

COST RECOVERY STUDY SAFETY REGULATION

GENERAL AVIATION RESPONSE TO CAA PROPOSALS

REPORT BY
MESSRS COHEN
THOMPSON & KEAN

SUMMARY OF VIEWS OF THE
GENERAL AVIATION INDUSTRY
TO THE
COST RECOVERY OPTIONS
PROPOSED BY THE CAA

A Report by
Messrs Cohen, Thompson & Kean

31st March 1993

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COST RECOVERY SEMINARS: AN OVERVIEW BY THE PANEL

Anger, frustration and fear are words which can best describe the general aviation industry's reaction to the CAA's cost recovery options, including the licence based on fee for service. These feelings were apparent at all presentations of the options to the industry at major GA centres. Principal issues raised at each presentation are in the body of the report.

The impact of the level of fees proposed to industry brought a universal response which paraphrased stated that: "if these fees are introduced, it will destroy general aviation."

During discussions many operators explained that the proposed fee for service cost recovery measures would force them permanently out of the industry.

The industry is cynical enough to believe it is the CAA's real desire to see an industry with fewer and larger operators. They believe the CAA would favour this scenario as the industry would be easier to manage and police. They see this as the real motive behind the CAA management's "preferred option", a licence fee based on a fee for service.

There is ignorance from a wide section of the GA community about the inability of the safety regulator to take into account the industry's capacity to meet costs associated in ensuring that "acceptable" levels of safety are maintained. This is evidenced by the consistent comment that the CAA "can't get blood from a stone" and should take into account the industry's capability to pay, when proposing charges.

The industry is generally sceptical about the CAA's commitment to continue efficiencies within its organisation. There is the perception that CAA costs are unrealistic because it is a monopoly and therefore has no competitive commercial pressure to compel it to operate more cost effectively.

The industry believes that further savings must be possible within the CAA without unduly affecting safety levels.

The GA industry claims its health is so poor that it absolutely rejects any further government fees coming on top of current CAA, FAC and local aerodrome charges. The panel was told that activity levels at GA airports was severely depressed, while a large Tasmanian-based operator says his business, with attendant lay-offs, has reduced by 75 per cent.

A profound belief was that aviation safety generally benefits the Australian community and most certainly the travelling public. The industry is of the firm view that the safety regulatory function should be funded from consolidated revenue and failing that, the travelling public, through a ticket tax or another activity-based tax such as a fuel excise.

The general consensus from industry is that should any additional CAA charges be introduced, only those operators who have reasonable activity levels will survive. A charge levied which has little regard to an operator's activity or ability to meet the charges was seen as iniquitous by most attendees at the forums.

There is a perception that internal quality audit, which can reduce licence fees, will only be able to be afforded by the larger, more profitable operator, further isolating the smaller operator from ways to reduce costs.

The adoption of fee for service, the industry claims, has the potential to destroy at least 50 per cent of GA operators. The destruction would be indiscriminate and the axe would fall on many operators who are providing essential services to the community.

A great majority of these operations are conducted safely and efficiently; albeit with low profit margins. Once gone, it is unlikely these operators would ever reopen their hangars for business.

Industry claim that, due to recession, they are operating at the absolute margin and the destruction would be sudden. There is insufficient research to indicate the effect this would have on its ability to continue certain essential services across the continent. It has also been made clear to the panel that the flow on effects of increasing imposts of the GA sector will also have detrimental impact on other industries, especially those rural-based, which employ large numbers of people.

Additional safety regulatory charges may well have a negative impact on safety: operators advised the panel that financial imposts on safety have the potential to drive a wedge between the safety regulator and industry.

The industry was generally appreciative of the "grass roots" level of consultation afforded by the panel (many claiming it was the first time they had ever been consulted on an important issue). However, many were sceptical about the CAA Board's commitment to listen and respond to the GA sector's financial plight. There is a real belief within GA, that the CAA only takes note of the airlines' concerns and pays no heed to the small operator's circumstances.

The GA industry believes the CAA has a responsibility to promote its interests to government in the strongest possible terms.

SUMMARY OF MAJOR ISSUES RAISED

Moorabbin

- . Rejected preferred option - it would destroy GA. Funding should come from consolidated revenue.
- . Noted that minimal ticket tax would not affect economic viability of industry.
- . Value of CAA services was questioned.

Perth

- . Charges would destroy small operators.
- . Preferred option could impose similar fees on small and large operators. This was seen as inequitable.
- . CAA should reduce costs.

Parafield

- . Rejected the preferred option.
- . Costs of safety regulation should be borne by taxpayer.
- . Industry has no capacity to pay the proposed charges.

Adelaide

- . The Federal Government should pay for all safety functions.
- . Industry would be decimated as it does not have the capacity to pay.
- . Proposal will undermine the high standards of safety due to industry's reluctance to liaise with CAA.
- . Industry questioned the value of CAA services.

Jandakot

- . Safety regulation and standards funding should be paid out of consolidated revenue.
- . Some support for use of fuel taxes to fund safety regulation.

- . Industry questioned the value of CAA services.
- . Expressed concern that GA's views would not be seriously considered.

Archerfield

- . The Federal Government should pay for all safety functions.
- . Proposed measures will undermine the high safety standards through industry reluctance to liaise with CAA.
- . Industry would be decimated as it does not have the capacity to pay.
- . Some support for alternatives to CAA regulations.
- . Industry questioned the value of CAA services.

Townsville

- . Charges will destroy the GA industry
- . The Federal Government should pay for all safety regulation costs.
- . Industry thought the CAA should be making further savings and be publicly audited.
- . Level of proposed audit too high.
- . Further delegations to industry.

Cairns

- . Preferred option levies an enormous burden on GA. CAA did not look at the ability to pay.
- . The full funding for safety regulation should come from consolidated revenue.
- . There was some support for either a passenger tax or a fuel excise.
- . It was seen as inequitable that both small and large operators should pay similar fees.

Darwin

- . Safety regulatory funding should come from consolidated revenue.
- . Questioned the value and extent of CAA SR&S services.
- . Too many rules and regulations.
- . Sceptical that CAA could fulfil audit schedule without increasing staff levels.

Launceston

- . Industry cannot afford to pay any more.
- . Severe impact on associated industries (fish spotting, vegetable processing industry) and remote communities.
- . General community is beneficiary and should pay.
- . Sceptical that CAA will be able to achieve the level of planned audit promised with current staffing levels.

Bankstown

- . Charges have potential to destroy GA.
- . Total rejection of user pays licence fee; support for continued funding from consolidated revenue. Failing that, some support from internal cross-subsidisation (from ATS charges) or ticket tax.
- . Scepticism that the CAA will be able to achieve the level of audit and planned surveillance services promised as they (CAA) are already over burdened and cannot meet the current demands of industry.
- . CAA will have to become more efficient irrespective of where funding comes from.
- . Placing a financial barrier between safety services and industry has safety ramifications.

