

AERIAL APPLICATION ASSOCIATION OF AUSTRALIA LTD.

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8 February 2016

Mr Jim Wolfe
Aviation and Airports Branch
Department of Infrastructure and Regional Development
GPO Box 594
Canberra ACT 2601

Dear Mr Wolfe

Please find attached AAAA's comments on the draft State Safety Program (SSP).

In summary, AAAA's primary concerns are:

- The document does not establish or recognise a partnership with industry that underpins the program and the effective delivery of aviation safety.
- There is no recognition of consultative or other structures that might provide industry with a clear role or pathway in assisting government and its agencies in improving aviation safety or the SSP, or how industry can interact with or make inputs to APG / AIG etc.
- While AAAA understands the various requirements for ICAO compliance that drive the content and structure of the SSP, it should also be viewed as a key and long-lasting document that will help drive domestic aviation policy settings as well as international compliance.
- There remains a 'delink' between the very worthy principles espoused under the Policy Statement - which AAAA supports - and their non-implementation by agencies - especially CASA.
- The welcome attempt by the SSP to embed risk management as a key consideration for regulation is hollow when compared to CASA regulatory outcomes. AAAA strongly endorses CASA DAS Directive 01/15 - but it is not being applied to recently introduced, problematic regulations such as CASR Part 61 or CAO 48.1. The CASA approach is still not risk-based and is still not informed by a coherent classification of operations philosophy that gives the highest priority to passenger carrying operations.

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- In particular, the application of a classification of operations policy that results in a strong focus on passenger carrying operations, thereby permitting more creative - even safer - approaches to the regulation of general aviation and private operations, has not been in place for at least 10 years, and CASA continues to struggle with the practical implementation of such a policy. Clearer details on how this is proposed to be turned from a broad policy statement in the SSP into practical actions by agencies would be welcome.
- There is a 'delink' between the Policy Statement regarding 'active and ongoing engagement of industry' and the fact that a number of agencies - ATSB, BITRE and even the Department have no formal consultative mechanisms with industry, perhaps other than the Ministerial Aviation Industry Advisory Council and the more recently formed GA Action Group. In CASA, the SCC remains in suspension, waiting for a decision on a new mechanism that has been recommended by an SCC working group on the issue.
- There is a 'delink' between the SSP statements regarding the focus on SMS approach to safety (eg page 13 of the draft), and the ongoing CASA approach to focusing on mainly 'compliance' issues. This combines with CASA's inability to construct and implement a classification of operations policy that determines the resources it expends on aerial work surveillance and audit, for example. In turn, this results in the SSP describing a system focus that is simply not evident in day-to-day interactions with CASA field staff.
- There remains a lack of CASA commitment to surrendering power over some sectors, despite CASA Sector Risk Profiles identifying industry led programs as making a significant contribution to risk reduction. AAAA programs including AIMS, the Chief Pilots Course, Standard Operations Manual, Professional Pilot Program etc are all identified in the SRP as being valuable programs. However, CASA is struggling with recognition of these programs and is requiring significant additional resource expenditure by industry before it will recognise programs it has already accepted as reducing risk. It is ridiculous that AAAA has been required to submit a formal paper to CASA on the safety benefits of the AIMS program, arguing that having an SMS is superior to not having an SMS - and even quoting CASA own words on this issue when they introduced mandatory SMS for RPT back to them. There is need for a stronger direction to agencies to honour the pathways identified in the SSP.

Further detailed comments on the draft SSP are attached in **Appendix 1**.

If you require any further information or would like to discuss any of the points raised, please do not hesitate to contact me.

