SUBNISSION TO THE AVIATION SAFETY REGULATION REVIEW

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AUSTRALIAN AIRPORTS ASSOCIATION

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AUSTRALIAN AIRPORTS ASSOCIATION

The Australian Airports Association (AAA) is the national industry voice for airports in Australia. The AAA represents the interests of more than 260 airports and aerodromes Australia wide – from local country community landing strips to major international gateway airports. The AAA's members include Adelaide, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Perth, Melbourne and Sydney Airports.

The AAA serves airports across the entire national aviation infrastructure network. This includes:

- Tier 1 Capital City Airports
- Tier 2 Non-Capital International Gateway Airports
- Tier 3 Major Regional Airports with direct interstate services

• Tier 4 Major Regional RPT airports without direct interstate services (with more than 20,000 passengers)

- Tier 5 Regional Airports without direct interstate services (with less than 20,000 passengers)
- Tier 6 Regional Airports without Regular Passenger Transport services (general aviation operations only)
- Tier 7 Remote Community Aerodromes (exist for community service aviation, medical emergency flights)

There are a further 100 corporate members who provide goods and services to airports. The Charter of the AAA is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

ABOUT AUSTRALIA'S AIRPORTS

Australia's network of airports, across major urban centres and regional areas, form an integral part of the national economic infrastructure and are critical to connecting communities and building economies.

The AAA published a study conducted by Deloitte Access Economics which showed that, in 2011, Australia's airports generated a total economic contribution of around \$17.3 billion, equivalent to around 1.2% of Gross Domestic Product. National employment at airports was estimated at approximately 115,200 full-time equivalent (FTE) workers. Consisting of nearly 56,500 air transport jobs (ABS 2012), the broader aviation industry supports activity at airports and air service dependent sectors. A copy of that study, <u>Connecting Australia – the economic and social</u> <u>contribution of Australia's airports</u> is available from the AAA website.

There are around 250 airports which receive Regular Passenger Services (RPT) and many more much smaller airfields and landing strips around the country supporting emergency service, training, maintenance, mail, freight etc with reports of some 2000 across Australia.

Airports are capital-intensive businesses, underpinned by their principal role as transport infrastructure providers. As such, airports are deeply linked into most economic activities, with these linkages increasingly driven by growth in leisure tourism and the regional expansion of resource and agricultural activities.

Major airports will invest \$9 billion over the next decade in infrastructure development. Continued investments allow airports to better link with other modes of transport, such as road, rail and seaports, increasing the efficiency with which sales, logistics and inventory management operations are conducted.

The AAA has also published a major research paper that brought together little known and seldom recognised facts about Australia's regional airports; it sought to dispel various myths that circulate about them, and it catalogued the serious challenges they face in meeting the future needs of the communities they serve. The paper, <u>Australia's Regional Airports – Facts, Myths and</u> <u>Challenges</u>, is available on the AAA website. This research highlighted that 50% of regional airports are unable to cover the costs of their operational expenses. This has implications for the long-term viability of these facilities that support the industry through provisions of flight training, aircraft maintenance, distribution of goods and a network of emergency services.

More than 70% of regional airports are only serviced by one airline operator. This demonstrates the economic power these airlines hold over the regional airports and how dependent the local communities are on the success of the airline's operations.

On average, capital city and major regional airports attribute 4% of total expenses for regulation and compliance purposes, compared to an impost of around 12% at regional airports. This largely occurs at airports with Regular Passenger Transport.

Beyond their immediate economic footprint, airports play an important social role in connecting individuals, families and communities with the rest of the country and indeed the world.

Airports provide vital services to their communities, including the facilitation of mail and time-sensitive freight deliveries, the Royal Flying Doctor Service, CareFlight, bush taxis, and the transfer of workers to employment centres and job sites.

Many airports provide training facilities and precincts for high-tech jobs in aviation to ensure the continued and sustainable development of a skilled workforce for the industry.

Shortages of skilled labour are constraining the operation of many airports, particularly in key regions where resource projects are attracting large numbers of workers.

EXECUTIVE SUMMARY

The AAA welcomes the opportunity to make a submission to the Review of Aviation Safety Regulation and commend the Federal Government for honouring its commitment to hold this review. The AAA sees that this review is both necessary and timely to reflect the latest developments in the aviation industry.

Australia has an enviable record in aviation safety built on a strong regulatory system and a commitment to safety across the industry. This includes the thousands of people responsible for the operation of Australia's airports, large and small, which are a vital part of our national aviation infrastructure.