VENUE: MOORABBIN AIRPORT

DATE: 22 February 93

NUMBER PRESENT: 90

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Lindsay Ingram,
Mr Neil Thomas,

MEDIA: TV News (Station not known)

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

MAJOR ISSUES RAISED:

- . Lawry Cohen agreed to take to the Board the views expressed at the meeting.
- . The proposed changes would devastate GA. This had occurred in the UK and Australia was heading in the same direction.
- . As the proposed arrangements would bankrupt GA (including maintenance organisations), cost recovery had to be achieved through a ticket tax.
- . Various participants said CAA was blaming the Government when it was their responsibility to reduce costs.
- . One operator said the only option was to introduce tax on passengers and freights.
- . CAA criticised for not including Tasmania on seminar schedule. Lawry Cohen advised Tasmania would be visited by mid March.
- . Industry met last Friday (19.2.93) and passed unanimously two resolutions (both attached). Both resolutions were read to the meeting and both were passed again.
- . A claim was made that notes at meeting were not being taken.
- . Concern was also expressed that the views of the meeting would not be put forcefully to the Board
- . Insufficient notification had been received of the meeting. One person indicated they had not yet received the letter.

- . The meeting wanted CAA to provide a series of alternative options so industry could assess financial impacts.
- . The meeting was vocal in the disgust at the proposed CAA hourly rates, particularly when compared with the going rate of \$30/hr charged by a LAME.
- . Corporate overheads were excessive. Industry may be prepared to pay actual safety regulation surveillance costs - but not the overheads.
- . The regulations and ARPs were verbose and difficult to understand. The CAA could address this and save costs.
- . Mention was made of the corporate advertisement in The Australian on 19.2.93.
- . Meeting thought safety regulation costs should be restricted to \$22.8m p.a. The CAA's ability to budget was also questioned.
- . To save money, the CAA should close down its District Offices
- . The building of a barbecue at industry expense at Moorabbin was also raised.
- . The CAA was questioned why it was involved in publications when this was not a core business function.
- . The meeting also questioned why this cost recovery measure was being presented when an election was being held.

MOORABBIN RESOLUTION

CIVIL AVIATION AUTHORITY COST RECOVERY PROPOSAL FOR SAFETY REGULATION FUNCTIONS

INDUSTRY RESPONSE TO THE SEMINAR HELD AT
MOORABBIN AIRPORT ON MONDAY 22ND (SIC)
FEBRUARY, 1993

Meeting held at the Royal Victorian Aero Club at 4.00pm on 19th February, 1993.

GAA Ross Carrington & Peter Hebard
Aviation Engineers Advisory Council Tony Brand
AOPA Peter Patroni

Reference To prepare the industry participants and formulate a resolution for presentation to the CAA consultative meeting to be held on Monday 22nd February, 1993.

Attendance There were sixty-three people from all facets of the industry who attended and therefore the opinions and resolutions presented are truly representative of the general aviation industry.

Minutes of the Meeting

Ross Carrington opened the meeting and outlined why the meeting was being called and the structure for presentation of the relevant material was put forward.

Peter Patroni was requested to address the meeting, as he had attended the Canberra meetings and was able to accurately give the attendants a report. He was then asked to provide the attendants with the AOPA view on cost recovery of safety regulation.

Tony Brand was requested to address the meeting and put forward the views of the Aviation Engineers Advisory Council.

Ross Carrington then addressed the meeting on the GAA view on cost recovery of safety regulation and gave the attendants an insight in to future additionally proposed charges by the CAA for traffic services etc.

After the above mentioned presentation questions were answered by the panel from the floor and considerable debate on the issue was raised. From this discussion the following resolutions were unanimously accepted and are the industries response to the proposed consultative meeting of the subject of cost recovery for safety regulation to be held at Moorabbin Airport on Monday 22nd February, 1993.

MOORABBIN

Resolution 1

That the CAA suggested safety regulation cost recovery is totally inappropriate and unacceptable to the aviation industry. That in the interest of the public the government recover the cost of all safety regulations as it does in almost every other industry from consolidated revenue.

Proposed by Mr Tony Taggart (aircraft charter operator)
Seconded by Mr Bob Muir (licensed aircraft engineer/proprietor)

Carried unanimously

Resolution 2

That the proposed CAA safety regulatory charges are unacceptable because it would impose an unfair and economically unsustainable burden on a relatively small industry which would be unable to absorb the level of charges proposed. The real beneficiaries of the safety regulatory function of the CAA is the general public and in particular the travelling public and that imposition of a minimal ticket tax would not effect the economic viability of the aviation industry at large.

Proposed by Mr Lester Wise (aircraft parts/engineer/proprietor)
Seconded by Mr Jack Taylor (licensed aircraft radio engineer/
proprietor)

Carried unanimously

VENUE: PERTH AIRPORT

DATE: 24 February 93

NUMBER PRESENT: 50

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr John Leaversuch,
Mr Tony Snook

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation.. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

MAJOR ISSUES RAISED:

- . Lawry Cohen guaranteed to take views to the Board
- . The Police Air Wing asked whether that organisation would attract the proposed levies.
- . The panel was asked whether they had seen the oppositions' policy and whether GST would apply to the CAA charges.
- . Skywest asked whether the charges represented the minimum levels of surveillance. They also questioned whether levels of audit could be discussed.
- . A single RPT operation in the bush (up for \$10,000) was going to find it difficult to get QA offsets.
- . CAA just passing 'buck' to industry.
- . Industry recognises a base level of surveillance is required.
- . Qantas use more safety regulation, hence should pay more.
- . If charges are increased, the CAA will lose its customer base.
- . Small operators were having to pay for international standard facilities at Broome.
- . CAA costs need to be reduced.
- . UK and NZ were not good examples with which to model ourselves.

- . Concern was expressed at the proposed introduction of the \$50 medical fee.
- . The number of changes put through the Amendment Service was ridiculous.
- . Total responsibility should be with the pilot ie. total self regulation should be introduced.
- . How is the CAA going to address the inequity between two flying schools; one with a few students and one with hundreds - who will basically pay the same amount in licence audit fees.
- . If CAA introduces the proposed charges, then only a few large operators will remain.
- . Question was raised whether the CAA had to make a profit on its SR&S activities.
- . The RFACA said RACWA was examining ways of looking after small operations in the bush.
- . With operators such as Ansett WA going over to Jeppesens, has the CAA looked at outsourcing its publications activities.
- . There would be problems collecting ticket taxes from charter operators.

