

Dear Senate Inquiry Secretary,

Please find attached the response to my email from Bruce Byron, that I would like attached to my formal senate inquiry submission dated 06 June 2008. Needless to say I'm not happy with the response and it's use of motherhood statements about current airworthiness regulatory oversight resources and use of Safety Management Systems (SMS) as a future solution by CASA. Transport of Canada were the first to implement the SMS regulatory oversight approach about five years ago and from the reports I have read it has been an abject failure.

Regards,

David Klein

----- Original Message -----

**From:** [ANDERSEN, DAVID](#)

**To:** [davejuta@bigpond.net.au](mailto:davejuta@bigpond.net.au)

**Sent:** Friday, May 02, 2008 4:43 PM

**Subject:** Virgin Airlines international announcement [SEC=UNCLASSIFIED]

For David Klein

David,

Bruce Byron has asked me to forward the attached letter from him in response to your email concerning CASA's oversight of Qantas and others out of the Sydney office.

Regards

David Andersen  
Adviser  
Office of the CEO



**Australian Government**  
**Civil Aviation Safety Authority**

OFFICE OF THE CHIEF EXECUTIVE OFFICER

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Mr David Klein  
By Email to [davejuta@bigpond.net.au](mailto:davejuta@bigpond.net.au)

Dear David

Thank you for your email of 1 April 2008 indicating your concern over the level of Qantas oversight provided by CASA's Sydney airline office. You said your concerns were heightened by the possibility of Virgin basing its international airline operations in Sydney, and the additional oversight resources that might require.

I don't doubt the sincerity with which you hold your views, and I acknowledge your considerable experience at, as you say, the 'sharp end' of regulatory oversight.

Before responding to what I take to be your underlying concern, I should say something about two of the specific points you have raised.

While accepting your use of irony and possibly mild exaggeration to make a point, I don't believe anyone, including myself, considered Brisbane to be the centre of the aviation world. What was clear is that Canberra is certainly not a centre of significant aviation operations, and it did not make a lot of sense to continue to have a substantial contingent of CASA's skilled operational people located there. Brisbane is an expanding aviation centre and I believe the decision to base our operational headquarters there has proven to be a sound one.

On your point about Virgin's international operations centre, their decision to base in Sydney was announced several years after CASA's Brisbane decision. Operators will elect to establish operations at various centres, usually for commercial reasons and logistical reasons, and there would be little value in CASA trying to base its locational decisions on crystal ball gazing about what any one operator might or might not do some time in the future. The important point is that we locate the majority of our operational staff at centres of aviation activity.

Your underlying concern is the adequacy of oversight exercised over Qantas out of CASA's Sydney office, and the impact on that office of any additional oversight requirements. Obviously, we have to maintain a degree of flexibility in matching available resources to the maintenance of appropriate oversight standards. For example, if this means using people from other CASA offices to undertake particular oversight functions in Sydney or overseas, then that will be done. There are some


benefits in this approach as part of our oversight mix. Resources are always going to be a consideration for an aviation regulator, and we can always use additional resources, but the real issue is making the most effective use of those resources. For example, we have reorganised working arrangements so that our inspectors are able to spend more time on the tarmac, rather than sitting in the office doing paperwork. That is making better use of the resources we have, and I believe it also results in a more stimulating career path for our inspectors.

You mentioned audits. Audits are important and continue to have their place in the oversight structure. However, not only does an over-reliance on audits take up resources that can be more effectively used in other ways, our past focus on a 'compliance audit' approach produced a belief that if an operator is complying with the regulations, or at least the points of compliance that we happen to check, then they are operating safely. This is simply not sustainable, and produces both in the operator and in CASA an unfortunate false sense of security.

Accordingly, as you will probably be aware, we have been progressively changing the emphasis of our oversight program to a safety systems approach, where it becomes the responsibility of the operator, with CASA's guidance, to put in place a robust safety system appropriate to the particular operation. CASA's focus then becomes one of checking that the operator's safety system is performing as it should, and supplementing that process with traditional audits, as appropriate. This is a far more effective use of our resources and produces significantly better results in terms of safety outcomes. This approach of course places some emphasis on ensuring the operator's systems are up to the task. I take a particular interest in all the large operators and it is no coincidence that two weeks ago I spent some hours with the full executive management team of Qantas discussing their systems.

So, while I appreciate your concerns, I believe we are effectively addressing the kind of issues you have raised by making sure we are using the resources we have in the most effective way, and by introducing an oversight structure that will produce improved safety outcomes.

Yours sincerely



Bruce Byron AM  
Chief Executive Officer

30 April 2008