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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Oversight of the Civil Aviation Safety Authority

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Monday, 19 November 2018

Members in attendance: Senators Brockman, O'Sullivan, Patrick, Sterle.

Terms of Reference for the Inquiry:

To inquire into and report on:
Civil Aviation Safety Authority

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HILL, Mr Grahame, Chairman, Australian Parachute Federation Ltd

KING, Mr Tony, Director and Acting Chair, Recreational Aviation Australia Ltd

Committee met at 14:27

CHAIR (Senator O'Sullivan): I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee is inquiring into the performance of the Civil Aviation Safety Authority under standing order 25(2)(a). I welcome you all here today.

This is a public hearing and a *Hansard* transcript of the proceedings is being made. Before the committee starts taking evidence, I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to the committee.

The committee prefers all evidence to be given in public, but, under the Senate's resolutions, witnesses have the right to request to be heard in private session. Please make any such request clear to the committee and it will be considered. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time. I also ask witnesses to remain behind for a few minutes at the conclusion of their evidence in case the Hansard staff need to clarify any terms or references.

I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about how and when policies were adopted. Officers are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim.

I now welcome representatives of Recreational Aviation Australia, Mr King; of the Australian Warbirds Association, Mr Awad; and of the Australian Parachute Federation, Mr Hill. Did you used to parachute?

Mr Hill: Yes.

CHAIR: The minds of parachutists fascinate me, so be careful! We'll be asking some questions as to what makes you tick. I also welcome the Australian Sport Rotorcraft Association. Are you representing both, Mr Hill?

Mr Hill: No, I'm not.

CHAIR: Is that you, Mr Ferrier?

Mr Ferrier: No, there's no appearance from them.

CHAIR: There's no appearance from them. We were advised that they were coming.

Mr Ferrier: I'm with Mr King.

CHAIR: Each of you are going to be invited to give an opening statement, but, just as you consider that—and it may be that you've got something prepared—we'll just ask you to be conscious of the time. We've allowed 45 minutes, plus or take a bit, to hear from you guys. The longer you take with your statement, the less time the senators have to interrogate those matters of interest that they might want to pursue with CASA or somewhere else. It's a matter of just trying to get a bit of balance, particularly when we've got a number a witnesses. I'd just ask you to be conscious that you're all sharing the time. Given I sit with the National Party, we'll start off on the right. Mr Ferrier or Mr King, do you want to make any statements?

Mr Ferrier: Mr King will make a statement on behalf of Recreational Aviation Australia.

Mr King: I'm the acting chairman of Recreational Aviation Australia Ltd. I have been a member for 17 years and a member of the board for five years. My colleague Mr Ferrier has been a member for 11 years and is an adviser to Recreational Aviation Australia. Our current chairman, Mr Michael Monck, and our CEO, Mr Michael Linke, offer their apologies, as both are overseas.

Pursuant to the authority of the Civil Aviation Act 1988, the Civil Aviation Safety Authority, which I will refer to as CASA, has granted varying operation and administration authorities to nine self-administering sport and recreational flying organisations. These are referred to as SAOs. The terms and conditions of each of the

authorities is in response to each organisation's specific aviation activities. Recreational Aviation Australia is one such organisation. It has the largest number of members, pilots and aircraft. Its duties are to register aircraft in accordance with its rules, issue and reissue pilot and maintenance certificates and set and maintain standards of flight operations and maintenance. All are subject to the oversight of the CASA.

Recreational Aviation Australia administers almost 10,000 pilots, registers some 3,300 aircraft and oversees some 365 flight training schools across the whole of Australia, many of which operate in rural and remote Australia. Recreational Aviation Australia has operated for 35 years, with the last 10 years seeing significant growth as a result of the light sport aircraft standard, which was introduced in 2006. Since 2016, we've increased our membership numbers by 11 per cent, and our aircraft fleet size has grown by three per cent. We attribute that growth to the improved management practices brought about by Recreational Aviation Australia's present overall management system. We continue to see solid growth in our sector and are excited by the future. Recreational Aviation Australia's members have flown about 320,000 hours in the last year, and the number of hours is rising steadily. Flying takes place from thousands of airports in all states and territories. Flying is in visual flying conditions: clear of cloud and during daylight conditions. The maximum people on board, including the pilot, is two.

Our organisation has demonstrated an impressive safety record, which we see as also steadily improving. At present, we have recorded around one fatal accident for every 100,000 flying hours in the past year. This is a record that we attribute to the delegated freedoms granted by the CASA and our organisation's response to that delegation, which includes careful practical management of air safety, as well as practical management of aircraft registrations, pilot certification and standards, maintenance, manufacturing and construction. Whilst we don't always agree with the regulator's requirements of us, we have satisfactorily engaged in a robust, respectful dialogue that has provided general agreement with the management and oversight processes we undertake.

Turning to the specific issues at hand, in regard to recent medical reform we make the following comments. On medical reform, medical certification reform, as a general concept, is sound. In the case of RAAus, we are satisfied with the present medical system, which is working well. There is no safety case for a change concerning Recreational Aviation Australia. RAAus closely watches its mixture of training, certification of pilots, certification of aircraft and management of technical and operations. It has a program that is produced and oversighted by the CASA. This oversight is in the nature of continual reform. Having regard to the safe outcomes demonstrated by RAAus participants, the medical oversight is satisfactory and it works.

In regard to RAAus medical standards, a pilot operating under the RAAus licence protocols must satisfy more than to hold a current driver's licence. The requirements are set out in section 2.16 of the organisation's operations manual. A pilot is required to be satisfied prior to each flight. In regard to avoidance of uncertainty, this industry is sensitive to any change to the medical system and must take into account the personal and financial impact upon affected parties. In regard to the magnitude of the investment to be considered, many stakeholders in the Recreational Aviation Australia sector have made, and continue to make, significant investments under the present rules—flight schools, community groups such as aero clubs, maintainers, aircraft owners, pilots and the like. Erosion of that investment by the introduction of changes not underpinned by a sound safety case should not occur. A recent economic study into the sport aviation sector suggested an industry-wide capital investment exceeding \$1 billion. Any change by way of additional administrative costs must take this investment into account.

In regard to the issue of licences or certificates by government, if government were to begin to issue operating licences to self-declared eligible participants on a no cost per issue basis, then government, by such agency as it creates, is entering into competition with itself. In particular, each sector has its overall licensing component in balance, including medical requirements. The concept of a parallel path for licensing and certification is acknowledged, but that path must be compatible with the costs and benefits to government of the creation and maintenance of the nine organisations which it has itself encouraged and provided a foundation for.

The present RRAus system is working well. Under the present system, recreational aviation has stabilised, is safe and is actively patronised. The current system works well. It's the subject of ongoing review without difficulty or objection. It has been endorsed by government with the making of CASR part 149. It is proven with the existence of nine SAOs. CASR part 149 will also allow, and encourage, new entrants into this market.

Self-administration organisations are economical for government. The administrative burden to government is now adequately undertaken by private not-for-profit organisations, which in the case of recreational Aviation Australia has removed from government in excess of \$2.5 million per annum in outlays of a procedural or management nature which, with respect, is not the function of government. Recreational Aviation Australia membership is not mandatory for an aircraft owner or pilot; it is a choice being made by many aviators because its system works.

Flexibility of oversight is provided to CASA. The existing regulatory framework, the nine SAOs, enables an economical, flexible approach to regulation by CASA. There is no requirement to adopt a one-size-fits-all approach to specialist needs, which invites constant change and cumbersome lawmaking.

A risk based approach to administration is a proven benefit. Industry has spoken on numerous occasions that a risk based approach is required to best administer aviation in a safe manner. This is echoed in the 18 September 2008 Senate report *Administration of the Civil Aviation Safety Authority and Related Matters*, which notes that there is a preference by the AGAA and the Australian Sport Aviation Confederation to delegate regulation of non-passenger-carrying activities to the accountable self-administered part of the sector. RAAus has demonstrated that it is a capable manager of risk.

CASA itself accepts the present system and does not require alteration. CASA is ushering in the introduction of the Civil Aviation Safety Regulations part 149 in 2019. This reflects the will of the industry and has been made a priority in the past 12 to 18 months.

In conclusion, the self-administration model works, the self-administration model allows for innovation and the self-administration model is safe.

CHAIR: Thank you, Mr King. Would you be kind enough to allow the secretariat to have a copy of that statement so we can distribute it among the senators. That may guide them in their examination of you.

Mr King: Certainly.

CHAIR: Mr Awad, do you have an opening statement to make?

Mr Awad: I do. First of all, thank you for the opportunity to testify before the committee. I am the chief executive of the Australian Warbirds Association, and I have served in this capacity since mid-2013. We represent over 560 members. Our membership comprises warbird owners, pilots, maintainers and enthusiasts nationwide. We are a self-administering organisation operating through delegations provided to the association by CASA. At present, we have over 260 warbirds under our umbrella. These range from smaller aircraft such as Tiger Moths and smaller training aircraft, all the way up to second and third generation tactical fighters; the large aircraft that are operated by the Historical Aircraft Recreation Society over in Wollongong, such as the Lockheed Constellation, and the collection of aircraft over at Temora; and those operated by the Air Force Museum down in Melbourne. We have acted in this capacity since 2007.

Warbirds operating in Australia typically do so in a limited category of airworthiness under the legislative umbrella of CASR part 132. Our administrative functions include, but are not limited to, the issuance of certificates of airworthiness; maintenance reviews and approval; permits to fly; permit index evaluations and issuance; approval and oversight of adventure flight operations; specialised training and endorsements; and air display evaluations. We accomplish a great deal on a fairly limited budget and have seen marked improvements in safety with regard to warbird operations under our administration. As an organisation, we are ready to transition to CASR part 149 as soon as practical. We see it as a fairly consulted piece of legislation. In our opinion, it will be a good piece of legislation that will underpin self-administration into the future.

The Australian warbird community has an enviable safety record and professional culture. We work hard to maintain that. In many respects, while we certainly work with CASA closely, we view CASA as a partner towards improving safety outcomes in our sector and across aviation. We work closely with them at all levels. Our members largely operate effectively within CASA's current medical regime. We generally see advantages in maintaining formal medical processes, particularly in light of CASA's recent effort to inject what seems to us to be a modicum of flexibility and common sense into them.

CHAIR: Thank you, Mr Awad. Are you in a position to provide us with a copy of that so that we can circulate it to the senators?

Mr Awad: I would be happy to. There are a few scribblings and notes on it.

CHAIR: That's alright; there'll be a few more on it by the time we're finished with it! Mr Hill.

Mr Hill: Thank you for the opportunity to appear before the committee and tell my story. I am chairman of the Australian Parachute Federation. I have been a director of the federation for a long time, and chairman for four years. I have done 13,000 skydives and flown 3½ thousand hours. I am also president of the Air Sport Australia Confederation. The Australian Parachute Federation, the APF, administers Parachuting Australia as a self-administering organisation under a deed of agreement with CASA. The self-administering structure will change in the near future under the part 149 regulation and recent regulation changes. The APF also oversees parachuting operations in Fiji under a contract with the Fiji regulator.

As part of the administration, the APF oversees the training of pilots for the purpose of dropping skydivers. We have, at the moment, 500 pilots who have been issued authorities to drop skydivers, and they operate about 80 aircraft. Once the pilots are trained, they are issued with a jump pilot authority, which allows them to drop

jumpers. Applicants for skydivers must have a minimum class 2 medical, a JPA in Australia and variably progress to a class 1 medical to obtain an instrument rating—because Australia is unique in that we are allowed to drop skydivers through cloud. You need an instrument rating to do that—to position the aircraft and fly the aeroplane. So that is our role at the moment.

Speaking specifically for the parachuting industry: recent changes to the pilots' medical have been positive for the parachuting industry. The feedback from the industry suggest that the system works well. But we would like to make some comments. I don't understand why you have class 2 and class 2 basic. It seems like it is asking for confusion. Why don't we have class 1, 2 and 3? That's just a question. For years, I have been an advocate of keeping the regulation of GA in harmony with the FAA in regard to medicals. There are a lot of other issues with other things but, in medicals, I don't understand why. They've got all the science, they've got much more experience, they've got hostile weather and more aeroplanes. It is a no-brainer for me. I don't think I can add anything more to that.

CHAIR: Thank you, Mr Hill. You have all been much more favourable in your comments on CASA today than perhaps any other witness we have had before us. CASA will be watching this with great interest.

Senator STERLE: They're up the back of the room, Chair!

CHAIR: I'm sure they are. And we have been watching CASA with great interest in terms of the developments and progress around culture and attitude over the last few years. One of the things of interest to us is the overregulation of your industry. You have said some favourable things about the regulatory environment—the memorandums of understanding, the arrangements you have with CASA. That is very positive and we are very pleased to hear that. But when the senators ask you questions specifically about the regulatory or legal environment, you might, if you feel inclined, put a rider on your answers around that, either positively or negatively. I know that that goes to the heart of interest for many of the senators on this committee. Senator Sterle.

Senator STERLE: Mr Hill, I want to go to your opening statement. We are firm believers in making it streamlined, easy and as cheap as possible while maintaining safety regulations. There is no argument about that. This was first brought to my attention over the difference in medical certificates between the SAOs and those who are PPLs and RPLS and whatever. To get a medical certificate for your pilots, Mr Hill, who are taking up jumpers—how many jumpers could there be in a plane? Is there a different grading so the pilots can take a number of jumpers?

Mr Hill: It could be 20. We have had aircraft that carry 20—Twin Otters and Sky Vans. We can fly them with a private licence, so we need a class 2 medical. Once we progressed to getting permission to jump through cloud, which was a battle in itself, the requirement got a bit higher in that we needed instrument rating. So that changed things a little bit.

Probably the only comment I'd get from our pilots is that, once you turn 60, it starts to be a lot more difficult. It's almost that as soon as you turn 65 they don't want you: 'We want you to go and spend all this money and have a medical that lasts six months.' If I walked into a surgery and the doctor said, 'Look, you'd better come and see me in six months,' I would think there was something serious, not that it was about whether I was fit or not.