VENUE: PARAFIELD AIRPORT

DATE: 25 February 93

NUMBER PRESENT: 60

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Tex Chalson,
Mr Ron Scott,

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

- . Information was sought on how an operator could institute a QA system, and whether rebates would apply.
- . Had the CAA taken into account the impact on the industry of its proposal.
- . The CAA can only "tax" what the industry can pay.
- . Were the audit fees based on the type of AOC held - ie. a 50 aircraft operation has largely the same audit as a one aircraft operation, as result, small companies have relatively more surveillance than the large companies.
- . Has the CAA looked at potential drop in revenue resulting from this proposal.
- . System CAA has proposed is just not workable.
- . How much revenue comes from the big end of the industry under the CAA's preferred approach. Is the CAA's management proposing to attribute most of its costs to GA.
- . The Standards Association charge \$95/hr. The CAA needs to be opened up to competition.
- . One operator questioned the methodology used to cost out FOI groupings. He said the airlines had their charges rounded down while GA's charges had been rounded-up.
- . The CAA should get out of GA altogether.

- . The CAA was congratulated on reducing its costs. If CAA kept doing this there would be no need for new changes.
- . Some large companies going through bad times as a result of economic conditions; one had gone from \$80m to \$20m p.a.
- . When GA shrinks as result of proposal, all costs pushed on the remaining operators still around.
- . CAA is necessary body - the timing for these changes is not appropriate.
- . Too much time and money wasted in amending DAPs.
- . Comment was made the CAA is killing the industry. Also why was wall built between ATS and regulatory services cross subsidies.
- . The CAA has the wrong attitude towards GA. Have to look at the number of staff at airports.
- . While CAA promotes safety, one operator said he doesn't receive benefits - it's the taxpayer who should be paying. He also said the CAA was necessary to prevent a free-for-all.
- . Road transport is subsidised by the taxpayer, yet aviation is expected to pay its own way. It's an atmosphere of despair. GA is on the outer.
- . GA felt no-one was taking any notice of their views. Frustration was rife. The industry asked to see what the panel proposed to recommend to the Board.
- . More responsibility should be devolved to the industry.
- . If CAA's audit program at end of the year falls short of revenue targets, what's to stop CAA changing the program.
- . A resolution (attached) was moved. It was passed unanimously.

PARAFIELD RESOLUTION

The Meeting Reflects Options as outline 25/2/93

RESOLUTION

As the beneficiaries of the services provided by the C.A.A. are the general public, it be moved that any increase in costs in any area be borne by the Taxpayer, not by the Industry.

No. Present	36
Vote in Favour	36
Vote Against	Nil

VENUE: HENLY SAILING CLUB (For Adelaide Airport)

DATE: 25 February 93

NUMBER PRESENT: 40

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Dick MacKerras,
Mr John Crocker,

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen agreed to take views of the meeting to the Board.

MAJOR ISSUES RAISED:

- . What was the opposition's policy.
- . CAA did not have close relationship with industry. This close relationship was required if the industry was to move forward.
- . Asked whether the CAA took into account the industry's capability to pay the proposed changes. Views of the panel on what they expected the outcome of these seminars would be, were also sought.
- . What proportion of costs goes on overheads. Shouldn't these overheads be met from the Government.
- . Why not follow the arrangements used by the FAA.
- . Sad to see the industry disappear. One operator questioned how many pilots etc. were catered for in the \$10.8m spent on advice and education.
- . Moved a motion (copy attached) which was passed unanimously.
- . The CAA had been a failure. If personnel costs are so high, the CAA has lost direction. It was suggested FAA should take over the role of the CAA in Australia, unless costs can be brought under control. Further taxes should not be introduced.
- . CAA keeps changing its regulations, etc. hence the excessive \$10.8m in Standards Setting, etc.
- . It costs the industry a fortune amending regulations, etc. The CAA is largely rewriting what are FAA standards.

- . Questioned why the CAA was involved in publications when these could be more effectively handled by industry.
- . The FAA should be considered as an outside contractor.
- . Indicative figures showing a low capacity RPT operator would pay \$10K in 93/94 and \$17K in 94/95. It was questioned whether the CAA is proposing over-auditing.
- . Why should the industry pay annual fees. Why not pay the fee when audited. The industry also questioned whether rebates would be given in the second year if an operator did not receive the appropriate number of audit hours.
- . Information was sought on enterprise bargaining negotiations which took place on 24.2.93 concerning a 6% salary increase.
- . The GAA
 - thanked the panel for coming and explaining the proposal.
 - said it only wants value for money
 - said safety tax should be picked up by the Government
 - indicated only a prosperous business was a safe business
 - said CAA should promote aviation, not just safety.
- . Concern was also expressed at the inequity between Qantas and a small operator in the level of surveillance required.

ADELAIDE RESOLUTION

It is unanimous decision of this meeting that you inform the CAA Board of total rejection by the industry of what has been proposed on the basis of:

- A) The Government should honour its responsibilities in respect of safety management as it does in other industries.
- B) We are not satisfied that the estimated costs of surveillance have been calculated in a realistic manner.
- C) The indicative costs to industry would decimate general aviation which does not have the capability to pay.
- D) The destruction of general aviation will only add to the nation's record unemployment and destroy a vital contributor to the economy and community.
- E) The industry does not have confidence in the CAA Board who in our opinion have allowed a situation to develop being fully aware that general aviation could not cope with the proposed level of cost recovery.
- F) We are concerned that the proposed cost recovery measures will undermine the high standards of safety through industry organisations reluctance to liaise with CAA on safety matters due to the excessive charges.
- G) We have a further concern that the district office infrastructure will be harmed by the poor morale being generated from government and CAA directives in the cost recovery process.

We need an efficient Aviation Authority that is cost effective, realistic and to be part of the industry - not a demoralised and disheartened organisation.

ADELAIDE RESOLUTION

MOTION: The members present at this meeting move:

That because of non-accountability to the aviation industry - yet requesting funding from within the aviation industry - that the role of Safety Regulations be removed from the C.A.A. and be replaced by an independent contractor answerable to the C.A.A. Board.

REASONS:

1. The General Aviation Association has requested a number of times that a budget and/or reasons for the high level of expenditure from C.A.A. (Safety Regulations) be given to the aviation industry, yet this has not been forthcoming.
2. The aviation industry cannot continue to pay for redundant public service positions and expenditure that can be run more efficiently by an independent contractor.
3. In view of recent changes to the C.A.R.'s, the role of Safety Regulations inspectors appointed by the C.A.A. has become that of "police" - not advisors as intended - and the introduction of arbitrary "on the spot" fines makes C.A.A. inspectors revenue raisers, which was never to be their intended role.

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MOTION

"That the futility and anger felt by the General Aviation industry be expressed to the C.A.A Board through this motion - that the preferred option presented by the C.A.A. is NOT the only option and that the floor's option and others must now be considered by the C.A.A. Board".

