

Table of Contents

1.	<i>Regulatory Harmonisation/Global Compliant</i>	1
2.	<i>Businesses Administration Responsibilities</i>	2
3.	<i>Regulatory Impact on Employment</i>	4
4.	<i>Regulatory Change – Time Poor</i>	5

1. Regulatory Harmonisation/Global Compliant

Harmonisation was accepted by government as critical to support and grow civil aviation maintenance sectors so that removal of the costly multi-approvals that an AMO must have to compete globally. ICAO has raised the failure of contracting States to adopt harmonisation.

I can remember discussing harmonisation with a few Ministers as far back to Bob Collins.

Juan Carlos Salazar, Secretary General of ICAO stated that Civil Aviation safety regulators should prioritise harmonisation of maintenance organisation approvals to cut down on duplicative transborder audits and similar unnecessary requirements.

“Aircraft maintenance is still not considered exportable, and so contracting States are required to apply their own approval requirements,” Salazar told an audience of global regulators at the FAA/EASA International Aviation Safety Conference June 14, 2022.

“A consequence of this framework is that [approved maintenance organisations (AMOs)] performing maintenance on an international basis now face a multitude of procedures, manuals, quality assurance systems, and personnel requirements,” Salazar said. *“They’re further confronted by the obligation to undergo multiple inspections from the various States whose operators make use of their services.”*

Rather than reducing risk—which should be the regulators’ primary goal—this approach in most cases adds burden for both suppliers and operators that have less choice on where they can have maintenance performed.

“Not only is this practice inefficient, and a significant burden to both airlines and AMOs, but it also falls short of establishing a stable platform for the standardisation of maintenance practices,” Salazar said.

So-called “mutual acceptance” agreements between States have helped advance harmonisation in some regions. Examples include the U.S.-European Union aviation safety bilateral, which paved the way for some 2,000 repair stations on both sides of the Atlantic Ocean to have certificates from the FAA and EASA and undergo streamlined approval and re-approval processes. A Latin American effort has linked a dozen countries together, eliminating the need for individual repair station certifications. [*exactly what Australia needs*]

Salazar called on regulators to pursue even broader agreements. We agree.

“ICAO has developed a series of standards and guidance materials to promote the uniformity of AMO regulatory requirement,” he said, pointing to “model regulations” packs as an example.

“We hope that these will reduce the economic burden imposed on the industry by unnecessary certification and surveillance activities, and sincerely hope that you can embrace them,” he added

Australia has some bilateral aviation agreements but not to recognise our AMOs in their own rights that removes the need for monitoring audits from foreign NAAs.

To reduce the ‘*multitude of procedures, manuals, quality assurance systems, and personnel requirements*’ as quoted by the Secretary General, why isn’t it a priority in the regulatory reform process this industry has suffered since the Parliamentary Inquiry in 1998/9?

It is obvious that whenever regulatory reform drifts away from compliance with the Chicago Convention and its Annexes, economic costs increase.

There are multiple ways of complying with Annex standards. You only have to look at the civil aviation regulatory systems of Europe, United States and Canada. Each can be classed as world best practice depending if you are a regulator that believes regulations are to empower aviation participants.

Growth is dependent on the devolvement to industry participants the responsibilities specified in the Annexes as these 3 regulatory systems have set standards for specific functions.

For example, Canada’s pilot licencing and Europe’s maintenance personnel licencing standards.

[Back to the Front Page](#) .

2. Businesses Administration Responsibilities

Civil aviation imposes a very high administrative regulatory system that adds considerable economic burdens to the already highly administration of Australian businesses. The following is some of the responsibilities a small/medium business must address just to remain compliant.

No wonder the government has a policy to prevent duplication that government department/agencies never seem to adopt and implement.

All businesses carrying on an enterprise in Australia are required to have an Australian Business Number (ABN). This provides some certainty that the entity carrying on business is registered with the Government and also prevents withholding on payments made to the government.

Standard Charge out formula

$(\text{Desired Annual Income} \div \text{Annual Chargeable Hours all staff}) + \text{Business Expenses} + \text{Profit Margin} = \text{Charge-Out Rate.}$

Business expenses to include costs from the major regulators in Australia are:

- The Australian Taxation Office (ATO)
- The Australian Competition and Consumer Commission (ACCC)
- The Australian Prudential Regulation Authority (APRA)
- Australian Securities and Investments Commission (ASIC)
- Australian Business Registry Services (ARBS)
- Australian Securities Exchange (ASX)
- Reserve Bank of Australia (RBA)
- Civil Aviation Safety Authority (CASA)
- Aireservices Australia (ASA)
- Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Businesses employing need to be aware of their general employment obligations, such as:

- Compulsory superannuation (a form of pension contribution scheme) – where employers are required to make minimum contributions on behalf of their employees.
- Workers Compensation – a mandatory insurance scheme in which employers must participate. Employers are obligated to compensate employees suffering from a work-related injury or illness.
- Workplace Health and Safety – State based laws which require employers to provide a safe workplace for employees. Breaches can see criminal prosecution and heavy monetary penalties.
- National Employment Standards – there are a number of minimum employment entitlements which apply to all employees such as maximum weekly hours, leave entitlements etc.