Senator STERLE: I'm with you. I've given up going to the doctor, because you're well when you go there and every time you come out you're crook. You don't feel it, but you are.

Senator PATRICK: Your organisation would strike me as an organisation that may take up parachutists that were paying customers, per se. So I just want to distinguish something: your activity is in some sense commercial, isn't it? But you said you've just got a private licence? That's what you just said.

Mr Hill: The ride to height is the trip to the adventure, so to speak. We're not taking them as passengers, and we don't carry passengers in an aircraft; we only carry parachutists. There is a difference.

Senator PATRICK: I understand that, but—

CHAIR: It's commercial.

Senator PATRICK: It's commercial. That's what I'm trying to get to. Are those parachutists paying for the joy they get from jumping out of the plane?

Mr Hill: No, they're paying to jump out of the aeroplane. They're not going on a joy ride.

Senator PATRICK: Okay. I just thought that was an interesting distinction.

CHAIR: Let's just tidy this up, because it is a very significant question.

Senator STERLE: Yes, that's where I was going.

CHAIR: If I come to an airport with my parachute in the boot of the car, I'm going to pay a fee to somebody. It may be the operator of a skydiving outfit or whatever it happens to be. But the pilot and the aircraft are compensated, through subscription, by each of the individual jumpers, I imagine, during the course of that event.

Mr Hill: Some of the pilots are not. No, not necessarily. They fly for hours and that sort of thing.

CHAIR: So they fly for hours.

Mr Hill: Yes.

CHAIR: But the aircraft?

Mr Hill: Under a deed of agreement with CASA, the aircraft is maintained to a commercial standard, even though it's operated in a private—

CHAIR: No, Mr Hill. Say I own the aircraft. Whether I own the skydiving outfit or I just own an aircraft, at the end of the morning's jumps I'm compensated for the use of the aircraft, am I not?

Mr Hill: Yes.

CHAIR: So, whether a pilot decides to do it for personal benefit or for financial reward, they're motivated by something. This isn't an altruistic organisation where someone donates their plane and the pilot for free so everyone can jump out.

Mr Hill: No.

CHAIR: The burden of the senator's question was that it is a commercial activity, a paid-for service.

Mr Hill: Yes.

CHAIR: Thank you.

Senator STERLE: What I'm going back to is: to the best of your knowledge, Mr Hill, do your pilots have different medical certificates from those who don't have access to the self-administration model?

Mr Hill: They have to have a jump pilot authority to fly skydivers, yes.

Senator STERLE: Sorry?

Mr Hill: For the medical, they would have a class 1 or a class 2, depending on the operation.

Senator STERLE: So is that a cheaper model or easier to obtain?

Mr Hill: No, it's not cheaper to obtain.

Senator STERLE: So is it the same as for those who aren't members of self-administered organisations?

Mr Hill: Yes.

Senator STERLE: They are the same?

Mr Hill: Yes, it's the same standard as if you were flying—let me think. It depends on the type of operation you're comparing it with. A pilot of a jump plane has to have basically all the things a commercial pilot has.

Senator STERLE: So there is no advantage. You have to help me out. There are two sets of rules. There's one for the self-administered organisations. There's a set of standards where you just say, 'Look, everything's right, and I'm cutting it down.'

Mr Hill: Yes.

Senator STERLE: So they are able to obtain medical certificates that aren't as tough as for those who are not members of self-administered organisations? Is that correct?

Mr Hill: No, they wouldn't be any different.

Senator STERLE: They're the same?

Mr Hill: Yes.

Senator STERLE: But it's not the same for your pilots, is it?

Mr Ferrier: If you have a different standard.

Senator STERLE: So the parachutist pilots aren't under the same—what's the word? Help me out. You're a pilot.

Senator PATRICK: SASAO?

Senator STERLE: Yes. So there is no advantage for the pilots of parachute jump planes? You don't get the same benefits—the easier self-administration and the easier medical certificates—as Mr Awad's members, Mr King's members and Mr Ferrier's members?

Mr Hill: No, it's no easier. It's the same.

Senator STERLE: The same as them?

Mr Hill: Yes.

Senator STERLE: Hang on, now you've really—

Mr Hill: It's not the same as RAAus.

Senator STERLE: If I wasn't ballsed up before I asked you the question, I am now.

Mr Hill: But it's certainly the same as Warbirds, as I understand it.

Mr Awad: In point of fact, Warbirds operates to the same standard. We gain absolutely no advantage through that. We are held to the same standard as an ATPL flight would be.

Senator STERLE: Thank you. So I'll come back to your mob, RAAus. You have a system in place—which is great. Part of my work is that I'd rather see people come down to the easiest, cleanest path and not try to stuff it up for everyone else like we've done in the trucking industry. But, anyway. So it's only members of the RAAus who have the ability to get the easier medical certificates. Is that correct?

Mr King: No, that's not quite correct. Yes, it is true that RAAus pilots operate—assuming they're healthy—to a self-declared private driver's licence medical standard. If they have any of the conditions that are screened for, then they have to have a doctor sign them off and so forth.

CHAIR: If I look up in the air and do not recognise an aircraft, are you telling me that I might see a pilot who has to meet this standard or that I could be looking at an aircraft under the control of a pilot who meets a different, and possibly lesser or superior, standard? Is that what you are telling me?

Mr King: Yes.

CHAIR: I would have thought—poke the tongue out, check the heartbeat, bend over—everyone would have some sort of standard regime for the medical examination.

Senator PATRICK: I don't think bend over is necessary, Chair!

CHAIR: Well, it may be. It depends.

Senator STERLE: If you've dropped your pen and it's stuck under your accelerator, you need to!

CHAIR: So am I wrong in that? If I'm a medical practitioner in Western Australia and I've just had a pilot in and I'm talking to my mate who's a medical practitioner in the Northern Territory and he has had a pilot in from a different association, are they going to say: 'Oh, we don't check that. We don't do that,' or, 'We do additional things'?

Mr Ferrier: In short, that's correct.

CHAIR: So can you tell me the difference? Let's tag between two organisations here that have a different medical regime and let's compare some notes. Why don't you start, Mr Hill, and say, 'Our blokes have to have an eye test and Mr Ferrier's blokes don't'? I want to know what the difference is and I want to know whether the standard is higher or lower between the two regimes or protocols.

Mr Hill: Our pilots have to have the CASA class 1 medical or the class 2 medical.

CHAIR: Right, just hold the phone.

Mr Hill: And they've got to—

CHAIR: No, no. Do your pilots have to have a class 1 or a class 2 medical?

Mr Ferrier: No. We have a separate system which has been arranged and settled between us and the CASA, which is focused around the, dare I say it, simpler style of aircraft.

CHAIR: So the medical that your members go through is less onerous than that which Mr Hill's members go through.

Mr King: Yes, it is. However, it's also the case that the operations are quite different.

CHAIR: No, I appreciate that.

Mr King: RAAus pilots don't take any paying passengers.

CHAIR: I appreciate that. You haven't got 22 people in the back of the plane; I get all of that. So can you tell me, Mr King, what your people don't have to have examined in a medical examination that Mr Hill's people do? Eyes? Ears? Ability to speak? Elbows? What's the difference?

Mr King: For the bulk of RAAus pilots, a medical examination is not required.

CHAIR: None?

Mr King: A self-declaration that you meet the health standard to hold a driver's licence is the requirement.

Senator STERLE: A car driver's licence?

Mr King: Yes.

Mr Ferrier: But you must hold a car driver's licence.

Senator PATRICK: What's the situation for your organisation? Just so we have all three sorted out.

Mr King: I'm sorry, I didn't quite catch that.

Senator PATRICK: For the Warbirds, do you have a self-declared medical standard, or do you have to go through a medical?

Mr Awad: Within the Australian warbirds community, we are operating on PPLs, CPLs or ATPLs.

CHAIR: Guys, listen. You are in the kingdom of acronyms, and we wouldn't have a single clue what you just said. But you would be picking up the vibe that there's a model 1 and a model 2 medical certificate and there's a self-declaration. Could you just help us? Senator Sterle is a burnt-out truck driver. I'm a retired detective. I don't even know what he did before he came here. Keep it very simple so we can get through this and get some meaningful outcome from this.

Mr Awad: I would be happy to. We operate on private pilot's licence, commercial pilot's licence or airline transport pilot's licence respectively. As such, we must hold either a class 2 medical, for private operations, or a class 1 medical, for any operations that are deemed commercial.

Senator PATRICK: Just to confirm, that means you can't self-assess—

Mr Awad: We cannot. We operate exactly like any other general aviation operation.

CHAIR: Like Mr Hill's mob?

Mr Awad: Exactly.

Senator PATRICK: Just in terms of the safety case difference and what RAAus does, you've got aircraft in the air and they're trained to a particular level. My understanding is potentially less so than the Warbirds Association and the parachuting pilots. They don't have to complete a medical. You can correct me if I'm wrong here, but presumably the level of training required for the other two organisations for pilots is higher. I'm trying to understand how that rationalises itself in terms of a safety case, in that better trained pilots require a full medical and lesser trained pilots don't require a medical.

Mr King: The difference comes down to the difference in operations. For example, RAAus's pilots, if they only hold a self-declared medical—and there are some who have a class 2 medical—they're not allowed to operate in controlled airspace. All of RAAus's pilots are only allowed to carry a maximum of one passenger. They're not allowed to carry passengers for hire or reward. In fact, they're not allowed to conduct any sort of commercial operation other than flight training. At present, our flight instructors have to have a class 2 medical.

Senator PATRICK: In terms of the warbirds association, you'd be flying an aircraft that potentially only has one seat. Is it a commercial operation or is it a pleasure operation?

Mr Awad: Well, the operations differ. We have operations that are commercial in nature, and we have operations that are private in nature. We have aircraft that are single-seat aircraft, on up to the Lockheed Constellation. That is operated by the Historical Aircraft Restoration Society. It's a 1950s, vintage, transcontinental airliner.

Senator PATRICK: Just to delineate again, for the commercial operations, clearly you require a commercial pilot's licence—

Mr Awad: They do.

Senator PATRICK: and therefore perhaps the higher medical standard. If I just now go to someone who's flying a warbird for pleasure—so not for commercial gain—how would I differentiate that particular pilot, who does have to get a medical, from perhaps an aircraft flying with a single person in it from RAAus, in terms of safety?

Mr Awad: I can only speak to our operations, but, in terms of safety, our pilots—as with the RAAus's pilots and any others—will be complying with the regulations specific to their operations. In our case, if you're doing private flying, that mandates at least a class 2 medical.

Senator PATRICK: I'm trying to get to the reasoning underneath it and whether there's any difference in the safety case in respect to that. Right now, if I look at the non-commercial warbird pilot flying in an aircraft that has one passenger, I can't see the difference in terms of safety against, say, an RAAus pilot flying around with one person in an aircraft, yet they have two different licence standards.

Mr Awad: Certainly. There are the differences. I would be happy to explain some to you, although I'm sure I may leave some out here. There is certainly the scope of the operation. A warbird is, in most circumstances, able to operate in and out of controlled airspace, whereas—correct me if I'm wrong—generally the RAAus's aircraft will not be able to and so they're outside of more populous areas. A warbird is also a more sophisticated aircraft in pretty much every sense and is more difficult to operate, so there is going to be a higher standard on that.

Senator PATRICK: But that will be a training standard. Looking at the medical standard, is there the suggestion that you require a better medical standard because you're operating in controlled airspace? It is because you're operating in a more complicated aircraft that you then require a high medical standard? Does that more relate to training standards?

Mr Awad: I would argue that it is all of the above. Everything is intertwined here. It speaks to why there is a difference in standards. Not all aircraft and not all pilots are treated equally in that respect. There is a higher standard for training. There is a far higher standard for training to fly certain warbirds than there is to fly RAAus's aircraft. I think that speaks to the type of operations as well as the aircraft's capabilities and potential. Certainly, in all respects, there is a higher standard.

Senator PATRICK: I'm trying to get to the nub of it. I get the higher training standard, if you have a more complicated aircraft. I get the higher training standard, if you have to fly in controlled airspace, which means you have to very tightly comply with the rules and have all sorts of communications skills and so forth. I'm trying to isolate the medical aspects of this.

Mr Awad: There is a higher medical standard. If I may ask a question—

Senator PATRICK: I understand there is a higher medical standard, but that's not my question. My question is to ask 'why' in those circumstances. Some of the points of difference you've made are that sometimes you are operating in controlled airspace and sometimes you are operating an aircraft that is more complex. Those questions go to training in my view. But I could be convinced, if you could put something on the table that says, 'This is why you need a higher medical standard in those two circumstances.'

Mr Awad: With regard to the access to controlled airspace, that is part of it. But controlled airspace typically also includes flight over more populous regions and areas. It also speaks to, I believe, the potential with RAAus's aircraft and where they operate primarily. I think Mr King mentioned earlier that there is a risk based approach to it. Certainly, with regard to the risk, there is a deemed—and this has been a decision made by CASA in conjunction with RAAus, so I'm probably getting out of my area of expertise—

Senator PATRICK: I understand you're not a medical professional. I just thought you might be able to help us out.

Mr Awad: I would believe that it is a risk based approach. Quite frankly, I think it's an effective one, because we don't see aircraft of any sort, let alone RAAus's, dropping out of the sky because of medical issues.

Senator PATRICK: I'm just saying that the words 'risk based approach' are almost rhetorical. They make everyone feel good. I'm actually trying to get to the assessment of the risk. That's what I want to get to. Maybe you're not the right people, in the context that you're not medical professionals.

