

COVIG-19 Recovery Blueprint

What is the future? Does anyone really know? How long will it take to recover? Will it be the same as before? Who will be left? Who will start up new businesses?

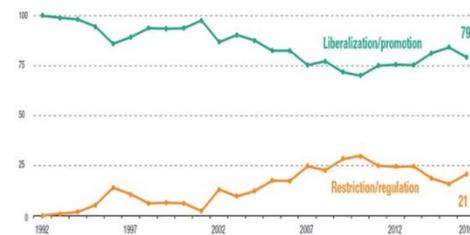
What we all know is that aviation regulatory reform to remove unnecessary red tape, economic restrictions and reducing costs has to happen to entice qualified persons to stay in this industry. Economic decisions should be left to the operator or organisation.

Red tape stifles safety, innovation and business growth. Reduction currently relies on government policy not legislative requirements.

“Globally, Liberalisation/Promotion is decreasing and Restriction/Regulation is increasing.” This is the reverse to the benefits of devolvement & reduction of regulatory red tape.

Government departments and agencies are good at creating legislation and pseudo regulations. It is time that the law-makers, politicians, actually made legislation that requires public servants to comply with red tape reduction and other government policy as we, that work in private business, must comply with their generated regulatory requirements.

Figure . Changes in national investment policies, 1992-2016
(Percentage)



Source: UNCTAD, World Investment Report 2017.

IPA's 5 principles are: (Institute of Public Accountants)

1. Eliminate the need for approvals, and replace with an inspection and reporting regime. ✓
2. Embrace market-based solutions. ✓
3. Harness the benefits of economic competition. ✓
4. Follow subsidiarity by decentralising (devolving) regulatory authority. ✓
5. Minimise interaction with government. ✓

Government – pass legislation so your departments and agencies must comply with these principles – no more policies and Minister's guidance.

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Properly written principle-based regulations and devolvement of powers for business to self-assess and grow is extremely important. By all means, cost effectively control the entry of a business into an aviation sector, but post that period, the growth of the business is the responsibility of the business and its accountable manager. 4

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1. Recovery will be hard

Aviation will not be as it was for quite some time. Many of the older aviation experienced generation will not be around when it does recover. The path to recovery will have its effect on those experienced aviators who remain to assist the recovery. Recover we will, but it might be with new operators and organisations.

Aviation depends on an affluent society and tourism, both domestic and global. An affluent society will see business and private disposable income healthy enough to support aviation services. Aviation can be cost effective but we are imperfect at selling it to the general public.

The government shut down has increased business and private debt in an industry that stalls if aircraft are not flying. Everyone is affected in aviation.

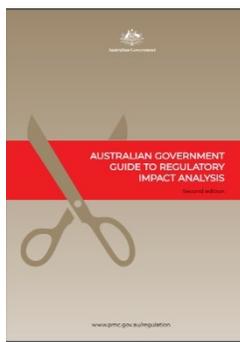
Post the restrictions, the hard truths will become apparent and only then will every small business know whether they can survive or not.

In the past downturns, there was no shortage of pilots. When you don't have a mass of pilots out of work, there is less numbers to decide to start up an operation, maybe to replace a service previously supported by large aircraft, with a smaller single pilot aircraft.

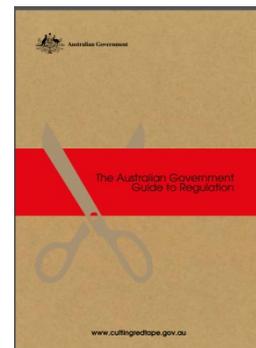
The international airlines may not recover for several years because of global restrictions so there could be many experienced pilots that may want to stay in aviation. Removing/reducing economic regulations and red tape is necessary to kick start the industry.

The need to skill the future local aviation industry workforce is imperative but local training must reduce costs to overcome the importation of qualified personnel. This can be done by applying government policy and guidance and reducing aviation economic regulations.

