

30 January 2014

Mr David Forsyth AM  
Chair  
Aviation Safety Regulation Review  
Department of Infrastructure and Regional Development  
GPO Box 594  
**CANBERA ACT 2601**

Dear Mr Forsyth

### **Submissions for the Aviation Safety Regulation Review**

Thank you for the opportunity to provide comment to the Aviation Safety Regulation Review.

Australia Pacific Airport's Corporation (APAC) operates two key Australian aviation assets, Melbourne Airport and Launceston Airport.

In the last year over 30 million passengers and 1.22 million passengers travelled through Melbourne and Launceston airports respectively.

Providing a safe environment for our passengers, staff and visitors is one of the most important things we do and as is one of our core values and a priority for the whole team. As an airport operator, we oversee safety operations on a daily basis and engage frequently with our regulators. This places us in a strong position to comment on current regulation processes and systems.

Overall the key structure between CASA, ATSB and the Department of Infrastructure and Regional Development works well. Accountabilities between the agencies are well understood and the integration between the agencies works well to deliver safety regulation. The areas where safety regulation could be enhanced are through its strategic approach and developing clear process and consultation frameworks, within realistic timelines.

The fundamental issue for safety is the strategic approach used to implement safety regulation. It is important that optimising safety is the key driver of any supporting policy, regulation or process and a clear



and concise method for applying a risk based approach is available and implemented.

Recent changes within CASA seem to be a step change away from this model. Instead there seems to be a focus on implementation of safety rules and compliance, rather than a risk based approach. While it is critical that there is a clear understanding of the safety requirements and consistency between ports, the focus must be on the best safety outcomes given local variations. There needs to be a balance between the compliance model and the risk based model. The change towards rule based requirements has resulted in a focus on compliance against requirements that in a number of areas are either not applicable or out of date, rather than maintaining safety through a risk based approach.

This was first experienced during our recent Aerodrome audit by CASA in August 2013, the outcomes from which seem to have resulted in minimal improvements to safety, but a substantial increase in paper-work, resource hours and burden on airlines and airport operators. It has also led to a situation where local knowledge and expertise of previous CASA resources has not been recognised. By way of example CASA issued a non-conformance for our manoeuvrability area limit line which is a local standard to Melbourne Airport. CASA had previously agreed to the manoeuvrability area limit line based on a risk assessment, however at the most recent audit this has been documented as a non-conformance as it is not stated in the Manual of Standards Part 139. To remove the manoeuvrability area limit line would compromise safety and as such requires significant work, communication, engagement and monitoring to manage the additional risk applied to the airport.

Another example of the step change from a strategic safety approach to a compliance model is evident in the way legacy issues are being managed by CASA. At Launceston Airport for example, there are two issues related to pieces of infrastructure that have been in place since the 1960s. These are the separation distance between the runway and taxiway and a runway strip which is less than 300 metres. The airport has been operating safely with this configuration for many decades. At the time of construction, this infrastructure was built by the Commonwealth, presumably to the applicable standard of the day, however with changes to regulation, technically these pieces of infrastructure no longer meet standards. In the last audit a non-compliance notice were raised for both these issues. These legacy issues cannot be resolved simply and could potentially lead to relocating the runways and/or terminals, costing hundreds of millions of dollars. CASA has suggested that as short-term measure exemptions should be applied for, yet there appears to be no straightforward path to a longer-term solution. The exemption only covers a three year period, incurs a fee and requires an ongoing management resource to apply for



and renew. The process implies a level of uncertainty and does not in any way contribute to an improvement in safety.

Best safety outcomes are achieved through a collaborative approach between industry and the regulators. This is vital in an environment where multiple stakeholders, government, regulators, airlines and airport operators are responsible for safety. Consultation and engagement is critical to ensure that regulations take into consideration all components of the safety chain and that the best outcomes are achieved. Currently, there is often inadequate consultation – particularly for regulatory changes that are not legislated. At times, this has led to poor decision making and substantial implementation implications.

