see—and I did ask the witness to provide us some information—from your side is perhaps if you could show us how you developed part 138. This is what I'm particularly interested in. I'd like for you to demonstrate to us how, in engaging with the technical working group, that might have brought about at least some changes to the regulation. I'd also like to see their dissenting report, if you could provide that to the committee. I want to understand that particular process, and I want to see how the engagement occurred and what the result of that engagement and consultation was.

Mr Carmody: Certainly. I listened to that dialogue today. Let be absolutely clear: there is nothing in that process that is not available to this parliament, so we will provide all of the material around the technical working groups.

Senator PATRICK: Thank you.

Mr Carmody: There was a discussion about 'would we, could we' before. Obviously, we would do that. There was some—

Senator PATRICK: I think the witness was just being cautious.

Mr Carmody: Yes, I believe so too. That technical working group has been, in one form or another, going for nearly 20 years. The technical working group did, at the end of the day, have a dissenting view, and that's not the first time we've had a dissenting view. The Aviation Safety Advisory Panel received that advice and discussed it. They came to the conclusion that they would recommend that—regardless of there being dissenting views and the amount of work that had gone on with the development of part 138, the significant work that had reduced it from 200 pages to 75 and the significant changes made during the discussion—the manual of standards be made. As a consequence that recommendation came to me, and then I made that manual of standards. Sitting behind that, I'm very happy to provide all the documentation that supports how it got to where it got to, and you'll see the changes, the iterations, the dissenting reports et cetera.

Senator PATRICK: That's what I'd like to see. I'm happy to do this in a de-identified way, but the proposition was put that the experience levels in terms of people who actually fly—people who own a business and so forth—was much, much greater on the technical working group than it might have been on CASA's side of the ledger. So I invite you to perhaps de-identify the people but say: 'These are the people involved. These are the levels of experience that these people have.' I'm only talking about over the last year or so.

Mr Carmody: Certainly. I'll make a point on that reference. One of the key drivers in the technical working group, who was working directly for me for a while and went back to part 138 about six or eight months ago, has a commercial pilots licence, has a commercial helicopter pilots licence, has flown in Australia with his helicopter

domestically and has flown internationally. My view is that he is well versed in rotary wing operations. So I'm very happy to put that on the table, and I'm very confident in the young man and his ability.

Senator PATRICK: I'm actually giving you the opportunity to—

Mr Carmody: I agree, and I will do that. I'm very happy to.

Senator PATRICK: to lay that out. I think I've probably used as much time as I'm allowed. I'd ask more questions if there were time, but I'll look to the chair.

CHAIR: Thank you very much. I have two quick questions that I want to ask, Mr Carmody. Following on from part 138, CASA staff are going to be really busy if they're going to be ready for the implementation of part 138 by December 2021. If you work backwards from that date, do you think there is time for industry to implement the regulations; get training; make business decisions on what they need to do; develop the ops manuals, particularly given the consistency issue we have just gone through; have the ops manuals accepted, approved and negotiated; and receive their correct certificates, or AOCs, or have them amended, given the part 61 introduction experience, or are we going to embark in December 2021 having to kick it down the road because, with the pandemic and everything else that was happening, this was never going to be achievable?

Mr Carmody: Thank you for the question. In the complicated regulatory suite, which is the one that we have delivered over the last three years, are the ops regs. They're the most difficult and complex of the regs. They were all delivered, and they will come into implementation in December 2021. We made a commitment to industry that we would provide them with a full 12 months of transition. So they have been consulted on the content of the regulations and on the content of the manual of standards. They were involved in the consultative processes, to varying degrees. I accept that some people say they were less involved or more involved, but industry was engaged to the extent that we felt we could engage them. We provided, as we undertook to do, to industry, a full 12 months of transition, which is one of the reasons we were pushing to try to resolve part 138, so we would give industry the full year. We know, from our previous experience in regulations, that the more time we provide, the later the transition happens. We've been training our people, and we're trying to train industry as well.