Yours sincerely

Phil Hurst
CEO

APPENDIX 1 - AAAA Submission

Detailed Comments on Draft SSP by Page Reference

Page #	Reference	AAAA Comment
5	Aviation Safety Regulation - para 2	This section will need reviewing pending proposed changes to CASA consultation processes as recommended by industry in an SCC Working Group paper to the DAS.
5	Aviation Safety Regulation - para 3	This mission statement has never been reviewed with consultation from industry. The Civil Aviation Act is long overdue for review and there are a range of activities and issues arising from various government initiatives including the AICC and GA Action Group that may have an impact on CASA's mission.
5	Aviation Safety Regulation - para 4	Unfortunately, it may have <i>adopted</i> this approach but there is no evidence whatsoever that it is being <i>implemented</i> .
5	Aviation Safety Regulation - para 5	This is simply not true - unless it is a statement of intent that CASA is yet to adopt. This approach is generally supported where there is SARP coverage, but this may not be available in areas such as aerial work, where Australia needs to have a risk framework to inform a relatively simple approach - ie compared with the approach of recent years which is overly complex and not based on risk management. This approach also needs to be married to the requirement under the Act for the CASA Board to produce 'safety standards'. The CASA Board does not currently do this.
6	1.2 Roles and Responsibilities List of dot points	No mention of BITRE. It should be integrated into planning so it is forced to engage with industry and become more relevant to the statistical needs of government <i>and</i> industry.
7	Figure 1	This is a very interesting diagram - it does not reflect the current culture of CASA where industry is clearly seen as subservient to the regulator. The cultural shift clarified in this diagram should be expounded to all CASA staff to encourage the cultural shift required as outlined in the Forsyth Report.
7	Figure 1	There appear to be some missing considerations across government - for example the role of education agencies in managing the Australian Training Framework and how that is coordinated with CASA - the loss of 3 LAME apprenticeship

		schools as a direct result of CASA regulations is a good example. Similarly, there is no coordination with tourism bodies. While this may or may not affect safety, it would provide more intelligence on the likely future direction of capacity etc and is a clearly missing consideration. And there is no reference to other whole of government initiatives such as red-tape reduction, efficiency dividends, OBPR Guidelines that are not a part of aviation planning but should be.
8	Figure 2	The most interesting feature of this diagram is the clear message is that this group has no formalised means of engaging with industry at a high strategic level. This is obviously a problem that should be considered by APG. Yes, each agency has, with varying degrees of success, some capacity to engage with industry separately. But that is the problem - we need a holistic approach that strengthens the strategic information and skills available to the APG.
9	JAASACG	Again, no formal capacity to consult with industry - which is often in a far better position to not only deliver safety programs and behaviour change, but to understand the often hidden elements of safety that may or may not be apparent from statistics. Without this interchange, the best JAASACG can ever hope to construct are a range of deeply lagging indicators that will confirm a bias towards being out of touch with real industry issues.
11	1.4 - Enforcement Policy Para 4	A good statement, but simply does not match CASA performance at the coal face. Considerably more intervention from senior management down into the coal face will be required to change practices and culture.
11	1.4 - Enforcement Policy Para 5	A critical failure here is that no mention is made of a system that would permit CASA to be more open about actions it has taken. Other regulators are much more open about the importance of transparency to aid the general deterrence principle and to support industry education efforts. CASA makes no effort in this area and is crippling education efforts of peak bodies by not being more open about regulatory actions taken.
12	1.4 - Enforcement Policy Para 6	It is critical here that direction be provided towards the recognition of existing industry driven independently audited programs that could support the uptake and effectiveness of SMS - such as AAAA AIMS program.
13	2. State Safety Risk	AAAA fully supports this approach and has been

