

**A E R I A L A G R I C U L T U R A L
A S S O C I A T I O N O F A U S T R A L I A
L T D .**

ABN 13 002 501 886 • ACN 002 501 886



27 June 2008

Mr Stephen Borthwick
A/g Executive Director
Aviation and Airports
Dept. of Infrastructure
GPO Box 594
Canberra ACT 2601

By email: stephen.borthwick@infrastructure.gov.au

Dear Mr Borthwick,

The Aerial Agricultural Association of Australia (AAAA) represents Australia's aerial application pilots and operators who conduct aerial spraying, fertilizing, crop sowing, firebombing and a range of other activities.

The Association has been a very active and positive participant in the aviation industry for 50 years and during this time has worked with all governments and their agencies to develop, promote and improve aviation in Australia.

AAAA plays a key role in safety management by running programs that support and guide the activities of the industry, including a professional development program for aerial application pilots, training and accreditation programs and a wide range of safety education and promotion. AAAA has worked collaboratively with a range of government agencies, including CASA, to deliver real improvements to industry and the nation.

Over the last two years, AAAA has made a number of submissions to Government on a range of issues that are pertinent to the development of a national approach to aviation policy.

AAAA's relatively recent submission to the previous government's General Aviation Strategy is attached and forms a significant part of this submission at Appendix 1.

AAAA is also making a submission to the Senate Standing Committee on Rural and Regional Affairs and Transport Inquiry into the Administration of CASA and related matters. Unfortunately, I am not able to incorporate that submission here due to the requirements of the Senate Committee system, but I have requested their earliest approval to release our submission to you. I will forward that submission to you as soon as possible as Appendix 2 to this submission.

The Association's key concerns are:

- Complete support for a national aviation strategy including:
 - The desperate need for a national aviation strategy that provides context for the aviation industry within the development goals of the nation. This is especially important in terms of providing aviation with appropriate status within the agriculture, tax, education, training, manufacturing, tourism, security, emergency services, and related government policies.
 - There should be a national commitment to promoting and fostering aviation as part of national development goals.
 - A national aviation strategy must take account of the wider benefits of aviation to the Australian community, especially in terms of the provision of essential services such as emergency services including firebombing and especially in the context of cost-recovery by CASA.
 - A national aviation strategy is a critical 'missing link' in informing and directing CASA to its wider obligations of fostering and promoting aviation while regulating for aviation safety.
 - Within a national strategy, aerial application and aerial work issues require suitable attention without the policy being focused solely or principally on airline operations.
 - Maintaining a national system of aerodromes that all aircraft have access to at reasonable prices.
 - Maintenance of the independence of ATSB and the ongoing protection of safety reporting information

- CASA- related issues including:
 - Urgent need for an external and independent review of CASA's functions, driven by industry leaders including AAAA.
 - An urgent need for improved direct consultation with industry peak bodies on aviation safety issues and CASA management.
 - Ongoing poor management of CASA.
 - The need for improved governance of CASA and the direct linking of this to accountability to industry, including greater peak body representation on any CASA Board (if reintroduced), the abolition of the ASF, and the removal of the Regulatory Advisory Panels.
 - Giving consistent effect to the classification of activity policy that focuses on fare-paying passengers.
 - Urgent cost cutting within CASA.
 - A sustained attack on inefficiencies and lack of systems within CASA to streamline, simplify and cut the cost of CASA-industry interactions.
 - Urgent and simpler regulatory reform.
 - Greater use of outsourcing to appropriate peak bodies with specialist expertise and a proven track record of performance in government partnerships.
 - Simpler rules for simple operations that do not involve the carriage of fare-paying passengers.

- Education and pilot training initiatives including:
 - Access to HECs for trainee commercial pilots and aerial application pilots.

- Tax initiatives:
 - Greater direct support to aerial application companies during drought to maintain critical skills in rural Australia.
 - Income averaging for aerial application companies.
 - Improved investment regime including at least 60% depreciation in the first year as currently enjoyed by our competitors in the US.
 - Abolition or rebate of fuel excise for aerial application activities involving agriculture or firebombing, as currently enjoyed by our competitors in the US.

