

Mr David Forsyth AM
Review Panel Chair
Aviation Safety Regulation Review

Via web submission

Dear David

I am writing to provide you with Airservices Australia's submission to the Aviation Safety Regulation Review.

Airservices welcomes the Government-commissioned review to examine the capability of our safety regulatory system to meet future industry challenges and ensure that Australia maintains its excellent track record of aviation safety.

Australia's aviation industry is experiencing significant change at present due to ongoing air traffic growth, new technologies and aircraft types, growth in emerging markets and industry segments and ongoing cost and efficiency pressure. This dynamic environment highlights the importance of a responsive aviation regulatory system with adequate flexibility to assure a high standard of safety while supporting industry growth.

Airservices submission focuses on those terms of reference that are most relevant to our business, and is structured around the following themes:

- aviation agency roles;
- inter-agency relationships;
- regulatory reform; and
- safety regulatory approach.

The submission identifies several key areas for improvement, including working toward a more risk-based regulatory approach and more timely regulatory reform to adapt to continued aviation industry changes.

Aviation agency roles

Australia has a well-established aviation safety legislative framework. The statutory functions of the relevant agencies are clearly defined with respect to aviation policy development, air safety regulation, air navigation service provision and independent safety investigations.

Airservices corporate structure as a statutory authority with a governing Board provides the organisation with appropriate governance and flexibility to meet the challenges outlined above. There are appropriate safeguards in our legislation to ensure that safety is always our most important priority and we receive policy direction via the portfolio Minister's Statement of Expectations to ensure that our corporate direction is consistent with government, industry and community expectations.

It does appear anomalous however, that Airservices Australia is Australia's air navigation service provider and yet the regulator retains some of the 'doing' work associated with the administration of airspace. Some examples include the promulgation of temporary restricted airspace, and the development of airspace change proposals – it is our contention that this work may better rest with the service provider to standards defined by the regulator.

Inter-agency relationships

From Airservices perspective, inter-agency relationships are generally effective. The Aviation Policy Group (APG), which involves the heads of aviation agencies, provides a useful mechanism for a coordinated government approach on key policy issues. Airservices interaction with the Civil Aviation Safety Authority (CASA) and the Australian Transport Safety Bureau (ATSB) is governed by memorandums of understanding (MOUs). Airservices adopts an open and transparent approach in providing information to the ATSB and CASA to assist in their functions and there are regular meetings at senior management levels to exchange safety information.

While Airservices recognises the importance of aviation agencies retaining 'arms-length' relationships, Airservices considers building trust and respect across all agencies is vital for achieving the Government safety policy and objectives.

In Airservices view, there is opportunity for greater collaboration between agencies to improve the overall aviation safety outcome. A good example of the effectiveness of collaboration is CASA's cooperation with Airservices and industry over the last few years to develop and implement mandates for satellite-based surveillance and navigation equipment.

Regulatory reform

Airservices experience is that the pace of aviation safety regulatory reform is slow. By way of example, CASR Part 175 for aeronautical information management, which is increasingly critical as modern air traffic management and avionics rely on data-driven systems, has been under development since 2008. Improvements to Part 65 (air traffic controller licensing) have been similarly slow and Part 101 (Unmanned Aerial Systems) has not kept pace with industry need.

CASR Parts 171, 172, 173 and 139H, which govern Airservices operations, have not been reviewed in any substantial way since implementation. This has implications for Airservices operations as we are required to comply with out-of-date regulations, or alternatively invest significant administrative effort to seek CASA's approval of regulatory exemptions as our operations adapt to new operating environments and technology.

In addition, many of these regulations are overly prescriptive, impacting our operational flexibility and innovation.

Airservices recognise the challenge of competing demands for regulatory development resources, but considers that appropriate resourcing to expedite review of the above CASR Parts is essential to ensure that Airservices regulatory framework is robust and fit-for-purpose to deliver the best safety outcome.

Safety regulatory approach

The new International Civil Aviation Organization (ICAO) Annex 19 sets the global direction for promoting Safety Management Systems (SMS) as a systematic approach to managing safety risk, rather than the traditional reliance on regulatory compliance. CASA regulates the development and implementation of SMS's by service providers and aircraft operators. CASA's updated surveillance manual also indicates the regulator's intention for a systematic, risk-based regulatory approach.

However Airservices experience to date is that in practice CASA's regulatory approach remains heavily reliant upon compliance checking, rather than auditing the overall effectiveness of Airservices SMS or examining the overall effectiveness of risks and controls across Airservices. Together with prescriptive regulatory standards, this results in ongoing surveillance findings which are often little more than administrative errors and have little safety risk bearing. This imposes a significant administrative burden on Airservices and diverts attention from more safety critical issues.

The current regulations also contribute to an environment where Airservices regularly has to seek CASA approval or provide significant explanation or justification for what we would consider to be routine operational decisions. For example, in Aviation Rescue and Fire Fighting (ARFF), CASA is required to approve any change to any procedure that underpins our Operations Manual.

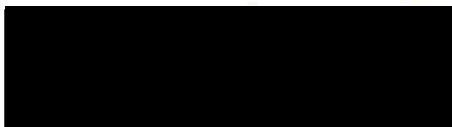
To assist Airservices to maintain our world-leading standards in safety, it is imperative that CASA consistently carries out its regulatory oversight functions and decisions using a systematic, risk-based approach with sufficient appropriately skilled resources.

Ultimately, Airservices would like to see Australia move toward a more outcome-focussed regulatory framework that would allow Airservices flexibility in how it achieves its business imperatives while also meeting the desired regulatory outcome.

In concluding, I would like to state that while this submission outlines some areas for improvement, overall Airservices strongly values the role played by all agencies in the aviation sector and we look forward to working with our colleagues to continue to improve aviation industry safety outcomes.

I would be happy to expand further on any of the issues I have raised in this submission. Otherwise, I look forward to seeing the draft report in due course.

Yours sincerely



Margaret Staib
Chief Executive Officer

29 January 2014