



ALAEA

Australian Licenced Aircraft Engineers Association

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**OUTLINE OF SUBMISSIONS TO THE SENATE
COMMITTEE INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT AND LOCAL
GOVERNMENT INQUIRY INTO THE
ADMINISTRATION OF THE CIVIL AVIATION
SAFETY AUTHORITY
2nd JULY 2008**

The ALAEA

The Australian Licenced Aircraft Engineers Association (ALAEA) is an employee organisation founded in 1960 to advance the professional, technical and industrial interests of Aircraft Maintenance Engineers who are licensed pursuant to the Civil Aviation Act (the Act) to certify for maintenance work performed on aircraft within Australia. Currently the ALAEA has approximately 3500 members employed in all sectors of the aviation industry. The motto of the ALAEA is:

“To undertake, supervise and certify for the safety of all who fly”

The ALAEA has coverage of around 80% of licenced aircraft engineers in Australia. It is important to be cognisant of the fact that the ALAEA is a professional representative body as well as a “union”, somewhat similar to the Australian Medical Association and sometimes administrations such as CASA do not understand the nature of the “association” as such. Hence such perceptions cloud the assessment as to whether the “association” should be consulted and allowed to participate or not.

The LAME Role

Licenced Aircraft Maintenance Engineers pursuant to their statutory duties under the Act are at the forefront of inspection, repair, maintenance and certification that an aircraft is safe to fly in regard to the maintenance of the aircraft.

In effect LAMEs are the frontline of statutory enforcement of maintenance standards in aviation. They are the lynchpin in the safety assurance regime that ensures aircraft are safe to fly in for passengers, air crew and pilots.

Without their competence and diligence the trust and the faith that the metal and plastic container will get one to their destination safely through the air becomes non-existent.

The importance of the role of the LAME in ensuring statutory maintenance obligations are met and their value in contribution to the safety of the Australian

travelling public and aircrews has in our view been intentionally downplayed or ignored by the recent CASA administration.

Assess Effectiveness Of CASA Administrative Reforms Since 2003

In summary it is the ALAEA experience that:

- The “Reform” process has not delivered a better more efficient consultation process.
- The “Reform” process has not delivered better oversight of maintenance organisations.
- The “Reform” process has not delivered any measurable safety improvements.
- The Governance structure has not allowed administrative reforms to make a difference to air safety.

Consider Ways To Strengthen CASA’s Relations With Industry And Ensure CASA Meets Community Expectations Of A Firm Safety Regulator

CASA’s relationship with industry

Consultation with the ALAEA and denial of participation by CASA of the ALAEA is a major problem.

The ALAEA’s dealings with CASA over the last 4 years have led us to seriously question CASA’s interpretation of the makeup of the aviation “industry” in regard to the primary or “influential” stakeholders. We observe this attitude and it is an attitude manifested by behaviour, that may have been brought about by the attitude and behaviour of the previous Government to what may be perceived as “union” participation and a desire to minimise the participation of the workforce that actually makes sure aircraft fly.

Our concerns have been founded from the continued exclusion of the ALAEA from primary industry consultation committees relating to matters such Aircraft Maintenance Engineer Licencing, Drug and Alcohol testing for Aviation Safety Sensitive Personnel, and Fatigue Risk Management. This is despite the ALAEA being

the main representative body for major stakeholders at the forefront of work performed and affected by the regulatory changes.

The ALAEA was excluded from the fact finding mission and developmental groups for the development and implementation of a European style maintenance licencing system (EASA) in 2006. Not only does the adoption of the EASA system have a marked change on skills and training required in aviation maintenance it also has major structural, organisational, training and remuneration implications across the industry with a system that impacts on existing terms and conditions of employment.

The ALAEA formally requested seats on that committee but was turned down as CASA decided they wanted to utilise a small “industry” team to streamline the process. As a result CASA weighted the committee with “operational” personal rather than have a balance of “operational” and “maintenance” personnel. Keep in mind that the maintenance personnel have the primary statutory obligation of ensuring the aircraft is safe to fly.