VENUE: JANDAKOT AIRPORT

DATE: 26 February 93

NUMBER PRESENT: 60 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr John Leaversuch,
Mr Tony Domoney,

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

- . Continual abuse hurled at the panel eg "Parasites don't eat their hosts" by one participant. Some points of relevance made
 - didn't receive notification of meeting.
 - would pay \$61320 p.a. under proposal. The CAA would force him out of business.
 - industry and the CAA should be living in harmony
 - had copies of leaked internal CAA documents
 - claimed no justification behind charges
 - would require 420 hours (12 weeks) surveillance. Would have to send bill to CAA for help provided.
 - proposed rate of \$146/hr is totally unacceptable. Can charge only \$47/hr.
- . The Board and the industry have to go back to the Government. The Board has to put its views forcefully.
- . Aviation industry pays various taxes including the departure tax into consolidated revenue. The Government has to see the industry view and reverse its policy.
- . As a corporation, the CAA should cut its costs. Corporations go broke, why not the CAA.
- . Should go for the FAA system using fuel taxes.

- . The CAA got rid of people with golden handshakes, then re-hired them.
- . The industry doesn't need the current levels of surveillance.
- . Without the CAA, it would be a free-for-all in the industry. With 26 years experience in aviation, a participant said a ticket tax was the only option.
- . The Kalgoorlie Aero Club read and presented a statement (attached) to the panel.
- . Another extremely abusive participant was making cargo bags for export. He had received no help from the CAA. He had a CofA from the US and NZ. He did acknowledge paying a charge to the UK CAA.
- . Another participant said the Government had a hidden agenda. It was wanting to reduce the industry to a small number of large organisation which it could control. His solution was along lines that:
 - consolidated revenue pay 1/3 of the cost.
 - industry must pay some.
 - self regulate industry
 - seat tax for remainder.
- . The industry is struggling to survive.
- . The panel was not sincere in taking back industry views. It was just the meat in the sandwich. CAA must tell the Minister then proposal can't be introduced.
- . Industry input never seems to be assisting in making decisions.
- . CAA knows industry won't accept proposal. Has the CAA fall-back position.
- . There is no transparency of costs. Where is the cost discipline when \$7.3m is spent on standards setting. How many rules taxes this expenditure account tax. If the CAA didn't keep changing the rules then they wouldn't have to keep explaining them.
- . How can the CAA justify having 39 people in its library. It costs \$80/hr to use library, while this participant can only charge \$45/hr.
- . Where did the information in this hand-out came from. Does CAA use outside people or staff to work these figures out.

- . Disgust was expressed at short notice given to attend the meeting. All safety funding should come from consolidated revenue.
- . Cost of publications is detrimental to safety. Many pilots don't have up to date information.
- . A motion was moved that: "The revenue to fund safety regulation and standards should be paid out of consolidated revenue and not the industry". Carried unanimously (60 present).
- . A question was asked whether the sport aviation groups would be affected by the current cost recovery proposal.
- . Why was GA not receiving offsets for quality assurance systems when the big boys received it.
- . Much discussion took place on the value of the ISO 9000 Series Standards
- . CAA dictates everything in the industry. Should be renamed the C.I.A.
- . Preference was shown for AS 3902 to be implemented as well as further stand alone audits. It was around 25% of the proposed CAA charges.
- . It was suggested that if the industry amalgamated, there would be no need to have a CAA.
- . Proposed \$50 medical assessment fee was rejected. The medical examiner should be able to make the assessment.
- . For audit purposes, the industry should be clearly split, between private and commercial operators.
- . Situation in NZ is far better. Australian aircraft are now being exported there.
- . Private aviation in Australia is dying.
- . One attendee received five invitations. How could CAA see itself as efficient. Everything to date is premised on need to have the CAA. Industry should regulate itself and the CAA can be abolished.
- . No one wants a free feed. Industry has been paying taxes into consolidated revenue. It just wants access to some of these taxes.
- . The 1/4 page advertisement was raised.

- . Log book for engineers. There had been much consultation and everyone was against their introduction. They were introduced anyway.
- . There was some support for the use of fuel taxes to cover the costs of safety regulation.
- . Individuals expressed desire to come to formal industry consultative meeting of 14 April.
- . How would the CAA react if the QA rebate of up to 90% came into effect throughout.
- . One attendee privately supported the introduction of user pays for licences on the basis that QA directly benefits him. There was a need for a separate charter only category for safety regulatory purposes.

VENUE: ARCHERFIELD

DATE: 1 March 93

NUMBER PRESENT: 120 - 130 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Bill Edwards,
Mr Bill Taylor,

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

. Archerfield Chamber of Commerce made the following points:

- meeting would be recorded
- acknowledged they currently paid nothing towards the costs of safety regulation.
- all business now going over to Jeppesen's.
- not interested in what is going on overseas - "Australian ideas for Australia".
- in UK Safety regulation cost recovery destroyed GA.
- CAA spending too much money on glossy brochures and Annual Report.
- CAA brochures says light aircraft only second to motorbikes in number of fatalities: hardly good publicity
- as every Australian benefits from GA, the taxpayer should pay.
- the cost recovery process has gone on long enough; it has to stop.
- Archerfield operators will consider getting together and operating under one AOC and one maintenance ticket if proposal goes ahead.
- operators cannot afford the preferred option - it will destroy GA

- most operators do not do their own maintenance. That large organisations doing their own will win while small maintenance organisations lose.

- any charge by Government (including CAA) is a tax

- "Go back to Canberra and tell them."

Acknowledged CAA is acting under Government direction. Aviation is small industry made up of small operators (less than 20 employees). If the Government, through the CAA, brings in the proposed charges, there will be no industry at Archerfield.

Meeting sought details on how the publications unit was going to increase its client base and was advised that currently there are 17,000 clients out of potential market of 60,000.

An aircraft manufacturer said while many sport aviation bodies were self regulated, this was being slowly eroded. Suggested CAA allow others in industry to become self regulated.

An aircraft manufacturer who had built over 100 aircraft which have not been involved in a fatal accident claimed he should be able to regulate himself.

There was comment that the role of the CAA should decrease with devolution of responsibility to the industry.

CAA should cut costs and moving to QA was not a move in the right direction. A participant advised he had written manuals for GFA when it was given self regulation. When he submitted manuals for AUF, CAA told him "they would never let any other people control themselves".

It was commented that the CAA had one employee per registered aircraft. Everyone was facing bankruptcy therefore CAA "should cut its cloth to suit the task."

Several attendees were critical of the charges introduced by new local airport owners (ALOP). One helicopter operator said he pays \$625 to land on an old block of concrete, as well as excise. He receives no services in return.

Another operator said there are big fines if they don't have current maps. He has helicopter pilots with 17,000 hrs who are audited by pilots with 3000 hrs. Also, there are no local helicopter examiners.