Mr Ferrier: There's an issue, I think, that might be of assistance, and that is that the recreational aviation aircraft needs to be understood. I say that with respect. That is to say that it has a limit of 600 kilograms, it must have a single engine, it must have a fixed undercarriage and it must have a fixed-pitch propeller. Each of those elements requires a level of medical stress on the pilot to ensure that each of those elements is in fact working during the course of the flight. If the wheels get stuck up, that's a problem. In recreational aviation, it's not a problem because they are down all of the time. Likewise, a variable-pitch propeller, which can be adjusted, is a complexity issue that is not addressed by recreational aviation. Likewise, the presence of multiple passengers raises stress on the pilot. Because each of those things don't exist, the aircraft is not heavy and so it doesn't strike the ground as hard and fast. All of these matters are the basis on which our training, our medical and our operational standards are built. The evidence is that the medical factors involved in misadventure with this set of aircraft are very, very low. To add to the complexity required of a pilot who is prepared to fly in that regime by increasing the amount of intervention into his health adds cost and delay and requires an administrative overload as well. The evidence shows that's not needed, because people are not suffering from the disorders.

Senator PATRICK: I've run out of time. That last answer was most helpful. Thank you very much. I might test that with the next witness!

Senator BROCKMAN: My colleagues have covered part of the area I wanted to go to, but I wanted to raise a couple of things in RAAus's response to CASA on this issue. I admit they do sort of raise red flags in my mind, and I'm with Senator Sterle that we want to see the fairest and least burdensome option possible to achieve the safety outcomes, but in your response you said of the likely cost implications:

Direct costs to RAAus – Potentially significant loss of revenue specifically if the RAMPC medical requirements are reduced. This could mean that the Recreational Pilots Licence (RPL) requirements will have a direct advantage over the RAAus Pilot Certificate ...

You go on to say:

This could result in a dramatic effect on the financial position of RAAus ...

Can you talk us through your discussions with CASA with regard to that particular aspect of the changes? Did CASA take that into account? Did CASA tell you they took that into account?

Mr King: Do you mean the potential for a relaxation of CASA's medical standards to impact on RAAus's financial position? Is that the question?

Senator BROCKMAN: Yes, the potential for any changes to the recreational pilot licence to directly impact on your financial position.

Mr King: The recreational pilot licence is something that CASA introduced four or five years ago. It's quite comparable with the RAAus pilot certificate. In fact, CASA has publicly stated that RAAus training is acceptable for the issue of a recreational pilot licence. But it is a CASA issued licence and requires pilots to fly under CASA's regime with certain constraints. RAAus didn't see a great deal of value for pilots in that regime when it was introduced, and that was our position. It remains our position. There also hasn't been a great uptake by pilots themselves going for the RPL versus either a PPL, which is the next licence up in the CASA regime, or an RAAus pilot certificate. RAAus does have concerns or did have concerns that relaxation of medical standards in the CASA regime could impact on the number of pilots who would prefer that approach to our approach. That was the basis for that statement to CASA. The document you've quoted from was a response to a CASA consultation paper. Other than submitting that response, I'm not aware that there have been any discussions with CASA about the potential for their prospective relaxation of medical standards to affect RAAus.

Senator BROCKMAN: I must admit I am reasonably new to this place; I've been here a year now. I'm definitely new to this sector. Is RAAus a net contributor to CASA? Do you receive money from government? How does it all work?

Mr King: RAAus, as with the other SAOs, receives a certain amount of funding from CASA to perform safety related functions under a deed of agreement. The funding we receive from CASA in no way approaches the cost of performing those functions. Our estimate is that roughly 70 per cent of the RAAus budget, which is about \$2.8 million a year, goes on performing functions under the deed of agreement with CASA. The funding we get from CASA equals about four per cent of our budget.

Senator BROCKMAN: I've seen figures from the excellent briefing pack the secretariat put together that say the cost of a licence under the RAAus structure is about half that of a private pilot licence. Is that—

Mr King: There are a number of factors that go into that. Firstly, because RAAus is a lower cost system than the CASA system, the cost of training hours is lower. That's a big factor in the difference in how much it costs to get a basic qualification. The minimum number of hours is different as well. I forget how many hours it is now to get a private pilot's licence. There is a minimum of 20, although very few achieve it in 20, because it's competency based. Twenty-five to 30 would be typical as a minimum number of hours to get an RAAus pilot's certificate. It's significantly more than that to get a private pilot's licence. Those sorts of differences go into making up the difference in costs to get one qualification or the other.

CHAIR: We could obviously go on for hours here. I thank you for your attendance. I invite you to do this. If you think that there are regulations that are required, write to this committee and lay down what those regulations would be and the reasoning behind them. If you think there are regulations that exist that simply ought not to exist, we'd also like to hear from your associations in relation to that. If there are regulations that you think can be improved, in terms of changing their thrust or the phraseology around them, we'd like to hear about that too. The committee promises you those things will be treated seriously. We'll make sure they go through to the minister and to CASA with, to the extent that we can, comments from our committee. Thank you all. We wish you all the best and a safe return to your port of intention. We apologise we don't have more time. These are very interesting topics, but that's how it is.

CESCO, Mr Peter, President, Gliding Federation of Australia

MORGAN, Mr Benjamin John, Executive Director, Aircraft Owners and Pilots Association Australia

TALBOT, Mr Richard William, Aviation Maintenance Repair and Overhaul Business Association Inc.

WHITE, Mr Anthony Reginald Fensome, President, Sport Aircraft Association of Australia

[15:17]

CHAIR: Welcome. I'm not going to repeat my earlier opening with respect to opening statements. Each of you needs to be conscious that the more time we take with opening statements—it shouldn't limit it, but just know that it's a balancing act for us. Do you have any comment to make on the capacity in which you appear?

Mr White: I am also one of the founding members of AGAA, the Australian General Aviation Alliance.

Mr Morgan: We're also a member of the Australian General Aviation Alliance.

Mr Talbot: AMROBA have approximately 350 aircraft repair and overhaul businesses across Australia. I am also the vice-president of AOPA Australia.

CHAIR: When you say there are 350 businesses, what percentage of the market is that?

Mr Talbot: About 50 per cent.

Mr Cesco: I'm also a member of the SAAA, who are at the other end, and I'm a member of RAAus.

CHAIR: You're another one of those ones that go up in the sky and then get released with no motor or anything. Is that what you do?

Mr Cesco: I have so much fun. It's great.

CHAIR: I'll bet it's fun.

Senator BROCKMAN: I think you should take it up!

CHAIR: I can close my eyes and get a kick out of that.

Senator STERLE: I think former Senator Ludwig was, or is, a glider. Mr Morgan, you appeared in front of us in Sydney. We had a conversation. I suppose this has all come about with the frustration that your members have experienced with the two tiers. You're not doing an opening statement, but we really need to hear what's going on out there. What have been the frustrations?

I know there have been letters going backwards and forwards to CASA. So what we have established is that your members, for whatever reason, are exposed to a tougher and more costly regime. Can you explain to us what is actually going on out there.

Mr Morgan: Certainly. Thank you very much for the opportunity to come and speak today. We really do appreciate it. I would like to start off by saying that we are suffering an environment of dual standards at this point in time and it is placing the CASA regulated private pilot community at a significant disadvantage to those who have access to aviation through self-administrating organisations. I'd like to clearly state on the record that the Aircraft Owners and Pilots Association and the Australian General Aviation Alliance are entirely supportive of the industry's right of access to associations and we in no manner wish to infringe or impinge upon the rights of RAAus and other organisations. We are supportive of their purpose in the industry.

What we are focused on and looking at here is the need for universal, fair and equitable medical rights for all pilots, regardless of the licence they hold. Under the current system, as you heard in the presentation from RAAus today, their members have access to the ability to self-certify their medical fitness. They can fill out a form, they can declare to the RAAus that they are fit and healthy, and they can go and climb in an aircraft which is exactly the same in its construction and performance to a CASA regulated, VH registered aeroplane. That is, these pilots are given a far more liberalised approach to medical certification in which they just tick the box and sign the form, and yet our pilots within the CASA regulated arena are subjected to medical certification requirements that are incredibly high and are forcing pilots out of the industry.

What do I mean by 'incredibly high'? We have a situation where a pilot, in order to pass a class 2 medical certification, can be required to undertake a plethora of additional bloodwork tests, sleep apnoea tests and sleep deprivation tests. You name the test and they seem to be exposed to it. These tests cost our members and our community enormously. I have examples of members spending upwards of \$5,000 and \$6,000 to gain a private pilot medical certification. This is a ludicrous situation. When CASA declares in a form letter that these pilots receive, 'You are a risk to aviation safety and therefore we are declining your medical certificate,' more often than not these pilots immediately go across to the RAAus where they fill out a self-certification form and then they go flying in the RAAus. Many of them have continued to fly—

Senator STERLE: Same plane?

Mr Morgan: In many cases, it's the same planes. These people have gone on for many years to fly successfully and, in fact, not be a risk to aviation safety. So there is a dual standard. The dual standard is very real, very tangible and having an enormous negative impact on our industry. It's not just hurting private aircraft ownership and private aircraft flying; it is having an impact on the aircraft maintenance community and the aviation flight-training industry and it's hurting the overall sustainability of the general aviation economy.

CHAIR: Mr Morgan, you must know what is on CASA's mind. This is a very stark parity issue. You must know what is on their mind as to what their argument is with respect to your members versus the others. It would help us if you could guide us. Or you can declare you don't know what's on their mind.

Mr Morgan: The only reason that's been put on the table in front of us is that CASA regulated pilots, being RPL and PPL holders, will access controlled airspace. This seems to be the hanging point. CASA state that a pilot on a self-assessed medical form can't access CTA and they can't allow our RPL and PPL—

CHAIR: CTA is what?

Mr Morgan: Controlled airspace.

CHAIR: That is a built-up area?

Mr Morgan: Correct.

Senator STERLE: I might just jump in there, Chair. Help me out, please, Mr Morgan. Is it the case that, if a plane fell out of the sky in the city, that would be more of a concern than if it fell out of the sky in rural Australia?

Mr Morgan: You'd be concerned if it fell out of the sky regardless, but, if you had an environment where there was controlled airspace and the person was operating an aircraft on a self-assessed or self-certified medical form, they would be an RAAus pilot or a glider pilot. Technically, they should be staying out of that space.

Senator PATRICK: I seem to recall flying over the top of Bankstown and other places like that out to the training grounds in Western Sydney. That wasn't controlled airspace.

Mr Morgan: No. You have situations right across Australia where you have controlled airspace and non-controlled airspace.

Senator PATRICK: I understand that; I'm trying to differentiate. There were statements flowing around that controlled airspace is above populated areas. I put it to you there are many uncontrolled airspaces across Sydney.

Mr Morgan: Correct.

Senator PATRICK: So that's not a differentiator?

Mr Morgan: No.

Senator STERLE: Thanks for that; now it's even more confusing.

Senator PATRICK: I just wanted to let you know.

Mr Morgan: Senators, if I can confuse you just a little bit further, my colleague Peter Cesco made a comment about the fact that our gliding fraternity for almost 70 years has had access to CTA on self-certified medicals.

CHAIR: We get that now. No more time needs to be spent on that. But you'd better guide us on why metropolitan Sydney is broken into a patchwork quilt—why some is controlled airspace and some of it is not. Is it to do with aircraft manoeuvres? Are they approaching an airport, and therefore they are in controlled space? Are they over Parliament House, and that's because they're in controlled space?

Mr Morgan: It's all to do with air traffic management in terms of the design of that air traffic area.

CHAIR: Meaning that, while they're in controlled airspace, something's happening; they're not just flying along at 30,000 feet and transitioning across. Something's happening—they're thinking about a manoeuvre, they're in a pattern, they're going to land. Is that a fair assessment of it, so we can get a handle around that?

Mr White: Controlled airspace, fundamentally, is there for the protection of the big passenger aircraft and the smaller passenger aircraft. The fare-paying public have no understanding—they just get on a bus and fly with Qantas, Virgin or a second-tier airline. All that airspace is there to control and make as safe as possible those aircraft.

CHAIR: We appreciate that. It's like a beltway; they're all coming together.

Mr White: Correct.

CHAIR: We'll need to guide you here, Mr White. If I'm flying along and suddenly a little beeper goes off and says to me, 'You're in controlled airspace,' I can move over 100 metres and be out of controlled airspace but still over the same suburban environment. Is that right?

Mr Morgan: That's correct.

CHAIR: What percentage of Greater Sydney—or Melbourne, or Perth; pick one that you have experience with—would be controlled airspace versus non-controlled airspace?

Mr Morgan: We can work that out, but we'd have to take it on notice to give you a percentage number.

Senator PATRICK: Just to guide you, Chair, very close to Sydney airport, controlled airspace is right on the ground. As you move further away, controlled airspace goes higher and higher and higher.

CHAIR: I know the answer to my own question because I investigated accidents. I know the answer to my own question. I'm trying to get it out so that it will guide my colleagues in relation to the questions that they're asking, that's all.

Mr White: It's like an upside down wedding cake, effectively. The wedding cake starts at the higher level and comes down to the airport. Anything that's underneath those wedding cake steps is outside controlled airspace and anybody can fly in that space.

CHAIR: Finally, then, the regulations are that if you have self-assessed you shouldn't be in controlled airspace, full stop. That's a principle.

Mr Morgan: Correct.

CHAIR: You're suggesting there are people who have self-assessed that are lawfully in that space, or unlawfully in the space?

Mr Cesco: I can talk to that and the risk associated with that.

CHAIR: Just talk to the lawfulness of it.

Mr Cesco: The lawfulness of it is that glider pilots have been able to do that since we started in 1949. We take that seriously. The vast majority of gliding organisations are outside controlled airspace because it makes life difficult.

CHAIR: You're telling us now that glider pilots who've self-assessed can go into controlled airspace? They're the only class of pilots that can do that—self-assessed pilots?

Mr Cesco: That's the case.

CHAIR: Why them and not so many others?

Mr Cesco: It's largely historical, but it's also based around risk management, I believe. Historically, glider pilots have been able to do it. There are three risk areas that I probably need to mention which would help, I believe; I'm not trying to take time.

CHAIR: Sure.