Business registrations

If you conduct a business, you may need to comply with tax obligations. These could require you to register for:

- [Australian business number \(ABN\)](#)
- [goods and Services Tax \(GST\)](#)
- [tax file number \(TFN\)](#)
- [pay as you go \(PAYG\) withholding.](#)

Other registrations that are optional include:

- [Business name](#) – if you want to trade under a particular name, you may need to register it.
- [Trade marks](#) - if you want exclusive rights to a business name, you need to register a trade mark.
- [Website domains](#) - if you set up a website, you need to register a domain name.

Fair trading

Fair trading laws ensure your business operates fairly and competitively. These laws also ensure that you inform and protect your customers.

To make sure your business meets fair trading regulations, you need to consider:

- [Fair trading laws](#)
- [Australian Consumer Law and your business](#)
- [Competition and Consumer Act](#)
- [Australian standards](#)
- [Codes of Conduct.](#)

When you sell products or services, you need to understand:

- [Australia's trade measurement laws](#)
- [displaying prices](#)
- [product labelling](#)
- [secure card payments](#)
- [warranties and refunds.](#)

Contracts

When you agree to do a job in exchange for money or some other benefit, you're probably entering a commercial contract. This contract is legally enforceable regardless of whether it is a 'handshake deal' or written agreement.

Make sure you understand the [contract](#) before signing.

- abide by [work health and safety](#) (WHS) regulations and codes of practice
- ensure you have [workers' compensation insurance](#) for each employee
- not act in a way that may seriously damage an employee's reputation or cause [mental distress](#) or humiliation
- comply with any working with vulnerable people or children requirements.

Anti-bullying laws

Bullying at work occurs when a person or group of people, repeatedly behave unreasonably towards a worker and put the worker's health or safety at risk.

[Harassment and bullying](#) in the workplace has legal risks. If you employ people, be aware of the steps you can take to minimize your potential liability.

Unfair dismissal

The [Small Business Fair Dismissal Code](#) provides small businesses with a process to follow if they need to [dismiss an employee](#). The Code applies to your business if you have less than 15 employees.

Contractors

You need to comply with different legal obligations when hiring a contractor or an employee. Make sure you understand the difference between a contractor and an employee.

Intellectual property

Your business may have [intellectual property](#) (IP) it needs to protect. Before applying for your intellectual property right, you should do a comprehensive [search to make sure that it isn't already registered](#).

You can register IP yourself or seek advice from legal professionals.

Importing and exporting

You must follow certain laws and permits before you import or export products. Understand your legal requirements of [importing](#) or [exporting](#) as part of your business operations.

Environmental protections

Federal, state and local governments jointly administer the [environmental protection laws](#) in Australia. As a business owner, you need to understand which laws apply to you.

Marketing compliance

You must comply with relevant regulations when [marketing your products or services](#). These regulations ensure that you don't mislead your customers.

These regulations include laws on:

- advertising
- signage
- spam
- pricing
- licensing for using music in your advertising or [even playing music in your business](#).

Terms and conditions

If your business operates digitally, you may need to include your policies on your website. The most common policies on websites include:

- Terms and conditions
- Privacy policy
- Returns policy.

Terms and conditions help establish how visitors, users and customers use your website.

[Back to the Front Page](#)

3. Regulatory Impact on Employment.

Today, like other industries requiring specific competencies for those involved, need the regulatory system to be employment friendly and costs effective to attract the future participants for civil aviation non-commercial through to the commercial sectors.

No business wants to see a top employee snapped up by a rival but that is becoming a reality. Replacing talent, and in a time of tight labour markets, is very hard and very expensive.

To reduce regulatory impact for pilot and maintenance personnel we need to look at world best practices of Canada, Europe and United States and the availability of training and training standards. ICAO personnel standards also impact on Australia's training.

Training standards from the recreational level to the commercial level should be a progressive education system so those starting from recreational can progress to the commercial levels. The fundamental system requirements of Australia's CBT system.

The challenge is, blending regulatory licencing standards and industry training standards.

In aviation, personnel regulatory standards should be clear syllabi, based on global standards if available, and in promulgated Standards which contain all the various levels of licencing/authorisations so that the training sector can provide a progressive training system from lowest education requirements to the most requirements. E.G.

Pilots (regulator sets the standards)

Close to Australian licences/permits/authorisations example of this being achieved.

Canadian Standard 421 – Flight Crew Permits, Licences and Ratings.