- . One participant said the CAA should be able to fund safety regulation from air traffic services. The industry should lobby politicians to ensure this can be done.
- . Another operator said he had eight different types of audits (including his own internal ones). The whole system was getting out of hand. He asked whether the CAA would increase its audit frequency if it was running short of money.
- . What happens to fines that are collected. The meeting was told these accrue to consolidated revenue not the CAA.
- . One participant said this process was bureaucratic regulation not safety regulation. CAA not adding to safety - just protecting their own jobs. He said industry needed more self regulation. He explained that importing an aircraft into Australia was a nightmare. He cited the case of one importer now moving to China.
- . The CAA should be audited by an independent company.
- . It was proposed that Australian standards (not international) independent of the CAA should be introduced.
- . CAA should discontinue publishing the Aviation Bulletin.
- . CAA should move from Canberra to less expensive headquarters.
- . There should be an independent audit of control towers. If airlines want them then they should pay for them.
- . A participant said it did not matter what sort of charge was introduced all the costs will flow down to the small end of the industry.
- . GA will go broke but the airlines will keep flying. The proposed charge should be on a seat/passenger kilometre basis only.
- . A participant said his medical helicopter operation received funding from Government. If CAA introduced fees, how is he going to obtain extra funding.
- . A participant said CAA should insist that the Board to removes the wall between ATS and SR&S to allow cross-subsidy. CAA is a monopoly. CAA staff drive to country locations to do audits as they cannot afford to fly themselves. There is a widening gulf between our field staff and the industry.
- . Local staff interpret rules differently to central office. The IFR VEC chart is a hopeless document. Wanted Board to allow aero clubs to set up own inspector/audit functions.
- . Where is the VFR charter category in the licence schedule.

- . A participant asked why an airworthiness surveyor had to drive from Brisbane when air services were available. He had been charged the officer's time to drive plus mileage plus assessment.
- . CAA was criticised as being the only organisation owning new cars in the Archerfield car park.
- . Without competition there are no real options - CAA just imposes charge on industry.
- . There is no GA input at Board level.
- . The industry has to pay the real and heavy costs of delays caused by the CAA's ineptitude (manual lost for three days when posted).
- . Information was sought on the proposition of the avgas levy attributed to landing charges.
- . To undertake industry surveillance, all the CAA needs are two people plus a Cessna 172.
- . Had the CAA considered tendering out some of its functions.
- . CAA had no respect for private pilots. There was a real problem in the relationship between the CAA and industry.
- . "The panel should have the balls to answer those people pushing it around."
- . Certification costs are out of all proportion to safety aspects. Policy decisions taken are not being advised throughout the CAA. CAA keeps reinventing the wheel.
- . CAA made statements it does not devolve authority - but it happened with the GFA.
- . How much are redundancies going to cost? How much are magazines costing (eg. CAA Annual Report)?
- . Use industry as the experts.
- . Hold smaller forums.

ARCHERFIELD RESOLUTION

It is a unanimous decision of this meeting that you inform the CAA Board of the total rejection by the industry of what has been proposed on the basis of:

- A. The Government should honour its responsibilities in respect of safety management as it does in other industries.
- B. We are not satisfied that the estimated costs of surveillance have been calculated in a realistic manner.
- C. The indicative costs to industry would decimate general aviation which does not have the capacity to pay.
- D. The industry does not have confidence in the CAA Board who in our opinion have allowed the situation to develop being fully aware that general aviation could not cope with the proposed level of cost recovery.
- E. We are concerned that the proposed cost recovery measures will undermine the high standards of safety through industry reluctance to liaise with CAA on safety matters due to the excessive charges.
- F. We have further concern that the district office infrastructure will be harmed by the poor morale being generated from the government and CAA directives in the cost recovery process. We need an efficient aviation Authority that is cost effective, realistic and to be part of the industry. Not a demoralised and disheartened organisation.
- G. The level of service on which you have based your estimates is not required.

Jean Jenkinson
1/3/93

Unanimously Passed

VENUE: TOWNSVILLE
DATE: 2 March 93
NUMBER PRESENT: 40 present
CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Peter Rundle,
Mr George Ivory,
MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

- . Never seen anything like the level of audit proposed. Industry does not need proposed level of audit.
- . It's just a money raising exercise to keep CAA staff employed.
- . The issue was raised as to who is "the industry" the CAA traditionally deals with.
- . CAA should only charge what the market can bear.
- . The CAA is not a business enterprise.
- . The \$22.8m Government contribution should be applied to regulatory services and industry should be allowed to regulate itself.
- . If CAA delegates tasks to industry, the industry should not have to be audited.
- . Julian Thompson's confidential memo to district offices read to the meeting.
- . If CAA staff take 10% salary cut, should be able to make up the \$25m shortfall in funding.
- . An ag. operator said he already pays the avgas levy and receives little in return and resents having to pay additional charges.
- . A flying school operator asked whether the proposed audit hours were negotiable.
- . Even if no one paid the levy, no CAA staff would be sacked.

- . If everyone in the industry gets together, the Government will have to change its mind.
- . A participant asked how many FOIs were employed by the CAA and how many were in Canberra. He also wanted to know how many people in the CAA had the title 'manager'.
- . An employee of Hawker Pacific asked whether offsets would be given if companies had QA systems in place..
- . As the industry pays the CAA salaries, it should have a say in how many staff are employed.
- . A participant charged the CAA as being grossly incompetent. Rules are being broken yet nothing is being done about it. A few years ago, you could discuss things with staff. Now either the CAA charges you or there's no-one available.
- . A participant, a flying school operator, said it costs new pilots \$500 now to get all necessary publications - this will rise next year to \$1000. He said everyone was now moving to Jeppesens. He also added that the CAA should be charging Jeppesens for the basic information.
- . The CAA should spend more time asking the industry what it wants.
- . How can the CAA justify charging \$146/hr for an Airworthiness B officer when industry can only charge \$40 - \$50/hr.
- . No-one in the industry was earning \$40K p.a. CAA should reduce staff or salaries.
- . The panel was questioned on the number of staff in SR&S and the average cost to the industry of each staff member.
- . A light twin helicopter operator said he paid \$75 to receive approval to operate on avgas only to find the aeroplane already had a dispensation.
- . The Government should pay for all safety regulation.
- . CAA staff numbers should increase and decrease with changes in industry activity.
- . The number of regulations should be reduced.
- . Will sport aviation groups have to pay anything under the proposal.
- . As activity was reducing, business were going broke. The value of the \$A was also having impact.
- . Two motions were carried unanimously

TOWNSVILLE RESOLUTION

Chief Pilot
North Australia Air Charter

Moved - Ken Black

I wish to move a resolution that:-

The General Aviation Industry is incapable and does not have the capacity to pay the indicative costs proposed. It will decimate the industry

Further:-

The Government should honour its responsibilities in respect of safety management as it does in other industries.

