



The Hon Darren Chester MP
Minister for Infrastructure and Transport
Deputy Leader of The House
Member for Gippsland

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Mr Greg Russell
Chair
The Australian Aviation Associations Forum (TAAAF)
Unit 11
26-28 Winchcombe Court
MITCHELL ACT 2911

Dear Mr ^{Greg}Russell

Thank you again for providing the Australian Government with The Australian Aviation Association Forum's (TAAAF) *Aviation Policy 2016*. I appreciate the effort that the member associations of TAAAF have put into the development of this document.

I asked the Department of Infrastructure and Regional Development, in consultation with relevant stakeholders, to examine and prepare a response to the issues and recommendations raised in TAAAF's *Aviation Policy 2016*.

I can advise that a number of the recommendations and proposals put forward in TAAAF's *Aviation Policy 2016* have been, or are being actioned by, the relevant Government agencies.

Regarding the Aviation Safety Regulation Review (ASRR) the Department has recently published an update on progress with the implementation of the Government's response on its website www.infrastructure.gov.au.

While the Civil Aviation Safety Authority (CASA) is making good progress in a number of areas of regulatory reform, there are other issues arising out of the Government's response to the ASRR that I am aware industry is seeking to be completed as soon as possible. I have asked CASA to complete implementation of the Government's response to the ASRR relevant to CASA this year, except for those areas which CASA and industry have agreed to delay implementation given higher priorities (e.g. some parts of the regulatory reform program).

As industry has indicated to me, the real test of the effectiveness of implementation of the Government's response will be compliance of CASA staff and industry with the new regulatory policies, procedures and philosophies over the next few years.

CASA has undertaken regulatory initiatives in relation to pilot licensing and flying training regulations (CASR Parts 61, 141 and 142), changes to the timing of the Cessna Supplemental Inspection Documents program and easing Jabiru engine flying limitations.

I am aware that one of the major issues raised in the TAAAF policy is seeking amendments to fatigue management rules. In this regard, CASA has extended the implementation period for the new fatigue rules by one year to May 2018 and agreed to conduct an independent and comprehensive review of fatigue limits.

Arising out of the ASRR, CASA has established a Director's Advisory Panel and timetable for the completion of the regulatory reform program which is revised on an ongoing basis to reflect consultations with industry and implementation of the three tier regulatory approach.

Approach with vertical guidance in Australian aviation is being advanced by the Department, CASA and Airservices with the release of the final Baro-VNAV policy which will see the implementation of these procedures at over 100 Australian airports. In terms of Satellite Based Augmentation Systems (SBAS), the Department is assisting the Department of Industry, Innovation and Science in a whole-of-Government assessment of a SBAS Testbed proposal by industry parties. Industry will be informed by the Department of the outcome of these deliberations once finalised.

The Government recognises the importance of the Australian aviation skills and training environment. The Department has commissioned an independent Aviation Workforce Skills Study into the state of the aviation workforce in Australia, the aviation industry's workforce and skills needs going forward, and the possible actions that the Government and industry can take to meet these needs to best harness available opportunities. The findings of the study are expected to be provided to the Government before the end of the year and it is expected that these findings will assist in informing future Government policy on aviation skills and training in Australia.

I support the need for more internationally competitive certification processes with our key trading partners and CASA encourages industry members to identify areas and countries where it feels Australian aircraft and parts exporters would benefit from the establishment of bilateral recognition arrangements. In relation to CASA and Airservices efficiency, I would note both organisations have undergone recent reviews to seek to enhance the efficiency of their operations and reduce their overall operating costs, while examining their future resourcing needs.

CASA's long term funding strategy is currently subject to a review with the outcome expected to be announced in the 2017 Budget, noting the major airline sector is already the main contributor to CASA funding.

Airservices has announced that it is significantly reducing its overall costs while ensuring that this does not impact the delivery of core air traffic and aviation rescue and fire fighting services (ARFFS). These costs savings are expected to be realised from next financial year, noting Airservices has held any changes to its next long term pricing agreement with industry until its restructure program is completed.

On ARFFS, the Government is currently examining advice from the Department and its aviation agencies, following a public and industry consultation process, on a regulatory policy review earlier this year. This paper identified several potential areas for improving the efficiency of ARFFS in Australia and establishing a risk assessment process before the future establishment and disestablishment of ARFFS at airports.

The Government fully appreciates the role that Australia's aviation industry plays in our economy and in our community including regional and general aviation (GA).

I am keen to get a better understanding going forward of what our agencies, the Government and industry can do to sustain aviation growth into the future. That is why I have asked the Bureau of Infrastructure, Transport and Regional Economics (BITRE) to undertake a major study to examine the current state of the GA sector in Australia, the issues facing the industry and the factors influencing the viability of the sector. A copy of the Terms of Reference for the study is attached.

The outcomes of this study will help to inform both the Government and industry in understanding and responding to the challenges and opportunities faced by the diverse GA sector of the aviation industry.

I will be proposing that the GA Action Group, which was formerly a sub-group of the Aviation Industry Consultative Council (AICC), report directly to me in the future and also that the Group act as a reference group for the BITRE general aviation study.

While there are many initiatives underway, there are some recommendations and proposals in TAAAF's *Aviation Policy 2016* which are not consistent with the ASRR report or the Government's response to the report, or are not considered appropriate for implementation, such as privatisation of Airservices and related recommendations.

I would note the ASRR Report did not support changes to the *Civil Aviation Act 1988* to promote the industry indicating this was "not the appropriate action for Australia", noting the specific dedicated function of CASA as a safety regulator was unlike some overseas agencies which have other aviation roles in their functions. The Government also does not see aircraft noise certification as a CASA safety regulatory function.

I have noted TAAAF's recommendations seeking new dedicated aviation and airport strategies, plans and reporting structures. The Government has set out its aviation and airport policies in response to the ASRR Report, in its Statement of Expectations to CASA, Airservices and the Australian Transport Safety Bureau and in planning and other legislative requirements in the *Airports Act 1996*.

However, noting TAAAF's views, I have asked the Department to examine the future role and format of the AICC with a view to improving its ability to provide strategic advice to me on the types of issues you have raised.

Thank you again for preparing the *Aviation Policy 2016* document and I look forward to working productively with TAAAF and the regional and general aviation sectors on the common goal of a safe, growing and sustainable Australian aviation industry.

Yours sincerely

A handwritten signature in blue ink, consisting of several overlapping loops and a trailing line, positioned above the printed name.

DARREN CHESTER

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