

# AMROBA<sup>®</sup>inc

## ADVOCATE OF THE AVIATION MRO INDUSTRY

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### Increasing Regulatory Costs

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The only thing that can be assured of is under CASA's regulatory change program is that it will continue to add costs to the non airline industry.

CASA's current regulatory reform program is adding dramatically to the overall costs that will make private aviation too costly for many people that could, in the past, have been an aircraft owner & operator.

Is it CASA's fault? Not completely.

As previously stated, it was the government's decision to two-tier the aviation legislative system.

This political decision is why Australia will end up with a very unique aviation regulatory system.

Once the government decided to apply the criminal code to the regulatory drafting style, then the two-tier proposal became flawed.

What AMROBA has been pushing for some time is the increasing regulatory burden and increasing number of regulatory provisions that will be strict liability provisions.

Obviously we have struck a raw nerve, nearly all of CASA's CEO's latest Briefing is based on 'strict liability' explanation band but misses what we have been stating.

CASA cannot deny that there will be another growth in 'strict liability' legislation.

For example, if we look at the number of regulatory provisions that existed in the ANRs, CARs and what is to be proposed in CASRs, it is quite clear that there is a substantial growth in strict liability. The following table demonstrates the "growth" in regulations covering maintenance and other organisations.

Growth in regulatory 'strict liability' provisions				
	Air Navigation Regulation 35	Civil Aviation Regulation 30 (30A & 30B)	Proposed Civil Aviation Safety Regulations 145	Comments
Regulatory Provisions	4	15 (10)	15	Regs becoming more specific
Sub-paragraphs	6	30 (10)	37	
Additional requirements	Many standards were stated in CAOs		MoS adds 17 specific provisions	Strict liability also applies to MoS
Includes CASA specific regulation paragraphs	1	6(4)	5	
CASA specific sub-paragraphs	4	16(5)	15	

ANR 35 and CAR 30 originally applied to design, manufacture, maintenance, distribution, and training of maintenance personnel for the purpose of attaining a licence, whereas Part 145 will only apply to above 5700Kg aircraft and components. Part 42 Subpart F will apply to maintenance organisations for aircraft below 5700Kg that are not being used in passenger or charter operations.

There are other CASR Parts for design, manufacture and training.

The problem is exacerbated by basing our new Regulations on other NAA regulations that are not subject to a criminal code, instead of creating an aviation regulatory criminal system based on "safety" and ICAO SARPs.

Parliamentary rules V NAA rules.

## DAMP On-going Costs

AMROBA totally supports a random drug testing program to ensure that drug & alcohol does not play a part in any future aviation accident or incident. Societal changes have enforced this on the industry and it would be naïve to ignore this problem.

The purpose of the program is to make sure that anyone under the influence of drugs or alcohol do not make themselves available for work.

However, how the legislation is being applied is of concern to many members. Some have had numerous random checks within a short time frame whilst others have never seen a drug tester.

CASA is aware of the random selection process and are reviewing their selection process.

The other concern is the need for a DAMP manual. We all know that CASA will promulgate a standard but experience has shown that 'manuals' are the anathema of organisations.

Already we are getting reports of CASA DAMP auditors issuing multiple corrective action notices to change member's DAMP manual. Even when the manual is a copy of the CASA template, our members are being directed to make changes to satisfy CASA individuals.

This diversion from attending to overseeing a small business safety of aircraft or component maintenance to attend to changing manuals does very little to value add to safe aviation maintenance practices.

According to CASA, their drug testing has identified a hit rate of 0.04 %. It would be nice to know if it is across the spectrum or are they associated with specific sectors of industry.

Foreign based AMOs will be subject to this requirement in the near future as Australia will follow the lead of the US government.

The US government recently directed the "FAA to ensure that FAA-certified repair stations outside the U.S. performing work on U.S. commercial air carriers will be required to have drug and alcohol testing programs in place"

The US has had drug & alcohol testing in the overall commercial transport (air, road, rail, marine) system since 1991.

What it does raise for aircraft component maintenance, is **will CASA exclude Authorised Release Documents from those countries that do not have a DAMP program?**

## Rising Costs at Privatised Airports

Anyone conducting an aviation business on a privatised or community airport has experienced the rising costs applied by the current owners.

For those that are located at regional aerodromes, spare a thought for those located at the more populous aerodromes.

Recently, Sydney Metro Airport (Bankstown) issued a media release informing everyone that they were introducing car parking fees.

Media Release states: "*These controls will provide areas for staff and visitor parking and ensure that emergency access ways are free of parked cars. Part of these parking controls will be the introduction of Pay for Parking, requiring all users of the Airport to either purchase a parking permit or pay for casual parking.*"

Just another cost added to doing business. Is it really necessary or is it just another way the share holders can attain returns?

Some of our members stated we should be complaining to the Federal Government but, after further research, what would this achieve.

Sydney Airport has delivered the Federal Government \$13 million dollars in parking fines since it was privatised.

The parking fees go to the airport owner and the fines go to government under airports regulations of the Airports Act, 1996. The size of the penalty for some offences has increased 200 percent since 2001 whereas general prices have risen 24 percent over that time.

Considering the income stream the Federal Government has, it is useless to complain to government of the increasing costs to business.

Naturally, the Federal government will not object to airport owners adopting this pay to park policy.

## Organisation Security Programs

The White Paper identifies future changes that will be made to security regulations. It states that more responsibilities will be placed on CEOs of organisations to ensure that “terrorists” cannot “sabotage” an aircraft or aircraft components during maintenance.