Government Policy are not Regulatory Impositions



Australians have an underlying distrust in government departments and agencies to implement Government policy and guidelines unless they are made a legislative requirement they must comply with and therefore accountable. Industry regulatory requirements makes industry accountable. Time these government entities joined the rest of Australians. These kind of government double-speak mean little based on the regulations and standards that reduces freedoms & increases regulatory burden.



Compare CASA's latest CASR Part 138 Manual of Standards which has grown from 34 pages to 120 that sees the imposition of additional layers of bureaucracy, compliance and cost, with no obvious safety outcomes.

It belies reason that amidst a pandemic, an exceptionally difficult operational environment and period of uncertainty, that CASA has now seen fit to enter into a consultation period, 10 years in the making, allowing a five week window for Operators, under pressure to respond to regulatory information that has grown in excess of four times its original size, without clarity or reason.

Example: CASR Part 138 Consultation

What is even more concerning is the apparent disregard by CASA, of the recommendations of their Technical Working Group, as reported from their most recent meeting on 12th march 2020?

*'Whilst **not** endorsing the MOS, the TWG acknowledges that it will need to go out for public consultation for CASA to receive broader industry feedback. The TWG also noted that the risk of conducting public consultation with the MOS in its current form is that respondents may find the MOS too complex to understand.'*

The TWG recommended that the public consultation be structured in a way that will enable respondents to more easily provide feedback. It was also recommended that the public consultation asks industry for feedback on aspects of the structure of the MOS'.

Quote from the CASA Website: *Technical Working Groups may be established by the ASAP for referring specific issues within an industry sector, subject matter or domain for advice. CASA may also establish Technical Working Groups to provide us with input on specific technical issues and proposals. In these cases the ASAP will be requested by CASA to endorse the Technical Working Group so there is transparency in the collaborative work conducted by CASA and Industry representatives.*

The Technical Working Group for Part 138 do not endorse the Manual of Standards that has now been published for consultation, yet CASA, despite looking to TWG's for advice and guidance on industry specific issues, seems to be pursuing its' own objectives.

This totally demonstrates that until government makes legislation that enforces the public services to follow their guidance, liberalisation will continue to be restricted by regulatory burden. The opposite to the government's policy and guidelines.

Economic restrictions

Whether it is deliberate or subconsciously applied, aviation regulations should not place economic restrictions on operators or organisations based on what a drafter or regulator thinks adds to safety with no evidence to support the imposition. In most cases, it only adds to costs.

ICAO Standards and Recommended Practices state that airlines and complex aircraft should be maintained by a maintenance organisation but this does not stop the operator from using other maintenance organisations or an individual LAME in certain circumstances. These would then be subject to the operator's quality oversight.

Sample: Compare FAR Part 43 with our regulatory system. FAR Part 43 identifies who can do maintenance, who can certify for that maintenance; who can do inspections, who can certify for the inspections; who can return an aircraft or component to service, etc. You must access the operational regulations, FAR Parts 91, 135, 121, etc. to see who can be used. In most cases, they all can be used but with different oversight by the operator. In other words, economic considerations and decisions are made by the operator and not imposed by regulation. This leads to a safer industry because the responsibility is with the operator.

Regulations can be written to shift the responsibility to expand a business, e.g. within aerial work or transport, passenger/freight. Controlling the entry is a regulatory responsibility and the issue of an approval that clearly states the business's capability is specified in a particular section of the approved business's manual. ICAO recommended templates for AOC/AMO refer to their manual.

In that way, a business expanding its 'capability' adds to its capability listed in their manual and sends a copy to CASA who can inspect at next audit that all the standards had been complied with. This places responsibility with the business owner as it should be. In addition, simple annual or biennial reporting requirements to CASA can provide data needed for CASA's annual reports to government of the activity in industry sectors.

Red Tape Reduction

Assuming red tape reduction can also be cost effective, regional Australia may see many start-ups willing to provide passenger and cargo service in smaller aircraft in regional Australia. Many of these services may resurrect previous services lost when larger aircraft was used to provide these services. Maybe, just maybe, small jet transport aircraft may be introduced into regional passenger operations.

What a pity Australia does not have the FAA Air Taxi system at this time.

