



Australian Government

Statement by the Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Hon Warren Truss MP

The Australian Government's Aviation Safety Regulation Review

14 November 2013

Madam Speaker, Australia has an enviable record in aviation safety – our safety performance is among the best in the world – and it is built on a strong regulatory system and the commitment to safety that is shared amongst the thousands of companies and the tens of thousands of individuals who make up our aviation industry.

Aviation is an essential part of our economy – it links our regions to our cities, our cities to the world. The industry employs tens of thousands of Australians and supports investment and innovation; but it is also an enabler for broader economic activity, particularly outside of our major population centres.

Our aviation industry is growing strongly – and is expected to double in size in the next twenty years. We are also witnessing a myriad of changes:

- the growth of new routes and markets with resulting changes in risk;
- new air traffic management technology;
- the introduction of new aircraft types and larger aircraft, with more sophisticated technology on board, and more complex support requirements on the ground;
- the rapid growth of emerging segments of the industry such as recreational aviation;

- increasing difficulty for the general aviation sector to cope with a more complex regulatory system; and
- increasingly, an industry that must be able to compete internationally.

Any regulatory system must evolve to keep pace with the industry it regulates. Given the speed with which the aviation industry evolves – the need for continued improvement in the aviation safety regulatory system is even more critical than in many other sectors.

So now is the right time to reflect and take stock of how our safety regulatory system is placed to deal with this economically important industry. The Coalition Government is determined to make sure that we do everything we possibly can to make our safety system even better.

Today I am pleased to inform the House that the Australian Government has met its commitment and commissioned an independent review of aviation safety regulation. This is a key element of the aviation policy we took to the last election.

The review—to be undertaken by a panel of three eminent and experienced members of the international aviation community—will examine how well our regulatory system is positioned to ensure we remain at the forefront of aviation safety globally.

This review will consider the structures, effectiveness and processes of all agencies involved in aviation safety, and the relationships and interactions of those agencies as they work together in one system.

It will consider the outcomes and direction of the regulatory reform process undertaken by the Civil Aviation Safety Authority, and it will benchmark our safety regulations and regulatory system against other leading countries.

Safety will always remain the Government's highest priority in aviation policy. That will never change.

In delivering on that unwavering commitment we can, and should, make sure we are regulating in a smart and efficient manner. The Government has a clear policy of reducing the

cost of regulation to business, and this goal will be part of the review. If there are ways to improve our safety outcomes and reduce the regulatory burden and the costs imposed on industry, then we can create a win-win outcome for the Australian economy overall.

In doing this, I acknowledge the concerns being expressed by some sectors of the aviation industry, in particular general and regional aviation, about the costs of regulatory compliance and how outcomes of the current aviation safety regulatory reform programme compare with regulatory approaches in other countries.

The review will also consider matters raised in the report of the Senate Rural and Regional Affairs and Transport Committee Inquiry into Aviation Accident Investigations. That inquiry, with its long and detailed examination, highlighted a number of issues with our air safety regime that warrant further consideration. The Committee's Report will be a valuable perspective for the review panel.

I am very pleased with the breadth and depth of expertise that we have secured to conduct this review.

Mr David Forsyth, respected aviation engineer and former airline executive, current chairman of Safeskiies Australia, and former chairman of Airservices Australia, will chair the review panel, bringing over thirty years of experience in safety management and aviation business. Made a Member of the Order of Australia in 2013 for his significant service to the aviation industry, Mr Forsyth will bring his leadership and safety experience to this important task.

To deliver an international perspective, he will be joined on the panel by Mr Don Spruston from Canada and Mr Roger Whitefield from the United Kingdom.

Mr Spruston, until recently Director General of the International Business Aviation Council, is a former Director General of Civil Aviation at Transport Canada, and a former adviser to the International Civil Aviation Organization, where he helped develop the Universal Safety Oversight Audit Program which is

now used across the globe as a means of assessing the health of national safety oversight systems.

Mr Whitefield combines over thirty years' experience as a pilot and senior executive with British Airways with ten years' experience as a board member of the UK Civil Aviation Authority, giving him insights into both the regulation and operation of civil aviation internationally. He was an external adviser to the Qantas Safety Board for six years and is Chairman of Air Safety Support International.

Together, the panel brings together a broad and complementary range of aviation experience across technical, operational, regulatory and management roles in both the public and private sectors.

The panel will also be supported, as required, by specialist advisers to assist on specific aspects of the review. The specialist advisers will ensure that the perspectives of different sectors are heard.

I recognise that it is particularly difficult for the diverse general aviation sector to have its voice heard in a review like this and so I have asked Mr Phillip Reiss, President of the Aircraft Owners and Pilots Association of Australia, to take a particular responsibility as a specialist adviser to ensure that the concerns of general aviation and regional operators are well aired. His experience will provide valuable insight and technical expertise to the panel.

But this panel, no matter how expert, could not take forward the review process without listening to the views and input of the aviation industry and members of the Australian community – and I would expect that many people will wish to contribute their views to the review.