CASA missed the opportunity to utilise the knowledge of experienced LAMEs, specialised industrial staff and knowledge shared by overseas affiliates of the ALAEA with real life experiences of the European system in formulating those rule changes. CASA administration would not, could not or failed to recognise that ALAEA members work all over the world and currently hold accreditation in the European and American aviation regulatory regimes. Do any CASA officers?

Overseas aircraft engineering association affiliates raised the issue of the lack of LAME representation with the CASA delegation as it toured Europe.

A similar situation occurred with the development of the B3 light aircraft licence. Once again the ALAEA were not considered by CASA to represent LAMES at the primary consultation level. This is despite the licenced aircraft engineer being the most affected by the changes. The ALAEA constantly battled from the sidelines and through the Standards Consultative Committee and the Maintenance Standard Committee to be involved in the main committee process. Concerns expressed by the

ALAEA regarding deskilling of the aviation maintenance industry, portability and flexibility and the increased cost to the LAME was often ignored.

The ALAEA had to directly compete with industry maintenance user groups such as the Aircraft Owner Pilot Australia and Aerial Agriculture Association of Australia in an attempt to prevent a system that deskills aviation maintenance engineers to suit specific business owner's needs. In effect it was a battle of safety versus cost to the business owner where CASA favoured the business owners cost considerations rather than the appropriate and adequate maintenance requirements.

The extent of the exclusion of the ALAEA from regulatory consultation and development is evident in the latest draft Notice of Proposed Rule Making NPRM 0804MS "A proposal to Modernise Rules for the Licencing of Maintenance Personnel for Small Aircraft", addition of a B3 licence category on the proposed CASR Part 66 (as foreshadowed in NPRM 0604MS).

The Synopsis of Change Proposals in the draft NPRM describes the process by which the CASA Chief Executive Officer Bruce Byron directed in late 2005 that future regulatory development be carried out by a joint CASA/Industry team. He said that the team was to use advisors, consult with stakeholders and have a result as soon as possible. It goes on to say that this process was used in NPRM 0604MS and it was subsequently decided to form a supplementary team along similar lines to develop the proposed structures for an additional B3 licence category.

The synopsis then incorrectly outlines the make up of the two groups purported to be involved in the development of he regulations.

It says the B3 team comprised two groups (true statement).

- A small team with broad industry coverage which would formulate broad policy directions: and
- An extended team to provide additional expertise.

It goes on to list the makeup of the two groups.

This NPRM listing is grossly misrepresentative of the actual makeup of the two groups. The meeting attendances from the “official” CASA register of issues and resolutions as posted on the CASA industry consultation forum show that there were industry groups listed as extended team members in attendance at *all* of the meetings available.

These groups included but were not limited to the Aerial Agriculture Association of Australia (AAAA) and Aircraft Owner Pilots Association (AOPA). Both groups have vested operational business interests and held contrary views to the ALAEA in regards to maintaining current skill levels in aviation maintenance but were given favourable treatment during the consultation process to the exclusion of the Licenced Aircraft Engineers.

This process also allowed the industry group to discuss matters not related to maintenance personnel licencing but relating to saving maintenance costs for small aircraft owners by reducing the amounts of inspections and maintenance required on their aircraft. It is the ALAEA view that we were deliberately excluded from these discussions, as we would have held views contrary to the industry groups invited.

This bias has been deliberately covered up as shown in the difference between the NPRM document and CASA’s minutes of B3 consultation meetings.

CASA administration needs to answer why they have done this.

The ALAEA did not sit silently during this process and as the minutes of the Standards Consultative Committee meeting of 14 November 2007 show highlighted our concerns to the entire committee regarding the lack of involvement which included what appeared to be being a shut out of communication from the B3 group and a request that CASA puts in writing their definition of “Industry” for consultation purposes.

The ALAEA were refused a seat at the B3 meeting the following day and there has never been a response to the definition of “Industry” request.