	<p>Management</p> <p>Para 2</p>	<p>using it for years in its approach to safety education and program development - especially through the AIMS (Aerial Improvement Management System) which takes SMS and builds on it to cover all regulatory requirements - not just aviation safety.</p> <p>AAAA was instrumental in assisting CASA develop its first sector risk profile (based eventually on the existing AIMS risk register) and welcomes that many risk controls are identified as industry programs - such as AIMS and the AAAA Chief Pilots Course.</p> <p>However, there is a vast difference between that process and actually realising the potential of the words!</p> <p>CASA continues to struggle with the cultural impasse of surrendering some power to industry - even when a sector risk profile makes it clear that that would be the best outcome for safety. While this may be a transitional issue, it remains an important stumbling block as to how other SRPs are to be treated - and the level of industry cynicism where it identifies a delink between government policy and the outcomes from its agencies.</p>
<p>14</p>	<p>2.1 First para following dot points</p>	<p>Mention should be made that other sectors - such as aerial application - are voluntarily taking up SMS even though it is not a regulatory requirement.</p> <p>The AAAA AIMS program delivers a cost-effective and operationally relevant SMS for accredited companies which is independently audited.</p> <p>A key issue currently under active investigation by CASA (as recommended by ASRR Recommendation 27 - supported by Government) is how CASA should recognise these programs.</p> <p>A critical insight that government recognition and benefits from participation / accreditation can mean the difference between the failure of such programs and their widespread uptake.</p> <p>Government benefits can include the replacement of existing processes with more efficient and relevant industry processes (eg AAAA Chief Pilots course/training leading to CP approval, rather than the current laughable CASA process that adds no value), or where independent auditing to an agreed standard and within other safety-nets can result in CASA saving resources and not inflicting its lack of relevance and expertise on certificate holders.</p>

15	2.2 para 2	<p>For certain sectors, CASA has extremely limited or no expertise - such as aerial application.</p> <p>The best outcome is clearly for CASA to work with industry to recognise programs such as AIMS, to negotiate with AAAA to encourage the broader use of this model across other sectors and to support and facilitate AAAA making this program available across aerial work and even low capacity charter operations.</p> <p>CASA simply does not have the knowledge of small business to understand the cultural challenges involved with getting uptake of SMS through means other than regulatory mandate. It does not have the resources to help industry take up SMS voluntarily or to conduct the deep and regular education required - often one on one - to get the results.</p> <p>CASA is struggling with its own culture - let alone standing as a model and assisting other companies with their safety culture.</p> <p>AAAA has an excellent model, it is currently working in 20 AOC companies and with support could easily double or triple that number over a few years - thereby making the program financially viable, saving the government significant resources and improving safety. The question is can CASA understand the concept of a win-win scenario?</p>
16	3. Para 1	<p>CASA audits - at least in aerial work - are currently all regulatory compliance audits. CASA thinks they are systems audits but they are not.</p> <p>From recent AAAA experience, CASA will continue to struggle with this concept until its staff are upskilled to understand the difference. This is not aimed at field staff alone - many senior managers in CASA do not understand the systems concept either.</p>
16	3. Australia's Safety Performance Para 4	<p>There must be acknowledgement here of the difference between leading and lagging indicators, and the importance of recognising that leading indicators are more likely to be identified and used by industry than government.</p> <p>Government should be investing in identifying how it can facilitate the improved uptake of leading indicators by industry and perhaps in its own systems as well.</p>
17	3.1 Para 1	The classification of operations is a powerful

		<p>approach to matching risk with appropriate regulatory or other government responses.</p> <p>The failed attempt over the last five years by the previous regime at CASA - so heavily criticised through the ASRR - to ignore the classification of operations and to regulate all sectors with an adversarial approach is a puerile approach to aviation safety management.</p> <p>The key reason for the failure of recent regulations to be accepted by industry - such as Part 61 and CAO 48.1 - is that they are divorced from reality and do not seek to improve or remedy any problems. In fact, the 'problems' are still not identified or quantified, and so enormous resources have been wasted by ignoring the classification of operations.</p> <p>By revisiting this classification and firmly basing considerations on risk, there is enormous potential for a simpler approach to regulation, especially for general aviation.</p> <p>For example, being more attuned to recognising industry programs that deliver against risk management (see the Aerial Application SRP), CASA could significantly reduce its costs in oversight of GA and especially aerial work operations - while actually improving safety.</p>
18	<p>Oversight of Service Providers SMS</p> <p>Para 2</p>	<p>The establishment of a comprehensive MOU between AAAA and CASA (and potentially other agencies such as ATSB to provide recognition of incident reporting under the TSI Act for the AIMS program) should be investigated.</p> <p>AAAA programs such as the Standard Operations Manual (over 100 issued), the AIMS program (over 40 participants), sector specific safety training courses (AAAA runs several), continuing professional development (AAAA has run the Professional Pilot Program since 2002) and the Chief Pilots course/training could revolutionise the industry/CASA relationship, reduce CASA problems and resource requirements, and improve safety and efficiency. And AAAA would welcome CASA auditing of its ongoing performance - if the benefits are there.</p> <p>Why has it not already been done? Until recently, the culture of CASA senior management (and most field staff) and the lack of direction from government as to the classification of operations and a stronger relationship between risk and</p>