The review panel will engage with industry and other stakeholders, with a period of public consultation to take place over the coming months. Further details will be available on my Department's website in the near future.

The review I am announcing today will be systemic and strategic in nature. It will not be reopening previous air safety investigations nor will it be a forum to resolve individual complaints or grievances. It is about the future regulatory challenges and growing our industry.

This Government is determined to make sure that we do everything we possibly can to make a good safety system even better. I have moved quickly to establish this review, and to maintain momentum, I have asked the panel to report its findings to me in May 2014.

The aviation sector in Australia is vitally important for our economy and for the wellbeing of Australians. We must ensure that we foster an aviation industry that is dynamic, growing, and overseen by a regulatory system that delivers the highest level of safety.

I table the Terms of Reference for the Review.

Aviation Safety Regulation Review

Terms of Reference

Objectives

The principal objectives of the review are to investigate:

- the structures, effectiveness and processes of all agencies involved in aviation safety;
- the relationship and interaction of those agencies with each other, as well as with the Department of Infrastructure and Regional Development (Infrastructure);
- the outcomes and direction of the regulatory reform process being undertaken by the Civil Aviation Safety Authority (CASA);
- the suitability of Australia's aviation safety related regulations when benchmarked against comparable overseas jurisdictions; and
- any other safety related matters.

Outcomes

The report of the review will:

- examine and make recommendations as required on the aviation safety roles of CASA and the Australian Transport Safety Bureau (ATSB) and other agencies as appropriate;
- outline and identify any areas for improvement in the current interaction and relationships between CASA and the ATSB, as well as other agencies and Infrastructure;
- examine and make recommendations as required on the appointment process and criteria applied for key aviation safety roles within CASA and the ATSB;
- examine the current processes by which CASA develops, consults on and finalises changes to aviation safety regulations and other legislative instruments (such as civil aviation orders) and make any proposals for improving these processes such that new regulations are best practice in safe operations for each relevant sector of the aviation industry;
- review the implementation of the current aviation safety regulatory reform programme and assess the effectiveness of the planning and implementation of regulatory changes, including cost impacts on industry;
- examine and make recommendations on options for improving future aviation safety regulatory reform having regard to international experience and stakeholder views, and the Government's objective of reducing the cost of regulation to business;
- provide advice to Government on priorities for future regulatory development and implementation strategies; and
- provide advice to Government on options for improving oversight and enforcement of aviation regulations, including rights of review.

Consultation

The review will seek the views of the CASA Board and senior management and staff, and the ATSB Commission and senior management and staff in developing its advice to Government on the review's objectives, and consult closely with:

- international, domestic, regional, general aviation, sport and recreational aircraft and maintenance operators and organisations;
- federal, regional and local airport operators;

- other relevant Government agencies including Infrastructure, Airservices Australia, the Department of Defence and the Office of Parliamentary Counsel (OPC); and
- other industry and public stakeholders.

Background

Australia's aviation safety governance structures and processes have continued to evolve since the initial establishment of the *Civil Aviation Act 1988* (covering the operations of CASA), the *Air Services Act 1995* (covering the operations of Airservices) and *Transport Safety Investigation Act 2003* (covering the operations of the ATSB).

In addition the establishment of an Aviation Safety Regulatory Development Taskforce in March 2010, comprising dedicated resources from CASA and OPC, was specifically aimed at helping expedite the completion of the regulatory drafting work for an aviation safety regulatory reform programme.

The current regulatory reform programme involves completion of three main regulatory suites covering aircraft maintenance, aircraft operations and flight crew licensing. The maintenance and licensing suites are largely completed with the operations suite scheduled to be completed next year.

The aviation industry and CASA are in the process of implementing the maintenance and licensing regulatory changes already made and in which significant investment in improved systems, training and education is completed or under way.

Work on updated regulations for areas affecting general aviation such as amendments to Civil Aviation Safety Regulations - Part 42 (Continuing Airworthiness - amendments for charter and aerial work), Part 132 (Limited Category Aircraft Operations - Warbirds), Part 138 (Aerial Work Operations) and for sport and recreational aviation (Parts 103, 105 and 149) are scheduled to be progressed in the next twelve months.

Earlier this year a Senate report into Aviation Accident Investigations highlighted a range of issues with the regulation and governance of aviation safety within Australia.

It is therefore timely to consider future aviation safety structures and regulatory development approaches and processes in Australia by evaluating the effectiveness of the current approach, looking at international experience and possible options for future improvements and bearing in mind the commitment of the Australian Government to reduce the burden of regulation on the economy.

It is also timely to look at which areas should be priorities for future regulatory development to meet continued growth in aviation demand.

Review Membership and Timing

The review panel will comprise Mr David Forsyth (chair), Mr Don Spruston and Mr Roger Whitefield. The panel will be assisted by a Secretariat established within Infrastructure, and will be supported as required by specialist advisers.

The review will report to the Minister for Infrastructure and Regional Development in May 2014.