Mr Cesco: The British Gliding Association in 1969 did a 10-year study of 1.6 million flights, and they found there were four medical incidents. In 2016, the British CAA did a similar study—I don't know their methodology, but this is out there—and they found sufficient lack of risk to go to self-declaration for private pilot's licence holders to carry three passengers with a maximum take-off mass of 5,200 kilos from that point. So that's recent. The Gliding Federation has flown roughly nine million flights since 1949, and we've had, we think, maybe—we're not sure; it's undefined—three medical incidents that have caused crashes, and no external fatalities were associated with those.

I think, perhaps, the most important one that I can help you with is: I was at a CASA medical inquiry in 1988 or 1989. I was chairman of the Operations Panel of the Gliding Federation and one of the people at that. There was: Qantas; Ansett; CASA, or the equivalent to CASA—the department of transport or something, in those days; us; and, I think, the Australian Parachute Federation. CASA was openly trying to get us to take on CASA medicals. We were fighting it. One day when we came in, at the third meeting, I think, one of the attendees stamped on the table and said, 'You guys have to get CASA medicals, because my mate had a CASA medical last Monday, and he died from a heart attack on Wednesday.' He was just so emotional he didn't know what he was saying. But that's the whole point: a medical system cannot predict heart attacks, even now.

Senator STERLE: Clearly, with the airline alliance, with all of you, it is the case that you're arguing that the self-assessment shouldn't be available. Is that what you're arguing?

Mr Morgan: No, that's not correct. We're arguing for universal fair and equitable access. I'd like to reference a letter I received back from CASA on 11 October. For nearly a year and a half, the Aircraft Owners and Pilots Association had sent a multitude of letters to CASA to clarify a question. The question was: was it safe for a pilot to fly an aircraft outside controlled airspace with one passenger and to do so on a self-assessment medical? We knew it was safe, because CASA had permitted the RAAus, for example, to do exactly that. They clearly had made a determination, as the safety regulator, that it was in fact safe, and therefore this organisation was approved to do it. The question has always been: why is one organisation approved, yet the CASA-regulated pilot fraternity is denied? I got a reply on 11 October. It was strange that I got the reply on 11 October, because it came exactly

24 hours after you, Senator Sterle, were quoted in the media as saying that you were seeking an inquiry into the dual standards in medicals—

Senator STERLE: So it's my fault for not doing it earlier?

Mr Morgan: I don't know. It's miraculous. The question I put forward to CASA was: 'Is it safe for an Australian private pilot to fly an Australian-registered aircraft with an MTOW of 600 kilograms in Australian airspace on a self-certification, private driver's licence medical?'—meaning outside controlled airspace. The response I got more than a year and a half after this process was: 'The answer is yes.' If the answer is yes, and if the role of our regulator is to set aviation safety standards based on risk and for those safety regulations to be promulgated into regulation, why is our safety regulator denying our pilot community the choice to fly in that category? Our organisations are not asking, at this point in time, to be granted the access to fly on an RPL licence and a PPL licence inside of controlled airspace. We have asked for the safety regulator to approve our RPL/PPL community to fly outside controlled airspace with one passenger in an aircraft with an MTOW of up to 600 kilograms, which exactly mirrors what has been approved for this self-administration, yet, we are being denied that facility.

I have to make the statement: we are being denied our rights and we are being denied our choice. As a consequence of this provision not being afforded to our community, we are, in effect, as pilots, being forced to then go into the private self-administration arena, because we have nowhere else to go. I come back to the statement I made earlier—that is, we seem to have a large and growing population of elderly pilots who are finding it harder to maintain their medicals. What we know is that many of these pilots get to a point that, as soon as CASA starts asking for repetitive tests, tests that are expensive, they simply sell the Cessna, they sell the Piper, they sell the Mooney, they sell the Beechcraft, and they get out of CASA-regulated aviation and simply pay a fee to a private company and continue to do what they were otherwise doing within the CASA-regulated general aviation space.

Senator STERLE: But, Mr White, you said they could do it with the same planes?

The critical issue to understand is that the ASAO group of RAAus have been granted a special exemption to fly in Australian airspace with a numbered registration. They have 19 Dash series of numbered aeroplanes; they have 24 Dash and a series of numbered aeroplanes. Whereas, the rest of the community—the parachute group that were on earlier, the warbirds—we all fly VH. VH is the same insignia as your Qantas jets—everybody. But everybody who flies VH as a registration mark has to conform to the CASA system.

It was interesting to hear the last group seem to stumble over the concept that to fly a VH aeroplane as a minimum you had to have a class 2 or a class 2 basic, which was the latest advent of medical by CASA, which is transported department related, or you go on to the higher classes for commercial activities, where you need a class 1 and then you need a commercial medical, ATPL—higher up, higher up, higher up.

Senator STERLE: Sorry, Mr White, because I know the chair will pull my nose in a minute. Can I finish on this one. Mr Morgan, you were saying you have examples of older pilots whose costs came to about \$5,000 because there are extra blood tests and blah blah. So they decide: 'That's it. I'll sell that plane. I'll get out. I'll shoot across and join RAAus.' And then what's the average cost for a—

Mr Morgan: I have one particular example I fall back on all the time because it typifies and highlights the lunacy of the situation.

Senator STERLE: Throw it at us.

Mr Morgan: A member of our organisation about two years ago received a letter from CASA basically saying that he was a risk to aviation safety and, therefore, his class 2 medical had been declined. He then went through the processes of appealing that. I provided an extensive amount of background support to help move that process forward. But the moment he received the letter I actually said to him, 'I would like you to go straight out right now and register with the RAAus, and sign a self-cert medical and conduct some training in an aircraft so we can get you flying.' He did exactly that. For the two years it took to get his medical renewed, he continued to fly an RAAus aircraft every week.

Senator STERLE: And you can provide the Senate with that information?

Mr Morgan: Absolutely. And I think he'd be more than happy to come in here and actually speak with you.

Senator STERLE: Thank you, Mr Morgan.

CHAIR: Senator Brockman.

Senator BROCKMAN: To continue on the theme, particularly the like for like, Mr Morgan, that's essentially what you're calling for. If you've got similar-sized aircraft flying similar places with a similar number of passengers, you're seeking a similar set of rules in terms of medical certification.

Mr Morgan: Yes. I repeat the statement. Our association—and, I believe, our AGAA partners—do not understand why we have a regulator that seems intent on creating one set of rules for government CASA regulated participants and a completely different set of rules for private self-administration participants. Within the context of the medical reform process we can see regulations that have been implemented which are clearly designed to disadvantage general aviation CASA regulated pilots. What do I mean by that? If you look at what the United States and the United Kingdom have done over the past two years, they have successfully reformed their private pilot medical standards. Both countries recognised there was a need for wholesale change, a total liberalisation of the system and a move towards private drivers licence standards.

We in Australia had hoped that this is exactly what CASA would do, because there was a clear demonstration that a private drivers licence standard was sufficient for the 10,000 members of the RAAus and the thousands of members within the gliding fraternity. So, in late 2016, when the reforms were announced, we all sat back thinking, 'If the UK has done it, if the US has done it, we're certainly not going to be different,' because, let's face it, the air is not different here in Australia; it's exactly the same as it is in the United States or the UK. Yet, much to our surprise, the reforms that CASA delivered for us in general aviation included implementing a basic class 2 environment that now required pilots to pass a commercial truck driver's medical.

More importantly, they made that medical a requirement you had to pass unconditionally. It's the unconditional part that really creates the herring in this particular situation. There are a substantial number of general aviation pilots who will pass a commercial truck drivers medical. In fact, many of my AOPA members have truck drivers licences. But they've consequently gone and looked at the standards they now need to pass under this basic and they simply will not be able to pass it. Yet these same people can go to the RAAus, fill out a self-cert form and pay a fee to a private company and have access to aviation.

We feel that there's a real problem with this. We feel that the system that's been delivered is designed to protect the self-administrations by not allowing a total liberalisation, and we've seen by way of the self-administrations' submission on medical reforms that they are deeply concerned that if CASA had reformed the system to a private driver's licence self-certification standard then the financial implications may well have rendered the organisation as unviable. So, we cannot answer—

CHAIR: Which organisation?

Mr Morgan: The RAAus. It appears that we have a standard that's been introduced that's out of step with that of our international peers, does not reflect the risk that's been accepted by both the self-administrations—being the RAAus—and also the gliding fraternity. So, there is a problem here.

Senator BROCKMAN: I have just a couple more questions. You've been on this mission since 2016, so I suspect you have a pretty good idea. We don't have the ability to bring you back immediately after CASA to hear your response. So, tell me what you think they're going to tell us, and tell us why they're incorrect.

Mr Morgan: Well, I imagine CASA will put forward that they base their decisions on the assessment of risk, and if the Civil Aviation Safety Authority is adhering to its regulatory philosophy then those risks will have generated a safety case, and they'll be using that to base their decisions on. Yet, interestingly, we've been requesting this safety case, or this risk assessment, so that we can have it peer reviewed, and it has not been forthcoming. We have not seen any documentation published by the Civil Aviation Safety Authority in this country that justifies the decision it made. However, the United Kingdom undertook a 10-year study of medical incapacitation among pilots, and that 10-year study resulted in a determination that the risk of incapacitation was so low that it was impossible to calculate. It was one of the fundamental underlying supports for the reform of the UK system—the fact that they had come to the clear realisation, via a medical study, that the risk is low. Now, if there's been a risk assessment or a study completed in Australia, we would love to see it. Our association would love to review it.

Senator STERLE: You've written to CASA?

Mr Morgan: Yes, I have.

Senator STERLE: Could you provide us with copies of those letters—and particularly the dates, and any responses?

Mr Morgan: I'm more than happy to.

CHAIR: Again, this is where you're going to fall into a trap when CASA comes along. You're telling us that you've got an apple here and an apple there, identical aircraft, identical pilots, identical circumstances that they're flying in, and these are under one licensing regime and these are under another—completely opposite whilst being completely identical. So that I don't misunderstand: is that what you're telling us?

Mr Morgan: For total clarity, we are asking for the apples to be made identical.

CHAIR: That's right. Well, you need to be careful that you don't end up with that terrible joke from my childhood: 'Please make both my arms the same.' You might end up with—

Senator BROCKMAN: I've lost my train of thought now! Can you briefly talk us through the changes that occurred in the US and the UK? Do they achieve the kind of regime that you just talked about with the chair that everyone falls under the same set of rules? And I assume that they are graduated in some sense—so, as you get into larger aircraft, as you get into carrying more than one passenger, things do become more complex and the requirements are greater. Can you briefly talk us through how the US and UK systems have dealt with this differently to the Australian environment?

Mr Morgan: Well, firstly, I think the first statement we should make in reflecting on this is that both the UK and the US aviation regulatory systems are unified single systems, meaning that there are no self-administrations and there are no privatised subsections of its roles, duties and responsibilities. They produce a framework. That regulatory safety framework is used by all participants, and everybody understands the rules that they are to adhere to. The difference here in Australia is that over the past 25 or 30 years the Civil Aviation Safety Authority has promoted the ideal of creating sectors that effectively are becoming privatised monopolies in themselves. If you are a pilot in Australia today and you would like to fly a glider, a light sport recreational aircraft, a warbird, a certified general aviation aircraft or a gyrocopter, you have to be a paid-up financial member of five different organisations, effectively, and that's a bizarre situation. I don't believe this is being replicated anywhere else in the world.

As a consequence of this sector privatisation, which is exactly what is going on here—we are seeing the slow but determined privatisation of the sector's regulation within the industry, and I'm sure I could have a two-hour debate with senators here on whether it's actually in the remit of CASA to be doing that—we are now pitching the sectors in competition with one another on a bloodthirsty level. These organisations are doing exactly what they should be doing—that is, they are strengthening their competitive advantages and they are competing within the aviation ecosystem or economy for larger slices of the pie.

We are seeing this play out right now in the renegotiation of the ASAP funding, where we now have real competition in the space, which is resulting in real feuds over how these organisations should receive their CASA funding. Is this good for the long-term aviation economy and ecosystem? Certainly it is not. I know it is a difficult conversation and it is a difficult subject and it attracts the ire of the self-administrations to say this, but what is happening is we are losing the perspective on the national interest in exchange for the perspective of self-interest. And, as we move further and further down that road, we are going to see further division within the industry.

In relation to the medical reform process, the UK and the US both moved towards a private drivers licence standard. Both the US and the UK recognised that the higher standards of medical certification were a barrier to entry, and the costs involved in processing those medicals were becoming higher and higher. The UK and the US have both put financial estimates as to what those costs were. I am happy to take it on notice and provide all of that information, along with providing a detailed breakdown of the comparison of the medical certification privileges.

The essential, central ingredient in this is that it is based on a private drivers licence standard, and there is a reason for it: they are private pilots. We have the bizarre situation in Australia where CASA are promoting the differentiation of private and recreational. Can anyone explain this? What's the difference between a private pilot and a recreational pilot? There's no difference. They are exactly the same—both pilots fly on the weekend; both pilots fly for no higher reward; both pilots are out there enjoying aviation as a hobby and a pursuit—but, for some reason, we are now separating recreational from private and we are creating a real differential in the medical certification standard.

Senator STERLE: So where would station-owners and farmers—

Mr Morgan: Private. Unfortunately, this is a section of the community that is really feeling it now. I have so many station-owners who phone up and say, 'I've got to sell that GA aeroplane because I just can't pass the medical anymore.' As my colleagues from the AMROBA will attest, this is impacting our maintenance engineering fraternity. We are watching the capability and sustainability of our general aviation maintenance community decline rapidly, because people are selling general aviation not because they don't want them, not because they are not practical, not because they are not useful, but simply because they can't maintain a CASA medical.

Senator BROCKMAN: Mr Talbot, could you talk us through the impact on your members and what is happening to the businesses that support the general aviation sector.

Mr Talbot: The AMROBA members are seeing an exodus of recreational and private pilots from the sector. There have been a few other considerations in recent years if you own a Cessna. We had the SIDs program, which

meant that a lot of aircraft had to have significant maintenance done to them. So quite a few aircraft went at that point. We are seeing a decline in the use of general aviation aircraft.