Have a look at all the administrative forms that have been created in all sectors by CASA and the amount of detail they now require to be provided. This is not the case in other countries, nor is it the case in other State and Federal departments and agencies that actually have reduced red tape.

Government departments and agencies haven't reduced red tape when they deceptively develop red tape that does nothing more than expands the numbers to administer the paperwork.

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2. Safety, Innovation & Business Growth.

Properly written principle-based regulations and devolvement of powers for business to self-assess and grow is extremely important. By all means, cost effectively control the entry of a business into an aviation sector, but post that period, the growth of the business is the responsibility of the business and its accountable manager.

One size regulations and standards do not support growth of small business.

IPA's Summary (Institute of Public Accountants)

Australia's regulatory system is a need of a major overhaul. Each year, red tape reduces economic output by \$176 billion, which is the equivalent to 11 per cent of GDP.

This estimate captures forgone human potential:

- *all of the businesses which are never started,*
- *the jobs never created, and*
- *the aspirations never fulfilled.*

The impact of red tape is reflected in a near record low level of business investment as a percentage of GDP and Australia's rapidly declining economic competitiveness.

Governments of both political persuasions have committed to various red tape reduction initiatives but they never make it law so public servants must comply.

Unfortunately, these efforts have usually provided only marginal and temporary changes at best. More substantial, principles-based reform is required to achieve an enduring reduction to red tape which will help drive economic growth and opportunity in Australia for decades to come.

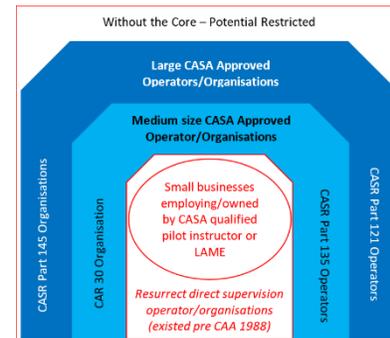
CAA(UK) proposed devolvement of responsibility and reduction in red tape. When will our government support their own policies and make the public service accountable?

How to grow aviation – create jobs:

Ever since the creation of the CAA, aviation GA started its decline and for one reason. The removal of the small directly supervised organisation/operator concept as they changed from a department regulator to an agency regulator.

This was purposely done to the detriment of the industry that has never recovered. Converting Air Navigation Regulations and Air Navigation Orders to Civil Aviation Regulations and Civil Aviation Orders lost the directly supervised, by a pilot or LAME small businesses, as all had to meet the higher standards and have approved manuals and additional costs.

The USA still has the **directly supervised small businesses**, some not approved by the FAA but they only have to comply with the basic regulations of FAR Part 43, 61, 65 & 91. This is GA and it was the model that our ANRs & ANOs were based on. This is the basic requirement of the ICAO Annexes and Standards. **Resurrect the core and jobs will be created.**



The USA aviation safety standards are second to none and GA safely survives.

If the core is put back into aviation then the rest will grow based on a broader workforce to support expansion. Without the core we have not been able to provide the pilots or LAMEs required to support the whole industry.

Obviously a new Agency with new management were captured by the interests of medium to large businesses in the first couple of years and imposed the same medium to large business requirements onto what is basically a “cottage industry”. Advantages of a “cottage industry” underpinning larger businesses:

- They are small maintenance/operation businesses, often run out of a rented facility or a person's home.
- They play a significant role in the economies of developing countries.
- They are also an important source of employment, especially in rural areas.

Regrowing GA will provide the resources to underpin the medium to large operators and organisations and create thousands of jobs safely like it did in the past.

Scenario 1: Adopt FAR Part 61 independent flight instructor and enable that person to be a small registered business, self-registered with CASA, and teach a new wave of pilots wherever the flight instructor is willing to provide training.

Scenario 2: Adopt FAR Part 43 and enable an independent LAME to perform maintenance contracted by private pilots or operators but exclude from performing annual/structural inspections that support the retention of the certificate of airworthiness.

We have wondered since government created an agency when jobs will be No. 1 priority.

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