This submission discusses the relationship of airports with a number of the key agencies involved in aviation safety and provides the observations of our membership in regards to the structures, effectiveness and processes of the regulators, particularly the Civil Aviation Safety Authority (CASA).

There are number of key recommendations that we would like to see adopted by the review. These include the need for:

A full technical review of the Manual of Standards Part
139 – Aerodromes needs to be undertaken;

2. CASA increasing their stakeholder engagement in relation to regulation and audit process changes;

3. All future changes to safety regulations be made using a risk based approach;

4. The implementation of a clearly defined and documented change management system to track any changes made to key safety and compliance processes;

5. The establishment of a joint working group between CASA and industry to work on future regulatory requirements for aerodromes;

6. The development of training programs in the areas of airport and airport operations;

7. The separation of responsibilities for the policy making and regulation of aerodromes;

8. The timely release of safety reports into incidents that have occurred;

9. Increased capacity for CASA to approve or not approve developments that could impact on airport safety;

10. An increase in staffing levels for the Aerodromes section of CASA to meet growing industry demands; and

11. The increase of the CASA board to eight members and to include experienced aviation industry professionals.



AIRPORTS & THE REGULATORS

The AAA believes that the current structure of all agencies involved in aviation safety are working well. The accountabilities between CASA, Australian Transport Safety Bureau (ATSB) and the Department of Infrastructure and Regional Development are well defined and the agencies work well to deliver safety regulation.

In the research paper, <u>Australia's Regional Airports – Facts,</u> <u>Myths and Challenges</u>, the AAA outlined the relationship and interaction between industry and the key aviation safety agencies.

AIRPORTS & THE CIVIL AVIATION SAFETY AUTHORITY (CASA)

CASA is the Commonwealth regulator with primary (but not exclusive) responsibility for aviation safety, including for the operation of airports. It categorises airports by reference to the passenger carrying capacity of aircraft that use them:

• A certified airport is one which a) has a runway that is suitable for use by aircraft having: (i) a maximum passenger seating capacity of more than 30 seats; or (ii) a maximum carrying capacity of more than 3400 kilograms; and (b) is available for use in regular public transport operations or charter operations by such aircraft.

• An airport that does not meet those requirements may apply to be registered by CASA if it has been inspected by a person approved by CASA and found to meet certain prescribed requirements, which include various of the requirements that must be met by certified airports.

• Other requirements apply to an airport that is not a certified or registered airport but is used at least once a week by an aircraft that is engaged in regular public transport operations or charter operations and has a maximum passenger seating capacity of more than 9 seats but not more than 30 seats.

• And finally other requirements apply to an airport when used at least once a week by an aircraft that is engaged in regular public transport operations or charter operations with a maximum take-off weight (MTOW) not exceeding 8618 kg, and fitted with a passenger seat configuration of not more than 9. Depending upon which category an airport falls into, it will be subject to differing regulatory requirements. For example:

• A certified airport is required to have an Aerodrome Manual, a Safety Management System, and an Aerodrome Technical Inspection but other categories are not;

• A registered airport and an airport in the third category above is required to have an Aerodrome Safety Inspection, but an airport in the fourth category is not;

• Airports in the first three categories must have a trained Reporting Officer, but not those in the fourth category;

• Details of certified and registered airports must be published in the Airservices Australia En Route Supplement Australia (ERSA) and Notice To Airman (NOTAM) publications, but not those for the other two categories;

• At certified and registered airports, monitoring of obstacles is the responsibility of the airport operator while at other airports this is the responsibility of the aircraft operator; and

• Precision instrument approaches are available at certified and registered airports but not at others.

Where an Aerodrome Manual is required, it must cover such matters as:

- The airport's Aerodrome Emergency Plan;
- Aerodrome lighting;
- Aerodrome Reporting;
- Unauthorised entry to the airport;
- Aerodrome serviceability inspections;
- Aerodrome technical inspections;
- Aerodrome works safety;
- Aircraft parking control;
- Airside vehicle control;
- Bird and animal hazard control;
- Obstacle control;
- Disabled aircraft removal;
- Handling of hazardous materials;
- Protection of radar and navigational aids; and
- Low visibility operations.