Senator PATRICK: I want to get away from the different classes of people, whether they are private or recreational, and go to the root analysis of this. You would have heard the evidence that I took from the previous witnesses, where it was explained that perhaps a greater medical standard is required because a private pilot is flying a more complex aircraft or more complex operations and they perhaps go into controlled airspace. Because there's more training involved in that, I would have thought training would, in some sense, counter the stress level. Would you share that view?

Mr White: Absolutely. I think you hit the nail on the head. You gave the Warbirds guys, certainly, and the parachute guys the perfect opportunity to speak to that training. To answer that same question, it's all training, absolutely. Either you're fit to fly or you're not fit to fly. It's a black-and-white issue. With regard to the additional information that Mr King gave, which was that each pilot is required to make the assessment as to whether they are fit on the day they go flying, we all have to do that under the law. It doesn't matter what our medical classification is. The crux of the problem here is: as private and/or recreational pilots, why have we got a different medical standard? If a self-certifying medical declaration is safe, and signed off as safe by CASA, then that medical class is fit for everybody who is operating a private recreational flight, regardless of the registration mark on their aeroplane or the weight of their aeroplane. I bring up weight because most recently RAAus have applied for 1,500 kilograms, an increase in weight which will take in most of the general aviation fleet used for private recreational flights.

Senator STERLE: So around 8,000 kilograms; is that right?

Mr White: No, 1,500 kilograms.

Senator STERLE: Extra?

Mr White: No, total. CASA have come out and basically made some statements that they're thinking about 760 kilograms as a halfway measure. The statement was made publicly: 'We'll have a look at that and, if they achieve safety at the level of 760 kilograms, we'll look at 1,500 kilograms.'

The reason I'm talking about this is that it's all about—as you said, Senator—training. Weight and registration marks have nothing to do with medical. Medical is either 'fit to fly' or 'not fit to fly', so why do we have differing standards?

Senator PATRICK: Mr Morgan, I know you might have said this flippantly, but I would have thought the airspace in the United States and the airspace in the UK were different to that in Australia in terms of congestion and much harsher weather conditions. I've never had to sit on a runway in Australia for de-icing to occur.

Mr Morgan: You're absolutely correct. You've nailed that one. They do face far more challenging weather conditions than we do here in Australia, which just further amplifies the disparity between the systems.

To add to what Mr White was saying, I heard the comment from Spencer Ferrier that the RAAus system has been set up to deal with simpler aircraft. We've got to be careful in looking at that statement and putting too much of a stamp on it. If we go back 10 or 15 years, the RAAus were flying aeroplanes that were pretty much rag-and-tube ultralights. There were a great number of aeroplanes with, virtually, chainsaw motors on them. Those things were pretty experimental, Wild West types of aeroplanes. But the types of aircraft the RAAus are flying today are, for all and intents and purposes, general aviation aircraft, so much so that a significant number are now being used by flight training organisations nationwide. Is CASA in fact providing liberalisation for simplified aircraft, or are we now providing liberalisation for pseudogeneral aviation?

I'm often confused when I look at the general aviation economy now. I go to a flight school and see them buying up a whole bunch of RAAus aircraft, and I say to them, 'Why are you putting RAAus aeroplanes online here with the flight school?' They say: 'It's pretty simple. The students don't have to go through half the turmoil that they have to go through with CASA. We don't have to go through half the turmoil we go through with maintaining them, because we can obtain our own maintenance approvals. We can put our own people through a simplified RAAus maintenance course and we can own and maintain the aircraft. And they're cheaper to run.' So there's a very good reason why we're seeing proliferation in this space. We're seeing proliferation and rapid growth in RAAus because it's a sad indictment of the failure of CASA to actually reform our system. If CASA had taken a centralised reform approach to our overall regulatory framework and provided universal reform in terms of improving our system, we would have seen general aviation flight schools bringing these aircraft in, and we would have had growth. But instead we have this bizarre situation where we're seeing growth in an environment that can really only be categorised as a state sponsored monopoly. It is a state sponsored monopoly, because it can't exist without the special conditions and alleviations that CASA provided, whether it be through supplemental funding, reformed medical standards or the allowance to maintain your own aeroplanes. It doesn't matter which way we look at this; this thing is sponsored by CASA. We're not asking for it to be removed. What

we're asking for is for our national aviation safety regulator to do the job of providing the national general aviation economy with a fair, equitable and balanced regulatory environment so that we all have opportunity.

Senator PATRICK: Okay. You said you haven't seen any safety case, but I do have an FOI document that I sought that basically describes the decision that has been made in respect of the policy. You've probably seen that document, Mr Morgan, have you?

Mr Morgan: Are you referring to the Nous report?

Senator PATRICK: No. I have an FOI document here which I'm happy to table. It's been released to me under freedom of information and describes a decision in respect of aviation medical certification policy. It's dated 22 November 2017, and it makes the point that they are going to conduct a more detailed review over the next 18 to 24 months. Have you seen that document?

Mr Morgan: I have. There are a couple of comments I would like to make in relation to that.

Senator PATRICK: Firstly, can I table that, please?

CHAIR: You need to get copies circulated to the senators and have them consent, but I doubt there'll be any difficulty.

Senator PATRICK: You wanted to make some comments about it?

Mr Morgan: Yes, thank you. There are three specific points in relation to this. First, between the date that AOPA and our AGAA partners made their submissions on the medical discussion paper—which I believe was 31 March if my memory serves me correctly—and approximately November-December of 2017, at no time did the Civil Aviation Safety Authority engage with our organisations or any of the representative bodies at this table about its intentions or plans around its final decision with respect to medical reform.

Senator PATRICK: But did it not call for submissions and take submissions?

Mr Morgan: It did call for submissions, and this is an interesting area. I'm really glad that you've brought it up, because it strikes at the heart of a debate which is going on at the moment as to whether there is due consultation taking place. 'Consultation' is a word that's thrown around a great deal in the aviation industry by CASA. It throws around the statement that it consults with industry, and therefore the decisions it makes are deemed to be collaborative when, in fact, they are not. The medical reform process was a very clear example of where we were asked for an opinion and we gave an opinion but, from the date we gave an opinion, no further correspondence was really entered into between the parties on the issue. During that period in which no consultation was taking place, the AOPA wrote to CASA on several occasions and made clear that we were seeking the opportunity to participate in the Civil Aviation Safety Authority's ASAP, or Aviation Safety Advisory Panel. I got a letter back in July 2017 from CASA, and it says: 'I refer to your letter of 7 July addressed to Mr Carmody, Chief Executive Officer and Director of Aviation Safety, in relation to the establishment of the ASAP. One of the key challenges we faced in establishing the new consultation arrangements was to find a group of individuals that was sufficiently representative of our diverse industry whilst small enough to allow us to have much more constructive discussions.' It goes on to basically say, 'Whilst we thank you for asking us if you can join this ASAP, thanks but no thanks.' In fact, the position that has been maintained by CASA since the ASAP was formed and structured is that AOPA simply can't participate. That's quite a bizarre situation, considering that we now represent 4,000 aircraft owners and pilots in the industry, roughly half the number of registered aircraft in pilot numbers. There are still quite a number of pilots out there that we don't represent, but we're by no means a small association. We've been around since 1949—next year is our 70th birthday—and we've been involved in a considerable amount of debate. But, have no illusions, we are prevented from sitting on the ASAP panel. I can only assume that we're being prevented from sitting on the panel because I have been outspoken. I have voiced my clear opinions and our association's clear opinions with respect to what we see as bad regulation and poor policy. Our continued approaches to CASA to say that we would like to be involved in this process have been met with 'thanks, but no thanks'.

In November, the Civil Aviation Safety Authority put a proposal forward to its ASAP panel and asked it to effectively endorse CASA's position on medical reform, which was to deny the industry a self-certification medical standard. Look at who makes up the ASAP panel. You have CASA asking Qantas what its opinions are on private pilot medical reform, and CASA asking Virgin, the Australian Airports Association and Recreational Aviation Australia for their opinions—but not actually seeking the opinions of the very people that they're proposing to change the regulations about. So consultation from our perspective is a very frustrating word, a word that upsets us greatly, because we absolutely know there is no equity in this consultation framework. We would love that to change. We've always maintained to CASA that we want to play a constructive role, but we are being denied that opportunity because we do not agree with them.

If CASA want to create a cheerleading squad, they are welcome to do so, but the problem is that they are missing out on understanding the balance to these challenges. We're not seeking to be involved in order to

grandstand or create trouble; we're seeking to represent the interests of our members, who, at this point in time, on medical concerns, are having their rights denied. We think it is a very important issue, and it is something we really should be involved in.

Senator STERLE: If I'm a member of yours and I'm going to be told I'm not fit enough to pass but I can go over to RAAus, why would I remain a member of your association?

Mr Morgan: It's a great question. I believe that the vast majority of our members are supporting us. I'm pleased to report that our membership has been growing consistently now for a bit over two years. We're doing a good job these days. People are supporting AOPA because we are standing up on these issues. The private pilot community in this country generally are feeling that their rights are being taken away from them and they are being forced out of the government-regulated arena and put into the hands of a private company. We can ask for the opinions of 4,000 members. Being someone who exists within the system I can speak passionately to the fact that I do not want to see my medical become the private intellectual property of a monopoly provider. We have all seen the impacts of airport privatisation on our industry. Airport privatisation has virtually destroyed our general aviation business economy through rapid, uncontrolled price increases.

One of the things that frighten me under the process of self-administration and part 149 is that there's been a race to get it done, and in the process of racing to get it done there appears to have been absolutely no consideration given to how this would impact on aircraft owners and pilots. What protections are being discussed or put in place to stop unconscionable price rises? What protections are being afforded to those who will be entirely dependent on a private company, so that they can continue to access aviation?

Senator PATRICK: Out of curiosity—because they're self-assessed or self-regulated, I presume they're audited from time to time by CASA?

Mr Morgan: I understand that that may be the case. I'm not sure if any of that information is made public.

Mr White: All the SAOs are audited from time to time.

Senator PATRICK: It's probably more of a question for CASA.

Mr Morgan: I would raise the following concern. We can write to CASA, and sometimes they choose to respond to us, or they do but take their time in doing it—that's obviously a concern. But, if we write to the RAAus to seek information with respect to rights and access, they're under no obligation to reply, as a private company. Again, there are things here that have not been considered and haven't been given due thought. If we allow it go uncontrolled, I think we're looking at airport privatisations mark 2, but this time it will be our right of access to fly.

Senator STERLE: Mr Morgan, everyone at the table can see your frustration. This process of trying to consult with CASA has been going on for 18 months?

Mr Morgan: With medical reform?

Senator STERLE: Yes.

Mr Morgan: It has been going on since December 2016.

Senator STERLE: Have you gone above CASA's head and written to any of the ministers?

Mr Morgan: I'm well known for it. I absolutely have written to the minister, and we were equally as disappointed with the minister as we are with CASA at this point in time. I've been thinking about this particular issue over the week leading up to this hearing today. We are supposed to be living in a democracy. It's an awfully disappointing realisation, after you take on a role such as I have with AOPA, and you come into it thinking it is going to be okay—we are going to write to our minister, have meetings with our minister and discuss the needs and aspirations of our community, and we are going to get things changed so we can take advantage of opportunities—that, when you sit with the minister, the minister shows absolutely no interest in and no real commitment to changing anything. And the reality starts to sink in—that is, it appears that it's not the minister who is calling the shots; it's the regulator. So we're in this bizarre situation where we can't effectively engage with our regulator, and our minister is not showing any appetite to sink his teeth in and get going.

We decided to test that. We brought together in Wagga Wagga 34 associations and 100 individuals from the leadership of those organisations and held a general aviation industry summit. It was reported by the media as one of the largest events of its kind. I commend our partners for doing it, because it demonstrated that our industry can work together and genuinely wants to stand shoulder to shoulder to create opportunity. But, even though in the aftermath of creating such a positive event, we produced a powerful set of recommendations to the government, they have fallen on deaf ears. Little to nothing has been done. So I despair—not just for AOPA but also for the thousands of pilots and the hardworking men and women of every aviation business in this country—that their voices truly are unheard. It seems to me that unless there's a real circuit-breaker—whether it be a powerful inquiry, a royal commission or a judicial inquiry, whatever that may be—until there is something that truly

exposes the fact that we have a regulator that is not genuinely consulting and not collaboratively working towards the future, I really don't know what the outcome will be.

Senator STERLE: It's well known in this nation that we have a pilot shortage. By not having the level playing field that we have now through the medical certificates, would that be an impost on attracting young people into the aviation industry, or not?

Mr Morgan: When you complicate anything it becomes a hurdle. Today, what youth are faced with is that they come into the aviation system being told to get an RAAus RPC: 'Start here, it's cheap.' They get that RPC but they still have to jump into the CASA system. But what we have now is a CASA system that is becoming incredibly expensive. The reason the CASA system is becoming expensive is that there's wholesale gutting of general aviation to pour it into recreational.

Senator STERLE: We have the table from the website showing the difference between the cost of training and getting your licence—it talks about Aus Flyer—'go through them because we can get it cheaper'. We can go to the United States and there is some recognition, and then you come back and do a little bit more testing. For example, you can get a private pilot's licence in the US for US\$9,500 in 1½ to two months. The Australian equivalent is US\$20,000 in three to six months. This is Aus Flyer: 'Go to the US and get trained and come back and we will work our way around the system so that we don't have to do the training here in Australia.'

Mr Morgan: Absolutely. It's incredibly sad. My response to that is that for nearly 30 years the Australian aviation industry has been calling on the Civil Aviation Safety Authority to adopt the US regulatory framework—it's been like a broken record. For 30 years—think about this—there has been a consistent message: adopt the US regulatory framework. Yet for 30 years our regulator has continued to tell us, 'You can't do that.' They've put up every excuse known to mankind as to why they can't do it. So the failure of the general aviation industry sits squarely on their shoulders. They had the opportunity 30 years ago to get with it and to get that US system going but have refused to do so. Now we're in a situation where Australia is wholly uncompetitive on the global stage. Given the US currency advantage over Australia you would think that we would have a thriving flight training industry right now and a thriving private pilot economy, but we do not.