- Reduction in Government red tape including:
 - Harmonization of State regulations in OH&S and linking risk management systems and performance to premiums.
 - A national industrial relations system.
 - Chemical control-of-use regulation to be handed over to the Commonwealth as recommended by a recent Productivity Commission report.
 - Improved cross-recognition of qualifications between sectors and between jurisdictions (such as with the long-running attempts through DAFF to establish a national aerial chemical distribution licence for all aerial applicators rather than individual state licencing as is now the case, and as the COAG working group on qualification recognition has also identified. Another example is the non-recognition of aviation medicals by Road Transport Authorities and others).
 - Simplified compliance systems for transport security including ASIC renewals, Transport Security Plans for aircraft marginally above the 5700 kg trigger and regional/rural airports.
 - Simplifying compliance requirements for aerial work operations in the face of government policy to introduce drug and alcohol testing, fatigue management systems, safety management systems - all of which are supported by industry in principal but which threaten to overburden relatively simple operations with significant costs that are not commensurate with any (as yet unidentified) improvement in safety.

AAAA is able to provide a range of examples and particular instances to support each the above main points with clear suggestions for a way forward.

AAAA would welcome the opportunity to elaborate on this submission at a meeting with you at an appropriate time.

If you would like further information on any matter raised in this submission or you would like to discuss any issue with the Association, please do not hesitate to contact me on 02 6241 2100 or 0427 622 430. The Association's offices and staff are based in Canberra.

Yours sincerely



Phil Hurst
CEO

Appendix 1

AERIAL AGRICULTURAL ASSOCIATION OF AUSTRALIA LTD.

ABN 13 002 501 886 • ACN 002 501 886



18 May 2007

General Aviation Action Agenda Secretariat
DoTARS
GPO Box 594
CANBERRA ACT 2601

Dear Sir/Madam

SUBMISSION ON THE GENERAL AVIATION ACTION PLAN

Can I firstly say how disappointed the AAAA is with not being asked to be represented on the Strategic Industry Leaders Group, nor to have any of our members who have decades of experience in both agriculture and general aviation asked to participate.

It is about time government recognised the valuable expertise that is available through Australia's genuine industry leaders such as AAAA and the vital stake our members have in the future of our industry. Regardless of whether it was meant as either a direct snub to leading industry associations or a patronising signal that government knows what is best for industry, AAAA can assure you that that is how it is perceived by industry.

While the members of the Leaders Group may be distinguished in their own right, none of them represent the aerial agricultural industry and none of them have any expertise whatsoever in our sector.

Secondly, AAAA is disappointed at the complete lack of either formal or informal consultation with our industry before the development of an issues paper. How can government expect to have a positive dialogue with industry when it is willing to second guess industry before even commencing the development of a strategy? This is a hard lesson that even CASA appears to have managed to grasp in recent months, but which still eludes DoTARS.

Thirdly, AAAA is disappointed at the relatively tight timeframe for public submissions. Industry requires reasonable time frames to ensure we are able to

appropriately canvass our members, develop positions and then convey them effectively to government.

If government was interested in getting off on the right foot, it should have invited industry leaders to a roundtable with the Minister to set the stage for a more cooperative approach.

The process so far leaves AAAA and its members very pessimistic at the likelihood of anything positive coming out of the so called ‘Action Agenda’.

If government wants the support of aviation Associations with a wide membership base, acknowledged expertise in their sector and the ability to effect change within the industry, then it must do better to engage and listen to industry from the outset.

Key Issues

General

The Importance of an aerial application fleet and expertise

Maintaining the aerial application industry’s crop protection capacity is vital to Australian agriculture as only aircraft have the capacity to treat large areas of infestations in a safe and timely manner (such as locusts in NSW over recent years, or rust in wheat in a number of States over recent years).

Without aircraft for chemical and fertiliser treatments, Australian agriculture would suffer losses in the tens if not hundreds of millions of dollars.

In addition, the availability of purpose built application aircraft and skilled pilots to operate them, supported by trained staff, planning, maintenance and other support capabilities makes it possible for Australia to defend itself against bushfires through aerial firebombing and oilspill damage through the national oilspill control program.

