



**Professionals  
Australia**

# CASA in Crisis

Discussion paper

Filling the critical gaps in technical capacity and addressing barriers to capability

# About Professionals Australia

Professionals Australia is a network of thousands of engineers, managerial and technical professionals whose mission is to shape the future of our professions based on the expressed wishes of professionals themselves; and to help our members get the careers they deserve. We believe our members should have a strong voice and more influence over the big issues in their profession and in their workplaces.

We are the union representing professionals in many areas of the aviation industry and the Australian Public Service, including the Civil Aviation Safety Authority, Airservices Australia and the Australian Transport Safety Bureau.

As employees of the Civil Aviation Safety Authority, our members work in regulatory, surveillance and oversight roles. They are airworthiness inspectors, flying operations inspectors and examiners, engineers, professionals in policy development and IT, and a range of associated roles.

As part of a comprehensive range of services, Professionals Australia advocates for members in workforce and employment-related areas with the aim of positively impacting their operating environment and ensuring their interests are represented at the policy and decision-making level. This includes advocating for ways to ensure proper workforce development in particular industries including aviation.

We are a not-for profit organisation owned by our members.

## About this discussion paper

CASA's responsiveness, capacity and its ability to discharge its obligations is fundamentally underpinned by the knowledge, experience and expertise of this workforce.

Professionals Australia members strive every day to make a positive contribution to maintaining and improving aviation safety across Australia. The aviation industry and the wider community rely on their dedication, attention to detail and professionalism to ensure safe skies for all. The Aviation industry underpins Australian business and tourism and has an estimated annual revenue of \$43.54 billion; so, it goes without saying that the safe and reliable functioning of this industry is absolutely in the national interest.

Yet, despite their essential role in delivering CASA's mission, the technical workforce is in the midst of a crisis. Understaffing, workload intensification, failures to deliver critical training and professional development, and a seemingly endless process of restructuring is stretching the workforce to its limits. Retirements, resignations and inaction to fill vacant technical positions are putting our reputation for having one of the best safety records of any country in the world at risk. The unprecedented reduction in corporate knowledge, and resultant lack of oversight, increases the very real risk of a catastrophic accident.

CASA's corporate plan states: "CASA is anticipating an operating loss for 2019-20 and moving into small surpluses from 2020-21 and forward years. 2019-20 CASA is anticipating a (\$3.4m) deficit for 2019-20 and will endeavour to maintain a balanced budget under increased uncertainty around aviation fuel excise revenue, in forward years."

Concern exists among the technical workforce that budget constraints could be driving the recruitment freezes, restructures and changes to procedures which are currently being rolled out. This, together with plummeting confidence in the organisations' leadership, is a recipe for failure.

And when CASA fails, the risks are to passenger safety and one of the key underpinnings of our national economy.

This paper aims to provide discussion on the issues of concern and importance to Professionals Australia members in the hope that such discussion will help restore some sensible balance to an agency which has, in many respects, lost its way.

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# CASA is in Crisis

CASA's technical workforce is in the midst of a crisis. This crisis impacts the capacity of the workforce to discharge their duties and perform their roles. It is also a crisis of confidence in the agency's leadership. This crisis point has been reached as a result of the culmination of five key issues:

1. **Staffing.** Technical teams are chronically short staffed and there is an effective freeze on recruitment.
2. **Workloads.** Under staffing is intensifying workloads among a shrinking pool of technical professionals.
3. **Training and currency.** Technical work groups are being deskilled as a result of a lack of currency training and professional development.
4. **Restructuring and procedural change.** CASA are hollowing out the technical elements of many roles via restructuring and changing procedures which limit the opportunity to conduct technical work and oversight.
5. **Poor engagement and loss of confidence.** CASA fails to take the concerns of technical staff seriously, convinced that the direction that executive are taking the organisation in is sound. Staff engagement and confidence in leadership is at an all-time low.

The recent Australian Public Service Census as well as surveys conducted by Professionals Australia and fellow unions show that CASA staff have lost faith in their leadership as a result of the culmination of these issues. Serious action is required to restore that faith and repair the workplace culture. Addressing these issues is paramount, as the workplace issues listed above impact the safe operation of the aviation industry. Recent examples of similar issues resulting in catastrophe overseas include the Lion Air and Fox and Franz Heli Services disasters.