Senator STERLE: Sorry, Mr Morgan. I want to share these figures with the Senate. This is from the website. It goes through the private pilot licence, instrument rating, commercial pilot and multi-engine and flight instructor. Should you do it in the US, where it'll take you six to eight months and cost you US\$33,500, or should you do it in Australia, where it'll take 15 to 24 months and is US\$85,000? That's \$50-odd thousand more.

CHAIR: What's that website, just so other senators can—

Senator STERLE: The website's called OziFlyer.

CHAIR: It's the old detective in me. Does anyone have a body of material that underpins that?

Senator STERLE: No, I don't.

CHAIR: I take everything off the internet with a grain of salt.

Mr Morgan: I'm more than happy to take it on notice. I've got a very similar chart to this. I'm happy to compile an international cross-comparison to show you where it all stacks up.

CHAIR: With it referenced, particularly, so that we can test any aspect of it.

Mr Morgan: I'm happy to do so.

Senator STERLE: I'll wind up. I'll just say this is Uber with wings!

Mr Morgan: I think what's very important to understand about the flight training costs in the US is that one of the fundamental differences—actually, there are two huge fundamental differences, but this is one of the largest contributors—is the fact that 75 per cent, roughly, of all flight training in the United States is conducted by independent flight instructors. We've taken this proposal to CASA, and it's fallen on deaf ears. We used to have independent flight instructors within our system up to about 1989. That provision was removed. If you plot it all out you'll see that the cost of flight training increases as you force people into structured, fixed base training environments, because they carry greater overheads. CASA will tell you that you can do technically independent flight instruction under the system. And they are right; you can technically do that. But you cannot do it to the level of cost efficiency that you can under the US system.

If I go back to the last face-to-face meeting with CASA on this issue, we had a representative from the United States who was one of our directors, Mr Mike Smith, a former Deputy Director of Aviation Safety for CASA. I think he knows something about the job and our industry. He runs a flight training and maintenance organisation in the United States. Mike Smith made it abundantly clear to the representatives that in the United States an individual can start a flight training organisation, a maintenance organisation and a charter organisation with a bare minimum of documentation and a bare minimum of cost. We are talking about spending maybe \$5,000 to get

a multiple set of approvals set up. Yet in Australia I am yet to meet an operator who has been able to achieve the successful start-up of a flight training, maintenance or charter operation without spending bucketloads of cash.

So there is a problem. The two systems are different. The system we've got is the donkey and the system they've got in the United States is the Ferrari, and I know which one I would prefer to be driving.

Senator STERLE: On the OziFlyer website, it says: 'Only in WIFA,' which is who they are, 'the price includes accommodation and a vehicle. This is a significant financial advantage when dealing with long periods of time. You will not find an option like this in Australia and it will save you a fortune.'

Senator BROCKMAN: As you've taken that on notice, and you can tell me that CASA has this information, can you also provide us with comparative safety data? Obviously, the US general aviation sector is a lot bigger. I don't know if somebody's done a comparison that shows the number of pilot hours versus accidents.

Mr Morgan: We can obtain that data. We have a huge amount of support through the IAOPA. The IAOPA is the largest global general aviation advocate, so we'd be happy to do so.

Senator BROCKMAN: Can we have a cost comparison but also a safety comparison?

Mr Morgan: I can do my best with that. We might have to liaise a little.

Senator BROCKMAN: Okay. See what you can do. I don't expect you to go to the ends of the earth on that one. I'm happy for you to take this on notice if it requires a long answer. I want to go back to Senator Sterle's question a couple of questions ago. We've got Qantas setting up flight training academies. Has the general aviation sector decline led to an exacerbation of that issue of not enough pilots? Has the pathway of a young pilot through the GA sector to commercial pilot fallen away, which is why the larger airlines are now having to look much more at the flight training academies?

Mr Morgan: The very simple answer is yes, but I just want to extend it a little bit. The general aviation flight training community in Australia has had to undertake a number of fundamental changes over the last couple of years, transitioning out of the old approval system into the new 141, 142. These new approval regimes, which were introduced by CASA, have added enormous costs to the operation of those schools. As a consequence of that, you've actually got a number of schools that have decided just to pack up and exit.

What's actually happening in Australia is that a significant number of our schools are being sold to Chinese interests. There was a fairly large school at Bankstown airport which in fact belonged to the president of AOPA, Aminta Hennessy. She's just sold out her flight training operation, and it's gone to a consortium. I think there are five Chinese airlines involved in that consortium and their training. The growth we're seeing now in flight training is all to do with Chinese market training; it is not to do with Australian local training. The airlines are now having to step into this space, because the small mum-and-dad operations, which were for many decades very successful at training some of our most accomplished pilots, have been driven out of business. CASA will tell you that they haven't. CASA will tell you: 'No, no, no. It was economic market forces that led to the demise of those businesses.' But, if you get those businesspersons in a room and you sit with them, they are very clear and unambiguous as to why they are no longer in the general aviation industry.

I believe—in maybe some closing remarks here—there is a real problem in our general aviation industry; a massive problem. That problem is the way in which our safety regulator is regulating our business community and our users. There needs to be a deep and serious inquiry into the way in which this regulator has behaved. I all too often, in my role, receive numerous letters and correspondence across my desk with examples of behaviour that, frankly, leave you aghast—a regulator that demonstrates that it will go to extreme lengths to litigate. I've got examples of private pilots who have performed nothing more than a misdemeanour—a traffic infringement, effectively—who have virtually lost their houses trying to defend the right to maintain their private pilot's licence. Something is catastrophically wrong. How many millions of dollars are we spending pursuing people in a punitive fashion? I understand it's not the—

CHAIR: Mr Morgan, I'm sorry but I'm going to have to wind it up there, because CASA deserve their time here to respond to some of this stuff. If you've got evidence of what you've just spoken about, you need to particularise it carefully, you need to underpin it with the physical evidence, reference it and get it to the committee.

Mr Morgan: I'm happy to provide that.

CHAIR: Your views are valuable, but evidence supporting a statement is even more valuable. Oftentimes I find, in our world—and I'm not suggesting this is the case with you—that it just evaporates. People have formed a view, and it's not a fair view. Thank you, gentlemen—

Mr Cesco: Senator—

CHAIR: I'm sorry, Mr Cesco; CASA are entitled to respond. We've taken our time. I'm sorry.

Mr Cesco: I understand.

CHAIR: Thank you all. I wish you all the best and safe travels back to your ports of intention. Before we welcome our next witnesses, is there any objection to the tendering of the document that we'll refer to as the freedom-of-information claim made by Senator Patrick? There being no objection, that's so tendered. Is there any objection to the opening statement of Recreational Aviation Australia being tendered? There being no objection, that will be tendered. Is there any objection to the tendering of an opening statement by the Sport Aircraft Association of Australia? There being no objection, that's so tendered. Is there any objection to a transcript of the opening statement of the Warbirds Association being tendered? There being none, that is so tendered as well.

ALECK, Dr Jonathan, Executive Manager, Legal and Regulatory Affairs, Civil Aviation Safety Authority

CARMODY, Mr Shane Chief Executive Officer and Director of Aviation Safety, Civil Aviation Safety Authority

CRAWFORD, Mr Graeme, Group Executive Manager, Aviation, Civil Aviation Safety Authority

MONAHAN, Mr Chris, Executive Manager, National Operations and Standards, Civil Aviation Safety Authority

SULLIVAN, Mr Mark, Branch Manager, Client Services Centre, Civil Aviation Safety Authority

WALKER, Mr Rob, Executive Manager, Stakeholder Engagement, Civil Aviation Safety Authority

[16:20]

CHAIR: Welcome, Mr Carmody.

Mr Carmody: It's a pleasure to be here.

CHAIR: And welcome to you, Dr Aleck and Mr Crawford. We're well used to you attending before the committee. You've heard the evidence and you've heard the arguments in relation to some of this. If there is stuff that would assist us and save us from asking you a hundred questions, we'd really appreciate hearing it. You're welcome to make an opening statement, Mr Carmody.

Mr Carmody: Thank you, Chair. Just following on from your remarks before I commence: I was thinking about what might assist the committee, and I have one of my experts on licensing and medicals here. At the end of my opening remarks, we could very quickly step through the licences and the medicals, to make it very clear to the committee. Some of the information that has crossed over in the last bit of testimony, I think, is quite confusing. We could just very quickly step through those licences and those medicals and how they relate to one another.

CHAIR: We'll do that. I'd like to open the batting with that. You heard them say, 'We've got an apple and we've got an apple, and the rules around this apple are different to the rules around that apple.' You need to belt that out of the park or justify it, at the very opening.

Mr Carmody: We will.

CHAIR: There may not be a need, then, to go any further into the difference of the regimes. We just don't want to take the time up with—

Mr Carmody: Certainly. Thank you for the invitation and the opportunity to make a brief opening statement. You might be aware that earlier this year we undertook a stakeholder engagement survey which showed a great result compared to our 2015 survey. Over 1,000 people were surveyed, and our results showed an increase to our overall satisfaction rate from 4.2 out of 10 to 6.2 out of 10. That mightn't sound a lot, but as a regulator we don't expect to get any more than eight out of 10, so this result demonstrates that the reforms that we're putting in place are heading in the right direction.

I understand, though, that the committee is interested in the self-administered sport sector and the comparison of the medical and other standards for pilots within the self-administered sector against those CASA regulated pilots. Firstly, I'd like to start with the self-administered sport aviation sector. This sector has been self-administered for many years. It conducts limited operations, and its pilots and aircraft are oversighted by approved organisations that are required to meet CASA's requirements to be approved. These requirements include key personnel with appropriate qualifications and experience; procedures which specify the scope of operations and how the organisation will comply with the regulations and the manual of standards; the maintenance of an appropriate structure to manage their approval functions; the maintenance of an appropriate audit and surveillance system, including safety management systems; processes to ensure procedural fairness for CASA review of internal decisions; and an assurance of reasonable, reliable and non-discriminatory access to membership.

Using RAAus as an example—and you heard from them this morning—they are a CASA approved organisation and require people who wish to access the benefits they provide to be members and to pay an annual membership fee. In return, RAAus oversight members' training and aircraft maintenance. Membership also includes a level of public and passenger liability insurance. The level of safety that RAAus offer is less than for aircraft certified, operated and maintained under the CASA system, and accordingly they cost less to operate. Consequently, RAAus aircraft are required to display a warning that persons who fly in the aircraft do so at their own risk and that the aircraft is not operated to the same safety standards as a normal commercial passenger flight.

CASR, Civil Aviation Safety Regulation, part 149, approved self-administering aviation organisations, was made on 12 July 2018 and will commence on 14 July 2019. It was referenced on a number of occasions today. The proposed regulations were consulted extensively, and it also went through the Aviation Safety Advisory Panel and the technical working groups. The regulations do not compel existing sport and recreational aviation organisations to become approved self-administering organisations. Existing organisations that do not wish to become part 149 organisations can continue to operate under properly conditioned exemptions, subject to relevant civil aviation legislation and CASA being satisfied that they are unlikely to have an adverse effect on the safety of air navigation. Such organisations will only be able to expand the scope of their aviation administration functions—that is, beyond their pre part 149 approvals—or issue additional authorisations if they hold a 149 certificate.

On the second matter, medical standards, Australian aviation currently has five medical certification standards, with different privileges and limitations based on the assessed risk. The minimum licence and medical standard for a pilot wishing to operate in controlled airspace is a recreational pilot licence with a recreational aviation medical practitioner's certificate, a RAMP-C. This requirement is the same for an RAAus member, an AOPA member or a pilot with no affiliation to either of these organisations. AOPA has questioned why we don't make the self-declaration model available to pilots who are not members of RAAus with the same restrictions that apply to an RAAus pilot certificate—that is, a less-than-600-kilogram aircraft limited to operations outside of controlled airspace. The reason is that we regulate four levels of licence, ranging from the RPL up to the ATPL, and there are lots of authorisation in-between which we need to elaborate on.

As you might know, last year we looked at ways we could provide more options for pilots to fly with less red tape. One of those changes is a new basic class 2 medical standard. This provides for PPL holders, private pilot licence holders, in most circumstances to visit a GP or a designated aviation medical examiner who will assess them against the commercial driver's licence standard without CASA intervention. There are some limitations, including private operations under day visual flight rules below 10,000 feet, a maximum of five passengers and a maximum take-off weight of less than 8,618 kilograms. This directly benefits AOPA members. In fact, when we announced these changes—this is an important date, too, senators—in November 2017, AOPA was quoted in *Australian Flying* magazine:

"The AOPA Australia views CASA's decision to base the Basic Class 2 medical on the Austroads commercial vehicle driver standards to be fair and balanced and commend CASA on enabling the use of general practitioners, which will enable pilots to access medical assessments at thousands of locations across Australia."

That was in November 2017, when we announced these changes. AMROBA, the Gliding Federation of Australia, and AOPA, who were here at the table a few minutes ago, also signed off unconditionally on the part 149 self-administration regulations, which were consulted through the technical working groups, of which they were a part. I'm quite happy to table the document with their signatures on it, if you would like me to. In conclusion—

CHAIR: The inference there is that their evidence to this committee wasn't accurate?

Mr Carmody: Senator, I have a signed letter here, which I'm quite happy to table.

Senator PATRICK: Perhaps they didn't understand the full circumstances.

CHAIR: If we need to, we'll let them speak for themselves.

Mr Carmody: Senator, perhaps they didn't, but they had a shot and they've made a number of allegations. I'm just making the point that they signed off on this as well. We respond to all of AOPA's letters, to the best of my knowledge—maybe not as quickly as they would like; we get a lot of letters. Finally, Senator, I would say that across some of the evidence today there has been a fair bit of cherrypicking, which is the reason why I would like to very briefly step through how this actually works and also how licensing and medicals actually work in the United States and the United Kingdom, because that's what we do. I'm quite happy to take some questions.

CHAIR: Let's see if the senators are happy to have that tabled.