Certified and registered airports are also required to have a Drug and Alcohol Management Plan (DAMP) and to apply it in respect of any of their employees who undertake specified "safety sensitive aviation activities", but operators of other airports are not. Most significantly, CASA is authorised to determine a Manual of Standards (MOS) that sets out very detailed standards that airports must comply with in relation to the operation of their airports. CASA periodically audits the compliance by airports with the MOS and other regularity requirements, and can initiate legal action where required.

As will be apparent from the above brief description, whenever an airline proposes to change the nature of the air services it provides to and from a particular airport, this has the potential to change the CASA categorisation of the airport and move it into a more tightly regulated category. There may be considerable expense and effort required for an airport to meet the increased regulatory burden so that it can agree to meet the airline's proposal, and yet the airline will generally not be prepared to undertake to maintain the new air services that necessitate that expense and effort on an ongoing basis.

AIRPORTS & THE AUSTRALIAN TRANSPORT SAFETY BUREAU (ATSB)

The Australian Transport Safety Bureau (ATSB) is responsible for the independent investigation of accidents and incidents involving civil aircraft in Australia. The ATSB's primary focus for its investigations is fare-paying passenger operations.

However, all accidents and incidents related to flight safety in Australia or involving Australian registered aircraft overseas must be reported to the ATSB. While the ATSB does not investigate all of these, it still needs to be notified so that the data can be recorded for possible future safety research and analysis.

It is not a function of the ATSB to apportion blame or provide a means for determining liability and the ATSB does not investigate for the purpose of taking administrative, regulatory or criminal action. Nevertheless, the outcome of its investigations may have significant implications for an airport operator where an accident or investigation has involved aviation activity to, from or at its airport.

AIRPORTS & THE OFFICE OF TRANSPORT SECURITY (OTS)

The Office of Transport Security (OTS) within the Department of Infrastructure and Transport is the Australian Government's preventive security regulator for the aviation and maritime sectors.

The Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005 require aviation industry participants to operate an approved Transport Security Program. The Act allows the Secretary to designate airports as security controlled airports, to assign categories to them, and to establish airside and landside areas, security zones and event zones for those airports. Once established, the areas and zones are subject to requirements directed at safeguarding against unlawful interference with aviation and the airport operator is required to have and comply with a Transport Security Program approved by the Secretary of the Department. The categorisation of the security controlled airport dictates the nature of the security measures that must be implemented at it.

A transport security program for an aviation industry participant must demonstrate that the participant:

a. Is aware of the participant's general responsibility to contribute to the maintenance of aviation security;

b. Has developed an integrated, responsible and proactive approach to managing aviation security;

c. Is aware of, and has the capacity to meet, the specific obligations imposed on the participant under this Act; and

d. Has taken into account relevant features of the participant's operation in developing activities and strategies for managing aviation security.

A transport security program for an aviation industry participant must set out the following:

a. How the participant will manage and co-ordinate aviation security activities within the participant's operation;

 b. How the participant will co-ordinate the management of aviation security with other parties (including Commonwealth agencies) who have responsibilities for, or are connected with, aviation;

c. The technology, equipment and procedures to be used by the participant to maintain aviation security;

d. How the participant will respond to aviation security incidents;

e. The practices and procedures to be used by the participant to protect security compliance information;

f. The other aviation industry participants who are covered by, or operating under, the program; and

g. The consultation that was undertaken, in preparing the program, by the participant with the other aviation industry participants who are covered by, or operating under, the program.

The designation and categorisation of an airport under the Act, and the nature of the aviation services undertaken by aircraft operators and air cargo agents at the airport dictate the nature of the particular security measures that must be put in place at the airport.

Preparing a transport security plan and installing and operating security equipment and procedures is inherently challenging and expensive.

Again it is the case that, whenever an airline proposes to change the nature of the air services it provides to and from a particular airport, this has the potential to change the security designation/ categorisation of the airport and move it into a more tightly regulated situation. There may be considerable expense and effort required for an airport to meet the increased regulatory burden so that it can agree to meet the airline's proposal, and yet the airline will generally not be prepared to undertake to maintain the new air services that necessitate that expense and effort on an ongoing basis.

REGULATORY PRIORITIES

The Manual of Standards (MOS) Part 139 - Aerodromes is the set of regulations established and maintained by CASA which covers all aspects of the operation of aerodromes. Such an important document, dealing with highly technical and complex issues, requires regular and dynamic review.