An investigation by the Indonesian National Transportation Safety Board found that inadequate oversight by the US Federal Aviation Administration led to a maintenance organisation being approved for operation, which ultimately delivered faulty 737 MAX AOA sensors to Lion Air <sup>1</sup>. A Lion Air 737 MAX disaster later killed 189 people in 2018. Similarly, a report by the New Zealand Transport Accident Investigation Commission said the New Zealand regulator missed its chance to intervene before a fatal tour accident which cost the life of 7 people, who died when their helicopter crashed into Fox Glacier in 2015. It was found that reduced regulatory oversight due to inadequate numbers of inspectorate staff contributed to conditions leading to the crash <sup>2</sup>. There must be immediate action taken at CASA to fill technical vacancies and address the gaps in technical capacity. The safety of the flying public is at stake.

## Staffing

Technical teams are chronically short staffed and there is an effective freeze on recruitment

CASA technical teams across Australia are operating with numerous vacant positions. These vacancies are being felt acutely in airworthiness inspector and flying operations inspector roles. Each key location has a certain number of assigned positions allocated to conduct the surveillance and oversight of aviation operations in that region. There are serious staffing shortfalls (ie positions remain on paper but are not filled by any staff) across the country, most notably:

- Eastern Region (Brisbane office) is experiencing a 25% shortfall in airworthiness inspectors and a 35% shortfall in flying operations inspectors and a 50% shortfall in safety systems inspectors.
- Northern region (Darwin office) is experiencing a 75% shortfall in airworthiness inspectors and 100% shortfall in flying operations inspectors, relying on assistance from flying operations inspectors located interstate.
- Southern Region (Melbourne office) is experiencing a 50% shortfall in their number of flying operations inspectors.

Of course, position vacancies are not an uncommon occurrence in any organisation and arise for a variety of reasons, eg staff may be promoted out of a position or seconded into a different position, staff may retire or leave the organisation for another job. But what is uncommon is the failure to fill critical positions when they become vacant. This failure is systemic at CASA.

These staffing issues are also taking place in the context of an ongoing increase in the number of aviation operators that CASA is meant to be monitoring for safety compliance and best practice.

Perhaps most worryingly of all, CASA staff have been told by senior management that there is no plan to fill the current vacancies until the organisations current

schedule of operational change and restructuring is complete. Professionals Australia members have been told that that could take anywhere from 18 months to 3 years, which would embed critical gaps in CASA's regulatory capacity.

These vacancies have a number of impacts:

- Without a plan to transfer knowledge from exiting staff to new staff, CASA is losing corporate knowledge and becoming less informed as a regulator.
- There is a greater reliance on remaining staff to manage the workload with fewer staff resources.
- Workloads are intensified as a shrinking pool of professionals need to become adept at performing a broader range of tasks.

There are also impacts on the aviation industry

- Inability to complete flying operations, regulatory services, inspection and surveillance tasks in a timely manner. These blow outs in completing tasks impact the operation of industry.
- Inability to conduct regular and meaningful surveillance of the organisations maintaining Australian aircraft in Australia and overseas
- Reduced corporate knowledge leads to reduced quality of work.
- Workload pressures result in less thorough assessments and service delivery standard not being met.

### Recommendation:

**Immediate action must be taken to fill technical vacancies and address the gaps in technical capacity.**



## Workloads and psychosocial hazards

Under staffing is intensifying workloads among a shrinking pool of technical professionals

CASA's technical workforce perform roles of critical importance to maintaining safety in the aviation industry. The responsibility of protecting the Australian flying public weighs heavy on staff at the best of times. Right now, pressure is building on top of this natural load as workloads are intensified and psychosocial hazards become systemic.

Numerous surveys and reports exist linking the expectation to work extreme hours under constant deadline pressure to heightened mental health risks. This year, the world health organisation recognised "burn-out" as a defined condition <sup>3</sup>:

*"Burn-out is a syndrome conceptualized as resulting from chronic workplace stress that has not been successfully managed. It is characterized by three dimensions:*

- 1) feelings of energy depletion or exhaustion;*
- 2) increased mental distance from one's job, or feelings of negativism or cynicism related to one's job; and*
- 3) reduced professional efficacy."*

*- 11th Revision of the International Classification of Diseases (ICD-11)*

CASA staff have reported to Professionals Australia that high staff turnover and inaction in filling vacancies, overwork, long working hours, lack of recognition of the value of technical roles and the misallocation or lack of resources as stressors in their working lives. Our recent surveys and engagement with members have identified

seven out of the fourteen recognised psychosocial hazards as being present at CASA:

1. High job demand
2. Low job control – little or inconsistent control over when and how the job is done
3. Poor support – inadequate support, information and training
4. Poor workplace relationships – bullying, harassment, conflict.
5. Poor change management
6. Low recognition and reward – imbalance between effort and reward
7. Poor organisational justice – inconsistent management action, policy application etc.