Senator PATRICK: That's the signed document from—

Mr Carmody: It's a signed letter of endorsement for part 149, approved self-administering aviation organisations. It has the signatures of all of the associations—all of the people who were there.

Senator STERLE: They've agreed that's a good thing, but they're not saying it's a bad thing?

Mr Carmody: No.

Senator STERLE: It's just that they don't get access to it.

Mr Carmody: They could. If they wanted to be a part 149 organisation they could, if they could meet the standards. What they're saying at the moment is that there's a general criticism of self-administration, which I heard repeatedly over the last half an hour. I'd have to go back and have a look at the *Hansard*. I heard general criticism of what CASA is doing, and self-administration, which has been going on for a very long time. Part 149

has been consulted for many, many years and has finally been brought to fruition, has finally worked its way through technical working groups, and has finally worked its way through government to be made. My very clear understanding is that all of these organisations were in the meetings where part 149 was agreed. Nevertheless, if I may move on, if you want to get to your apples for apples comparison, I can bring somebody to the table and we can work our way through that very quickly—

CHAIR: We'll see if the senators are interested in that—

Mr Carmody: because you might want it to get to that point.

CHAIR: if there's time at the end.

Mr Carmody: It won't take long.

CHAIR: With that document, we'll see if the senators will allow it to be tendered. Mr Carmody, listening very carefully to the question, we've had two apples—they say: the same people, the same aircraft flying in the same space, literally, and one self-assesses under 149 and one does not. One has to go under CASA assessment. Are you suggesting that, if they were to make application to CASA and they met those early requirements that you laid out at the opening of your statement about the ability, expertise and so on, they too could self-assesses off a drivers licence?

Mr Carmody: What I'm saying is that if they wanted to set themselves up as a self-administering organisation like RAAus then we'd be happy to consider that. I am also—

CHAIR: Hold on—that's different. The burden of my question was: can they do that now? The answer is: if they were to make application to you, you would consider it on merit, and it's possible that they could become a self-assessing organisation?

Mr Carmody: Yes. If they were able to reach the requirements, yes, it is—absolutely.

CHAIR: In the same way that RAAus meets requirements. I imagine they wouldn't be any more or less onerous?

Mr Carmody: They are quite onerous requirements that they meet.

CHAIR: No, Mr Carmody. Just listen—sorry.

Mr Carmody: Sorry—but they wouldn't be any more onerous.

CHAIR: Correct. That was the burden of my question.

Mr Carmody: Can I just answer apples for apples, if I may? There are differences. There are restrictions in the recreational aviation space—only one passenger, less than 600kg and outside of controlled airspace.

CHAIR: Sure. That wasn't in context on the evidence.

Senator BROCKMAN: To get back to the apples with apples, we heard an example earlier where an older pilot is being questioned over his medical certification. It's been challenged and he then says, 'All too hard,' and goes to RAAus and is basically flying the same aircraft a few days later—

Senator STERLE: Two years.

Mr Carmody: For two years. They could be flying the same aircraft if it's under 600kg, if it takes only one passenger or if they are taking only one passenger, and if they are operating outside of controlled airspace. A lot of people who cannot maintain their medical certificates—a lot of people can't maintain their class 1 and that's why we changed some of the rules for pilots to be able to conduct flying training with class 2 medicals. It was to lower the standard. There are a lot of people in that age bracket who are unable to maintain that higher medical standard, and they will move to RAAus. Market forces have dictated that they will move there.

Senator STERLE: But why do they have to go and pay a membership fee to RAAus?

CHAIR: We're not going there because we're going to get lost here.

Mr Carmody: That's—

CHAIR: Mr Carmody, please—otherwise we'll only get halfway through this. What I'm understanding Mr Carmody to say is that it is the same person, with the same aircraft and with the different testing regimes, only when you get in that same aircraft the second time you are limited to what you can do versus what you can do in aircraft number 1. So there is a difference.

Mr Carmody: That's correct.

CHAIR: You're going to take off from the ground. There's a difference in what you can do, where you can go and the number of passengers you've got in the back, and that's why the higher standard exists for the second licence, the CASA licence. Does that assist you, Senator?

Senator STERLE: I get that.

Senator BROCKMAN: Say you're a GA pilot in the north of Western Australia in the bush. You've got a station up there. You don't take passengers. You fly from station to station. You fly into town occasionally. It would be in your interests, if you were in those circumstances, to leave the GA sector and move to RAAus—so there's a financial advantage in doing so?

Mr Carmody: It depends on what type of flying you want to do. For example, you're restricted to day visual flight rules, so no instrument flying. If you were going to fly in the daytime outside of controlled airspace, below a certain altitude, and you want to operate in that space, which is the space that was set up for recreational pilots a long time ago—10 years ago, I think, or possibly more—then that's a good space for you to operate in, and a number of recreational pilots would be doing just that. But for those who want to operate a larger aircraft or take more passengers—I will use your example, Senator, if I may, where you're on a station and you want to take your family anywhere—that's not on. We will limit you to one passenger. That's one of the protections that are in place in the recreational space: limited passenger carriage, limited weight, outside of controlled airspace and not flying at night. These are the protections that are in place, and they work quite effectively. Organisations like RAAus and the other self-administering organisations you spoke to this morning, who have been consulted extensively on these regulations, are very comfortable with that regime and are very comfortable in moving towards it.

Senator BROCKMAN: So you acknowledge that the cost has an impact on where people end up in the jigsaw puzzle of deciding whether to be in the RAAus system or in the GA sector, so cost has an impact.

Mr Carmody: Yes.

Senator BROCKMAN: I note that, in the submission to you, RAAus, as I brought up with them, did factor in their significant loss of revenue if requirements for pilots other than those on recreational pilot licences were reduced. But how much of an impact would that have? Did CASA factor that into its decision-making process?

Mr Carmody: No, not as far as I know. We started out in the recreational space 10 years ago or so. Jonathan, do you know?

Dr Aleck: Well over 10 years ago. It's always been recognised, as Mr Carmody said before, that the activities in which you can engage are reduced depending on the category of licence you hold.

Senator STERLE: We got all that.

Dr Aleck: Yes. So the cost attendant on engaging in an RAAus activity as opposed to a regular activity is something a participant needs to weigh: 'Is it worth it to me to be able to do more things and therefore pay more for it than it is to do fewer things or with greater restraints and pay less for it?' Whether that continues that way on into the future remains to be seen, but that's certainly the way it's been.

Senator BROCKMAN: But the question for us is: have we got the balance right? We're hearing about what sounds—and you can tell me if that's incorrect—like a much simpler system in the US and the UK, without the sectionalisation—it was described as privatisation earlier—of putting people into silos.

CHAIR: At that point, Mr Carmody has made the offer, so we'll have that official come to the table.

Mr Carmody: We'll be very brief if we can, but it might help explain a couple of things.

Mr Sullivan: The question that's been asked of me is to describe the various tiers of licences and the medical certification standards that apply to each. What we have in Australia—and this has been mentioned by Mr Carmody already—is five levels of medical certification, four of which are administered by CASA. The other level of medical certification is a self-declared driver's licence standard, which is applicable to RAAus pilots but is administered by the road traffic authorities in each state and territory. There are four levels of medical certification standard that are administered by CASA. The first is the RAMPC. I won't spell out what it actually stands for, but it's a modified Austroads driver's licence standard, and it's an unconditional one—only conditional in the fact that you are permitted some eyesight correction. There's the basic class 2, which is the unconditional Austroads commercial driver's licence standard, and then there's the class 2 which you're familiar with already, the class 1 and we have a class 3 which is for air traffic controllers. But, in terms of pilots, there are those four—the RAMPC, basic class 2, class 2 and class 1.

In terms of the levels of licensing in Australia, we have the certificates which are administered by RAAus and are not within CASA's scope, but we administer the recreational pilot's licence and to that attach a number of endorsements that permit the operator of the aircraft to engage in certain flying operations. They start out with a very constrained set of privileges, such as only flying within 25 nautical miles of the aerodrome from which they departed on the direct route to the training area and back and in between. Then they get endorsements that enable them to extend their privileges. One of those is a controlled airspace endorsement. To operate on an RPL, you only require the RAMPC—the driver's licence standard. You can operate on a class 2 or a class 1 if you want, but that's a much higher standard than is required.

A PPL is the private pilot's licence and that's the subject of a lot of the discussion today. The private pilot's licence can operate on the RAMPC, the basic class 2, the class 2 and the class 1. So all four levels of medical certification are available to a PPL. Once we get to a commercial pilot's licence, not only is the standard of training and the standard of competence a lot higher but so too is the medical standard, with one exception. The base medical standard is a class 1. That's the commercial standard. The class 2 is available to those commercial pilots that want to exercise their privileges in a non-passenger-carrying environment, and this is key, because it enables very experienced pilots that are no longer able to hold a class 1 to now deliver their services to industry through the operation under a class 2. The final level of licensing is the airline transport pilot's licence, the ATPL. That is the highest standard of licence in Australian legislation. It carries some very complex privileges that are associated with it, and it allows the operation of very, very complex aircraft and systems, and that requires a class 1. A class 1 is the very highest medical standard that's available to us.

The question has been asked about a self-declared medical and the operation of such in other jurisdictions. Were we to go ahead and just permit a self-declared driver's licence standard in Australia, we would have the most liberal medical certification standard in the world, because not even the US and the UK permit a self-declared medical certification standard out of the gates. What they require first is the pilot or the applicant to pass the gate—to get through what they call an airman class 3, I think it is, in the US, under FAA. They're required to meet a standard first. And, more to the point, if they've previously been refused or cancelled, then they've got to be reassessed against that airman's standard, so they can't just go straight in and obtain that self-declared medical. That's also applicable in the UK, where they do have a self-declared standard that's available for certain limited operations of what are called non-EASA aircraft. These are things like gyroplanes and microlights. There are some homebuilt aircraft and certain warbirds that fit certain criteria, but these are very limited types of aircraft that could be operated under a self-declared medical—akin to what's available under RAAus.

CHAIR: Thank you. I think that has given us a good overview. I will go to Senator Sterle now and he will drill down into the detail. No, there's no escape for you, Mr Sullivan; you remain at the table. Senator Sterle.

Senator STERLE: Let's say we've got old Farmer Barry out the back of Queensland there. He's got his plane and it's got a VH on it, or whatever it is. If he gets to the stage where his medical testing gets too tough, why can't he just take off the VH and then self-assess, like you do with RAAus?

CHAIR: He can, but it means the next day—if I can help drill—he can do much less.

Senator STERLE: No, I understand that.

CHAIR: Yes, all right.

Senator STERLE: No, I get that. But why does he have to go and join RAAus? That's what I'm leading to. Why can't you people do a deal all around the place and say: 'Okay, we're going to make it as easy as possible. The problem is you're not allowed in controlled airspace, you're not allowed to fly at night, you're not allowed to have any more than one'? You're creating a monopoly; that's what I can see.

Mr Crawford: Perhaps I can answer that, Senator Sterle. Essentially, there are two registration schemes currently in Australia. There's the VH registration that we are managing at CASA, and then there's RAAus. There's nothing to say that you can't have a third player come into that mix if there's a demand for it. I think that's the issue. It's difficult for us; we obviously want to have some visibility of aircraft operating in the country and, if everybody's got their own register and they've only got their aircraft on it, that's problematic. So—

Senator STERLE: Sorry, Mr Crawford. I'm trying to be quick, but I'm trying to get it right in my head. We've got RAAus and we've got Airline Owners and Pilots Association; they aren't a bunch of cowboys. They're a respected organisation with years and years of experience and all that sort of stuff. Why aren't they good enough, their members, to just to get a bit of wet and dry and get the VH off and put something else on it? You haven't convinced me why they have to go and join RAAus.

Mr Carmody: There's no framework. It's an association. There's no safety management system, they don't oversight the maintenance of their members, they don't audit their members; they don't do all of the things that are covered under these self-administering organisations, which do, in fact, accept responsibility for the safety of their members and monitor them and manage them. That's what happens under the self-administering arrangements for the nine self-administering organisations.

Senator STERLE: So why can't they do that?

Mr Crawford: Well, essentially, AOPA could duplicate what RAAus does. AOPA could do that. That is an option for them, but they would have to get 149 approval and they would have to have an effective safety management system and they would have to have systems that demonstrate that they've got sufficient oversight of their membership.

Mr Carmody: And part of my struggle would then be that most of the RAAus aircraft are configured for one passenger.

Senator STERLE: But we heard evidence earlier they'll sell this Kingcraft or Beechcraft—I don't know, I could tell you about Kenworths and Macks and Scantias but I don't know what all of that means—and then essentially just fly the same plane. That evidence was given to us.

Mr Carmody: It depends a lot on the aircraft and the weight of the aircraft. If I had to go down that space, for example, I would be asking for all the additional seats to be removed, because there's no way that I would be able to oversight—because Recreational Aviation Australia, that's the design, right? So there would be a lot of things that we would need to do, and the reason that these restrictions have been in place for so long is that, in the general aviation space and the AOPA space, you have everything from quite small aircraft to very large aircraft, and that is a challenge.

Senator STERLE: Okay, I've got no problem with—

CHAIR: We will have to transition in a second, Senator Sterle.

Senator STERLE: Sure. Have you had the ability to have this conversation with the Aircraft Owners and Pilots Association? Has there been that two-way street, saying: 'Hey gang, you want to be a part of it? We recognise that it could be seen that we've got a monopoly there because there's only this one organisation that has access to this self-assessing'? Have you had those conversations?

Mr Crawford: We've certainly communicated to AOPA that, if they wanted this self-declaration medical solution, along with that comes restrictions, and if they're prepared to accept those restrictions, then there's a vehicle to do that.

Senator STERLE: You have had those conversations?

Mr Crawford: We've fed that back to them.

CHAIR: We heard that from the table this afternoon. He has offered very clearly that, if they want to make an application in the morning, it'll open negotiations and, when they meet the requirements, they will be able to do it.

Senator STERLE: I got that, Chair, but I was just asking: has there been that offer before?