Government commitment to fostering general aviation

An overt statement by government that it will foster and promote general aviation, backed up by solid consultation and policy work, is a critical starting point in improving the contribution GA can make to the Australian economy and community.

GA has been ignored by successive governments and their Departments to the point where today it is struggling to keep its head above water. While some of this decline can be laid at the sectors’ own mismanagement and lack of imagination, as well as external factors such as US product liability, there is also a heavy burden of government over-regulation, duplication and poor policy.

By making a clear statement that this is a valuable sector worthy of government consideration when it makes decisions, industry will better positioned to assist government with building win-win scenarios that lead to better policy outcomes for less cost.

Bureaucrat culture change to assist industry

An important but often difficult-to-define change that would make a significant contribution to general aviation is a change in the bureaucratic culture from its present stance of needing to ‘control’ GA or simply not taking GA as a serious sector of the aviation industry.

While inroads into the present culture can be made through structural changes such as establishing a small GA policy area within DoTARS and ministerial direction, a key part needs to be education of bureaucrats as to what industry actually does on a day to day basis and an open-mindedness to effect improvement. AAAA is happy to provide this familiarisation.

Establishing a pathway for GA to be heard

The best way to establish clear signals from government to the public service in this regard is for a national GA policy and the development of pathways into government for GA bodies so that there is a framework for industry and Government to work together. This is currently missing.

A GA roundtable, held annually and featuring representative from each sector of GA would be an excellent start, along with a policy area of DoTARS to work consistently with industry.

Education Support

Support to aid skilled staff retention

A critical issue for rural Australia and the aerial application industry is the maintenance of a pool of skilled and well-trained staff to conduct operations. Apart from the normal difficulties of attracting, training and keeping highly skilled staff in rural and sometimes remote locations, the drought has exacerbated this issue.

As the drought deepens, more staff are being laid off and are migrating to the cities in search of work and in many cases, alternate careers. The chance of attracting them back to the industry when the drought breaks is likely to be small.

We have highly skilled agricultural pilots holding Commercial Pilots Licences (and in some cases Airline Transport Pilot Licenses) as well as a range of other aviation and non-aviation qualifications who are now driving trucks and taking any other work they can to make ends meet.

In a small industry with relatively long lead times for training and suitable experience, the inability to maintain staff threatens to be crippling and to compromise any recovery from drought.

The continued employment of other essential staff, such as trained and licensed aircraft engineers, operations managers, chemical mixers and aircraft loaders is under significant threat due to the drought.

Non-essential staff have generally already been retrenched due to the drought.

Government recognition of this threat and suitable support direct to companies to be able to maintain skilled employees is critical in both the short and long terms.

Education and skills

With an aging demographic across the pilot and aviation management spectrum, it is clear that the industry is in dire need of better support for aviation education to enable it to compete with other sectors for high school graduates in terms of aviation presenting a viable and attractive career choice.

At present, most pilots entering the industry do so because they either have a passion for flying or family connections with the industry and often both. While this is admirable, it is clearly not providing Australia with the generational renewal of the industry that it needs to be sustainable.

AAAA believes that a key part of the answer to this problem is to have aviation put on the same footing as other tertiary education. At a minimum this would mean opening up the HECs scheme to pilots pursuing a commercial licence to work in GA.

The burden on small businesses in providing ad hoc support for training is simply too great a burden to sustain, as is witnessed by the increasing median age of pilots in the industry.

This principle of treating aviation education the same as other types of tertiary education should also extend to training for LAMEs where a critical shortage of skilled aircraft maintainers is being exacerbated in regional Australia by skill and youth drift to the cities.

Tax and incentive issues

General fuel excise relief

The aerial application industry is subject to a range of fuel excises that add to costs. They should be reduced or removed permanently.

Importantly, our key competitor in many agricultural markets, the US, has recently granted aerial applicators in that country a full rebate on all fuel excises and taxes. This is putting Australian farmers and aerial applicators at a competitive disadvantage.

Australia should provide a complete rebate from all fuel excise for aerial application operations as their primary focus is as a service industry to the agricultural sector.