The combination of intensifying workloads, psychosocial hazards and the criticality of the work performed by CASA staff is a recipe for failure and disaster. It has been well documented that combinations of these same factors at the aviation regulating authorities of the United States and New Zealand led to recent catastrophic aviation accidents and losses of numerous lives. CASA must address these factors before a similar catastrophe occurs in Australia.

### Recommendation:

**CASA must work with staff, unions and workplace health and safety representatives to develop and implement a plan to mitigate workload intensification and psychosocial hazards among the workforce.**

## Training and Currency

Teams are being deskilled as a result of a lack of currency training and professional development

Aviation is a fast paced, complex and evolving industry and technical staff require regular training to stay at the cutting edge of new processes and technology. Particularly for government entities and regulators, it's essential to ensure adequate internal professional capacity to meet not only the current needs of the community and industry, but their future projections.

CASA exists to meet Australia's obligations as a signatory to the International Civil Aviation Organisation (ICAO) Treaty <sup>4</sup>. It is a requirement of international

treaty that Australia have a compliant Civil Aviation Authority (CAA). The ICAO treaty requires that CASA employ inspectorate staff and maintain the same level of technical knowledge, training and currency as those in the industry which is being regulated.

Simply put, if CASA intends to be an effective regulator of the civil aviation industry, then CASA's technical staff must be equally as trained and current on technical knowledge as the airlines and operators which CASA oversees.

CASA staff currently face barriers in accessing the required technical professional development and currency training, including:

1. Lack of clarity on the processes to follow in requesting approval for training.
2. Inconsistent application of training request processes between different teams and states.
3. Conflicting advice on what training and currency is required for different roles.
4. Lengthy time delays in processing applications for training
5. Rejections of training applications on opaque grounds

CASA's technical staff are professionals, driven in their occupations from a desire to deliver safety for the good of the community. They want nothing more than to be able to access the level of professional development and currency training required to ensure CASA is an effective

and efficient regulator. Unfortunately, these staff report that levels of professional training and currency in many areas are already significantly below those required to effectively regulate or provide a timely, quality service to industry.

## Recommendation:

**CASA should work with staff and unions to:**

- 1. investigate, understand and agree on the training and currency requirements of all CASA technical positions and maintain that information centrally,**
- 2. develop a plan to ensure all CASA technical staff receive the training required to ensure CASA's mission and meet the requirements of their roles,**
- 3. ensure that where minimum levels of training are provided for in contracts and employment conditions, CASA has a plan to facilitate that training.**

## Restructuring and procedural change

CASA are hollowing out the technical elements of many roles via restructuring and changing procedures which limit the opportunity to conduct technical work

CASA are proposing a wide- ranging restructure of their technical workforce comprising of significant repositioning and realignment of the organisation's major functions and operations. CASA are also enacting a new suite of regulations requiring industry to change the way they conduct aviation operations and maintenance.

While a model exists detailing how CASA's different core functions will be positioned in the future, it is not currently known what staff will be required to perform those functions, what their classifications or required skills will be, how many staff will be required to deliver those functions or whether staffing numbers will be reduced as a result. It's also unknown when the transition to the new structure will occur.

As previously discussed, CASA have announced that they aren't going to appoint new staff to fill current vacant positions until the new structure is in place – which is leaving some critical gaps in the organisation and compounding workloads. The uncertainty about the future adds an element of psychosocial risk.

Alongside the foreshadowed restructure, changes to workplace policies and procedures are occurring regularly. Some such changes are updates to human resource management policies such as workplace health and safety, which staff participate in consultation on via

a staff consultative committee comprised of management, staff and union representatives. Other changes do not receive the same level of consultation and discussion with staff. Critically, those are procedures associated with the conducting of CASA's core surveillance and oversight work.

The types of procedures in question here detail the steps involved in undertaking analysis, investigation or the granting of licences or approval certificates to operators and articulate how an airworthiness and flying operations inspector or other technical professional should conduct their vital work. These types of procedures (of which there are many) are being amended or changed by CASA management at their discretion, and often result in the reduced ability for staff to apply the breadth of their technical and problem-solving skills to an issue. Procedures which limit technical involvement in oversight of third-party maintenance providers has been identified as a contributing factor to the Lion Air disaster.

Increasingly members are reporting that they are being directed to conduct less critical investigative work in person, and that the scope of their tasks are being restricted by management to the point that they are 'ticking a checklist from an office tower' rather than conducting detailed on-sight investigation in the field.