Senator PATRICK: In some sense, that's quite an extreme process to go down to get to a point where they don't have to go through the same medical for a person within the organisation that flies apples and apples. That's an extreme method to do that, I would imagine.

Mr Crawford: I guess RAAus have been prepared to do that, haven't they?

Senator PATRICK: Sure. My point is that that's quite a burdensome way to go about getting access to relaxed medical certification.

Mr Carmody: If I may: many of the other self-administering organisations do comply with their medical rules, like the Warbirds and various others who were talking here today. There is an element of whether you're fit to fly, and we've taken a very risk based approach on that. That's why RAAus, with its 10,000 members and around 3,000 to 4,000 aircraft, as I understand it, has done very well. It is actually a new entry point into the industry, and a lot of people are coming in through the RAAus training schools as another entry point into flying training and into the industry. In RAAus many of the aircraft are new most of the time, whereas in the AOPA space many of the aircraft are very old. As a consequence, quite often the market has chosen what the market has chosen, which is the entry into the recreational space. The individuals have chosen that.

Senator PATRICK: If they didn't have to spend so much on ADS-B, maybe they would be able to buy new aircraft.

Mr Carmody: That's probably an argument for another day.

Senator PATRICK: I just want to go back to this letter that you've tabled. You said at the start that this letter has been tabled and signed by all of the people at the table, but, on the page that has all the names and organisations, they don't look like signatures to me. This looks to me like an attendance sheet, actually.

Mr Carmody: You could be right. If that's the case, I was in error.

Senator PATRICK: That's a fairly significant misrepresentation if you've—

Mr Carmody: If I may, 'Letter of endorsement for part 149: approved self-administering organisations'. This is the attendance list, and the letter of endorsement is signed—

Senator PATRICK: By two people.

Mr Carmody: 'provided below on behalf of all members'.

Senator PATRICK: But I think that's different. I've spoken to some of the members, who were up before, and they've said that they objected at the time and were not happy with what had been decided upon. I think that for

you to come in here and suggest that all these people have signed is a gross misrepresentation of the facts. They attended a meeting.

Mr Carmody: They attended a meeting, where they agreed unanimously that part 149 was set and suitable to be made. It has since been made.

Senator PATRICK: They'll have an opportunity to respond to that offline, but I just make the point. You need to be very careful when you give evidence, Mr Carmody.

Mr Carmody: Thank you.

Senator PATRICK: The other question I want to ask is about the survey that you conducted. When was that survey conducted?

Mr Carmody: It was conducted late last year or early this year.

Senator PATRICK: Okay. So there was a—

Mr Carmody: This is the client stakeholder survey?

Senator PATRICK: That's the one, yes. Was the 2015 survey that was conducted the same—did you approach the same people that you approached in 2015?

Mr Carmody: It's an anonymous survey.

Senator PATRICK: Well, 'anonymous' means the person responding doesn't have to give a name. In terms of the people who were approached, did you approach the AOPA? Did you approach the Sports Aircraft Association of Australia? Did you approach the Gliding Federation of Australia? All of those organisations were here before. Were they included in the survey?

Mr Crawford: We went out to 11,000 respondents. We got just under 1,200 responses.

Senator PATRICK: How did you choose those respondents?

Mr Crawford: We didn't choose them. It was the individual's choice to respond.

CHAIR: Mr Crawford, this is clear. The senator has asked you: what methodology did you put in place to do the survey; did you select this organisation, this organisation, this organisation, and send a survey form to 100 per cent of their membership; and how did you find the 11,000 cohort in the first instance? That's the burden of his question. It gets me cranky when senators ask plain-English questions and we get these long drawn-out answers that are almost non-responsive to the intent of the senator's question. So could you please revisit the question again and answer it in the spirit of its intent.

Mr Carmody: If I may, Mr Walker was responsible for the management of the survey.

CHAIR: Well, he should have been whistled up five minutes ago. Mr Walker?

Mr Walker: Yes, I had oversight of the conduct of the survey. I wasn't with the organisation for the 2015 survey but was for the 2018 survey, which we conducted during April and June of this year. The cohort that was chosen was randomly selected from the CASA database. It was done by a company called Colmar Brunton, an independent and external research company that are well respected. They were selected through a competitive tender process and were obviously the successful tenderer. We provided them with a database for them to select randomly across 11,000 of our stakeholders. The only requirement we had was that we tried to get a truly representative sample, similar to the one that we had in 2015, across all sectors. In other words, we had a mix of pilots, licensed aircraft maintenance engineers—

CHAIR: So you did give them certain specs? It wasn't a random selection; it was to be selected randomly but having regard to these specs?

Mr Walker: From sectors, yes.

CHAIR: Mr Crawford's evidence was that you surveyed 11,000 people. Your evidence is that you provided 11,000 on a database for them to randomly select.

Mr Walker: Certainly. If I could just give you a little bit more detail, we had a cohort of 11,000 that we approached. That approach was done via Colmar Brunton, and it was an opt-in or opt-out type survey. We couldn't make it compulsory for people to complete the survey. We asked them to participate if they wanted to. We had 1,168 responses from the 11,000.

CHAIR: Hold on. How many of the 11,000 did you approach to say, 'Here's a survey which you can voluntarily participate in'?

Mr Walker: There are two components to the survey. One is quantitative, which is the hard online question and answer.

CHAIR: Mr Walker, one more time: how many of the 11,000? Listen, I'll tell you what. We have the people from the transport industry. I'm happy to sit them here till midnight. We won't leave. So we can go the long path

or the short path: how many of the 11,000 were selected and received some sort of indication that they could voluntarily participate in a survey?

Mr Walker: Eleven thousand.

CHAIR: Eleven thousand of them?

Mr Walker: Eleven thousand.

CHAIR: Ha, ha! Mr Walker, let me just show you why I'm laughing at the moment. You've got 11,000 on a database.

Mr Walker: Yes.

CHAIR: You then indicate to us that you asked the proponent who won the tender to select cohorts to make sure they were all covered, and now your evidence is that all of them got a survey application?

Mr Walker: I'm sorry if I've confused you, Senators. My point is that 11,000 were chosen. The only requirement was that we hoped to have a cohort that represented all sectors of the industry.

CHAIR: Yes, but 11,000 were chosen from 11,000 possibilities—is that correct?

Mr Walker: No, 11,000 were chosen out of a database of 50,000.

CHAIR: Oh, there we go now.

Mr Walker: That was done because Colmar Brunton—

CHAIR: No, I'm not interested, but I want the accurate evidence before the committee in the first instance, right?

Mr Walker: I'm trying to be accurate.

CHAIR: You should have spat that out about 20 minutes ago.

Senator PATRICK: So 11,000 of the 50,000 were randomly selected? Is that how I should understand your evidence?

Mr Walker: That's correct.

Senator PATRICK: Who selected the 11,000? That was the independent company?

Mr Walker: That's correct.

Senator PATRICK: And there were some criteria around how to make that selection?

Mr Walker: The only request that we had was that we got a representative sample across all sectors.

Senator PATRICK: So would you be confident in saying that, for example, there were AOPA members included in the sample?

Mr Walker: Yes, I would.

Senator PATRICK: And the Gliding Federation of Australia?

Mr Walker: Yes, I would.

Senator PATRICK: And the Sport Aircraft Association of Australia?

Mr Walker: Yes, I would.

Senator PATRICK: So is there any way of working out the distribution of—

Mr Walker: Yes, that's specified in the report.

CHAIR: So, for example, if one organisation made up 10 per cent of the 50,000 in your database, were your instructions or guidelines to the successful tenderer that 10 per cent of the 11,000 would also come out of that association? Was it like that?

Mr Walker: That was the plan, yes.

CHAIR: Have you got documentation around this? You called for a tender. You laid it all out. They responded. Can you take on notice to provide to us—now, listen—

Mr Walker: Certainly.

CHAIR: We can again spend 20 minutes, or we can do the A to Z thing—

Mr Walker: I'm trying to be very specific.

CHAIR: which is that everything about that tender process comes to this committee.

Mr Walker: Certainly. I am more than happy to provide that.

CHAIR: The date for that—can I have colleagues concur?—will be 3 December. So concurred—3 December.

Mr Walker: 3 December—thank you.

Senator PATRICK: And the rationale for the selection—I presume that was in the report.

Mr Walker: Sorry, Senator. I missed that.

Senator PATRICK: And the rationale for the selection of the 11,000. Was that in the tender or was that in the report?

Mr Walker: That's specified in the report. There's obviously some information there that shows exactly where that comes from.

Senator PATRICK: Did the survey garner the membership of these various organisations for the participants? I know they were anonymous.

Mr Walker: No, it did not.

Senator PATRICK: So how can you be sure that there would be members from those organisations I mentioned?

Mr Walker: The 1,168 respondents that did actually respond are broken down into sectors. Over 200 of those classified themselves as private pilots. There are also some lesser cohorts that identified themselves as self-administering organisations and a couple of others that identified themselves as recreational flyers.

Mr Carmody: So we don't know who they were, but we asked them to categorise themselves in the response.

Senator PATRICK: Thank you. I just want to go to the licensing arrangements. I know you were in the back of the room and you heard my questions and the evidence that was returned. Just in relation to the rationale behind the medical requirements, how did you get the boundaries that you selected? For example, how does controlled airspace relate to medical requirements? There's clearly a need for additional training requirements. How do you decide that, just because you're operating in controlled airspace, suddenly you need a greater medical standard?

Mr Sullivan: If it's all right, I'll answer that one.

Senator PATRICK: Sure.

Mr Sullivan: It really comes down to a risk based proposition.

Senator PATRICK: I understand, and you heard what I said and also the rhetoric behind that.

Mr Sullivan: Yes.

Senator PATRICK: I'm actually after the next level down, to try to understand why you think the risk increases because you go into controlled airspace.

Mr Sullivan: Exactly. This turns precisely on the likelihood side of the risk equation. The likelihood of a bad outcome from a pilot incapacitation increases dramatically once you enter controlled airspace, because there are more aircraft operating within that environment. In addition, controlled airspace is typically around large built-up areas—I'm talking Bankstown, Camden or Canberra. These are areas that are surrounded by large built-up areas, unlike somewhere where you might operate on a recreational pilot's certificate, like Holbrook, where I used to fly my ultralights.

Senator PATRICK: Is Hoxton Park controlled airspace?

Mr Sullivan: I'd have to pull out my air-planning software.

Senator PATRICK: Sure.

CHAIR: We're out of time, and I've got colleagues who want to put some questions on notice.

Senator STERLE: Yes, absolutely.

CHAIR: Senator Patrick, is there some way that you can come to a conclusion?

Senator PATRICK: Maybe I can ask for what AOPA says is missing, and that is the safety case or the rationale behind how you made that particular decision. I have an FOI document that says you made a decision and sets out some of the circumstances, but maybe you could provide the rationale behind these decisions as to medical licensing, describing what the risks are.

CHAIR: Can I recommend something. All of your people are Canberra based, Mr Carmody?

Mr Carmody: No.

CHAIR: They're not? Who at the table is not Canberra based? Mr Sullivan. Everyone else at the table is Canberra based.

Mr Sullivan: No, I am Canberra based.

Mr Carmody: I thought you meant all of our—

CHAIR: No, this group of people.

Mr Carmody: Sorry.

CHAIR: Senator, why don't we continue this engagement? Rather than going for questions on notice with all the massive burden of work, let's just bring our friends back at some time, probably over the next two weeks of sittings where we can find a gap, and continue this, because it's significantly important. So are you okay with that?

Senator STERLE: Yes.

CHAIR: All the colleagues are okay with that.

Senator PATRICK: Notwithstanding that, I think the information I just asked for would be helpful.

CHAIR: It's a matter for you.

Mr Carmody: I can answer it very quickly now if you like.

Senator PATRICK: We're about to close, because we have estimates following, but could you please spell out how you came to the conclusion that controlled airspace above 10,600 feet, I think you said, or above 690 kilos—

Mr Carmody: We can. It's the fundamental principles under which our business operates, which is separating passenger traffic—

Senator PATRICK: Sure. But can you just spell that out for me?

Mr Carmody: Absolutely. Yes, we can spell that out very clearly.

Senator PATRICK: That would be great. Thank you very much.

Mr Carmody: That's what we do.

Senator STERLE: To Mr Carmody and co, in relation to the letter you tabled and who was there at the meeting, I'm not convinced for one minute, Mr Carmody, that this is a full endorsement of your work. It even says in there that the subcommittee, whatever 'the subcommittee' is, didn't agree on everything. So you led me down the path of thinking that everyone was holding hands and smothering each other with rose petals. But it was far from it, Mr Carmody.

Mr Carmody: If I may—

CHAIR: Mr Carmody, are there minutes that would have accompanied this event?

Mr Carmody: I'm not sure. But there is the outcome, which is the regulation that has been made, that they all agreed can be made. None of our regulations—if I may, just to conclude—when you get them made, have got everything perfect—

Senator STERLE: You sat there and gave them a backhander with that—

Mr Carmody: No. I said they agreed—

Senator STERLE: presentation to lead us down the path that they were full of bulldust.

Mr Carmody: I said they agreed.

CHAIR: It would assist the committee if you could please take on notice as to whether there were minutes for the event. If you could supply them to us before our next engagement, if that can happen in the next day or two, Mr Carmody—

Senator PATRICK: Or any notes which were taken by officials.

CHAIR: A to Z, Mr Carmody, again. Anything that would assist this inquiry to arrive at a determination about the parameters around that decision, and then we can all get excited or otherwise with each other.

Mr Carmody: Certainly.

Senator STERLE: Yes.

CHAIR: So I want to thank you for your attendance. Sorry to have to bring you back, Mr Sullivan. Where are you based?

Mr Sullivan: No, sorry. I thought you were asking who was in Canberra. And I said, 'I'm in Canberra.'

CHAIR: Oh, good work. All right.

Mr Sullivan: A proud Canberran.

Senator BROCKMAN: The one who was willing to admit it!

CHAIR: Thank you for that. We wish you all the very best for a return to your port of intention.

Committee adjourned at 17:07