MOS Part 139 - Aerodromes contains many conflicting rules and definitions. Even at the most basic level, differing definitions of what an "aircraft" is exist. As can be expected, legacy issues have been accruing over the years such as new rules that are in stark conflict with existing rules. Industry believes a lack of clarity in the MOS Part 139 - Aerodromes has the potential to cause safety risks at aerodromes and that as such these amendments must be considered as a priority. The AAA believes sufficient priority has not been given to the review of the MOS Part 139 – Aerodromes. The AAA understands a review was started on certain chapters some years ago, but no further information has been received from CASA regarding the outcomes of these reviews.

The industry can note the following serious issues which have been raised with CASA by the AAA previously:

• As a priority Chapters 2, 6 and 8 require updating which still, after years of being in service, do not cover some of Australia's most popular aeroplanes used by a number of airlines.

• Reviews of Chapters 1 and 2 have the highest priority due to the interpretation and application they provide to the entire Manual. These Chapters are a source of constant confusion in the industry.

• Chapter 8 is the subject of industry efforts to standardise airport markings in Australia. Efforts over the years, including submission of feedback and comments to CASA, have not been successful. Amendments to Chapter 8 would provide improved standardisation of apron markings across airports and familiarity for airport staff between different airports. Review and clarity is also required in relation to the application of the size and shape of numbers and characters to be marked on movement area surfaces;

• Review of the set-out of the MOS Part 139 -Aerodromes to have the obstacle lighting section included in Chapter 7 and not, as currently, being in a separate section in Chapter 9 – this would allow all obstacle information to be contained in one section;

• Aerodrome operators would receive great benefit by having all infrastructure requirements tabulated for the various visibility triggers – rather than the requirements being scattered through each separate section. This could be done quite easily through a published table in MOS Part 139 - Aerodromes.

• Review of Chapter 8 Section 9 of the MOS Part 139 - Aerodromes is essential due to the safety concerns relating to the visibility of the small 6 metre unserviceability cross when applied to significant threshold displacements.

• The inclusion of Helicopter Landing Sites in the MOS Part 139 – Aerodromes is essential. Standards for helicopter operations on aerodromes are required not just for landing and taking off, but also moving and parking on the movement area. Guidance is needed for mixing fixed wing and rotary wing aircraft around hangers and parking areas. Many Council aerodromes are seeing an increase in Helicopter operations and there is no reference to these aspects of operations in the MOS Part 139 – Aerodromes.

The AAA has established a Standards Working Group which brings together the highest skilled, most knowledgeable individuals in the industry around the matter of regulation of aerodromes. The purpose of this Working Group is to review existing and where appropriate recommending the development of new aerodrome standards. This Working Group's focus is on the regulations prescribed by CASA. A further action taken by this Working Group and the AAA is the establishment of an Issues Register. This allows members of the AAA to raise issues they have noted with the MOS Part 139 – Aerodromes and will be a focal point for future discussions between the AAA and CASA regarding the review and amendment of the standards.

The AAA Standards Working Group and other respected airport industry experts have provided examples where the standard is either unsuitable and its use reduces safety, is incorrect or is not practical or is unachievable. Our members have provided the following examples:

Examples of unsuitable standards which reduces safety:

I. Use of line marking for reference Code C aircraft irrespective of the size of the aircraft. For example using the same markings for a 36m wingspan B737 as for a 22m wingspan Saab causes crowding and clashing of the lines. The Saab is a Code B sized aircraft in every aspect except main gear wheel span. There is no logic why the main gear wheel span should dictate clearances and size/ extent of parking position marking.

II. Use of 500mm high cones on taxiway edges which increases the risk of a prop strike.

III. Placement of a taxiway centreline on a curve equidistant from the taxiway edge causes large aircraft main gear to move off centre towards the inner edge. This standard is simply ignored at all new installations on capital city airports. The standard should instead be revised to ensure the aircraft main gear remains centered to the taxiway which is what designers have done for many years.

Examples of standards that are incorrect:

I. Runway end safety area (RESA). Here the MOS is simply wrong. Problems start with the definition, RESA commences at the end of the runway strip, yet it is called a runway end safety area. And that is how ICAO has it. More confusing is the note under MOS 6.2.29.1 that provides instruction on constructing the RESA to half pavement strength at the end of the runway. The part abutting the runway cannot be RESA by CASA's definition. It can be called undershoot which is often constructed and sealed pavement.

