



# AERIAL APPLICATION ASSOCIATION OF AUSTRALIA LTD.

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## **AAAA Submission – The Future of Australia’s Aviation Sector**

### **Executive Summary**

Considerable previous analysis, reviews, policy development and submissions have been made by and to government on the issue of aviation policy.

Unfortunately, this has not resulted in meaningful improvement in recent decades.

AAAA welcomes the concept of a five-year plan for aviation policy in Australia, but without decisive action and positive outcomes in the short-term, it is likely to perpetuate the ongoing lack of positive impact of government-side aviation policy.

Previous activity over many years has included:

- The CASA Regulatory ‘Reform’ Program which commenced in its current iteration in 1999 and is still producing poor results, red tape and inefficiencies
- The GA Action Plan in 2007
- The Aviation White Paper in 2009
- The Senate RRAT Committee Inquiry into Pilot Training in 2010
- The independent review of the regulator through the Aviation Safety Regulatory Review (the Forsyth Report) in 2014
- A Review of the State Aviation Safety Program in 2016
- A BITRE Study of GA in 2017
- An Aviation Skills Study in 2017

- The Modernising Airspace Protection process in 2017
- An Expert Panel Review of Aviation Training in 2018
- Various changes to CASA DAS / Board / Senior Management
- Various iterations of the Minister’s Statement of Expectations of CASA
- The work of:
  - the General Aviation Task Force
  - the General Aviation Advisory Group and now (GAAG)
  - the General Aviation Advisory Network (GAAN)

Unfortunately, not much has changed for General Aviation despite that activity and the enormous contribution of time and expertise from industry.

Activity must not be confused with positive outcomes.

Many bodies and individuals in GA have been raising the same issues for decades with no meaningful change by government or CASA.

Consequently, the following brief submission and Appendix includes key initiatives the government should focus on in the short to medium term (eg the first few years of life of the 5 year plan) to achieve meaningful change.

From a general aviation and particularly aerial work sector policy perspective, the work of the General Aviation Advisory Network (GAAN) is particularly informative and astute – including on issues related to the COVID19 response.

AAAA strongly supports the role of the GAAN and its policy recommendations to the Minister.

Any new five year plan should recognise the positive role of the GAAN and include it as an important ongoing entity to provide useful information, innovation and recommendations to government.

COVID19 has had a massive impact on both the Australian community and business, but its impacts on aviation have been most severe. While some aviation sectors such as agricultural and aerial firefighting have been less affected (eg border closures and responding to virus restrictions), the passenger sector has been subject to the biggest downturn in living memory.

Despite the negative outcomes, this creates a number of opportunities for government policy across a range of areas which AAAA highlights in this submission, including significant reform of CASA into two streams – GA and RPT – and a new CASA funding mechanism – a passenger safety levy.

While the improved performance of CASA remains a principle policy concern of the aviation industry, there is sufficient consensus to develop a CASA reform plan based on a better classification of operations where rules are more relevant to operational activity and the immediate application of standard business systems and management to CASA – including quality management, continuous improvement and more meaningful relationships with industry partners.

These significant improvements would then flow through to genuine regulatory reform, efficiency and effectiveness – and better delivery against a reformed *Civil Aviation Act*.

The AAAA submission to the Senate Rural, Regional Affairs and Transport Committee *Inquiry into General Aviation* covers the CASA reform issues in significantly more depth and can be found at Submission 12:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/GeneralAviation/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/GeneralAviation/Submissions)

Other challenges that must be addressed include pilot training and licencing, maintenance training and licencing and improvements and streamlining of requirements to support improved aviation design and manufacturing.

AAAA looks forward to playing its role in supporting a refreshed aviation policy delivering better outcomes for the industry, safety and the communities served.