The development of Drug and Alcohol Testing of Aviation Safety Sensitive Personnel was another industry consultation groups that we were denied a seat on when the consultation working group was chosen. We would note that other major employee representative groups such as the Australian and International Pilots Association were also excluded for primary participation despite having experience and expertise in the area.

The ALAEA eventually was given some access and input by strong lobbying in support of the Licenced Aircraft Engineers by the Flight Attendants Association delegate, otherwise proposed legislation would be implemented and accepted by a large amount of people without the input of those that it would actually affect. But once again it was disconcerting to see what appeared to be deliberate exclusion by CASA administration of employee representative bodies from the decision making process.

Also the ALAEA were denied access to the working group on Fatigue Risk Management. The ALAEA were initially accepted but then removed from participation with the reason being that the working group was only pertinent to flight operations, despite it being said that any changes and progress made in that area would probably flow on to maintenance. We submitted that as Fatigue Risk Management was one of the most important safety issues in maintenance there should be consultation with maintenance workers.

CASA's Governance structure appears to have failed in the oversight process of its working groups for regulatory development as seen throughout the B3 licence and EASAification of the Australian licencing system. It appears that CASA does not audit the processes and output of its own Regulatory development groups.

At no stage throughout the process was evidence or submissions produced to justify the changes to the licence system. There has been no figures released for the costings to the various stakeholders. There have been no figures or estimates supplied for the amount of new style licence holders that industry will require if at all. The massive upheaval of the licence system in particular the B3 licence appears to be aimed at a very small section of industry with massive cost to an individual LAME.

The majority of problems in the system could have been fixed with simple changes to current licencing requirements and CASA recognising trade subjects without the requirement to sit extra exams post trade. (This has been recognised for almost 17 years without being implemented).

It also appears that one of the reasons for the push for change was to move the administrative function of CASA in respect to engineer licencing onto private Recognised Training Organisations and thus reduce CASA's cost burden by passing 100% of the cost to the engineer seeking the licence qualification. Once this is fully implemented there is huge scope for price gouging and in effect there is no independent competency assessor. We say "independent" on the basis that once the "assessment" function is relegated to a commercial enterprise it is not independent of commercial pressure. Such assessment and Licencing should remain with CASA if CASA can't do it give it to the ATSB.

This brings up the questions on to CASA's priorities to Safety and their accommodation of big business.

Consider ways to ensure CASA meets community expectations of a firm Safety regulator.

It is recognised in the Australia Transportation Industries and in aviation industries in other countries that fatigue is a major hazard in maintenance. In November 2007 the ALAEA made representations to CASA requesting that regulations amended to reflect the New Zealand Aviation Safety Regulations for fatigue management which include such things as maximum work hours per week and minimum break times between shifts. This was following requests for assistance from our members working under new industrial agreements that requires them to work excessive length shifts. CASA's response to this was that those items are covered in the industrial agreements that people work under.

The ALAEA pointed out to the highest levels in CASA that it is the case that post "Workchoices" legislation implementation there are employees that are no longer

covered by industrial instruments that set out those minimum hours. There are also engineers that are self-employed and LAMES who run their own businesses.

An assurance from Grant Mazowita, Manager of CASA Regulatory Development Branch that Fatigue Risk Management for maintenance staff would be dealt with in the second quarter of 2008 has not eventuated.

CASA has shown that it is not willing to make strong stances on serious safety issues that may incur costs onto the big end of town.

It has been suggested that the only reason that the changes to Drug and Alcohol legislation has been gone through to the parliamentary approval stage so quickly is that the large aviation businesses already have those procedures in place for workers compensation insurance reasons that there will be a minimal cost impact.

It has also been suggested that the reason that Fatigue Management legislation for aviation maintenance workers keeps getting ignored is that the cost impact of mitigating fatigue risks such as employing extra workers or appropriate rostering is so high that CASA will not be allowed to make the changes due to the pressure from the major airlines.

Is CASA maintaining the Integrity of the Safety Assurance System?

The ALAEA has concerns that CASA's ability to adequately police safety regulations has been affected by a shift in policy towards Safety Management System audits as opposed to traditional floor-up audits.