Examples of standards that are not practical or unachievable:

I. The 2% takeoff grade required for a code 3 or 4 runway. MOS Table 7.1-2

II. The demand for compliance with 1 in 7 side transition clearance from a 300m runway strip at aerodromes with only 3C aircraft operations for items of small mass such as the example of an intrusion by floodlight towers a couple of metres. This seems odd when compared to the ILS towers constructed within the runway strip just outside the strip at some airports. In addition all aircraft hold for other aircraft using the runway only 105m from the runway centreline. CASA 1.1.1.8 states "In some circumstances, the uniform application of a particular standard or procedure may not be possible or necessary. Such a standard or procedure will be phrased such as if practicable where physically practicable..etc". This is the case with the requirement for a 300m runway strip which may be reduced to 150m subject to a landing minima adjustment. So in one case not only was the operator required to have a 300m runway strip they were not even permitted to have an intrusion through the side transitions from a 1 in 7 which surely the criteria of a standard or not being possible or necessary should have applied.

III. The requirement in the CASRs which implies an exemption to have an AWIS with a broadcast function when the matter is fully allowable in MOS 139. How is it possible to have an exemption when the standard is already met.

Recommendation:

1. Review of the current Manual of Standard Part 139 – Aerodromes. A full technical review of the MOS Part 139 – Aerodromes in conjunction with industry to bring the standards up to date with current systems and technologies.

AERODROME COMPLIANCE AND SAFETY AUDITS

CASA have adopted a new approach to Aerodrome Compliance and Safety Audits with zero tolerance to noncompliance with the standards prescribed in *CASA Manual of Standards Part 139 - Aerodromes* and the *Civil Aviation Safety Regulations*. This significant change in approach has occurred without prior notification, formal consultation or training.

This has resulted in a lack of clarity regarding what is required from the regulator during the audit process, communications being received only on submission of responses to the regulator and the gradual release of information after repeated submissions by operators, rather than clarity being provided upfront. There are numerous examples of auditors not taking into consideration previously acceptable information documented by the aerodrome operators in their Aerodrome Manual or the risk assessments within Safety Management Systems, with the auditors arbitrarily applying standards from MOS Part 139 to the aerodrome. This has caused considerable difficulties for many airports with significant investment of finances and man hours having to be made in response to the non-compliance notices.

The change towards the rule based requirements by CASA results in a focus on compliance against requirements that are in a number of areas are either not applicable or out of date rather than maintaining safety through a risk based approach.

The process for audits has also changed year on year, leading to stakeholders being confused about the process and placing unnecessary pressure on operators to implement changes in timelines that are unachievable, leading to increased safety risks. Airports are experiencing different interpretations of the MOS Part 139 by CASA Inspectors. This sees airports being handed different demands for correction for the same issue, which in a lot of cases do not appear to have anything to do with safety, but rather an interpretation of the rules. A greater level of consistency needs to be achieved by the regulator to ensure the interpretation of the standards are the same for all aerodromes and by all inspectors.

The concern of the industry is that there will be considerable impact on safety and will require the investment of millions of dollars in areas that are deemed non-compliant that had previously been deemed acceptable.

CASA needs to adopt a clearly defined and documented process to record changes made to key safety and compliance processes, particularly changes not involving legislative changes. This needs to include industry consultation, training opportunity to comment on draft of reports and adequate transition periods.

Recommendation:

2. An increase in stakeholder engagement in relation to any changes to the Compliance and Safety Audits of Aerodromes. This can be achieved by establishing working groups and publishing draft papers for industry comment prior to the implementation.

3. Any key changes to safety regulation should be guided by optimising and promoting safety through a risk based approach. This can be done through the Safety Management System and risk assessment model, supported by the necessary regulations, policies and standards.

4. A clearly documented and defined Change Management System for changes to key safety and compliance processes need to be implemented. This should include industry consultation, training, opportunity to comment on draft reports and adequate transition periods.



INDUSTRY ENGAGEMENT – AIRPORTS & CASA

Aviation in general has always had a very open and productive relationship with regulators. At times safety advances came from industry and at other times it has been nudged along by the various regulators both here and abroad.

The best safety outcomes will be achieved by industry and the regulators working collaboratively. The responsibility for safety at airports involves multiple stakeholders, government, regulators, airlines and airport operators, so collaboration is vital in this environment. Consultation and engagement is critical to ensure that all components and stakeholders of safety are taken into consideration, so that the best outcomes are achieved. Currently, the consultation is inadequate – particularly in relation to changes to regulations that are not legislated. This has led to poor decision making and substantial implementation implications.

The AAA has a cooperative relationship with CASA, but is of the opinion that a more formalised approach should be adopted to meet future regulatory challenges more effectively.

