



AVIATION – POST COVID-19 – 2020

Recovery is not the right word to use post COVID – 19. Aviation was already under duress with aimless regulatory development; not removing/reducing red tape outcomes that have been pursued by the Civil Aviation Safety Authority pre this lockdown. Outside the airline sectors, most industry sectors still favour the FAA regulatory system which has less red tape than the EASA system which is a less mature aviation regulatory system for the non-airline sectors. The non-airline sectors in Australia were similar to the US system.

It is aimless because it also implements economic restrictions within safety requirements as well as duplication and reduced pathways when compared to ICAO and the FAA system.

It is time to turn a bad situation into a promising situation – adopt a comprehensive unnecessary red tape reduction program. Redevelopment of regulations supporting safe growth of aviation, especially the small air transport system (private & commercial) that supports regional Australia.

Australia's Prime Minister Scott Morrison and Treasurer Josh Frydenberg's 2020 public statements of removing red tape to enable businesses to create jobs to help recover the economy. It is needed with the coronavirus enforced shutdown of travel and jobs.

“The comments from Prime Minister Morrison and Treasurer Frydenberg on boosting productivity by cutting red tape and reforming industrial relations is an example of economic leadership and ambition that Australia needs.”

“The recovery from this crisis will be long and sluggish, and made more difficult given the fact that the economy was structurally unsound prior to the shutdown. Investment is low, taxes are high, and red tape continues to hamstring individuals and businesses.”

Sounds impressive but our businesses are still waiting for red tape reduction to happen. Imagine if we returned to ANRs and ANOs.

- Would we see small intrastate/interstate airlines recommence and service regional Australia as they did during aviation's growth years before CAA/CASA?
- Would we see more small charter operators providing air transport by adopting the FAA Air Taxi system that many say is more applicable to Australia?
- Would we see more use of the small to medium aircraft for commercial and private use?

Of course, we would.

Aviation needs a de-regulation mentality in government departments and agencies, especially aviation portfolio departments and government agencies like Infrastructure and CASA.

Note: Removing red tape can improve aviation safety.

Operators and organisations need to diversify but find it costly under the current regulatory system and regulatory imposts.

Small to medium aviation businesses will be the core of aviation growth post this crisis.

Imagine how aviation could safely grow if the responsibility of meeting additional regulatory standards to increase/decrease an approved operator or organisation capability was the responsibility of the approved operator or organisation, not CASA. Self-assessment and then inform CASA of their company's changed capability. This was a 'dream' in the early 1990s.

Approved Operator or Organisation simply submit:

- Business 'Capability' change to CASA a month prior to commencing the capability change. This time may be shortened with CASA permission
- CASA post implementation audit would confirm CASA checklists correctly met.
 - E.g. AMO adding an engine overhaul capability or component maintenance.
 - E.g. Operator adding different aircraft type or model or additional services.

Use CASA promulgated or company created additional capability checklists.

ICAO Annex 8 now encourages governments to adopt a standard AMO certificate that supports what we suggest above to become a reality.

Adoption of this approach would recognise the maturity of the aviation industry and place regulatory compliance responsibility with the approved operator and/or organisation. Encourage business growth.

Red Tape Reduction & Performance Based Regulations

Promised for so long but not produced.

What government has to do is to enforce all Government Departments and Agencies like CASA to reduce "red tape" and "duplication" with other government legislative requirements so aviation jobs can be created.

Industry has accepted for some time that there is no 'champion' of red tape reduction within Departments and CASA and the Minister now has too many other issues to handle. Recovery post COVID-19 will not be as efficient or as quick unless CASA prioritise full compliance with government red tape reduction and adoption of performance-based regulation policy.

Based on evidence of past downturns in the economy, aviation recovery is usually after the general economy starts to get back to normal.

The Australian Government's Office of Parliamentary Counsel (regulation drafters) Plain English Manual should be applied to aviation regulations.

"The Office of Parliamentary Counsel is active in encouraging the use of plain language in legislation and in developing and using plain language techniques. In addition to OPC's participation in major plain language projects such as the Tax Law Improvement Project and the Corporate Law Economic Reform Program, we have incorporated plain language drafting into all of our work."

Better still, why not adopt the same approach as was taken when CASR Part 21 was made.

Adopt the foreign regulation with minor changes to meet the associated Australian laws and regulations. This approach would provide benefits if removal of duplication was also a drafting principle. Less prescriptive but outcome based to achieve and enhance safety.

The real facts are that some businesses won't survive this shutdown and others will be slow to recover. The engineering fields depend on operators, private and commercial, returning to normal business and many in this sector depend on tourism and business work. Tourism will be slow to regrow but smaller Air Taxi type operators may create new jobs.