## **Key Policy Actions**

The following are the key AAAA recommended policy actions:

### **Part A: Post COVID recovery issues:**

1. Maintain instant business investment tax write-offs and more generally, accelerated depreciation – an especially important initiative for the aviation industry, particularly for the aerial application sector which also has to manage highly variable cropping seasons, drought and floods, on top of normal economic variability.
2. Maintain rebates of the aviation fuel tax – until the CASA funding system is reviewed and aviation fuel tax is abolished and replaced with a passenger safety levy.
3. Cut staffing of CASA to a level that reflects a *pro rata* reduction in staff numbers commensurate with the COVID19 related reduction in aviation activity. Significant productivity gains are achievable within CASA with better management systems.
4. Urgent work should be undertaken independently within CASA to identify improved productivity opportunities, red-tape reduction and the removal of regulatory overreach in conjunction with the introduction of an improved classification of operations policy.
5. Establish a joint CASA / industry working group to continue to identify key problem areas and develop appropriate fixes in response to both COVID19 issues and more generally.
6. Charge the above joint CASA / industry working group with:
  - a) Identifying and simplifying CASA administrative processes such as forms and Service Centre practices

- b) Identifying opportunities for cooperating with industry to handover to industry greater control of functions it can deliver more efficiently while enhancing safety eg AAAA AIMS program
  - c) Identifying and removing areas of overregulation that make little difference to safety but impose significant burdens, delays and uncertainty on industry. For example, the rotary Operator Proficiency Check rules impose an impracticable and unnecessary burden on the rotary aerial work sector - rules that are out of step with rules in fixed wing OPC requirements.
7. Defer the implementation of the CASA regulatory ‘operational six-pack’ from December 2021 for at least 12 months – probably longer depending on COVID19 impacts in the coming year - to allow both industry and CASA staff more time to prepare for implementation and to permit, in the case of Part 138 (All other aerial work) a review of the current unworkable framework, and for the writing of Part 137 (Aerial application) – and the obvious longer timeframe required for the training, preparation, approval and issuing of essential manuals and certificates.
  8. Implement/fix the identified ‘low hanging’ administrative fruit – see **Appendix 1**
  9. The Commonwealth should continue working with the States to reduce impediments to cross-border trade and support during pandemics within appropriate safety measures, especially through an improved and consistent ‘essential services’ protocol negotiated at the National cabinet level. This has particular relevance to aerial application supporting agriculture and aerial firefighting operations and maintenance, refuelling and related support activities.
  10. The Commonwealth, especially Border Force, should work with industry to identify improved channels of ingress and egress from the country during a pandemic, especially for sectors where seasonal international travel is an integral part of business – eg agricultural and firebombing pilots.

## **Part B: Future of Aviation Five Year Plan**

1. Continue the primary role for GAAN in developing GA Strategy and providing that advice to the Minister and the Department for ongoing action across the portfolio.
2. Reform of the *Civil Aviation Act* to ensure:
  - a) The Act clearly establishes a system for the Classification of Operations that requires more appropriate regulation of general aviation operations using Sector Risk Profiles and outcome-based regulations supported by Acceptable Means of Compliance developed in cooperation with industry expertise.
  - b) Primacy of the *Civil Aviation Act* over state-based WHS legislation that has been allowed into the cockpit through recent court cases including *Outback Ballooning*

and *Antarctic Division* cases. The sophisticated approach in aviation to ‘just culture’, continuous improvement and safety management will be destroyed unless the proven aviation approach to safety is assured primacy.