To achieve a common focus between the regulator and the industry the AAA has engaged CASA for more information about its regulatory priorities, which they have been hesitant to provide. Armed with a regulatory roadmap, the industry can play a pro-active role in reviewing international best practice as well as local regulation in order to be a high value partner for CASA in its regulator agenda.

CASA currently host a number of education programs with the core aim of increasing aviation safety. This training however centres on aircraft operations and relation matters with no training regarding airport operations. The AAA have previously requested that CASA add to the range of its training services provide training on airport and airport operations. This request has not been actioned by CASA. The AAA believes that we would be able to provide access to the relevant industry participants to take part in training in the areas of the MOS Part 139 – Aerodromes for new entrants, airport emergency planning and the creation and implementation of a safety management system.

Recommendation:

5. A joint working group between CASA and AAA be established to work in partnership on the future regulatory requirements and practices for aerodromes in Australia. This would be most effective if it could include senior personnel from both CASA and the industry. It is our opinion that the collaboration and open communication this may lead to will be of great assistance to the industry as well as CASA.

6. CASA, in partnership with the AAA, provide training services in the areas of airport and airport operations. These should ideally include programs introducing the MOS Part 139 – Aerodromes to new industry entrants, airport emergency planning and the creation and implementation of a Safety Management System.



CHALLENGES OF THE CURRENT REGULATORY REQUIREMENTS FOR AIRPORTS

The paper, <u>Australia's Regional Airports – Facts, Myths and</u> <u>Challenges</u>, highlighted the significant challenges being faced by regional airports. There were four key challenges that all airport members experience in relation to the regulatory requirements:

LIVING WITH THE COST OF AVIATION SAFETY REGULATION

Aviation is, by its nature and consistent with community expectations, highly regulated. Safety is not negotiable. Achieving the high levels of safety rightly expected of the industry while not imposing unnecessary costs is an ongoing challenge.

Regional and remote airports spend a greater share of resources complying with relevant regulations, including mandatory audits and inspections. On average major and major regional airports attribute 4% of total expenses for regulation and compliance purposes, compared to 12% at regional and remote airports. That is, the regulatory impost for regional and remote airports is around three times higher than that faced by larger airports.

UNNECESSARY AND INCONSISTENT REGULATION

It is a well-established principle in Australia that government regulation should intrude into the affairs of Australian people and businesses only where it is necessary to do so in the public interest, and then only to the extent necessary to safeguard that public interest.

Complying with new regulatory requirements necessarily involves cost, and any unnecessary increase in costs is something that regional airports especially have a clear need to avoid – particularly as so many already operate at a loss.

Increases in airport security requirements such as checked bag screening and front-of terminal security and the introduction of other measures such as requirements for Drug and Alcohol Management Plans constitute a potentially overwhelming burden on the limited budgets of smaller airports and should only be imposed where the balance between risk and benefit clearly requires it in the individual circumstances.

And, where existing legislation is applied inconsistently between airports, this too means an increased cost for those airports at which inconsistency imposes a higher burden.

A challenge therefore for all airports is to seek to ensure that airport regulation is sufficiently "granular" to treat materially different categories of airports in an appropriate manner and, within each category, in a consistent and predictable manner.

MAINTAINING REGULATORY AWARENESS

Australia's airports are subject to a diverse and complex range of regulatory requirements that change and evolve over time. Achieving and maintaining an operational familiarity with all these requirements is a demanding challenge for even a dedicated regulatory affairs professional. And, at regional airports where all airport operational tasks must be undertaken by only a few individuals (and sometimes even just one), this can be a near impossibility.

Not only airport operators and the AAA as their industry association but also government regulators need to be constantly searching for improved ways in which airports can be consulted in and informed about the development of new and changed regulatory requirements that affect airports whether directly or, through their impact on airlines or others, indirectly.

LIVING WITH THE COST OF SECURITY REGULATION

Smaller regional and remote airports typically have lower levels of passenger throughput or commercial activities, reducing the level of mandated security. However, if these airports receive passenger services involving aircraft greater than 20,000 kg they need to undertake passenger screening. In this case, relevant screening costs are often far higher than those at larger airports as the costs are effectively amortised over a smaller passenger base.

There have been significant changes since 2001 to the regulatory regime governing security requirements. While the industry accepts these changes, there is a common view that security requirements can be disproportionate to the risks involved and need periodic review across the various categories of airport to determine that regulatory measures are compatible with current risks and threats.