This is again highlighted by the change of how CASA are now auditing airports against the Manual of Standards Part 139. This significant change to audit the approach occurred without prior notification, without any formal consultation and without any training. The result has been a lack of clarity around what is required from the regulator during the audit process, communications being received only on submission of responses, repeated submissions which have prompted a gradual release of information rather than up front clarity. At Melbourne Airport alone over 1,000 man hours have been involved in the responses to audit to date and we anticipate a further 3,000 man hours during 2014. This is not unique to Melbourne Airport and is an industry issue and could have been overcome by the establishment of working groups, the publication of draft papers for industry comment and increased stakeholder engagement throughout the process.

An important component of consultation and the delivery of safety requirements is a clearly documented process. This ensures that expectations of safety standards are understood and safety risk minimised. Changing processes year on year leads to confusion amongst stakeholders and increases safety risk as unnecessary pressure is placed on airlines and airport operators to implement changes in unachievable timelines. This has been experienced through the continuous changing CASA audit process. Since 2009, the audit process has been unclear and varied year on year. In 2009, a CASA audit was conducted at Melbourne Airport and a report was provided. The following year a 2010 audit was conducted and no report was issued. The following audit was not carried out until 2013, and at this time a new audit process was implemented, with no notice about the change. In the intervening period between audits, Melbourne Airport continued to document process and approach to CASA with limited confirmation/correspondence in return.

APAC acknowledges the important role safety organisations play in terms of overseeing safety and that at times, there can be complex



issues involved. Nevertheless if processes take too long, there can be uncertainty for stakeholders that often lead to misconceptions and increased concern. This is highlighted by ATSB enquiries which can take over twelve months to be produced.

The practical implementation of safety regulation is an important consideration when developing policy and processes. For this reason, it is also important that Board Members and senior management representatives have practical industry experience.

## **Recommendations**

1. **Review of the current Manual of Standard (MOS).** Carry out a full technical review of the MOS in conjunction with industry to bring the standards up to date with current systems and technologies.
2. **Risk Based Approach.** Any key changes to safety regulation should be guided by optimising and promoting safety through a risk based approach. This can primarily be done through the Safety Management System and risk assessment model, supported by the necessary regulations, policies and standards.
3. **Legacy issues.** A clear process is developed, in consultation with the relevant airports, as to how to manage legacy issues.
4. **Industry Consultation.** Industry consultation should be a key component of any regulation change or policy. This should involve working groups, the publication of draft reports for comments and trial periods. One key mechanism to implement a consultation framework could involve the establishment of a National Safety Forum. The Forum could be based on the model that the Department uses for Security, the Aviation Security Advisory Forum. The Forum could meet quarterly and have representatives from industry and other government agencies including Infrastructure, Airservices and the Department of Defence. This forum could proactively identify safety issues, provide guidance on safety priorities and provide advice and insight into the practical implications for changes to safety regulation.
5. **Change Management System.** A clearly documented process is required for changes made to key safety and compliance processes, particularly changes not involving legislative changes. This should include industry consultation, training, opportunity to comment on draft of reports and adequate transition periods. This consultation should be similar to the Notice of Proposed Rule Making (NPRM) process.

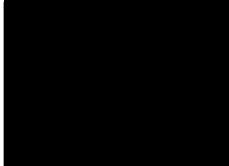
6. **Board Member Appointments.** As highlighted above, safety operations are the core part of an airport operators business. Airport operations must be considered throughout the decision making process and strategy setting. It is therefore recommended that any Safety Regulation Safety Board comprises of representatives with airport experience.

7. **Timely Safety Reports.** Prompt release of safety enquiries is required. ATSB reports can take over 12 months to publish. By this time, there is often heightened public concern and speculation.

Safety is core to the aviation sector. I therefore welcome the review and look forward to the outcomes. Please do not hesitate to contact myself or [REDACTED]

[REDACTED] if you require any further information.

Yours sincerely



**CHRIS WOODRUFF**  
**CHIEF EXECUTIVE OFFICER**