Further:-

The Industry does not have confidence in the CAA Board who in our opinion have allowed the situation to develop being fully aware that G.A. could not cope with the proposed level of cost recovery.

Seconded: Col Stevens
Carried Unanimously

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Addition to Motion

1. As against any further cost recovery system, any money required should come from consolidated revenue.
2. The CAA as now being a "Commercial Enterprise" should have the nerve to stand up for the industry, (CAAs only customer) by persuading their supplier (Government) to support the industry by further/additional subsidy.
3. A full complete audit done by the industry into the operations of CAA and made public before the industry gets charged on a 'say so' of CAA.

Moved: Bill Gough
Carried Unanimously

Townsville 2.3.93

VENUE: CAIRNS

DATE: 3 March 93

NUMBER PRESENT: 65 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Ern Dalglish,
Mr Rob Collins,

MEDIA: Australian Flying and Flight International

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

- . The preferred option levies an enormous charge on the poor end of the market.
- . CAA didn't look at ability to pay.
- . Do not want CAA services and industry will not pay for these extra charges. In recent years, many imposts introduced, and industry cannot take any more.
- . CAA does not understand current problems operating a business in aviation.
- . Question raised as to the cost of sending the panel around Australia. Why couldn't local district officers explain options to industry.
- . Why is aviation industry singled out for full cost recovery. No other transport industry has been. Passengers should be the ones paying.
- . The Australian public is the beneficiary hence funding should come from Consolidated Revenue.
- . CAA should go back to Government and tell them they have to pay.
- . One attendee who has run aviation workshops for 50 years said DCA and its successors have done nothing of any use. "The stuff churned out by the CAA is still useless."

- . There was significant support for increasing aviation/avgas excise. Industry sees this as reflecting user pays. Also there are no administration costs.
- . Highly unfair that small and large organisations could be charged same.
- . One participant said much more time and effort was spent on the majors than on GA. It's crazy to think that small and large AOC holders can pay same amount.
- . Audit should be charged on number of hours spent on organisation - MIS could help facilitate this.
- . Some air operations in NQ provide essential services. These should be treated differently.
- . CAA's surveillance is a farce. The best audit is by customer. Why can't the industry self audit.
- . CAA has too many staff. These numbers were built up by the Government. The Government, not the industry, should have to pay for redundancies.
- . "Has anyone on the panel had any experience in small business."
- . Has the Government looked at how the industry is supposed to get the extra money out of its customers.
- . There was some support for a mix of passenger taxes and consolidated revenue.
- . The industry should be billing the CAA for the hours spent on their premises.
- . How can the CAA charge \$189/hr when the maximum the industry can command is \$65/hr.
- . Aviation safety is a Government responsibility.
- . CAA hasn't done its best to reduce costs. CAA over-regulates the industry. Old DCA thinking still evident. CAA should have another good look at its own costs before it asked the industry to pay more.
- . CAA should have consulted with industry before putting out hand-out, hence could have saved money. Cost of slides used in the presentation also raised.
- . Is the CAA serious with consultation. Put CAR proposals to industry and industry put in comments. At end of the day everything was ignored.
- . In last week, three businesses went to the wall in Cairns.

- . Panel was thanked for coming.
- . Aviation is largely made up of small businesses and small business employ 67% of workforce. A healthy small business makes 8% profit on a \$1m turnover that \$80k profit after tax. Therefore for every \$1 spent, need additional \$12 in turnover. A safety charge of \$2000 would require \$24,000 extra revenue or reduce staff.
- . . Biggest gathering of GA seen in Cairns. Recognises that standards in safety are needed but who determines the level. It has to be the population at large. They are the users/beneficiaries of safety. Therefore the community at large should pay.
- . Consolidated revenue pays for other transport modes - why is aviation singled out for different treatment.
- . Fines should go back to the regulator.

CAIRNS RESOLUTION

I propose that:-

The CAA charges for safety regulation cost recovery is not acceptable because it will cause unfair and an economic burden, in that the industry will not be able to absorb or pass on to our customers the exorbitant costs proposed, being a fairly small industry. The only real winners of the safety regulation system of the CAA is the general public and to be more specific the air travelling public and that the imposition of a ticket tax would not effect the economic viability of the aviation industry as a whole as many of the proposed charges become magnified being passed down the line in the present form.

Moved: Margaret Roberts.

Passed unanimously

3.3.93

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Motion:

That this meeting does not endorse the implementation of any further charges for licencees, fuel taxes or other charges for cost recovery of government regulatory services in any area of the aviation industry in Australia.

Moved: R Blackman

Seconded: B. Kane

Carried unanimously

3.3.93

VENUE: DARWIN
DATE: 5 March 93
NUMBER PRESENT: 23 present
CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Rod Wheeler,
Mr Steve Bennett (both Airworthiness)
MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response. Lawry Cohen explained the CAA's position in the current election environment.

MAJOR ISSUES RAISED:

- One participant claimed he had just come from meeting with Senator Bob Collins. Australia is at point where it can't afford to support bureaucracies. His company unlike CAA has had to downsize due to competition. If the industry is to survive, the CAA had to be affordable. "The CAA is bigger than the industry". When the industry downsizes, those remaining will have to pay more. There are too many rules and regulations which are forced upon the industry by the CAA.
- One operator said if his aircraft had mechanical problems, he would lose passengers to his competitors. There are other aircraft operating with equipment not working and the CAA does nothing about it.
- Helicopter operator: queried the costs of the panel coming to Darwin. He has refused to pay ERC and RFFS charges as he doesn't need them. CAA has now put a lien on his aircraft. When he did have a potential emergency incident at Darwin no RFFS assisted.
- If CAA wants to cost recover, industry wants to recover from CAA as well.
- Nothing had been heard from AOPA in recent months on this issue.
- A participant asked how the CAA can justify the \$58.6m. It's just a bloated bureaucracy. The costs of standards setting is exorbitant. "Fees are over the top." The industry don't understand how the charges are structured. The CAA's not efficient - high charges are there to perpetuate jobs and life-styles.
- A participant asked whether in determining charges, the CAA was justifying high audit levels, simply to recover costs.