Accelerated depreciation of assets

The ATO in recent years significantly increased the useful working life of agricultural aircraft for the purposes of depreciation, at the same time as US competitors are enjoying an accelerated depreciation regime that enables them to write off up to 60% of the purchase price of an aircraft in the first year.

From a debt management perspective it makes more sense in a highly seasonal industry such as agriculture to be able to pay for significant amounts of new aircraft or other capital equipment while there is sufficient cash flow, thereby reducing the burden in poor years.

This is also a more important issue where operations take place in a hostile low level environment where total loss of the aircraft asset is a very real possibility.

Access to income averaging in better years

A key issue for aerial applicators is the lack of access to income averaging to smooth out the bumps between good years and bad. One of the reasons AAAA has sought additional drought support is because there is simply no capacity for aerial applicators to put money aside, in a tax effective manner, for a poor season.

While such an initiative would not ease the current long-term drought situation, it must be a part of a solution to preparing Australian businesses to cope better with highly variable and increasingly unreliable seasons.

Even access for aerial applicators to the Government's existing Farm Management Deposits scheme would represent a significant improvement in the management options available and would be a significant step forward in helping businesses to support themselves in poor seasonal conditions.

CASA fuel excise relief

Aerial applicators pay a fuel excise to fund CASA. CASA quite rightly has a focus on the activities of companies that carry fare paying passengers and provides few, if any, services or oversight to the aerial application industry.

Far more has been achieved in improving safety through the efforts of AAAA and insurers than CASA. The long term accident rate and especially the fatality rate for agricultural operations continues to trend down due in main to the efforts of AAAA.

Consequently, aerial applicators should not have to pay excise to support the activities of CASA.

AAAA has been in discussions with CASA on self-administration of the sector, but as CASA was not willing to provide a sustainable funding basis for such a move, it was rejected by the sector.

It was clear that CASA would not reduce its tax impost on the industry, while at the same time expecting industry to self-fund (through very restricted means) our own administration through additional charges on the sector. At the same time, it was clear the CASA was not focused on cost-cutting or improving efficiency to reduce the call on industry taxes.

The industry was simply not interested in self-administration at any cost – and certainly not at the cost of double taxation.

The government and CASA is also seeking to increase cost recovery from industry to the tune of approximately \$20 million per annum, but with no coherent or transparent plan to significantly reduce costs of what is clearly a dysfunctional and poorly

managed organisation. The AAAA submissions on cost recovery highlight the lack of a strategic focus on cost-cutting and efficiency within CASA. Copies of these submissions are available from AAAA.

Government, either the Minister's office directly or through DoTARS (instead of CASA) should reopen discussions with AAAA to establish a sustainable funding model for self-administration of the sector.

Manufacturing and export support

Consideration should be given to how to best support the Australian general aviation manufacturing and export sector.

In many cases this may not be about the development and export of whole aircraft but ancillary and role equipment and even support equipment. This is particularly true in the application sector where Australia leads the world in spray equipment including variable droplet booms and variable rate systems.

The work undertaken by Gippsland Aeronautics and others in the development of really useful aircraft for our own industry demonstrates both the capacity of Australian industry to deliver and the enormous costs associated with manufacture and certification of aircraft in Australia.

A key part of a general aviation strategy should be initiatives to support the Australian aircraft and aviation equipment industry and to reduce the costs and red tape that they face in getting to market.

State Issues

Removal of State stamp duties

While stamp duties are essentially a creature of the States, it is worthwhile understanding that some States are charging stamp duties on insurance policies with the duty being assessed on the combined premium + GST figure.

This is clearly a tax on a tax that was guaranteed on the introduction of the GST not to be raised. Federal influence on the States to remove such inequities would be greatly appreciated.

Workers compensation

While worker's compensation is also a creature of the States, it is an area that is inconsistent between States both in terms of policy and costs.

Worker's compensation premiums should be based on the real long term performance of the company and should include the incentive of being able to reduce premiums by undertaking more comprehensive risk management programs to reduce the chance of injury at work.