There are three problems with this type of approach:

1. when changes are made to the way work is conducted without the involvement of the people conducting that work (and when the suggestions of those who conduct the work are ignored), the employees become disengaged.
2. By failing to involve those subject matter experts in decisions about how work should be done, the likelihood of perverse and unintended outcomes and risks to safety is increased.
3. Technical expertise requires continual use and honing to remain sharp. By limiting the ability for staff to use the breadth of their technical and problem-solving skills, CASA are overseeing the decline in those skills, risking becoming an ineffective regulator.

## Case Study: Part 145 Approval of overseas maintenance facilities

In order to fly paying passengers around, an aircraft operator needs an Air Operator's Certificate (AOC) which is called a 'regular public transport AOC'.

Any engineering/maintenance organisation that wants to conduct any maintenance on the aircraft conducting these services needs an approval issued by CASA under Civil Aviation Safety Regulation (CASR) 145.

Some 30 years ago, most maintenance of Australian registered aircraft for the large AOC holders was conducted in Australia. In the quest to reduce costs, airlines have closed down or reduced their maintenance facilities and off shored the work.

This has led to an increase in CASA inspectors having to audit and approve the maintenance activity being conducted at these overseas facilities. As you would expect, this has involved CASA inspectors physically travelling to these locations to conduct inspections.

Four examples (one each in Germany, Korea, Singapore and Fiji) have recently been publicly reported where an overseas maintenance facility was granted a Part 145 approval to maintain Australian aircraft when no CASA

onsite inspection had taken place. CASA senior management denied travel applications from airworthiness inspectors who sought to travel overseas to conduct the inspections, even though the applicant organisation was expecting CASA to conduct the inspection.

In approving the four facilities, CASA management diverted from the established procedures for part 145 assessment, as well as from established custom and practice. The approval of the Part 145 maintenance facilities of the types and status in these three recent examples (i.e. one facility will maintain the A380, the largest type of commercial aircraft on the Australian register) without conducting an on-site evaluation presents significant safety and quality assurance concerns.

Responding to criticism of these four cases, CASA stated that they take a "risk based approach" to deciding when to conduct onsite inspections of organisations seeking Part 145 approval, but such a "risk based assessment" does not form part of any formal procedure and seems to only have been applied in to the recent examples in Germany, Korea, Singapore and Fiji.

We know that at the same time CASA were denying applications from their airworthiness inspectors to travel to the overseas facilities in question, they had approved an application for an airworthiness inspector to inspect a seatbelt manufacturing organisation in Brisbane. It's hard to see how seat belt manufacturing in Brisbane presents a risk high enough to warrant an onsite inspection, while maintain the fuselage of an A380 in an overseas country does not.

## Recommendation:

**CASA must effectively engage with and consult with employees on all aspects of workplace change including changes to operational procedures and policies, to ensure that:**

1. employees understand the intent of the change,
2. employees have an opportunity to contribute their expertise to the change management process and avoid perverse outcomes and safety risks.



*"The lack of technical resources coupled with the major changes taking place within the organisation are leading to added stress, disengagement and a sense of significant unease amongst the inspectorate staff" – CASA employee*

# Staff engagement and loss of confidence

Poor staff engagement and confidence in leadership is at an all-time low

CASA management take a top down approach to managing workplace change. They fail to adequately engage with the workforce, explain or involve them in workplace change, and do not appropriately capture or respond to ideas and concerns of technical staff. This results in staff feeling isolated and ignored as though they are somehow separate to the changes being implemented. The recent Australian Public Service Census (extracts below) painted a bleak picture of the level of confidence in CASA leadership among staff.

All organisations face challenges in grappling with change. As the aviation safety regulator, CASA is at the pressure point between the needs of the aviation industry, direction set by government through legislation, the imperative to ensure community safety and obligations to Australia's international partners. In this context, it is understandable that regulations, expectations, processes, policies and organisational structures will evolve. How that change happens is where there's a desperate need for improvement.

A recent article in Forbes <sup>5</sup> from strategist Carsten Tams proposes "Many organizations are simply not set up for agile change. While managers are busy relentlessly

communicating about the change imperative, the design of many organizations slants the playing field toward controllability, stability, routinization, risk-avoidance, zero-tolerance for error, or deference to authority. It's like pushing the accelerator and the brakes at the same time. The result is friction, fatigue, and cynicism. If we push change onto an organization that is built for stability, nothing good will come of it. Pushing harder won't do the trick." He could have been talking specifically about CASA.