- c) The CASA Board – if decided to retain (see AAAA Submission to the Senate RRAT Inquiry into GA) - has full control of the organisation including administration, systems development, implementation and monitoring, policy development, complaint handling and strategic outlook
  - d) The Act is modern, with various inconsistencies, redundancies and no-longer-required sections removed.
3. Split of CASA into two classes of operations/divisions – RPT and GA – with a different regulatory approach adopted best suited to the different sectors.
  4. Significant reduction of regulation of GA – see the recommendations above for implementation of a classification of operations and the use of Sector Risk Profiles within a co-regulatory framework. Also, reform of existing and proposed new regulations will be required that will be non-compliant with this new approach.
  5. Greater government investment in capacity-building within GA with a focus on improving safety through a more cooperative framework and recognition of safety-superior industry programs – see Sector Risk Profiles, cross recognition of AAAA AIMS, CP course, Spraysafe programs. See:  
[https://www.casa.gov.au/sites/default/files/\\_assets/main/media/download/sector-risk-profile-aerial-app-sector.pdf](https://www.casa.gov.au/sites/default/files/_assets/main/media/download/sector-risk-profile-aerial-app-sector.pdf)
  6. Establishment within CASA of speciality units of expertise to liaise with industry to provide consistent advice from CASA and to assist in the identification of CASA impediments to positive outcomes and areas of improvement for industry (through Sector Risk Profiles and data. The previous very successful model of an ‘aerial application unit’ should be reintroduced urgently.
  7. Reform of CASA to develop a systems-based management approach to embed a learning culture and continuous improvement, quality management, centralised policy making and appropriate appeals mechanisms (see also reform of the *Civil Aviation Act* above)
  8. A fairer industry funding model for CASA, based on a passenger safety levy – abolition of the current fuel tax and do not introduce new taxes on GA such as aircraft registration
  9. Training - improving pilot training capability and systems to support aviation. While many of the problems have arisen as a direct result of poor CASA regulations and must be addressed through that process (ie reform of the damaging Part 61 / 141 / 142 suite), there are overarching concerns for broader government policy, such as the relationship between the National Training Framework, student funding and CASA’s international obligations in delivering ICAO compliant licence outcomes and competence.

10. Maintenance – review and repair of the damage and uncertainty created through both the CASA training and licencing regulations for maintenance, and ensuring that the future maintenance environment for general aviation including low capacity charter is simplified and where possible harmonised with the US system. It is critical to ensure that new maintenance regulations do not escalate costs or introduce complexity that is not required. Costs should be reduced for GA operations by taking a more practical, risk-based approach to issues such as pilot maintenance (with training) - that would be better aligned with the US system.
  
11. Australian aviation design and manufacturing – significantly more should be done in this area due to the potential for job creation, but much of this relates to the removal of CASA impediments and the need for any Australian products to have a ‘champion’ working with them to combat the current system and individual opinions within the regulator that are not based on regulations or a solid understanding of international requirements for recognition.

### **Further Information**

For more information or explanation of any of the recommendations in this submission, please do not hesitate to contact AAAA on 02 6241 2100.

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## Appendix 1 – ‘Low Hanging Fruit’ – Administrative Actions