The inequity in NSW where compulsory worker's compensation premiums for pilots are assessed based on annual average earnings, but payouts are based on only the

minimum wage under the award (rather than annual average earnings which are significantly higher) is a corrupt and immoral practice.

Another issue of concern is the practice in some States of rating the whole of a sector (such as aerial application) in accordance with the highest risk and therefore highest premium, even though many staff, such as office workers, are no more exposed to risk than any other office worker.

A national approach to this issue would be very welcome.

Regulation

Reduction and simplification of Government red tape

The aerial application industry is highly regulated, with Federal and State licensing required on a number of levels as well as a range of record keeping and requirements being mandatory in addition to 'normal' businesses.

As non-essential staff are laid-off to try and cut costs and manage the drought, the capacity of companies to respond to government demands is reduced while the demands themselves continue.

While AAAA is not seeking any change in critical record keeping or administrative functions such as chemical application records or flying or aircraft maintenance records, AAAA requests that government investigate the total regulatory burden on often small companies that are finding it increasingly difficult to cope.

Demands come from organisations as diverse as OH&S regulators, EPAs, Departments of Primary Industries, the ATO, ASIC, CASA and others. Demands can include audits and information requests that often duplicate information that has been provided to another regulator, but the particular jargon and format used is subtly different and not easily transferred from one request to another.

This burden is so bad that AAAA is spending resources on developing a AAAA Management System for members that will include a computerised risk management system database that will allow operators to demonstrate to whatever regulator turns up on the doorstep whatever it is they need. It is a program that has been put on hold due to a lack of resources caused by the drought and no government support.

Perhaps government could make a contribution by standardising what they require of industry.

Greater effort by Government to better coordinate demands on industry by regulators would be a useful contribution to reducing stress and costs for drought affected businesses. Establishment of a joint industry / Government task force to identify areas for streamlining would be a useful start.

CASA

Cost Recovery

AAAA totally rejects the current government approach to cost-recovery by CASA without a precursor program of cost-cutting and efficiency dividends from CASA.

The current reality of CASA simply pumping up hourly rates to meet their government revenue targets is not a sustainable answer to the funding of CASA.

AAAA made significant submissions to the consultants conducting the costs recovery reviews, including many suggestions for increased efficiencies. These are available from AAAA.

CASA does have an increasing number of people who are doing good things and working with industry to deliver better outcomes – such as the AAAA Standard Operations Manual – but it seems to AAAA that they are achieving against the system rather than because of it.

A key problem with CASA leadership is that there is no clear plan that industry has seen for reducing costs to industry and how to better manage internal processes that will deliver efficiencies. The only improvements that have been made in recent times have been in direct response to AAAA suggestions and while these are welcome improvements, it does not give industry confidence that CASA would be able to sustain similar improvements under its own steam.

The Minister should work more closely with industry to identify areas for improvement and to develop better systems for delivering real risk management and improved safety outcomes.

CASA regulatory reform

The pace of regulatory reform by CASA over the last decade has been appalling and the pace of improvement remains glacial.

The regulatory reform process was hamstrung by individual project officers within CASA who were allowed to ignore directions from senior management, to ignore input from industry and to ignore various undertakings from senior CASA staff to industry.

While some individuals who caused those blockages in regulatory reform have been removed, there has been no general reform of the structure that would speed up regulatory reform.

AAAA has proven that with a committed, skilled, knowledgeable and cooperative project officer and the support and involvement of key industry associations, whole operational Parts can be developed, consulted, amended, legally drafted, reviewed, promulgated and implemented within 18 months – Part 137 is living proof that it can be done.

Similarly, the maintenance suite recently introduced proved there are more efficient ways of achieving regulatory reform.

Both models for regulatory reform are based on common principles that CASA should be forced to adopt:

- Establishment of a small CASA/industry working group drawn from key industry associations/major businesses relevant to the sector and CASA staff who have an understanding of area being reviewed, but more importantly an open mind and the capacity to cooperate with others. The role of this small group is to identify what CASA should not be doing, address real risks, assess current regulation, what industry needs, best international practice and the general direction of new regulation. The group may also develop the first draft of regulations for consultation. The key focus should be on risk management – if a proposed regulation does not manage a clear safety risk then it should not be pursued.
- The small group (which in the case of Part 137 was only two people) should then brief the SCC on their thoughts and direction, develop an NPRM and put it out to the public for comment as per the normal government process currently used by CASA.
- The SCC (as amended – see below) should then review the material presented and provide input before the release of the NPRM.
- The small group then reconsiders the submissions to the NPRM and makes recommendations to SCC.
- Once SCC is happy with the draft regulations they can proceed to final legal drafting (see below), check them after legal drafting and then proceed to making.