- | | | |
|---|----------------------------------|--|
| RECREATIONAL | • Helicopters | INSTRUCTORS |
| • Permit Gyroplanes | • ATPL | • FI Class 1-4 Aeroplane |
| • Permit Ultralight Aeroplane | • Aeroplanes | • FI Class 1-4 Helicopter |
| • Permit Recreational – Aeroplane | • Helicopters | • FI Glider |
| • Permit Recreational – Helicopter | • FEL | • FI – Balloon |
| • PPL | • Flight Engineer Licence | • FI – Gyroplane |
| • Aeroplanes | • VARIOUS | • FI – Ultralight Aeroplane |
| • Helicopters | • Aeroplane type & Class Ratings | • FI – Aerobatics aeroplanes; and |
| • CPL | • VFR over the top rating, | • FI – Glider Acrobatics |
| • Aeroplanes | • Instrument Ratings | |
| | • 2 nd Officer | |
| | • Pax – ultralight rating | |

LAME/Certificates (regulator sets the standards)

Close to the Australian licences/permits/authorisation example of this being achieved -

EASR Part 66 licence categories and subcategories;

- | | | |
|--------------------|--|----------------------------------|
| AME Licence | • Aeroplanes <2000kg | L2 |
| Category A | • Cat C | • power sailplane/ELA aeroplanes |
| • Aeroplane 1 & 2 | • All aeroplanes & helicopters | L3H |
| • Helicopter 3 & 4 | • Category L | • Hot air balloons |
| Cat B 1 | L1C | L3G |
| • Aeroplane 1 & 2 | • Composite sailplanes | • Gas Balloons |
| • Helicopter 3 & 4 | L1 | L4H |
| Cat B2 | • Sailplanes | • Hot-air airships |
| • All aircraft | L2C | L4G |
| Cat B2L | • Composite power sailplane/ELA aeroplanes | • ELA2 gas airships |
| • System limited | | L5 |
| B3 | | • Gas airships other than ELA2 |

Regulatory delegated training and academic qualifications to the national VET training system to support the licences/certificates/rating system and efficiencies will be a positive outcome.

Everyone accepts that the pilot practical training must be attained in an aircraft but some can be attained in a simulator. Ground training aspects are achievable in the VET system.

The same has been true in maintenance. The apprentice/trainee attains some of their practical training by on-job-training but the basic practical training must be in a training facility.

[Back to the Front Page](#)

4. Regulatory Change – Time Poor.

Every one in aviation are used to working to timeframes to satisfy the owner and/or operator of aircraft. When an owner or operator books their aircraft in for a service or to fix a defect the first thing the ask is when will it be ready or they demand a time when they need the aircraft back in service.

Maintenance organisations have worked under this pressure of meeting timeframes for decades. It is part of the culture within any maintenance organisation, especially those that are involved with commercial operators.

Managing these timeframes is critical to the profits that enables a business to be financially viable. Over several decades, we have seen what happens when people who have never worked in a for-profit company are chartered to manage one or manage a project within the company. Usually, they achieve an outcome but normally over-budget thus having a negative impact on the financial viability of a company.

Successful businesses allocate a budget for the maintenance service and make a profit otherwise they go out of business.

Regulatory Reform

It does not apply to non-profit government projects such as aviation's regulatory reform. It is why for-profit businesses must earmark undefined finances to manage the regulatory change when they happen without predictable timeframes.

When government created an Agency (CAA/CASA) for civil aviation it also endorsed regulatory reform with an expectation it be completed within a certain timeframe.

The Department & CAA, in 1992, adopted ICAO Assembly A29-3 Resolution in 1992 to harmonise Australia's civil aviation regulatory system with the FAR regulatory structure.

The whole concept was to remove barriers to trade domestically and globally.

1992 – 2023 is a very long time for any government not for profit department/agency to be managing this project with no factual timeframes. Over 30 years and still going.

How big is the budget that was/is assigned to this regulatory reform project?

FAR Part 21, adopted in 1998, FAR Part 21 latest amendment Jan. 15, 2021

- No longer harmonised

EASR Part 66, adopted in 1998, EASR Part 66 latest amendment, 2023

- Never fully harmonised

Is there a requirement to keep adopted regulations current with source regulations?

➤ **'For-profit' versus 'not-for-profit' project management.**

Waiting it out. In hopes that the next election will bring new direction. Elected officials who disagree with a direction can procrastinate and drag out projects. Just the fact that they can delay its delivery, gives them the fodder that the project is "running late and behind schedule," building their political platform.

Businesses need to meet timeframes in a competitive market. Customers can move to another business that can meet timeframes. Regulators have no competition.

Public sector projects, however, must be transparent since the money funding them belongs to the public. The result is a risk-averse culture that nearly paralyses any attempt of adopting the corporate world's tried and true processes, and even decision making.

Regulatory reform has been likened to the "Hangar Queen" with parts being cannibalised to keep the other system operating.

After 30 years of reform, it is time for the "Hangar Queen" to be put into service that could move manpower from the 'not-for-profit' sector to the 'for-profit' sector.