1. **Identification of and urgent action on ‘low hanging fruit’ for regulatory and administrative improvements in CASA.** A lot of this is simple, agreed in a policy/ consultative sense and implementable by exemption or administrative decision – it just needs urgent action rather than waiting another 12 months or more for any outcome. For example:
  - a) The largely agreed reform/carve-out of highly specialised, low throughput aerial work training under the Part 61 TWG – paper attached FYI.
  - b) Immediately fixing by exemption problems with Operator Proficiency Checks for the rotary industry (ie equivalence with FW especially Part 137.240 and CASA Instrument 104/18)
  - c) Honouring the current Instruments providing a simplified pathway for training for firebombing – see CASA Instruments 56 & 57/18 – which was undone by an internal decision to still require Examiners to be involved...when that is what the Instruments were written to remove due to a lack of them...
  - d) Simplifying CASA forms that invent work with no regulatory head of power (eg CASA Form 1214B)
  - e) Improving the CASA portal to permit recording of OPCs etc to a candidate’s ARN directly by Chief Pilots etc where regulations permit (eg Part 137.240 or CASA Instrument 104/18) with commensurate removal / simplification or at least non-rejection of forms such as Form 61-1517 or Form 61-2P by the ‘Service’ Centre
  - f) Identifying existing simplifications that can be safely expanded – eg ‘Micro’ DAMP to all aerial work operations
  - g) Simplifying the uptake of technology that increases safety – eg removing current impediments and complexity/duplication/redundancy to use of electronic flight bags
2. **CASA recognising existing industry programs** that add significantly to safety in GA. This approach could be significantly extended by CASA to GA if it also undertook capacity building of industry organisations – for example:
  - a) AAAA Chief Pilot Training Course – now recognised by CASA by way of Exemption (CASA EX 84/20) - consistent support of the concept and development process. Improves/standardises the existing CASA CP/HOFO approval process for application AOCs by providing CASA-approved training.
  - b) AAAA AIMS program – hopefully to be recognised and potentially replacing CASA audits (with regulatory safeguards and auditing of AAAA) as it takes a superior approach of systems auditing in addition to the blueprinting / training / regular oversight etc provided by AAAA. Discussions at an advanced stage.
  - c) AAAA Standard Operations Manual – with over 100 extant this approach offers both flexibility with significant sector standardisation, certainty of compliance, improved auditing capability, easier regulatory amendment etc – recognised by CASA since 2004 – but has only been used as a model in very limited circumstances.
3. **Address the CASA consistency issues regarding field interpretations via ‘good ideas/opinion’ rather than centralised policy making** - establish Subject Matter Experts within CASA - and back them with a central, transparent (web based) database of regulatory and policy interpretations and centralised – *but consulted with industry* - decision making. We have been hearing about this coming for years but nothing has changed in how industry experiences CASA’s inconsistency – often based on one individual’s opinion. This has recently resulted in one company being shut down for four weeks for no safety reason – with the decision

being reversed by senior management following them (and the Minister and the Board etc) becoming aware of it and the error in the initial decision.

4. **Simplification of the CASA approach to regulation of the GA sector.** This should be aimed at implementing a simple classification of operations, linking that to sector risk profiles, and then administrative actions that simplify how that impacts on industry (eg regs, audits, forms review, improving the CASA portal etc etc). Often it is not the regulation that causes issues, but how it is interpreted by CASA staff.

In the longer term, there will be an ongoing need for review and improvement of current regulations, but we should look for what can be achieved in the short term – administratively - to inform a better model of regulation.

A good example for the medium/longer term is the rejection recently by some members of the CASA Part 138 TWG (including AAAA) of the then-proposed 186 page MOS as not fit for purpose. Much of Part 138 – Aerial Work (already made) could be greatly simplified by maintaining safety through use of AMCs etc – with the regs simplified to outcome based. Where regs are made already but not extant (wait for December 2021) there will probably be the need for significant exemptions anyway and continual amendment as we have seen with Part 61 and others...

A key opportunity here is for the rewrite of Part 137 – Aerial Application - that is long overdue and which Part 138 (extant from December 2021 – ie 12 months away) depends on. Writing or consultation has not even commenced but this very successful Part already uses the approach outlined above. The work could be completed in about a week involving AAAA, AHIA and CASA subject matter expert.

5. **Aviation Training - Resolving the policy tension between the NTF and CASA** - The application of the National Training Framework to aviation training is resulting in a skewed approach to training with the creation of two classes of students. Accessing Fee Help for aviation students depends entirely on which system they are studying under ie only the NTF/RTO system has funding/loans. All CASA-approved schools should be able to access Fee Help for aviation students pursuing a career – with suitable safeguards.
6. **Economic settings around GA** and especially depreciation and expense policies relating to fleet/aircraft/supporting assets updates.

This issue is even more important when considering highly volatile seasonal conditions (for example as current in agriculture due to drought compared to our last big season in either 2016 or even 2010 for some operators) and the positive impact accelerated depreciation or even expensing of assets can make when there is a very good season.

Other potential initiatives could be borrowed from agriculture policy that allows farmers to make Farm (income equalisation) Deposits in good years and draw down in bad years – while managing tax exposure.

The ATO reviewed the useful working life of aircraft some years ago, but this largely resulted in the same policy settings or worse that continue to undermine the potential for aviation businesses to maintain their sustainability while keeping the GA fleet current.