The system should remain flexible, so that legal drafting of some parts might commence earlier, that the SCC may use its working groups to progress certain parts, but essentially the commitment is to cooperation on achieving an outcome in a reasonable space of time, rather than an open-ended process with no defined schedule for completion.

Each regulation should be subject to a post-implementation review within 12 months to ensure it is achieving what it was meant to.

The constant switching of CASA senior management between deadline driven regulatory reform (with no consideration for quality) and the other extreme of getting the regs perfect no matter how long it takes has perplexed industry over the last decade.

A middle road that incorporates both goals of sound, effective and affordable regulations with sensible timeframes for development and implementation is surely not outside the grasp of the aviation sector, given that it is regularly achieved in other sectors by other Government agencies.

CASA Consultation

CASA's current consultation processes have become unwieldy and essentially less effective as CASA itself has changed.

A key failing of CASA has been to have no strategic planning of which regulations and policies should be done in which order.

For example, the promulgation of the classification of operations/activities only this week – almost 10 years into this round of regulatory reform – clearly indicates that CASA's left hand has not known what the right has been doing for many years. Classification and prioritisation of operations is absolutely integral to the strategic planning of regulatory reform and essentially what is there now is what was outlined to the CEO of CASA in various letters from Minister Anderson.

While there are finally signs that CASA may be moving into a more strategic period with better outcomes for industry, this is by no means clear to industry due to the ongoing split personality of CASA – where pronouncements by the CEO simply do not tally with what industry is experiencing on the ground.

The difficult answer for CASA probably lies in the area of cultural change driven by firm and transparent management policies that are enforced rigorously. Industry often makes the justified criticism of CASA that it demands standards from industry that it never meets itself.

The interaction between the new classification of activities policy and the resource wasting by field staff that is passed on to industry will be of very keen interest to AAAA over the coming months.

There is hope for CASA and some recent changes of personnel and subsequent changes in policy and culture are already making a difference – but it is a difference that could easily have been made several years ago and the pace of change remains glacial.

Quarterly High Level Roundtable

By better consultation with industry – perhaps at a quarterly roundtable between the CASA CEO and senior CASA managers and key industry representatives where industry has the chance to put their view on issues direct to the CEO – CASA can become an effective part of the revitalisation of general aviation in Australia, rather than being one of the main threats as it has been for decades.

Such a regular meeting would enable the consideration of high level issues, rather than the detailed work often undertaken by the SCC.

It would also establish a forum where wider issues of concern to industry, such as cost recovery, CASA efficiency, management policy and strategic issues could be raised.

There is currently no formal mechanism or forum where CASA can work on building a partnership with industry at a high level. Unfortunately, at a recent meeting with the CEO of CASA and senior staff promoted as an 'industry consultation forum', two hours of being told what CASA was doing (which professional industry association

and individuals already knew) was followed by only three short questions being permitted. This is not consultation.

It is a partnership approach that time and time again has been shown to work in aviation and which would undoubtedly play a critical role in fostering and promoting general aviation in Australia.

SCC

The SCC was developed to fix particular problems and to establish very clear consultation mechanisms for a regulatory reform program that had in many ways run off the rails.

Times have changed, the SCC has grown to an almost unmanageable size and many of the problems the SCC was very constructively fixing have been superseded by a change of CASA management and changes to the way CASA does business.

However, there remains a role for a streamlined, slimmer SCC. Alternatively, SCC meetings can be reduced to an annual event to bring industry together and map out a work program for the working groups, where the real consultation work takes place.