The resourcing of increasingly busy and complex regional airports is highlighting the cost of compliance and the shortage of skilled personnel in many communities, particularly those in areas of major resource projects. A number of regional airport owners have been struggling to meet the requirements of the new regulations. Aviation security screening and the development of Transportation Security Plans, for example, are new undertakings for these operators. In addition screening activities generally require much greater numbers of staff than were typically required before the new regulations were prescribed. Longreach Airport, for example, was operated by one full-time and one part-time staff prior to the introduction of passenger and baggage screening. The airport now requires one additional full-time staff person and seven additional part-time staff to handle just one RPT flight per day.

Whilst the Federal Government has in many cases funded the screening equipment it has required to be installed, airport owners are required to meet all other capital and operating costs. These changed regulatory requirements also require significantly more sophisticated airport management skills. Compliance is mandatory and in many cases requires skills, experience and qualifications not available locally.

The cost of implementing the new security regulations has been significant. Given the fixed level of costs, the smaller the airport, the more significant the per passenger cost of compliance. This cost must be passed on to the passenger and is additional to the already relatively high aeronautical charges required because of the lack of scale at smaller airports.

By way of example, the following illustrates the much higher cost per capita required to fund operations and facilities at four regional airports operated by Queensland Airports Limited (QAL), at Gold Coast, Townsville, Mount Isa and Longreach.

The much higher costs per passenger required to operate regional airports reflects a similar position for the regional

airline operations. The end result is significantly higher fares for passengers from smaller communities compared to those travelling to or from our larger centres.



POLICY VS. REGULATION

Enforcement has been shown to work best when there is segregation between those making the rules, those policing the rules and those making determination of actions and prescribing penalties. The current structure of CASA means that the policies are being created by the same agency responsible for the policing and adjudicating. This has the potential to lead to regulations that have significant "grey" areas, are counterproductive, box ticking compliance, or in some cases the copy and pasting of regulations from other jurisdictions that are inappropriate for the local industry. The industry is also concerned that the current structure means that there is no possibility of discussion on regulatory reform.

The non-segregation of the policy making and the regulation of the policy has led to industry not volunteering information, which has meant that there has not been the impetus for CASA to provide clarity on a number of critical rules.

The AAA is aware of instances where airport operators have raised matters in the MOS Part 139 – Aerodromes for clarification, or suggested alternative ways of attaining a more effective and efficient safety outcome, only to be singled out by the regulator for non-compliance notices for the same matters. This has then led to the airport operators consulting with those within the industry in regards to the definition and meaning of the regulations and not involving CASA.

The industry is also concerned about the length of time it is taking the Standards Division of CASA to review regulations that impact on the operation of aerodromes. A recent example of these delays was in relation to regulation changes that were issued regarding runway widths. CASA decided in 2010 that the International Civil Aviation Organisation (ICAO) recommendations for runway width would be the applicable Australian standard for aerodrome design, which differed significantly from the standards in MOS Part 139 - Aerodromes. There was no consultation with industry and this caused considerable concern with airport operators, some who were undertaking runway upgrades at the time. The matter then took more than two years to resolve. Some members spent unnecessary millions on runway widening as a result.

The handling of this particular issue by CASA was unacceptable and the AAA are more than happy to provide more detail to the review if required.

A further concern of the AAA is the length of time required to release safety inquiries. ATSB reports on incidents can take over 12 months to publish. These delays often heighten public concern and speculation.

Recommendation:

7. To separate the responsibilities of policy maker and regulation from the one agency. This would provide industry with the confidence to engage with the relevant agencies regarding clarification of the standards and provide the perception that the determinations regarding these clarifications are consistent and fair.

8. That safety reports by the regulators be released promptly to avoid unnecessary public concern and speculation.

PROTECTION OF AIRSPACE

The capacity of an airport to operate as an airport is fundamentally dependent on what occurs on the land surrounding it. The erection of structures that physically intrude into the flight paths of arriving and departing aircraft can clearly limit or prevent use of the airport. But so to can other developments that are less obvious. For example:

• Insensitive residential developments under flight paths may lead to complaints about aircraft noise and eventually lead to the introduction of curfews or even the closure of an airport.

• Industrial activities that generate smoke or similar hazards may constrain use of an airport; and

• Other activities such as agriculture, animal husbandry or wetland developments may attract birds and pose a distinct hazard to aviation.