There have been serious concerns raised by our members over CASA's ability to assess maintenance organisations as suitable especially after a spate of reports regarding sub standard maintenance practices in overseas maintenance facilities.

For example, the ALAEA had and still has particular concerns over maintenance that was carried out in Singapore on Australian registered aircraft. This facility had been granted a CAR 30 maintenance approval by CASA however it was demonstrated by the aircrafts operator during internal audits that the contracted facility was ill

equipped and had poor maintenance practices. Note that these were repeated negative audit reports over several maintenance checks.

A LAMEs attempts to ascertain why CASA had approved this organisation to carry out maintenance on Australian aircraft have been unsuccessful to this date with CASA's refusal to release documents under Freedom of Information Act the matter is before the Administrative Appeals Tribunal.

The availability of such information should be free, as LAMES rely on trust that work has been previously been competently performed to the requirements of the system of maintenance of the AOC holder to Certify for airworthiness after they conduct their inspection. An individual LAME would have to undo every panel and inspect every part of the aircraft to meet their statutory obligations if they could not "trust" the previous certification.

The ALAEA has information from its members that a CASA airworthiness inspector was actually present in the overseas maintenance facility whilst the Australian registered aircraft was undergoing maintenance but failed to liase with the Australian staff present or indeed have a look at the standard of maintenance being performed by the contractor. CASA only appeared to re audit the facility following adverse publicity after the release of the internal audit report by the Australian Manufacturing Workers Union (when it was headed by Doug Cameron) to the Australian Newspaper in 2007. The "staples in the wiring" incident has been widely reported in the media.

The ALAEA also has concerns over facilities in Malaysia currently in use with reports of an extraordinarily large number of airworthiness items being missed during normal inspections.

Whilst there is no evidence that there is unlawfull activity taking place the lack of transparency in the approval process and the subsequent approval of sub-standard facilities has raised questions of CASA's independence, impartiality and ability as a Safety Regulator.

The ALAEA believes that for CASA to be a strong, robust and independent safety watchdog they need to increase their numbers of skilled inspectors and provide the appropriate resources and authority for them to perform their duties effectively. If you like, the equivalent of “more police on the beat”.

Legislative reforms should be carried out by a separate entity, independent of the enforcer.

CASA’s role should be restricted to the excellence of policing the Act and its Regulations. Too much resource in recent years has been devoted to “regulatory review” which has detracted from the primary function of CASA to ensure the safety of the aviation industry. The government should clearly delineate the “inspection, audit and enforcement role” departmentally from that of “regulatory reform”.

If one looks at the role of the ATSB and CASA in conjunction it logically falls to the ATSB the role of recommendations and consultation on regulatory reform. As the ALAEA submitted in its comments on the Miller report the ATSB is in fact the oversight and check in the system in regard to the “inspection, audit and enforcement role” of CASA. Such oversight (by the ATSB) is desirably removed from the “policing” function.

Whilst CASA have been involved with regulatory reform, spin doctoring and legislative reviews it’s resources have been thinly spread to the extent the functions of “inspection, audit, compliance and enforcement role” have suffered.

The importance of maintaining the effectiveness of CASA’s “inspection, audit, compliance and enforcement role” goes to the heart of maintaining the trust for LAMEs in the overall system of safety assurance. Should the LAME lose confidence and have no trust in the legislative administrator and enforcer then the system will grind to a halt.

CASA’s administration needs to get back to basics and ensure its resources are more focussed on an effective “inspection, audit, compliance and enforcement role”.

To facilitate that CASA administration should be restructured to focus on the “inspection, audit, compliance and enforcement role”.

The necessary resources should be redistributed. For example Airworthiness inspectors should be fully trained i.e. Licenced trained, on the aircraft they are auditing and they should be more hands on in ensuring that a “paper” audit is verified by actual sample inspection of an aircraft that the work has actually been performed in accordance with the system of maintenance. Such an approach is by its nature preventative rather than reactive to an incident.