		<p>regulatory approaches.</p> <p>Would this approach work? It did in 2002-2007 with a team of a few CASA officers and AAAA working together to solve problems and improve safety.</p> <p>Since then, CASA performance has plummeted with, for example, AOC issuing using the AAAA SOM going from a maximum of 8 weeks to now over 8 months - at the same time as CASA staff have increased by over 200.</p>
18	<p>Surveillance</p> <p>Para 3</p>	<p>The surveillance program for aerial work operators is characterised more by the proximity to a CASA office than risk.</p> <p>CASA should consider the more effective use of programs such as AAAA's AIMS to inform any risk evaluation.</p> <p>Current surveillance and audits are characterised by a 'gotcha' mentality and a regulatory compliance approach rather than focussing on safety outcomes and systems effectiveness or health. This is reflected in NCN/RNs issued following audits. The capacity for individual FOIs/AWIs to use their personal preferences and often lack of knowledge of a sector to divert attention away from real safety processes and towards box-ticking and esoteric process-driven activity, should not be underestimated.</p> <p>Clear policy direction and probably a centralised policy/interpretation of regs unit with CASA should be a priority.</p>
19	<p>Accident and Incident Reporting</p>	<p>Government should consider greater flexibility for ATSB to recognise incident reporting schemes run by peak bodies that would both support ATSB goals and improve the under-reporting of incidents and accidents.</p> <p>ATSB could provide coverage under the TSI Act for programs such as AAAA AIMS incident reporting so that de-identified information could then be provided to ATSB through an MOU with AAAA.</p> <p>From AAAA surveys, the most common reason people do not report is because of fear of prosecution from CASA - regardless of the ATSB 'no-blame' concept and any MOU with CASA.</p> <p>This fear is justified by CASA actions making use</p>

		<p>of supposedly no-blame, de-identified ATSB reports. CASA often uses intelligence from ATSB incident reports to spark its own inquiries and often administrative or other action. AAAA can provide recent examples.</p> <p>In a small industry, any 'de-identification' claim is laughable when ATSB includes VH-registration, date, time and location of incident accident and often photos.</p>
20	<p>Publically available incident reporting data</p> <p>Para 2</p>	<p>AAAA does not believe this is entirely true - with a little digging and cross referencing from the internet, it is often possible to establish VH details for an incident/accident and often these are included in final ATSB investigation reports.</p>
21	JAASACG	<p>It is both confusing and a little alarming that there is no mention of BITRE. Without the figures on hours flown produced by BITRE, it is not possible to calculate annual accident/incident/fatal rates. Currently, BITRE information is several years behind actual hours flown, compromising the ability of educators such as AAAA to keep statistics for the sector up to date in safety courses and in direct feedback to members.</p>
21	3.3 CASA	<p>And yet CASA has never assessed its own regulatory reform program and the complexity of new regulations such as Part 61 as being a threat to aviation safety - which they are.</p> <p>The best that can be said is that despite the disarray of CASA's regulatory turmoil program, industry continues to focus on safety, tried and true methods of safe operation and comprehensive risk management.</p> <p>CASA continues to be largely irrelevant to safe operations, perhaps other than the general deterrence effect and the occasional action - which it fails to communicate - against individuals or certificate holders. In aerial work operations, it simply does not have current expertise to be relevant.</p>
23	4.1 Internal training	<p>A key issue here, especially for CASA but perhaps for ATSB as well, is whether they actually need staff to have current expertise in <i>all</i> operations.</p> <p>For example, if CASA or ATSB were able to avail themselves of experts in fields such as aerial application - either through direct contract or through their relationship with AAAA - then that expertise could be used when required, but not soak</p>