## Rapid Administrative Improvements Table – Aerial Application sector

Problem	Solution	Timeframe to Fix	Head of power / Reason	Agency	Comment
AAAA AIMS Recognition	<ul style="list-style-type: none"> <li>• MOU required – draft supplied.</li> <li>• Audit profile amended to accommodate CASA – supplied</li> <li>• sitting with CASA</li> </ul>	<ul style="list-style-type: none"> <li>• All preliminary work completed</li> <li>• Low risk</li> <li>• 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• DAS letter received.</li> <li>• ASRR Rec 27</li> <li>• Sector Risk Profile (SRP) Aerial Application</li> <li>• Improved safety</li> </ul>	CASA	Win / win
AAAA Chief Pilot course recognition	<ul style="list-style-type: none"> <li>• All materials uploaded to CASA.</li> <li>• First course successfully held and reviewed by CASA.</li> <li>• Exemption/instrument made.</li> </ul>	<ul style="list-style-type: none"> <li>• Now recognised</li> <li>• Maintenance of recognition essential</li> </ul>	<ul style="list-style-type: none"> <li>• DAS letter received.</li> <li>• SRP Aerial Application</li> <li>• Improved safety</li> <li>• CASA EX 84/20</li> </ul>	CASA	Win / win
<p>CASR Part 137 rewrite.</p> <p>Essential to functioning of Part 138 commencing December 2021</p> <p>ASAP process not initiated</p>	<ul style="list-style-type: none"> <li>• Most policy issues (incl. relationship with Part 138) already agreed</li> <li>• Integrate rotary ops</li> <li>• Fix errors</li> <li>• Improve sections as already agreed</li> </ul>	<ul style="list-style-type: none"> <li>• 30 days for drafting max (CASA / AAAA / AHIA)</li> <li>• Time for ASAP process / wider consultation</li> <li>• Must be in place by December 2021 to operationalise Part 138.</li> </ul>	<ul style="list-style-type: none"> <li>• Reg reform program</li> <li>• Part 137 essential to Part 138</li> <li>• Integrate long standing exemptions</li> <li>• Fix problems with rotary OPC etc</li> </ul>	CASA	<p>AHIA and AAAA Already working together</p> <p>Previous work with CASA has sorted most policy issues</p>
<p>AAAA Standard Ops Manual rewrite to comply with new Part 137</p> <p>Cannot proceed without settled regs – see above</p>	<ul style="list-style-type: none"> <li>• Draft / make Part 137</li> <li>• See above</li> </ul>	<ul style="list-style-type: none"> <li>• 6 months of redrafting may be required depending on CASA</li> <li>• Recent amendments to the Schedule of Differences demonstrated it can be done relatively</li> </ul>	<ul style="list-style-type: none"> <li>• CASA letter of recognition</li> <li>• Industry Standardisation</li> <li>• SRP AA</li> <li>• Improved safety</li> </ul>	CASA	Work cannot proceed until Part 137 is redone.