Given that the SCC processes now include a better approach to regulation that incorporates risk management at the outset, it should be possible for CASA to eliminate the current CEO Directive 16 and the Regulatory Advisory Panels as long as there is industry confidence that the outcomes these processes were trying to achieve are being met by the SCC itself.

Aviation Safety Forum

AAAA does not support the continuation of ASF as a formal group. The real work of safety management, regulatory reform and consultation should be undertaken by the SCC and the small CASA/industry groups identified above.

If the CEO of CASA feels that he needs additional input or a ‘think tank’ on safety matters, then he can establish that informally.

The role of legal drafting in regulatory reform

The support provided to CASA in the legal drafting of regulations has been appalling, with individual drafting preferences – regardless of the impact of content – has led to industry rejecting a wide range of proposed legal drafts as they did not meet the intention of the drafting instructions.

The Attorney Generals department should be engaged to provide both benchmarking and performance agreements so that the regulatory reform program can move ahead without being handicapped by lengthy delays due to drafting.

In addition, the poor advice that CASA received on a number of occasions regarding key issues within the regulatory reform program (such as the ‘disallowable’ status of Manuals of Standards) was probably responsible for setting the reform program back almost two years. Consideration must be given to ensuring CASA has access to and is required to use and table legal advice that has a significant bearing on programs that

soak up huge amounts of industry time and resources. It maybe that CASA could also cut costs by outsourcing this role.

Self Administration

AAAA supports a move to self-administration for GA, but only where that can be made to work sustainably and deliver real benefits to the relevant sector.

A key issue is funding, as outlined in the section above on tax relief from CASA fuel excises.

AAAA remains willing to work with Government on self-administration, but only when it is a genuine attempt to provide better safety, tax and management outcomes for the sector.

Support of AAAA initiatives

An important issue for AAAA and our members is the potential loss of momentum in programs that are working to continually improve the industry. At the moment that is principally due to a lack of membership subscriptions due to the drought (no work = no subscriptions as AAAA works on a percentage of members turnover). However, in the longer term, the general lack of support from Government for programs that deliver not only sectoral but also community benefits is of considerable concern.

AAAA established the Spraysafe program in 1985 and it has revolutionised training for agricultural pilots and support staff. It has been comprehensively reviewed over the last 5 years and upgraded in cooperation with chemical control-of-use regulators. Further upgrades were planned for the coming 12 months but have been postponed due to a lack of resources.

A further initiative was the establishment of a AAAA Best Management Practices program that would have introduced a significant measure of quality assurance into the industry. Unfortunately, that program has also been delayed due to both a lack of Government financial support and members' subscriptions being drastically cut by the drought.

The stalling of the further development of these programs represents a significant lost opportunity for industry, government and the community. They would have provided not only a genuine improvement in the conduct of aerial application across the country, but also the assurances the community is seeking that agricultural chemicals are being applied safely and responsibly by suitable trained personnel operating within a quality assured environment.

Unless Government is able to offer greater support for these initiatives, they are likely to be delayed by several years after the drought has broken while the industry recovers.

Conclusion

Aerial application operators have always taken pride in being good businesspeople who provide excellent service to agriculture and the local communities we live in, but the lack of an overall framework to consider the health and potential of general aviation is handicapping the continued provision of existing services and the growth and development of new services.

It seems that no one is watching the overall regulatory burden on general aviation and it is suffering the death of a thousand cuts.


Many aerial application businesses are already considering the value of continuing in business, while a few have already shut their doors.

General aviation already makes a very significant contribution to the Australian economy and the community. It could become a more vibrant sector if Government lightened the regulatory burden and provided policies that supported the sector rather than restricted it.

AAAA, as always, is ready to work with government for improvements in our sector, but government must first establish the formal pathways for ours and other GA voices to be heard and acted upon in a strategic manner.

If you require any further information or would like to discuss any of the suggestions made in this submission, please do not hesitate to contact me on 02 6241 2100.

Yours sincerely



Phil Hurst
CEO

AAAA Submission to the Senate Standing Committee on Rural Affairs and Transport Inquiry into the Administration of CASA and related matters

Awaiting approval from the Senate Committee for inclusion of this submission as Appendix 2.

It will be forwarded as soon as possible.