- . Concern was expressed that if 10 hours was allocated to job and it took only six hours, what redress would the industry have.
- . A participant said a local company had been found "cheating". As result, other two companies in area had additional surveillance. If these sorts of things occurred under the proposal, would "innocent" companies be charged for the additional surveillance.
- . A participant said the reason for the briefing had not been addressed. The Federal Government could not be trusted to keep its word. He felt sorry for the CAA having to go through this process. The industry was incapable of communicating to politicians that it can't take any more charges. Panel needs to go back to the Government and tell them what the facts are.
- . The CAA was unable to fire anyone - just moved them sideways. If someone screws up in industry they get fired.
- . Why does the industry pay \$13 for maps when Auslig employees get them for \$4. Does this mean huge CAA margins.
- . Everyone in the room is a taxpayer - these taxes should be used to fund the safety regulatory function.
- . CAA Board should be instructed to tell Government industry won't wear the proposed charges.
- . Motion that funding should come from consolidated revenue was put before the meeting - carried unanimously.
- . Information from Jeppesen's arrives on time - CAA's information doesn't.
- . Would travelling time from CAA auditors be an additional charge.
- . A participant asked whether the local CAA officers would have enough hours in their day to fulfil the audit schedule.

VENUE: LAUNCESTON

DATE: 23 March 93, 10.30 am.

NUMBER PRESENT: 18 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Lindsay Ingram,
Mr Paul Eyre

MEDIA: Both ABC and Commercial television, item in
TV news. Print media report following day.

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding
these seminars. Julian Thompson gave the presentation.
Lawry Cohen took questions from the floor and directed
them to relevant panel members for response.

COMMENT MADE:

- . Why couldn't some of current avgas excise be used to fund safety regulation.
- . One operator said his payments to FAC/CAA over the past five years had more than doubled.
- . Any increase in fees will mean fewer jobs.
- . Safety regulation is for the public's protection and funding should come from consolidated revenue.
- . Industry perception of double dipping with both FAC and CAA levying charges.
- . CAA's recommendations seen as critical in minister's decision making process.
- . Proposed safety regulatory changes represent 1% of gross income.
- . It was suggested that gross turnover should be used to determine recovery levels.
- . CAA staff not seen in hangars anymore.
- . If there are still "cowboys" out in industry, CAA has not done its job properly.
- . If the proposal goes ahead, there will be huge levels of unemployment in aviation - GA will disappear, as in UK.
- . Message is that industry can accept imposts in good times - not now.

- . Proposed charge will mean two retrenchments for a major Tasmanian operator.
- . Peak industry groups do not provide adequate representation. Many cannot afford joining fees.
- . A participant said industry has to adopt a different attitude - has to unite and fight.
 - all CAA charges are taxation
 - will seek injunction pending legal advice
 - should be looked at by State and Federal ministers.
- . This is the first time industry has ever been consulted. To date they've had to cop it sweet.
- . Total industry dissatisfaction with proposal.
- . Many could not attend session because they could not afford to leave their businesses.
- . Those given the bullet in CAA provided the service. Management still remains.
- . CAA provides no high technology backup - just refer industry to manufacturer.
- . All CFIs dissatisfied with regulations and legislation: format is useless.
- . An operator expressed appreciation at the panel coming to Tasmania to discuss proposals.

VENUE: LAUNCESTON

DATE: 23 March 93, 1 pm.

NUMBER PRESENT: 12 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Lindsay Ingram,
Mr Paul Eyre

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

MAJOR ISSUES RAISED:

. CAA should be able to access ATS profits to fund safety regulation.

. In 25 years one operator claimed he had no response to defect notification.

. Suggestion that a charter only category be introduced.

. An agricultural operator said:

- no consideration given to ability to pay.
- CAA does not relate to industry.
- pays taxes on everything - radios, road tax, fuel tax.
- CAA will force operators underground.
- can't get guarantees on work done in aviation (warranty)
- lost propeller in January 1992 - still no feedback from SR&S.
- set up own QA system with no help from CAA.
- told to get competitive or go to New Zealand.
- has provided many services (doing surveillance) free of charge to authorities: gets no help from CAA and no funding from police. Why bother?
- business has contracted by 75% due to health of economy
- has sacked 18 people
- increasing fees will increase the likelihood of unlicensed activity.
- if any increase in charges have to be passed, customers will move operators to New Zealand.

. Impact of proposal will be felt far and wide - beyond aviation.

. RFACA want to undertake their own regulation - like AUP.

. CAA people coming to Tasmania to undertake audits are hopeless.

- . If fees increase, operators are likely to break the rules. Operators will also fail to talk to the CAA's safety people.
- . CAA has no competition - this is reflected in the charges.
- . One operator with two aircraft has turnover of \$3 - \$4 million. Keeps 150 people employed in fishing industry. This industry is potentially at risk should cost recovery be introduced.
- . A participant said he paid \$200,000 in avgas levy yet received no CAA services. He operates eight aircraft with two spares. He sees illegal operators flourishing.
- . If the good guys go, only the bandits will remain!

AUNCESTON RESOLUTION

TASMANIAN
AIR OPERATORS, CHIEF PILOTS, CHIEF FLYING INSTRUCTORS
AND AVIATION MANAGERS
RESOLUTION

safety regulation charges proposed by the Civil Aviation Authority are unacceptable and matters of maintenance of the Act and regulations, compliance, enforcement, surveillance, and counselling and policing functions performed by the Civil Aviation Authority on behalf of the Australian Government and in the public interest.

It is considered that costs for services provided in the public interest are attributable to the Australian public and any attempt by the Civil Aviation Authority to obtain funds to cover these costs is illegal and not in accordance with the Australian Constitution. A reliable legal opinion on this matter should be provided by the Civil Aviation Authority prior to any suggestion that charges additional to taxation should be levied on the aviation community.

In the event that services are requested from the Civil Aviation Authority by a person or organisation which may be identified as a user then it is reasonable for the user to pay costs. If the services are imposed on the user by the Civil Aviation Authority and any costs are not attributable to the user.

Tasmania is an island state dependent on aviation for travel and commerce. In the present economic circumstances it is considered that additional charges levied on the aviation industry could cause some difficulty and hardship to the people of Tasmania. Under the circumstances the matter of additional charges should be addressed at ministerial level between State and Federal Governments.

We request the Chairman and Board of the Civil Aviation Authority to provide an assurance to the undersigned person and organisations that they are operating in a manner conducive to the well-being of the general aviation community and in the public interest. In the event that this assurance cannot be provided, we request that Civil Aviation Authority to provide advice to the undersigned persons and organisations regarding a proposal for Tasmania to conduct its aviation affairs independently of the Civil Aviation Authority.

Passed unanimously

LAUNCESTON RESOLUTION

That the CAA suggested safety regulation cost recovery is totally inappropriate and unacceptable to the aviation industry. In the interest of the public the government recover the cost of all Safety regulation as it does in almost every other industry and that is from consolidated revenue.

G.C. Ashwood
TASAIR

Passed unanimously

VENUE: BANKSTOWN

DATE: 24 March 93, 2 pm.