<b>Problem</b>	<b>Solution</b>	<b>Timeframe to Fix</b>	<b>Head of power / Reason</b>	<b>Agency</b>	<b>Comment</b>
		quickly from a CASA approval perspective			
<p>CLARC/Service Centre – OPC recording</p> <p>Lack of capture of OPCs on licences / low level ratings etc / zero process</p> <p>CLARC rejecting use of CASA forms</p>	<ul style="list-style-type: none"> <li>• Service Centre introduce a system for capturing OPCs as required by Part 61 / Part 137 / CASA 104/18 – including improvement/creation of Chief Pilot Portal</li> <li>• Already discussed at length – no action</li> </ul>	<ul style="list-style-type: none"> <li>• 7 days including retraining to fix immediate issues</li> <li>• 90 days to improve portal</li> <li>• 120 days including retraining</li> </ul>	<ul style="list-style-type: none"> <li>• Improved compliance</li> <li>• Better pilot records</li> <li>• Simplification for industry</li> </ul>	CASA	Raised with CASA – nil progress
<p>Permissions Centre – forms</p> <p>Issues with cost of adding aircraft to AOC etc.</p> <p>Form 1214B non-compliance with Part 137 and new Part 138</p>	<ul style="list-style-type: none"> <li>• Review of processes created by CASA that are not compliant with regulations and add work and costs for industry for no safety outcome.</li> <li>• Revision of forms – with industry - to accommodate a compliant/efficient approach</li> </ul>	<ul style="list-style-type: none"> <li>• 90 days including retraining</li> <li>• New forms must be in place from 28 March 2021 to accommodate new rules eg Part 138 and OC statements etc</li> </ul>	<ul style="list-style-type: none"> <li>• Improved compliance</li> <li>• Better records records</li> <li>• Simplification / efficiency / lower costs for industry</li> </ul>	CASA	Raised with CASA – nil progress
<p>Part 61 - Rotary OPCs must be conducted by ATO/Examiner - there are only two in the country – SE Qld and Tas.</p> <p>Huge expense to maintain currency – upwards of \$7000 per candidate per annual renewal in addition to time/lost income etc</p>	<ul style="list-style-type: none"> <li>• Urgent New Exemption.</li> <li>• Rewrite Part 137 -cross ref to simple Chief Pilot checks in Part 137.240</li> </ul>	<ul style="list-style-type: none"> <li>• Exemption within 7 days</li> <li>• Part 137 rewrite as above</li> </ul>	<ul style="list-style-type: none"> <li>• FW OPC can be done by CP (Part 137) – rotary cannot</li> <li>• CASA already agreed to put rotary into Part 137</li> <li>• Exemption will provide immediate relief until Part 137 comes on line and fixed the problem</li> </ul>	CASA	Raised with CASA – nil progress

<b>Problem</b>	<b>Solution</b>	<b>Timeframe to Fix</b>	<b>Head of power / Reason</b>	<b>Agency</b>	<b>Comment</b>
<p>Part 61 – firefighting training pathway</p> <p>Two existing CASA Instruments – CASA 56 &amp; 57/18 - for a fire training pathway have been made null and void by FOI / Legal interpretation that an examiner must be involved still – completely ignoring that that was the reason for the instruments in the first place</p>	<ul style="list-style-type: none"> <li>Discussions currently underway through TWG – however, there is no guarantee of urgent repair</li> <li>Current proposal is to carve this – and potentially other highly expert/low throughput aerial work training - out of Part 61 through the TWG (Joint AAAA/AHIA paper)</li> <li>An urgent revision, clarification and remaking of the existing instruments is essential for relief over this winter to bring more fire pilots online before the next fire season.</li> </ul>	<ul style="list-style-type: none"> <li>New exemptions within 7 days</li> </ul>	<ul style="list-style-type: none"> <li>TWG discussion already progressing the policy issue</li> <li>Two existing Instruments from CASA were meant to fix the agreed problem</li> </ul>	CASA	
<p>Access to CASA on-line training site for non-flying personnel now requires an ARN.</p> <p>That triggers a significant workload for operators seeking good training for non-aviation staff (eg mixers, ops managers etc) to improve overall safety.</p>	<ul style="list-style-type: none"> <li>Potentially provide a more relaxed (eg identity requirements) stream for ARNs for non-aviation personnel that relies on the ‘say so’ of an AOC holder for access</li> <li>Alternatively, remove the need for an ARN or permit access to AviationWorx by company ARN</li> </ul>	<ul style="list-style-type: none"> <li>30 days possibly, depending on changes required to platform</li> </ul>	<ul style="list-style-type: none"> <li>An impediment to additional safety and training within the AOC environment for non-flying staff</li> <li>Improved compliance eg DAMP training / fatigue training etc</li> </ul>	CASA	Raised with CASA – nil progress