With all sound business practices, where a service/product is being sold, it is essential to consider the elasticity of demand. Aviation is a product and is price sensitive. Increase the price, fewer people purchase the product! Private general aviation is extremely price sensitive because it is dependent on the leisure dollar.

In arriving at a charging regime for CASA services, it is essential that consideration be given to the private general aviation sector’s ability to pay. There is no point in having the best regulation regime in the world if it is so expensive that no-one can afford it and no-one flies. Now that the Government has decided to cost recover, CASA has moved from a sheltered workshop to a business and, as a business, CASA must now consider the aviation community’s (it’s “customers”) ability to pay.

It doesn’t matter who is regulating general aviation, CASA or the industry, there is a cost for the relevant infrastructure. If we acknowledge that private general aviation is a relatively small “customer” base with a finite ability to pay, and if we make assumptions on what could be considered a reasonable charge which the “customer” would be prepared to pay, then we can arrive at a total amount which may be recovered.

Let us assume that there are 25,000 pilots flying privately in Australia and that a large percentage would retain their licence and remain in the industry if the annual charge for regulation and administration was say $25.00 per annum. Similarly, say the 7,500 private aircraft owners may pay $75.00 per annum to keep their aircraft on the register. It is a simple matter to arrive at a total income of say $1 million per annum for the administration of the industry.

From that point the question must be asked, could a stripped down general aviation arm of CASA of, say, 5 or10 people provide the service or could an industry administration group provide a more economic and efficient service? It is extremely difficult to say how many personnel a stripped down general aviation CASA would require but before we dismiss the possibility we need to consider the efficiency gains that could be made if greater use was made of technology. For example:

1. All successful private medicals conducted by a DME should be entered directly into the CASA computer by the Doctor on completion. It would only be necessary for CASA intervention in cases of failure.
2. All private pilot tests and endorsements should be entered by the ATO directly into the CASA computer without CASA intervention.
3. All actions for breach of the Air Navigation Act and regulations could be investigated and prosecuted by the Australian Federal Police.
4. Safety education and promotion could be conducted by ASFA and breed groups with the PPP program.
5. All necessary accident investigations to be conducted by ATSB.
6. Airworthiness requirements would be to manufacturer’s specifications. Modifications etc to be approved by a Reg. 35 engineer.

It is, I believe, quite possible that if the general aviation operations of CASA were stripped down to core functions in a stand alone, low cost, low overhead facility with minimal staff, an affordable service could be provided.