CHAIR: So the transition will commence in December 21, and there will be a 12-month period from there—is that what you're saying?

Mr Carmody: It is effective in December 2021. So the training and transition happens now—over the next 12 months. People are understanding how they're going to transition. We are explaining to them, if you like, the linkage between the previous regulation and the new regulation, or the linkage between the previous standard and the new standard. We're making sure that our staff in our offices understand that this now means that. We are doing the same thing with industry. We have an extensive public relations and consultation campaign to make sure industry is ready. What is in the regulation, which was made a year ago—I think it was a year ago—and what is in the manual of standards that has just been made are not invisible to industry. They've been aware of the part 138 regulation now for more than a year. They know what's in the part 138 MOS. So there is time, in my view. That's what I'm saying.

CHAIR: [inaudible] from the department to get the manuals approved, to get amendments to current certificates, if required. You're not going to be leaving people without enough time?

Mr Carmody: I don't believe so, and we've worked quite diligently to provide enough time.

CHAIR: [Inaudible]

Mr Carmody: It will be challenging.

CHAIR: [inaudible] that direction to those staff to expedite those. [inaudible] outside or be having problems in December 2021.

Mr Carmody: Senator, we've—

CHAIR: [inaudible] question.

Mr Carmody: Yes, certainly.

CHAIR: I'm concerned because we've had some industry witnesses today, and I speak to people all around the country who are making the same comments about people who facilitate and people who don't facilitate and the culture of CASA. I'm reflecting on the fact that Airservices Australia has been through a cultural review. I'm reflecting on the New Zealand aviation authority, which is also doing a cultural review. Is it time that CASA has a cultural review?

Mr Carmody: I don't believe so, but it's probably a matter for others. There will be pockets, within any organisation, of poor culture. I have had to take action on matters over the last three to four years when I've run

into a cultural problem. I've had to take action on conflict of interest and remove staff. I've had to take small action on gender related issues and remove staff. You will always, in organisations, have that. I don't believe there is an entrenched cultural problem. I would say that we have more of a male dominated organisation and a male dominated industry, but we have also worked hard—I've got a number of senior-level women in the organisation who we have been actively pushing and promoting as we try to improve that balance. So my view is that there is not a cultural problem per se, but you will always find small issues.

CHAIR: It would be interesting to get an independent person to come along and make that assessment, because it's certainly something that's raised over and over at Senate hearings and raised privately across the country. Would CASA be open to an independent review of that?

Mr Carmody: I think industry is raising a different cultural question from the one I'm talking about. I think they are talking about the culture of the inspectorate and how it deals with them, rather than the culture of the organisation per se. Maybe I'm misunderstanding something.

CHAIR: [Inaudible]

Mr Carmody: There is an element—

CHAIR: [Inaudible]

Mr Carmody: There is probably a little bit of both. From my point of view, I believe that I don't have any issues and I am quite happy to speak to the board about that matter, but, as I said, you look and you will always find something. But we are a regulator, Senator, and people don't always like what regulators do.

CHAIR: I don't disagree. It's interesting that other aviation related organisations are currently having reviews and have discovered problems, but you don't believe there's a problem. We might pursue this at another hearing.

Mr Carmody: I think Airservices did a review because they discovered they had a problem. They didn't initiate a review—they had a matter that had to be dealt with so had the Broderick review. But I can't defend entirely what I don't know. There will always be cultural challenges in organisations. As I said, we're a regulator; there will be areas where we will conflict.

CHAIR: Senator Sterle has very graciously allowed me to take up his time, but we will be talking to CASA again. Thank you for that, Senator Sterle.

Senator STERLE: You're welcome.

CHAIR: That concludes today's hearings. I thank all witnesses who've appeared, especially those who have travelled to be here. Thank you also, most sincerely, to Hansard and Broadcasting. This committee stands adjourned.

Committee adjourned at 14:05