		<p>up resources when not required. Obviously competitive issues would have to be covered off, perhaps by use of a providers panel with transparency of activities that might lead to competitive issues being managed.</p> <p>This underpins a new way of thinking about expertise that government agencies would do well to investigate - they do not have to be the 'expert' all the time (and seldom are) - but they do need access to expertise when required. In addition, such an approach would help break down barriers identified in ASRR as to the need for industry 'interchange' programs and would support an improvement of the culture of 'we know best' that remains very strong within CASA.</p> <p>Of course, individual staff may have expertise that is relevant and they could be nominated as a participant on an agency wide 'panel of knowledge' to help others in that area or to contribute to more centralised and sensible policy making.</p> <p>Alternatively, the use of sector specific 'desks' - as CASA used some years ago with the 'ag unit' - could be a very successful way of providing expertise across the agency, at the same time as standardising interpretations and policy approaches and improving the consistency of approach from field officers.</p>
24	4.2 CASA	<p>It is extraordinary that no mention is made of the power of CASA supporting and utilising industry education programs as a delivery mechanism for relevant safety messages.</p> <p>Often, CASA has no expertise in highly specialist areas such as aerial application, and therefore the best they could do is to partner with AAAA to support the delivery of safety course and other training and programs that actually can deliver relevant information in a highly credible way.</p> <p>CASA education programs that are poorly informed, poorly targeted and represent a waste of money only reinforce the cynicism of industry towards the relevance of CASA. A good example was the use of DAMP posters sent to all operators - regardless of size of operation, number of employees etc. The fact that CASA is generally unaware of the existing industry safety programs and peak body communication channels to members speaks volumes about the poor communication strategy CASA pursues.</p>

		<p>Sponsorship should not be underestimated as a key communication tool that can improve trust, facilitate strong safety messages delivered in a meaningful way and support industry endeavours. For example, supporting the use of top safety speakers at aviation conferences - such as Tony Kern - is a very powerful way of achieving a number of communication, strategic and safety goals.</p> <p>Without a partnership with industry, CASA will continue to struggle with external safety communication.</p>
24	4.2 ATSB	<p>ATSB sits on a wealth of aviation safety information but makes very little use of it in terms of analysis, trend identification, statistics or publications relevant to particular sectors.</p> <p>When industry identifies a need and then works with ATSB, it can produce very useful publications, such as the Annual Review of Aerial Application recently released.</p> <p>However, ATSB seems to struggle to identify the potential usefulness of such programs on its own.</p> <p>It is not a coincidence that ATSB has no formal industry consultation mechanisms.</p>
26	5.1 Aviation Market Para 2 - BITRE statistics	So they do exist? (ie BITRE)
26	5.1 Aviation Market Para 3 - growth in regional Australia	<p>No mention of the difficulties and downturn faced by general aviation, and the trend towards private flying moving to Recreational Aviation Australia - a lot of which movement is likely driven by the increasing costs of GA flying.</p> <p>No discussion of the likely impact of costly CASA regulations leading to more LAMES retiring early, fewer pilots coming through and smaller companies struggling with the weight of regulatory burden.</p> <p>No discussion of the end of the mining boom, FIFO impacts etc. No discussion of the importance of keeping airports available for aviation and ensuring any developments are not detrimental to aviation.</p>
27	GA Fleet	No mention of the cost of CASA regulations on maintenance organisations and particularly the likely significant impact on low capacity charter of the CASA requirement to have all maintenance conducted in a Part 145 approved workshop.