1. The government really has to enforce their “*Red Tape Reduction Policy*” onto the aviation regulatory system if we are to rebuild this industry. Removal of economic restrictions by providing more regulatory pathways in aviation is the first step.
2. The second step is to properly empower the industry by reducing the entry and variation costs to all businesses so jobs can be created. Remove the regulatory restrictions on employment by letting licenced personnel exercise the privilege of that licence in any position of employment.

The short to medium size operators may re-emerge if the regulations are made simpler.

Productivity Commission: *“Red tape is the single biggest barrier to economic opportunity and prosperity in Australia. Each year red tape reduces economic output by \$176 billion, which is around 10 per cent of GDP. This represents all of the businesses which are never started, the jobs never created, and the pay rises which never materialise because of red tape. Red tape is one of the key causes behind low rates of private business investment in Australia, which currently sits at just 11.8 per cent of GDP. This is lower than the rate that prevailed during the economically-hostile Whitlam years. Low business investment is in turn a key cause of slow wages growth, which has been stagnant in the private sector in real terms for the past three years.”*

2013 Infrastructure: “The Department and portfolio agencies used existing stakeholder engagement arrangements ensuring stakeholders with appropriate expertise were informed about the Government's red-tape objectives as well as consultation on specific deregulation activities.” When will aviation businesses see the benefits so jobs can be created?

It is time to look at what will restrict the growth of aviation post COVID-19.

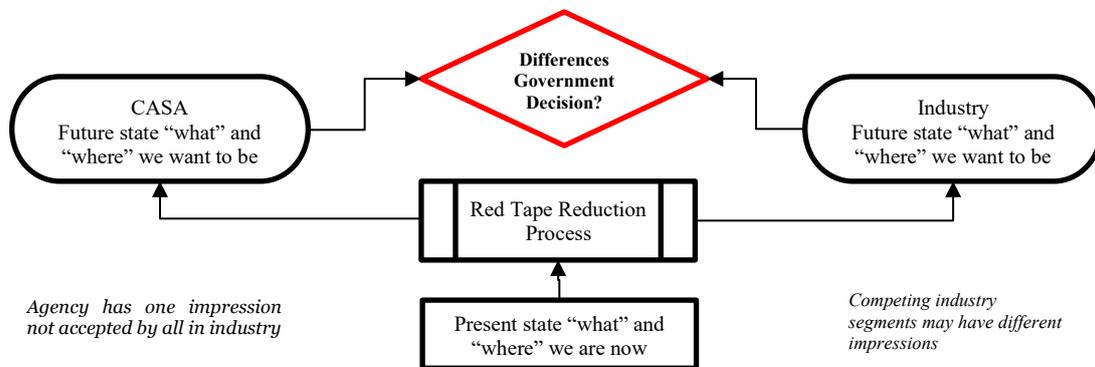
Quote: “The Morrison government’s plan to cut red tape will boost business investment, increase wages, and remove bureaucratic constraints on Australians reaching their potential.”

“Red tape costs Australian businesses, families, and individuals \$176 billion each year, which makes red tape Australia’s biggest industry. This cost represents all of the businesses which are never started, the jobs never created, and the dreams never fulfilled due to red tape.”

However, where industry would like to be in the future can be different to where bureaucracy envisages. How can the potential be realised if regulatory developers & drafters have no vision? The biggest single hurdle to overcome in aviation is the different impressions for the future between what the bureaucracy wants, what differing sectors of industry want and what will provide proper growth leading to jobs.

Unless Government sets policy then the direction of government departments and agencies can often be biased and not supportive of business growth to meet Morrison's red tape reduction policies.

Red Tape Reduction Decision Making



Government must make decisions:

- Are aviation regulations and requirements subject to government policy to create jobs?
- Are aviation regulations and requirements subject to government policy to reduce red tape?
- What is the change vision and strategy to achieve jobs and red tape reduction?
- When will government clarify how the future will be different from the past, and how government and its agencies can make it happen?

The majority in industry are uncertain of the future as there is no defined government policy for the future that will provide confidence and jobs with reduced red tape whilst maintaining and enhancing safety.

Industry impression of the future includes many jobs being created post major red tape reduction to aviation requirements as has the USA red tape reduction program achieved. This can be achieved by delegating more responsibility to industry to reduce government costs as the USA aviation system has been doing over the last couple of decades.

Industry impression is that CASA will create licencing/certificate & personnel standards for pilots like the Canadians have done and maintenance engineers standards like the Europeans have done. In all cases, remaining compliant with the standards promulgated to the ratified treaty, *International Convention on International Aviation*.

To enable this to happen, government must remove as many barriers as possible so that those that want to make the Morrison's vision a reality, can do so.

However, past government achievements in the 1990s have already been eroded over time by the bureaucracy. How does the government propose to make changes permanent for aviation participants and the community?

Why isn't government sorting out these different impressions of the future?