NUMBER PRESENT: 32 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Maurie Baston,
Mr Ken Cannane

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

COMMENTS MADE:

- . Highest paid pilot receives less than \$110/hr. Proposed CAA rates ridiculous.
- . Industry had to justify \$45/hr to customers. If CAA cannot justify its proposed rates, their charges shouldn't be introduced.
- . Where will CAA get additional staff from to undertake this additional surveillance and audit. CAA can't cope with current workload. "Ring up and airworthiness staff are never available".
- . Why can't the CAA make itself three times more efficient.
- . Will industry see itemised bill on audit research done behind scenes.
- . At Camden there are five CoFA holders and each had a different officer looking after them.
- . General support for ticket tax.
- . Don't mind paying for reasonable costs but CAA is monopoly with no downward pressure on costs.
- . Cannot look at CAA costs in isolation - have a look at total costs (FAC, etc)
- . Perhaps efficiencies could be achieved if CAA and FAC become one organisation.
- . Would be easier to charge on maintenance release.
- . Ultimately the customer pays the costs.

- . Further charges on industry could remove 50% of GA operators.
- . The real risk - driving a wedge between the CAA and industry, has potential safety implications.
- . Ticket tax would not be noticed given current charges.
- . If GA shrinks, will charges for those remaining increase.
- .. Taxpayer subsidises the railways - why not give some support to airlines.
- . Perhaps savings generated by airspace changes could be introduced concurrently with safety regulation cost recovery.
- . GA is an important part of transport.
- . Why is proposed medical fee required.
- . Costs should be met 50% from consolidated revenue and 50% from a ticket tax.

VENUE: BANKSTOWN

DATE: 25 March 93, 9.00 am

NUMBER PRESENT: 6 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Maurie Baston,
Mr Ken Cannane

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

COMMENTS MADE:

- . CAA is arrogant; it's a monopoly. How can the CAA justify its high labour rates.
- . Can't recover any of these costs as no commercial activity allowed at Wedderburn.
- . CAA had no interest in whether industry can pay. Industry are given no choice.
- . Would support ticket tax.
- . One operator has spent a lot of money streamlining procedures. It's introduced full quality assurance so why should it have to pay more.
- . One operator is happy to pay when it requests services but baulks at paying for compulsory surveillance done in the community interest.
- . Bankstown Airport Chamber of Commerce would not support ticket tax because of its impact on tourism. The industry had to lobby both CAA Board and the Government to enable cross subsidies between SR&S/ATS to take place.
- . Independent operators will have to amalgamate.
- . If GA activity decreases further, the CAA's problems will be compounded.

VENUE: BANKSTOWN

DATE: 25 March 93, 11.00 am

NUMBER PRESENT: 3 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Maurie Baston,
Mr Ken Cannane

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

COMMENTS MADE:

- . Australian Air League, a voluntary organisation has AOC and C of A - operates five aircraft
 - fee would be a crippling blow
 - should put up a ticket tax: small operators feed the airlines.
- . If approval holder pays levy, fee will be passed onto customers.
- . GA is prepared to pay for what services they get provided, they are reasonable and what they want.
- . Over one year, three airworthiness surveyors did exactly the same thing - however all had different ideas.
- . Industry wants to see NASS forms so it can see how high the hurdles are.
- . Costs of running CAA had to decrease.
- . CAA should train key industry people to help small operator in QA, and be accountable.
- . High usage of mogas - the road tax paid is not coming back to aviation.
- . CAA is just not competitive with its chargeout rates.
- . More work should be delegated to industry.
- . Concerned that if GA industry reduces in size, those left will be paying high fees.

VENUE: BANKSTOWN

DATE: 25 March 93, 2 pm.

NUMBER PRESENT: 110 present

CAA PANEL: Mr Lawry Cohen, Mr Julian Thompson,
Mr Jeff Kean, Mr Maurie Baston,
Mr Ken Cannane, Mr Doug Roser

MEDIA: Nil

FORMAT: LAWRY COHEN opened meeting and gave reasons for holding these seminars. Julian Thompson gave the presentation. Lawry Cohen took questions from the floor and directed them to relevant panel members for response.

COMMENTS MADE:

- . The public as beneficiaries of safety should pay. The CAA needs further cost efficiencies.
- . Australia's defence services are part of the country's infrastructure. Government should pay for all aviation safety services through consolidated revenue as this too, is an important part of infrastructure.
- . CAA has audacity to require industry to pay for its own policing. Costs should be paid by the Government.
- . There is still too much duplication - an aircraft comes from overseas and then Australian standards are placed on it. Because of this, work is going to New Zealand. More operators are likely to operate under NZ certificates.
- . One operator questioned proposed audit hours. How would CAA maintain revenue if industry shrinks. Suggested functions be devolved to the Standards Association.
- . One operator said the CAA needs to recognise the Standards Association and let them look after QA. The CAA could then concentrate on developing safety standards.
- . Various operators questioned the hours of audit in the proposed licence fee.
- . One flying school operator said CAA had never checked whether he could fly an aeroplane.
- . Safety regulatory services should be paid out of consolidated revenue. Industry should get access to some of the general taxes paid by the aviation community.

- . Industry had been asking CAA for 3.5 years for an audit manual so they can get their businesses on track and are still waiting.
- . Had the CAA looked at how it could survive on \$22.8m pa. (the government contribution) and delegate the other functions to industry.
- . CAA should seek an extension of time from the minister on full cost recovery.
- . At the end of the day, fuel taxes is the way to go.
- . Why is aviation being treated so unfairly - other transport modes don't have to fully cost recover.
- . It's high time the CAA and industry sold the consolidated revenue funding option to the minister as way to proceed.
- . Has the CAA considered why it pays for meteorological services when others don't.
- . It was agreed copies of the Panel's report would be made available to industry.
- . The meeting unanimously supported the resolution passed in Tasmania.
- . Bankstown Airport Chamber of Commerce said FAC is able to "cross-subsidise" while the CAA cannot. Provided transparency and accountability remain in place, the CAA should be able to fund safety regulation costs from air traffic services profits.
- . Will the CAA regulate to international standards. If an aircraft has FAA approval it should be accepted in Australia.
- . Motion regarding cross-subsidisation passed with approx. 80 supporting, eight opposing.
- . Safety is affected by industry's ability to pay.
- . User pays is not an option - will have to look at taxation options.
- . CAA should appoint an independent auditor.
- . CAA should look at introducing cost efficiencies as well as at staff levels.
- . Final motion - passed unanimously (80 present).

BANKSTOWN RESOLUTION (1)

Should consolidated revenue not be an option then the appropriate changes to the CAA Act be sought through the Minister for cross subsidisation to be included in the CAA Act, that other appropriate mechanisms be included to ensure transparency of funds and full accountability by the CAA of all cross subsidisation movements.

Passed 82 for
8 against

Bankstown

25.3.93

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BANKSTOWN RESOLUTION (2)

That the proposed cost recovery be rejected and that the cost of safety regulation be taken from consolidated revenue.

Passed unanimously 80 present

25.3.93