There is no uniform regime that requires developments around airports to be subjected to scrutiny to assess their potential impact upon an airport. CASA has limited capacity under Regulations made under the *Civil Aviation Act 1988* to approve or not approve buildings or structures in limited areas around airports, but only in respect of Sydney, Bankstown, Moorabbin, Adelaide, Melbourne and Essendon airports. And the Secretary of the Commonwealth Department of Infrastructure and Regional Development has some capacity to act to protect airspace around airports under the *Airports (Protection of Airspace) Regulations 1996*. But none of this legislation provides and comprehensive protection for Australia's airports.

In the 2009 Aviation White Paper the previous Labor Government proposed the development of a national land use planning framework.

The subsequently established National Airports Safeguarding Advisory Group (NASAG) comprising of Commonwealth, State and Territory Government planning and transport officials, the Department of Defence, CASA, Airservices Australia and the Australian Local Government Association (ALGA) has made significant progress in developing a National Airports Safeguarding Framework but this is not yet comprehensive or certain in the protection it affords.

The protection of the operational viability of airports from off-airport encroachment is a significant challenge facing both major and regional airports. Much progress has been made in establishing regulations in this area, but further focus is required to ensure that any regulations are comprehensive and regard the safety of air navigation as the most important consideration. The regulations need to include provisions that allow the relevant authorities, in particular CASA, to take action to protect airports from off-airport encroachment when safety is an issue.

Recommendation:

9. CASA to have its capacity increased under the regulations made under Civil Aviation Act 1988 to approve or not approve buildings or structures in limited areas around all aerodromes, where the introduction of that structure will have an impact on the safety at that aerodrome.

RESOURCING WITHIN CASA

The primary focus of all involved in the aviation industry across Australia is to deliver aviation safety to the Australian public and it is recognised that there are many elements to ensuring this level of safety. The AAA recognises the wide scope of responsibilities that CASA has in establishing a regulatory framework, securing compliance from the regulations, issuing certificates and licences and assessing safety-related decisions taken by industry that impact on aviation safety. The resourcing of the regulator to perform all these responsibilities is a key aspect of ensuring that Australia remains at the forefront of aviation safety.

A major concern for industry is the amount of time it is taking for CASA to undertake a review and make the required amendments to the MOS Part 139 – Aerodromes. The current regulations contain many conflicting rules and definitions and industry is concerned that the lack of clarity could lead to safety risks at aerodromes.

It is the view of the AAA that the Aerodromes and Standards sections of CASA are understaffed to meet the needs of the industry into the future. Some chapters of the MOS 139 – Aerodromes have been in the process of being reviewed for over five years. Many of the suggested changes made by industry to CASA, which are contained in this submission, have been 'on the books' for a number of years.

Recommendation:

10. The resourcing allocated in the Aerodrome section of CASA be increased to ensure that the needs of the industry are meet and that full consideration can be given to all aspects of aerodrome operation to ensure that all Australian aerodromes remain at the forefront of aviation safety.

THE CASA BOARD

The Senate Inquiry into the Administration of the Civil Aviation Safety Authority (CASA) and Related Matters held in 2008 raised concerns that CASA was too close to the industry it was supposed to regulate, lacked adequate governance and that the pace of regulatory reform was too slow.

A key recommendation of the Senate report was the introduction of a small board of up to five members to provide enhanced oversight and strategic direction for CASA.

The AAA recognises that the present board is comprised of respected and notable individuals, but industry is concerned about the lack of airport management knowledge and experience on the CASA board. The board should be made up of industry experts representing a wide cross-section of aviation and business involvement who do not have any conflicts of interest.

In the development of policy and processes the practical implementation of safety regulation is an important consideration. The inclusion of board members that have practical industry experience is important.

The size of the board needs to be increased to allow greater representation and input from industry. The current size and structure of the Airservices Australia board is a model that could be adopted by CASA and would allow for better cooperation between safety agencies and industry.

Recommendation:

11. Increase the CASA board to eight members and include experienced aviation industry professionals to ensure that airport operations are considered throughout the decision making process and strategy setting.

CONCLUSION

Safety is a central theme for members of the AAA and our members are committed to providing a safe environment for passengers, staff and visitors.

This submission outlines a number of positive actions that if implemented, will ensure that the Australian aviation sector stays on the right track to meet the future challenges that the growing demand on aviation presents to this evolving and dynamic industry.

The AAA welcomes the Aviation Safety Regulation Review and looks forward to the outcomes.





AUSTRALIAN AIRPORTS ASSOCIATION