Extract from White Paper:

- *“continuing to work with airport and airline operators to ensure implementation of more effective ‘front of house’ arrangements including agreed “alert” and “response” arrangements for security incidents at airport terminals; reinforcing the need for effective security strategies to be driven from the highest level in organisations by requiring the responsibility for implementing Transport Security Programs*
- *to be reflected appropriately in the Chair or Chief Executive Officer’s responsibilities in corporate governance arrangements of the organisation;”*

It is known that Infrastructure is looking at aircraft weight as a limit on organisations that will need to comply with new security provisions. The weight under consideration is much lower than the 5700Kgs being considered in the US.

These additional costs will be passed on.

It can be assured that Australia will develop regulations stricter than the US. The US Transport Security Administration (TSA) is *“proposing that each FAA certificated part 145 repair station implement and carry out a standard security program issued by TSA to mitigate the risk of their facility being targeted for terrorist activity. However, the TSA recognizes that a “one size fits all” approach is not appropriate for all repair stations and based on their risk analyses, has proposed to not include all of the same security measures for those repair stations with a lower risk profile, such as those repair stations not situated on or adjacent to an airport or those repair stations located on airports that only serve aircraft with a maximum certificated takeoff weight of 12,500 pounds or less. In addition, repair stations on military bases would also be excluded.*

*“If each repair station only expends 100 hours per year (two man-hours per week) on the implementation, administration, oversight and auditing of their security program, more than \$800 million per year in additional revenue would have to be generated by the 4000 plus repair stations subject to this proposal.”*

If this US formula was applied to 400 plus maintenance organisations in Australia, then an additional \$80M per year will need to be generated. This on top of the \$10M extra that has been added by DAMP means aircraft ROs will find operating costs soaring.

The big difference in the US is that their DAMP and proposed Security Regulations are **directed at the commercial passenger transport** system. It is apparent that their Security proposal is proposing to concentrate on large aircraft that can do substantial damage.

*“US studies have clearly shown that piston powered aircraft of most any size do not possess the mass, fuel carrying capacity and speed to cause catastrophic physical damage with high loss of life and thus are not likely terrorist targets. It has also become clear that a weight threshold far in excess of 12,500 pounds must be exceeded for turbojet and turboprop aircraft before they pose any catastrophic threat to even unhardened targets.*

*TSA has discussed scaling back rules to aircraft whose maximum takeoff weight exceeds 25,000 to 30,000 pounds, instead of 12,500 pounds.”*

In addition, this proposal does not apply to the thousands of maintenance facilities supporting general aviation in the US.

AMROBA will continue to monitor and input to any proposal that Infrastructure considers proposing to their proposed Security rules.

If we can get the US facts recognised, it may mean that the Security rules will only apply to organisations dealing with aircraft with the same weight as eventually adopted by TSA.

We do not want a repeat of the DAMP rules that apply across the broad spectrum of GA whilst the US DAMP does not apply to the non certificated GA system.

# Australian Aviation Associations Forum

AMROBA participates in this forum of employer associations for the benefit of its members. The Australian Aviation Associations Forum (AAAF) meets quarterly and already benefits are being identified—at least there is an industry forum.

The importance of the AAAF and associations representing the various sectors of the civil aviation system will become very important in the future.

Aviation representation has been mainly ‘controlled’ by the larger companies and some smaller associations representing segments other than the main stream of aviation.

The problem with aviation is that it has not developed a strong political base so that aviation can be represented at the political level.

All other successful industries have a political body that talks with the policy (law) makers to ensure that infrastructure and skills required in are available so that they can grow.

The AAAF will, like similar bodies do in North America, need to identify those politicians that are friendly to aviation. It will be up to the members of the AAF to lobby these politicians for the benefit of aviation — it is not the job of government departments and agencies.

If aviation is to get the infrastructure and skills that is needed to support growth, then it is the policy (law) makers that have to be educated in the needs of aviation.

It was an interesting discussion at the last meeting that identified the higher skilled levels needed in various segments of the industry that are not being achieved under the current training system.

Users of these higher skilled people currently have to adopt in-house ‘basic’ training programs to lift the skills of applicants.

In other cases, many current employers are concerned that the basic skills are not keeping pace with international standards.

AMROBA members have long complained that there is a lack of skills being taught.

One has to ask whether competency based training has achieved what it promised.

We know that basic trouble shooting capabilities require a very high knowledge of aircraft and systems. Some suggest it is the concentration on competency units to the detriment of knowledge.

Pilot skills and airmanship are also being questioned when the larger airlines have to include in their training programs units to bring new pilots up to a basic airline standard.

The AAAF will be arranging appropriate persons holding government policy (law) making responsibilities to discuss issues that we see affecting the safe expansion of the aviation industry.

AMROBA supports the AAAF as an industry body.



**AVIATION  
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## The Aircraft Maintenance Engineers/Technician Creed

### Worth Remembering

*“UPON MY HONOR I swear that I shall hold in sacred trust the rights and privileges conferred upon me as a qualified aircraft maintenance engineer/technician. Knowing full well that the safety and lives of others are dependent upon my skill and judgment, I shall never knowingly subject others to risks which I would not be willing to assume for myself, or for those dear to me.*

*IN DISCHARGING this trust, I pledge myself never to undertake work or approve work which I feel to be beyond the limits of my knowledge nor shall I allow any non qualified superior to persuade me to approve aircraft or equipment as airworthy against my better judgment, nor shall I permit my judgment to be influenced by money or other personal gain, nor shall I pass as airworthy aircraft or equipment about which I am in doubt either as a result of direct inspection or uncertainty regarding the ability of others who have worked on it to accomplish their work satisfactorily.*

**I REALIZE** the grave responsibility which is mine as a qualified aircraft maintenance engineer/technician, to exercise my judgment on the airworthiness of aircraft and equipment. I, therefore, pledge unyielding adherence to these precepts for the advancement of aviation and for the dignity of my vocation.”