To remain at the cutting edge and be a truly effective regulator CASA need to be able to execute change in the workplace which is guided from the ground up. Global management consultancy McKinsey and Company estimate that 70 % of change programs fail to achieve their goals largely due to employee resistance. To have confidence in leadership and participate in change, employees need to understand the reasons that change is happening and what benefits are expected. They also need to have a meaningful opportunity to express their views and contribute their ideas. This should be a no-brainer, given the significant amount of subject matter expertise available to be captured from CASA's technical professionals.

39%

In my agency, communication between the SES clearly articulate the direction and priorities of our

31%

In general, employees in my agency feel valued for their contribution \*

31%

Internal communication within my agency is effective

31%

Staff are consulted about change at work

34%

In my agency, communication between the SES and other employees is effective

49%

I think my agency cares about my health and wellbeing

32%

In my agency, communication between the SES work as a team

Figures indicate percentage positive results. Extracts from Australian Public Service Employee Census 2019



Are you concerned about the  
workplace culture  
driving current changes?  
90% said yes



Are you confident that CASA  
executives are taking  
the organisation in the right  
direction?  
75% said no

The Australian Public Service Census, and Professionals Australia's own surveys of members indicate that serious problems exist in the level of confidence that employees have in the direction and management of current leadership. The first two major risks called out in CASA's Corporate Plan are directly impacted by workforce culture and confidence in management; failure to address the issues with employee engagement places CASA at significant risk in these two categories:

**Regulatory failure:** An air accident resulting in fatalities arises from or is attributed to a CASA failure in regulatory or safety oversight, resulting in a loss of stakeholder and public confidence in CASA as a competent and effective safety regulator and public institution.

**Inadequate capability:** CASA's organisational capacity is insufficient to meet its strategic agenda of reform and BAU, which leads to criticism that CASA cannot deliver, resulting in loss of stakeholder confidence.

It is clear from examples already discussed in this paper, that reductions in regulatory oversight, reducing staffing numbers, rising psychosocial risks and a reducing levels of confidence in leadership from employees has contributed to catastrophic outcomes and loss of life occurring overseas. CASA must take urgent action to address these risks before the same outcome is realised in Australia.

Following similarly damning APS Census results, and a report from Civil Air Australia, Airservices Australia responded to the seriousness of the state of the agency's culture by engaging Ms Elizabeth Broderick AO to conduct a systemic review of Airservices Australia's operation. Nothing short of a similar independent, systemic review of CASA's organisational culture is required.

## Recommendation:

**CASA must conduct an independent, systemic review of CASA's organisational culture to address the issues in confidence and engagement of employees.**

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### References

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# Conclusion

## Filling the critical gaps in technical capacity and addressing barriers to capability

The issues impacting CASA's technical integrity are not immovable. Problems with communication and decision-making processes, failures to act and poor culture are key drivers of the issues discussed in this paper and must be addressed in order to restore technical integrity to the aviation safety regulator.

Professionals Australia members are concerned that if the recommendations of this report are not urgently implemented, it will only be a matter of time before similar recommendations are made by the coroner or a royal commission. Staff have serious concerns that these issues will eventually culminate in the loss of life through a critical incident.

CASA's corporate plan identifies one key performance indicators as "*CASA maintains the capability and capacity to effectively deliver aviation safety regulation*". For the reasons discussed in this paper, it is the view of Professionals Australia that CASA are failing to achieve this mark.

Airservices Australia recently commenced an intensive, independent review following reports of widespread and systemic problems with workplace culture, and the Australian Transport Safety Bureau have conducted extensive surveys to identify psychosocial hazards. CASA executive must show leadership and follow similar steps to address the critical gaps in technical capacity and address barriers to capability.

## Recommendations:

1. Immediate action must be taken to fill technical vacancies and address the gaps in technical capacity
2. CASA must work with staff, unions and workplace health and safety representatives to develop and implement a plan to mitigate workload intensification and psychosocial hazards among the workforce.
3. CASA should work with staff and unions to:
  - o investigate, understand and agree on the training and currency requirements of all CASA technical positions and maintain that information centrally,
  - o develop a plan to ensure all CASA technical staff receive the training required to ensure CASA's mission and meet the requirements of their roles.
  - o ensure that where minimum levels of training are provided for in contracts and employment conditions, CASA has a plan to facilitate that training.
4. CASA must effectively engage with and consult with employees on all aspects of workplace change including changes to operational procedures and policies, to ensure that
  - o employees understand the intent of the change.
  - o employees have an opportunity to contribute their expertise to the change management process and avoid perverse outcomes and safety risks.
5. CASA must conduct an independent, systemic review of CASA's organisational culture to address the issues in confidence and engagement of employees.

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