		<p>No mention of the impact of CASA regulations on the closure of three LAME apprenticeship training facilities.</p> <p>No proposal to use the classification of operations to drive simpler regulations and lower costs to assist this critical sector of the industry.</p> <p>The work of the GA Action Group under the AICC should be monitored closely to update this section.</p>
28	<p>5.2 Global Priorities</p> <p>Dash point 3 - CFIT accidents</p>	<p>Depends on how you define CFIT - if it includes wire strikes then it remains an issue for low level aviation - see the aerial application SRP where wirestrikes are the #2 risk identified.</p> <p>Need for significant cross-government work (ie including States/Territories) to improve the availability of wire mapping and the marking of wires and tall structures in agricultural and bushfire areas - including the mandatory marking of wind-farm wind monitoring towers.</p> <p>This should include the development of GIS mapping service available to pilots in real time, with mandatory reporting requirements for developers of tall structures - including away from airports.</p>
28	<p>5.2 Global Priorities</p> <p>Para 3 - last dash point on conducting industry workshops</p>	<p>Why not recognise what industry is doing and support those initiatives rather than create government programs that are probably not as relevant? A government commitment to recognising and supporting industry programs would significantly enhance reach and relevance of education and safety promotion efforts.</p>
29	<p>5.4</p> <p>Para 2 - dash point 1 - continuous dialogue</p>	<p>This needs a government wide framework and plan for a high level strategic alliance between industry and government - not motherhood statements. This framework does not exist.</p>
29	<p>5.4</p> <p>Para 2 - dash point 5 - policy timeframes and certainty</p>	<p>Wholehearted support - however, there has to be a high level framework so that if things go wrong with any one regulator - such as CASA and the ASRR - industry has a means of bringing this forward rather than through the media and political representation.</p> <p>The Department should certainly play a stronger role in this respect and should be provided with stronger oversight provisions of the agencies such as ATSB and CASA as well as a more formal industry engagement framework than currently</p>

		exists.
30	5.4 Dot point 4 - CASA consideration of risk and costs for new regs	This overlooks the need to review recently introduced legislation and apply the same principles and standards - eg Part 61/ 141 / CAO 48.1. DAS Directive 01/15 is supported by industry - if just needs to be applied to all regulations - old and new.
30	5.4 Dot point 5 - Align with ICAO classification of operations	Needs to be a lot more detailed work than 'alignment'. That is only the first step. The next critical step that should be included here is to match risk of different sectors to a relevant regulatory response policy. This would then empower / require CASA to reduce the regulatory burden on GA and especially aerial work ops.
31	Dot point 4 - CASA enforcement program and safety reporting	Must include education as a key concept in driving the greatest safety value from regulatory enforcement actions.
31	Dot point 6 - Aging aircraft	<p>If the aircraft is well maintained in accordance with requirements, why is 'aging aircraft' an issue at all?</p> <p>We have lots of old aircraft - some people actually like them and pursue them - the discussion should be about airworthiness and not this nonsense of 'aging aircraft'.</p> <p>If aging aircraft are such a problem, is this based on their over-representation in aviation safety statistics or is it not based on any known problem.</p> <p>If it is a problem, then a key consideration has to be the taxation and depreciation treatment of aircraft and the lack of encouragement in the system to upgrade.</p>
31	Dot point 7 - education programs	<p>Why not just support industry and stop wasting money with irrelevant campaigns that are not based on a sectoral approach?</p> <p>For the latest example of waste see the recent CASA publication of the Flight Safety 2015 Collectors addition - and ask how many industry programs that might have supported?</p> <p>How can government develop its own meaningful and effective safety promotion programs when it has no mechanism to discuss and identify relevant programs with industry, especially in the face of industry criticism that many existing programs are either ineffective or too general for any particular sector?</p>